

COTEC Europe Position Paper on

“Talents as the first intangible: innovation and digitalization as levers in the framework of Next Generation EU”

Contest

While our countries are still struggling to overcome the COVID-19, the pandemic has triggered long-lasting structural changes such as flexible and remote working arrangements and accelerated automation.

Long-lasting structural changes will affect up to 1500 million jobs globally within the next decade and automation will put at risk 12%¹ of current jobs by 2030 and some 30% of jobs will require completely new skills.

At national level, Spain, Portugal and Italy share the same paradox of skills mismatch: high rates of youth unemployment, early school leaving and "NEET" population - people between 15 and 24 who are not in Education, Employment or Training- (OECD, 2021).

COTEC Europe Action

In a society that needs to react swiftly to new challenges, such as the increased use of technology affecting all jobs and industries, life for learning has become a new priority as it can enable employers and employees to respond successfully to market

¹ BCG <https://www.bcg.com/it-it/publications/2020/alleviating-the-heavy-toll-of-the-global-skills-mismatch#close-modal>

realities and the unemployed to up-skill or re-skill so that they can re-join the workforce.

A coordinated and synergic action of COTEC Spain, Portugal and Italy will also have effect on tackling challenges such as:

- Strengthen the educational system, understood as the most cost-effective tool for facilitating digital transformation,
- Increase the percentage of the adult population with at least basic levels of digital competence, with special emphasis on reducing existing gaps, and attention to the most vulnerable groups.

In our three countries, characterized by small and medium sized firms mainly operating in traditional low technology sectors, the crisis has highlighted a major workforce problem linked to a shortage of talents with new digital skills.

The gaps and weaknesses in terms of digital skills and talent is not a problem exclusive to Cotec countries, but an issue facing all of Europe. The characteristics of the economic and productive fabric of the three countries, mainly made up of small and medium-sized enterprises, allow the incorporation of a business vision of social, local and regional impact, which can be an advantage addressing this issue.

To strengthen our mission and to meet the Next Gen EU objectives, COTEC Spain, Portugal and Italy can find common ground for cooperation both at a trilateral and European level to:

- *Ensure a constant monitoring of the change in skills needed in the industrial and manufacturing sectors, linked to the main drivers that are influencing the change.*
- *Identify the job roles needed, to face upcoming challenges and drivers of change in each specific sector.*
- *Increase cooperation between education and businesses systems.*

- *Develop initiatives with a view to improve the provision of labor market relevant skills and qualifications.*
- *Build sustainable ecosystem for continuous cooperation on upskilling and reskilling of workforce in specific sectors.*
- *Aggregate and continuously update sectorial knowledge and intelligence at COTEC Europe level.*
- *Contribute to strengthening vocational training systems, understood as a strategy to promote the transformation and digitalization of the respective countries.*

Talents issue is the critical intangible asset in COTEC Europe agenda, in order to transform and strengthen our countries' economies.