

## **Investing in the Future of Jobs and Skills. Scenarios, implications and options in anticipation of future skills and knowledge needs for the Telecoms Sector.**

### **Policy Summary**

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The telecoms sector provides telecommunications and related service activities such as transmitting voice, data, text, sound and video, either wired or wireless. The sector is characterised by rapid development in terms of business structure ('old' incumbents facing new competitors) and new demand and supply, with new technologies (mobile and handheld devices, Internet, computers, optic fibre networks), trade liberalisation, deregulation and privatisation being important drivers. Convergence is a key word in telecoms. The sector accounts for about 29,000 enterprises, employing 1.2 million people or 0.6% of overall EU employment. New Member States (NMS) account for almost 13% of EU sector employment. Employment growth figures are almost zero, with few exceptions. The new Member States, however, show important employment decreases. In contrast to the post sector, most low-educated have left the sector during the last decade. Almost half of all employees is younger than 40 years, with a clear split between old incumbents and new recently established telcos.

Telecoms is a sector characterised by strong growth and a product portfolio with an increasing share of new mostly ICT-based services, which obviously affects the skills mix. Sector strengths include an overall increasing demand, new promising IT technologies, dense networks, long-standing trusted brands against the presence of new companies acting as innovators. Liberalisation and privatisation offer opportunities, which predominantly lie in new virtual and digital services, and in convergence more generally (platforms, business models, etc). Weaknesses include a culture of 'old' incumbents in some of the EU Member States, an oligopolistic market structure and lack of separation between the state as incumbent-owner and legislator/regulator.

Six main recommendations apply to the future of skills and jobs in the telecoms sector. There is a need to: a) Invest strongly in human capital – and put skills and knowledge more upfront; b) Improve the image and attractiveness of the sector to technical, engineering and IT professions; c) Bring engineering and science to the classroom; d) Improve diversity in the sector, esp. in technical occupations, keep older workers in the sector, and improve the organisation of work; e) Attract workers from outside the European Union; and f) Collaborate with all relevant stakeholders and intensify co-operation.

More flexible and apt education and training are indispensable in order to address the future needs of both employers (firms) and employees. The following ten recommendations are key:

- 1) Adapt and modernise vocational education and training (VET) and general education systems, but do this nationally rather than at the EU level;
- 2) Modernise VET by enhancing flexibility and addressing emerging training needs by modularisation;
- 3) Increase flexibility by promoting e-learning and blended learning and other learning forms;
- 4) Improve information provision on skill needs and job requirements: essential for training and education as well as for finding employment;
- 5) Provide better career guidance for those in search of a job;
- 6) Promote European-wide recognition and transferability of skills;
- 7) Prepare for training, re-training and up-skilling;
- 8) Provide special courses and support for older employees;
- 9) Stimulate multi-skilling;
- 10) Increase attention for interdisciplinary, social, problem-solving, self-management and service-related skills.