

For a resilient, sustainable and digital mobility ecosystem – scenarios for a transition pathway

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PRELIMINARY REMARKS

The EU and national policies designed to make Europe the first climate-neutral continent are largely impacting jobs and skills needs in the mobility ecosystem and in particular the automotive industry (that is the largest component of the ecosystem).

Therefore, Ceemet welcomes the Commission's intention to accompany the mobility ecosystem transformation with a reflection on its industrial dimension, including an analysis on the most important challenges that this ecosystem is already facing and will continue to face in the coming years.

As rightly pointed out in the Staff Working Document (SWD), the twin transition is **expected to affect labour markets in all the industries of the mobility ecosystem, though with varying intensity depending on the sector and geographical location**. As a result, some parts of the ecosystem will have to face significant labour relocation and the urgent need for re-skilling and up-skilling the workforce.

It is therefore crucial to put **skills at the heart of this transition pathway**, as a cross-cutting issue impacting all sectors of the mobility ecosystem. Indeed, it is well identified that skills shortages are the major obstacle, today, to the competitiveness of companies belonging to the mobility ecosystem and that this hampers continuously the creation of quality jobs. Similarly, it is critical to involve, in due time, and fully the social partners in the co-creation process of this pathway..

Having this in mind, Ceemet will focus its comments on skills, SMEs & financing and on the co-creation process.

As representative of the tech & industry employers and EU social partner, we would also like to emphasize that today all policies and legislative proposals are inter-linked. Therefore, "greening policies" as well as industrial policies have a large impact on labour markets and on its main actors: companies and workers. Hence, we will constantly call on policy makers throughout this document to consult social partners in the design and the deployment of such policies.

Concrete remarks on the automotive industry

Before providing with our concrete feedback to the public consultation we would like to comment more specifically on the automotive sector which is the largest component of the mobility ecosystem.

The green and digital transition offer also significant opportunities for the automotive sector, However, we need to take into account a series of important elements if we want to turn these opportunities into reality.

- In the path that has been outlined, the "time factor" should be taken into account, as the creation of jobs may not coincide exactly with its disappearance. Similarly, the

local/regional element must be considered, since it is not yet clear whether the reconversion of production will occur in the same place, which would have a considerable economic and social impact.

- Another important issue is the principle of technological neutrality. Without prejudice to the goal of reducing CO2 emissions, it would be advisable to leave more flexibility as to how the common target is to be achieved, thus allowing the possibility of developing alternative technologies, in addition to the electric vehicle, so that this does not have to be the only possible technological solution. It is indeed necessary to think in terms of alternatives such as the use of synthetic green fuels, biofuels, hybrids, hydrogen etc which are available but not in sufficient quantities.
- Further, stakeholders have to take due consideration of the impact of the transition not only on the sale and production of motor vehicles but also on vehicles in circulation.

SKILLS

Skills is one of the key elements to address the twin transition in the industry and we therefore welcome any initiative to assess skills and training solutions of the ecosystem. However, Ceemet would like to insist on the fact that there are already many initiatives at local, regional, national and EU level aiming at assessing the skills needs and at offering training solutions within the different sectors of the ecosystem.

If the Commission sets-up **new EU Frameworks** on these matters, they should be built upon these already existing initiatives such as the different Pact for Skills which cover different industries of the ecosystem and aim at up-skilling and re-skilling the workforce (per sectors) in the coming years. In this regard, we also call on the Commission not to divert resources from the Pacts in order to allocate them to new initiatives such as the EU Frameworks.

Moreover, we consider that though the main challenge “addressing the twin transition and its impact on labour markets” is common to the whole mobility ecosystem, there are different problematics, issues and specific challenges at stake to all sectors of this ecosystem. In addition, the local and regional dimension cannot be underestimated. Indeed, today we are witnessing how some EU regions are very well prepared when it comes to addressing the challenges and grasping the opportunities of the green transition, including by actively involving their companies and workers in this transition. To the contrary, in other EU regions, many jobs and companies are simply disappearing as the adequate measures to anticipate the changes linked to the twin transitions have not been put in place. It is thus critical to provide with a local and regional dimension to this debate.

