Address by Minister for Jobs Enterprise and Innovation, Richard Bruton TD
Launch of the Grand Coalition for Digital Jobs
Brussels 4th March, 2013
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Introduction
Commissioner, ladies and gentlemen, it is a great pleasure for me, on behalf of the Irish Presidency, to be able to join you today and to be part of the launch of what I believe is an exceptional initiative - the Grand Coalition for Digital Jobs.

Our Presidency is focussed on Stability, Jobs and Growth and therefore we strongly support this initiative. We have already been active to support you. Building on the work outlined in “e-skills for the 21st Century” and “Towards a Job Rich Recovery” I took the opportunity of the Informal EPSCO Council held in Dublin last month to organise and Chair a workshop of employment ministers focussed on ICT Jobs and the actions that are needed to meet the skills deficits Europe is experiencing. I will refer further to the outcomes of that discussion in a few moments. I also chair the Competitiveness Council and have responsibility for Internal Market, Trade and Research so I get the opportunity to see the ICT sector from many perspectives.

I say that the Grand Coalition is exceptional for many reasons. Firstly, it brings together the efforts of four Commissioners (Kroes, Tajani, Andor, Vassiliou) with the strong support of President Borosso, as you heard earlier this afternoon. It brings together four very important directorates to tackle a challenge, that each recognise they cannot deliver alone, but know they can deliver by working together.

Even more importantly, the Coalition brings together ICT companies and ICT-user companies in industry and CIO associations, to work with educationalists and trainers and national and regional authorities. It is indeed a Coalition that can have immediate impact.
The third reason I see this Grand Coalition as exceptional is the extent to which it is to be driven, from the very outset, by clear targets and indicators of success that can and will be measured and evaluated. In my experience, it is only when you start to work with very clear targets, indicators and timelines for delivery that you move from rhetoric to successful action. This cross-cutting and target driven approach has been the hallmark of the Irish Government’s Action Plan for Jobs, the second instalment of which we launched in the past week, and which I have the pleasure of leading.

The Issues
We see every day how smart technology is transforming every sector and the way we work, live and consume products and services. Success is increasingly going to those who develop and adapt new technologies to achieve a competitive edge; get a lead in the marketplace. We know ICT is one of the central enabling technologies of economic growth and that for Europe as a region, the better use of ICTs will be critical to enhanced competitiveness, growth and jobs.

We cannot afford to allow European labour markets to fall behind or lose job opportunities in favour of other regions of the world if we are to achieve the Europe 2020 employment target. In today’s technological environment, most jobs require some kind of computer related knowledge across all sectors of the economy. We see increased automation in manufacturing, the exponential growth of eCommerce, animation, digital media, e-health, gaming, and the transformation of financial services, to mention but a few. It has been forecast that by 2015, 90% of jobs will need at least basic computer skills. Acquiring these skills is becoming essential for workers to become and to remain employable.

The statistics show that ICT is one of the sectors of Europe’s economy that has been expanding even during the economic crisis: the number of ICT practitioners has been growing at around 3% per annum. We hear that the 2009 estimates, currently being updated, are of the right order of magnitude - that there will indeed be 700,000 unfilled vacancies in the EU for ICT professionals by 2015.

Yet we see the number of ICT graduates in Europe has decreased from 127,000 in 2006 to 114,000 in 2009 despite the growing pervasiveness of high level ICT occupations across all economies. One aspect of the challenge we face in tackling this skills gap is that, among young people, there is a surprisingly poor awareness and perception of the career opportunities in ICT. We also know that the percentage of women working in the ICT sector, at 22%, remains too low and that it correlates with very low proportions of female graduates as ICT professionals.

Informal Council Workshop
I asked my employment Ministerial colleagues if it could be credible that we would preside over a Europe that would simultaneously have high unemployment, extremely high youth and long-term unemployment and hundreds of thousands of vacancies unfilled in dynamic sectors such as ICT, and of course the answer to that question is no. Therefore the time for action is now.
The workshop in Dublin highlighted a number of issues that I am delighted to see are reflected in the work of the Grand Coalition being launched today but there were also wider issues for future consideration.

- Ensuring more intensive engagement with enterprises to precisely define their needs before education, training and retraining programmes are designed and delivered came out from the discussion as a key requirement. We explored how the separate universes of enterprise and education can be brought together – so that each understands the other’s needs and role including upskilling and reskilling roles, and that students and employees can move easily between the two throughout their working lives? However difficult, that bringing together must be achieved.

- It became clear that better intelligence on the skills gap at EU level would be critical and it became clear that foresight work is at different levels of sophistication in Member States and this could be a productive area of mutual learning. It was recognised that foresight is difficult because technology changes rapidly and consequently responsiveness to change is important.

- While advanced ICT professions undoubtedly require a graduate degree in a computer-related field, for many other ICT occupations, short tailored training combined with work experience can be designed to upskill or reskill jobseekers especially those with former experience in technical or scientific areas. ICTs can therefore be a promising option even for workers who become unemployed.

- It was clear that enhanced focus on the unemployed, both young and mid-career unemployed from related fields, and provision of short intensive conversion programmes with job placement opportunities were seen as part of the answer and a win-win opportunity. Ministers found sharing best practice on programmes that work and practical design issues in, for example, conversion programmes to be of benefit.

- Member States lauded the approach of contracting with education providers for precise ICT skills needs identified by industry and allowing universities or vocational training institutes or IT Academies respond through a bidding process.

- The workshop highlighted the need for all actors (EU, Governments, educationalists, companies) to mobilise to increase the awareness of young people, their parents and teachers of the nature and variety of ICT roles available and career opportunities that follow.