We are therefore convinced that establishing EU frameworks to assess the skills needs and provide with training solutions to the ecosystem, will only add value if they also provide with a sectoral, regional and local dimension and if they actively involve all stakeholders of the ecosystem.

Moreover, as 99.7% of companies of this ecosystem are SMEs, we cannot establish these Frameworks, without planning, in advance, how to reach these companies with information and awareness raising campaigns on the existence of these initiatives and on their added value for them. Further, it is also crucial to plan, in advance, how the rolling out and practical implementation of the outcomes of these Frameworks will take place at the local and regional level.

On the more concrete division of roles envisaged by the Commission, Ceemet agrees that the Member States and regions should take advantage of EU funding opportunities to support training and re-skilling & up-skilling activities. We also agree with the Commission views to encourage active participation by stakeholders in EU funded training schemes to ensure training provision meets specific local and regional needs.

In this regard, we call on policy makers to make these funds easily accessible and user friendly for companies, in particular for the smallest ones which are the backbone of the economy. The process for accessing and obtaining EU funding has to be eased as the green transition cannot be successful if SMEs are left behind.

Facilitating the access to EU funding is not the only measure that needs to be put in place. Indeed, today many EU specific funds as well as the National Recovery and Resilience Plans (NRRPs) offer opportunities to finance the green transition efforts including on skills policies. However, these funding opportunities are scattered around.

For this reason, Ceemet calls for a clear mapping of the available funds per sector/ecosystem to be put in place. The mapping could also provide simplified information on the policies that each fund can finance and on any other criteria that can ease the understanding of the funding opportunities. An easily accessible unique portal gathering this information could be very useful.

Output scenarios

As the MET sector is facing an increasing and unprecedented lack of skilled labour, Ceemet supports the output scenarios foreseen by the Commission namely to reach out to enough new recruits for companies of the mobility ecosystem and to ensure that universities/technical colleagues are educating sufficiently qualified engineers, technicians and other staff for the manufacturing industry. Indeed, having the option to access the right talent is critical to ensure the competitiveness of mobility ecosystem companies.

Similarly, *“industry sponsorship of technical and university level qualifications including practical work and experience”* is another added value output scenario which Ceemet has been promoting for many years now via its members. It helps bring closer together the worlds of work and education, and represents the best way to ensure that education and training providers provide with the skills needed by the labour market.

Unmet skills needs in the workforce at all levels of the ecosystem

Identifying skills needs in line with labour market immediate needs and future skills needs has always been very challenging. This issue has even become more challenging today because of the rapid transformation of our industries due to technological and green change.

Still, Ceemet has long been calling for a series of measures to be put in place in order to gather information on skills needs in the workforce at all levels of the mobility ecosystem. These measures remain up-to-date and relevant today:

Anticipation of skills needs is the first step to address skills gaps & skills shortages. It is crucial to rebuild and strengthen the links between education & training systems and labour markets. Thus, we call on national policy makers to consult and increase their cooperation with industry and social partners to guarantee the labour market relevance of education programmes and to improve the anticipation of future skills needs. Adaptation of education and training curricula has to be done accordingly.

Also, we should make use of already existing initiatives. For example, the table mentions different EU funded projects that aim at identifying the current and future skills needs of the sectors (automobile, ship building etc.) . We should build on the outcomes of these projects as a first step to identify unmet skills needs in the workforce at all levels of the ecosystem.

Once we have identified the skills needs of the ecosystem, Member States, in cooperation with social partners, education & training providers etc. should put in place **the adequate measures in order to support the up-skilling and re-skilling of the workforce**. This would help the workforce to become more employable and companies more competitive.

It is also crucial that effective active labour market policies are put in place to **ensure effective-job-to-job transitions** in particular within those sectors that undergo a profound structural transformation due to rapid technological change. Companies, in particular SMEs, should receive support and have the possibility to access the adequate measures supporting effective job-to-job transitions. The active involvement of public employment services when designing active labour market policies is also key. But not only, cooperation between all stakeholders, public authorities, social partners, companies, education and training providers is also critical to design the adequate labour market policies.

Ceemet would like to emphasize once more the important role that social partners play. Certainly, social partners at all levels should actively be involved in the development and deployment of active labour market policies, including skills policies at national level.

Cultural and mind-set barriers to the twin transition

In addition to the lack of motivation which is one of the challenges recognized by the Commission to undertake training, specifically of low skilled workers, there is most probably also a fear to the “digital revolution” that prevents workers from developing their digital skills and thus of being up-skilled and re-skilled. The lack of digital skills is also a barrier to access online training.

As the Commission has pointed out on many occasions, basic digital skills will be needed across all sectors of the economy. But also, high complex digital skills – such as artificial intelligence related, cybersecurity, microelectronics and high-performance computing are very much needed within the mobility ecosystem.

Most likely, some employers might also suffer from mistrust of digital/online training. This represents an additional obstacle for investing in up-skilling and re-skilling.

There are also mind-set barriers for women and young people, for example, to access STEM (science, technology, engineering and mathematics) disciplines and careers that are critical for the MET industries.

In this regard, national policy makers need to be encouraged to invest -massively- in STEM, digital, soft and language and entrepreneurial skills. The acquisition of digital skills should start at an early age and be ensured throughout life,

Teachers acquiring digital confidence and saviness goes hand in hand with boosting STEM and digital education. This should be part of any plan that national policy makers present.

As said above, Ceemet has long been advocating for putting in place awareness raising campaigns in order to attract women and young people to STEM and increase their interest in following STEM careers and disciplines.

Ceemet members in the Nordic countries have launched communication campaigns aimed at attracting women and young to STEM careers and disciplines that have given good results. This kind of examples could be used as best practices.

For all these reasons, Ceemet further calls on Member states to support actors, at various levels (companies, social partners), to get support to promote STEM careers and disciplines especially aiming at challenging gender stereotypes.

If we focus on companies, in particular SMEs, mindset barriers might be related with the lack of knowledge of the importance of the twin transition and its large impact on employment and skills at company level. This mind-set barrier might prevent companies from investing in the adequate policies to successfully address this transition and also in accessing the appropriate information that supports them in this transition.

Social partners could play a key role on counselling and advice to support overcoming these mind-set barriers.

Well-structured information and awareness raising campaigns could also function and add value when fighting stereotypes and mind-set barriers. These campaigns need to be well planned and targeted to employees and employers.

Role and responsibilities of public authorities

It is critical that policy making at all levels is well coordinated to avoid overlaps of initiatives. A clear picture of all the EU policies released to make the green transition a reality (and also the responsible DG) will be very much welcomed. It is important that the EU and the national authorities regional and local authorities, are well coordinated when it comes to the design and deployment of the policies designed to make Europe a climate neutral continent.

Ceemet agrees that it is fundamental to give an active role to regional and local authorities as they are closer to citizens and local business. However, this active role should also count on the active involvement of social partners. As a matter of fact, in many occasions, entire sectors and/or companies are intrinsically linked to job creation in a certain locality or region, and today entire sectors risk to disappear, as they are unable to adapt to the green transition. Therefore, regional and local authorities should work close together with social partners when it comes to the implementation and monitoring of fair transition policies.

SMEs AND PUBLIC FUNDING

We are fully convinced that SMEs should receive adequate support to successfully manage the green transition. Competitive companies can create quality employment which is the best way to support those people most affected by the green transition. Ceemet considers that support to SMEs should be structured around 4 axes:

1- Facilitate access to funding of SMEs

We call on EU and national authorities to facilitate and make more user friendly and less bureaucratic the access of SMEs to national and EU funding to support them in their transition to the green economy.

2- Support SMEs to access the adequate measures supporting effective job-job to transitions and skills developments

SMEs should receive the adequate support in order to identify their immediate and future skills needs. This support should be extended to the development of right-skilling schemes adapted to companies and labour market needs of a highly digitalised and greening economy. Indeed, the adequate skills development of the workforce is crucial to ensure a successful transition.

Moreover, SMEs should receive support and have the possibility to access the adequate measures supporting effective job-to-job transitions, in particular within those sectors that

undergo a profound transformation due to technological change and the need for new skills adapted to the green economy.