- It was suggested that the apprenticeship model should be better explored as an alternative route for young people to enter ICT. This was in the context of existing routes having failed to deliver the required numbers and part of a desire for new thinking to be brought to the fore.

- It was also suggested that ICT should become the 4th pillar of education in our schools. For example, in some Member States programming is taught from as young as 8 years of age.

- It was accepted that actions are needed to improve the mobility of European workers to take advantage of opportunities in other regions and yet a balance was called for between the actions needed to bring workers to where jobs are available with the need to bring jobs to where the unemployed are located. A further complication in this debate is the importance of the clustering in ICT which has tended to thrive in regional clusters with intense interaction and networking between players.
As this short flavour of our debate reveals, there was a good appreciation of the issues and for that reason ministers were reassured that the Grand Coalition for digital jobs would be launched by the four Commissioners today to take forward the challenges arising.

The Irish Experience
As an Irish Minister it would be remiss of me not to say something about the Irish experience. Ireland is a successful major centre for ICT operations. Nine of the top ten US and numerous European ICT companies having substantial operations alongside a strong indigenous sector in Ireland. The ICT sector itself employs around 75,000 people in 8,000 companies. The large talent pool of ICT professionals that exists in Ireland is valuable for foreign-owned and Irish companies both in the ICT sector and across many other sectors using ICT talent. The cluster of internationally renowned firms and Irish start-ups offer a range of attractive career opportunities for professionals in software applications and systems, IT services and consulting, electronics, hardware, and communications services.

Even during the recession, employment increased in the ICT sector and is forecast to continue to increase over the coming years due to the worldwide exponential growth in demand for next generation internet, mobile ICT, social networking and information security technologies.

We too recognise that the key to the successful exploitation of these opportunities is the need to ensure that our labour force is appropriately skilled and that the education system remains responsive to the needs of this expanding sector and the ICT needs of other sectors as they arise.

An increasing share of employment within the ICT sector is comprised of people with high level skills and, as opportunities are growing faster than supply, skills gaps have emerged over the last few years. So we share this European and global problem.

The ICT sector has recovered from the global downturn experienced in 2001 but we find there has been a substantial shift in the skills mix and levels required by businesses. There have been patterns of simultaneous creation and loss of jobs within ICT companies, with lower skilled jobs being replaced with higher skills as companies move from a hardware manufacturing model to a software/services model and offshore low value-added activities.

Ireland uses an Expert Group on Future Skills\textsuperscript{1} to identify the nature and scale of the ICT skills demand. This is done through intensive engagement with foreign–owned and Irish companies, with key trade associations, chambers of commerce, education and training providers and other stakeholders. This research has allowed specific identification and naming of the job opportunities out there – not vague references to ICT roles. It should be remembered that soft skills are also increasingly important, such as, analytical and problem solving, creativity, initiative, team-working & communications skills.

\textsuperscript{1} The Expert Group on Future Skills Needs advises the Irish Government on current and future skills needs of the economy and on other labour market issues that impact on Ireland’s enterprise and employment growth.
Demand is set to exceed our domestic supply, due partly to the lower than previous numbers of high performing school leavers choosing to study in computing and electronic engineering disciplines. The decrease in interest in Ireland has been steeper for females. In 2010 the numbers entering honours degree computing programmes were 20% less than ten years previously. However, in the last three years the numbers entering these programmes have increased. Nevertheless, it will take time for increased enrolments on ICT courses to feed through into increased graduate supply. Inward migration is addressing some of the skills gap and continues to be an important source of skilled professionals in the short term. Companies advised of the need to plan five years out for the building up of the high-level ICT skills pipeline and it was recognised that boosting the domestic supply of high-level ICT skills would be the most sustainable way forward.

In response Ireland has had to establish its own Coalition and I, with the Minister for Education and Skills launched a Joint Government - Industry ICT Action Plan last year.

The ICT Skills Action Plan
Ireland has found it necessary to increase ICT skills supply through:

- increasing numbers and quality of students enrolling on ICT related programmes;
- doubling by 2018 the annual output of honours degree ICT graduates; and
- expansion of conversion courses for graduates from other disciplines and reskilling opportunities for jobseekers who had worked in other sectors;

Specific initiatives include:

- Improving retention and quality of students - halving drop-out rates -improving the maths proficiency of students and almost doubling of higher level maths take-up by 2020;
- Establishing an ICT Foresight Group comprising industry and academia;
- Attracting more students to ICT through Government and industry sponsored initiatives;
- Up-skilling and Conversion Programmes

Conversion Programme
A crucial and exciting element of the Plan is the Up-skilling and Conversion Programmes where to date more than 4,000 honours degree level reskilling opportunities including 1,500 conversion places to talented graduates from non-computing / IT disciplines who are unemployed. It is designed and delivered in partnership with industry.
Conclusion

As I mentioned earlier, last week, my Government launched its Action Plan for Jobs 2013. As part of that Plan there are seven disruptive reforms planned, one of which is to **make Ireland the most attractive location in the world for ICT Skills availability ensuring continued success of the ICT sector**. We intend to build our supply of high level ICT skills including graduates and experienced personnel so that Ireland becomes internationally renowned as a location with the appropriate supply of skills/talent. By 2018, we aim to have the highest percentage of computing graduates as a proportion of all tertiary graduates.

We have already looked to the work programme of the Grand Coalition for inspiration for many of the actions we will take whether matching, training, innovative learning, use of the European e-Competence Framework or attracting young people to careers in ICT. In Ireland the Coalition is already impacting.

We will support the work of the Coalition both as Presidency and as an interested Member State and we wish all of us working together every success with this exceptional initiative.

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