3- Develop the adequate information and awareness raising campaigns specifically targeted to SMES:

It is equally important to make SMEs fully aware of the existence of measures at all levels to support them in their transition to the green economy. SMEs have limited resources and, in many occasions, do not even have the information on the existence of such measures nor the know-how to access these kinds of measures. Awareness raising and information campaigns targeted to SMEs could be deployed at all levels, in particular at local and regional levels. Social partners, and industry associations should be involved in the design and deployment of such information and awareness raising campaigns.

4- Full involvement of SMEs in all initiatives

Today many initiatives at local, regional, national and EU level are being put in place in order to find the best solutions to address the employment and skills impact of the twin transitions.

Many of these initiatives are being developed and implemented by a large partnership that includes social partners, research bodies, companies, industry associations etc. However, it is worrying to see that many of these initiatives do not properly involve SMEs. This is for example the case of the Pact for Skills. We are aware that it is challenging to reach out to SMEs and properly engage and involve them in all kind of initiatives, due to, amongst others their limited resources.

However, public authorities together with social partners and industry associations at the local, regional, national levels should ensure SMEs participation. Only in this way we will be aware of the specificities and concrete challenges that they encounter to manage the green and digital transitions.

Policy makers have also a critical role to play here. As a matter of fact it is crucial that the all policy initiatives and legislation aimed at making the green targets a reality always take into account the specificities and particularities of SMEs.

Final remarks on the co-creation process

Ceemet calls on EU and national policy makers, at all levels, to properly and actively involve social partners in the development of this transition pathway.

At EU level, we call on the European Commission to actively involve Ceemet, in the development of this transition pathway including in the stakeholders meetings that will follow -up to the conclusion of this public consultation. Ceemet and its member associations are prepared to contribute to this debate with the employers' views.

Annex I- policy recommendations 5, 10 and 11 of the Council Recommendation on ensuring a fair transition towards climate neutrality

Ceemet would like to make the following comments on these policy recommendations:

Policy package 5:

This package recommends Members States to ***ensure equal access to quality and inclusive education, training and life-long learning***. In this line, it calls for a series of measures such as developing up-to-date market and skills intelligence, providing high quality IVET including VET, fostering STEM, supporting apprenticeships and increase adult participation in line with up-skilling and re-skilling opportunities, to be put in place.

Ceemet and its member associations tend to agree with all these recommendations, and would like to make the following contributions to the debate on up-skilling and re-skilling policies:

Anticipation of skills

Ceemet has long been advocating for the development of strategies on anticipation of skills. As we can see today, anticipating the skills needs of the future, including emerging skills is crucial to design education and training programmes adapted to labour market needs. ***Anticipation of skills needs is, thus, the first step to address skills gaps and skills shortages.***

In order to better anticipate the future skills needs of labour markets, cooperation between education & training providers, social partners and companies has to be reinforced at all levels. Social partners play a key role in this equation since they are best placed to make recommendations on the development of education policy.

National policy makers should, thus, consult and increase their cooperation with industry and social partners to guarantee the labour market relevance of education programmes and to improve the anticipation of future skills needs and thus to adapt education and training curricula accordingly.

IVET¹, VET², STEM:

Excellent IVET that provides young people with the skills and competences required by companies is key to ensure the future of industry and Europe's competitiveness and prosperity. Therefore, initial education and training, including VET should deliver the skills that companies and labour markets are in need of, including those skills needed to successfully address the twin transitions. For this reason, we would like to insist again on the need to reinforce the links between the worlds of education & training and labour markets in order for the first to provide with those skills that companies need. Also, education and training programmes should be market driven and flexible enough to adapt easily to new challenges and emerging skills needs.

Social partner involvement in the design of education and training programmes adapted to current and emerging skills needs should be ensured.

For STEM, please refer to our comments on this matter under "cultural and mind set-barriers".

¹ Initial Vocational Education & Training

² Vocational Education and Training

Effective and quality apprenticeships schemes

As MET social partner, and representative of the tech & industry employers, Ceemet has long been calling on public authorities to support and foster the use of quality and effective apprenticeship schemes in the industry. Apprenticeships schemes with a strong training component are crucial to our industries as it is a way to train the industrial employees of the future.

Today, the reduced number of apprentices is a major issue for companies in the MET industries. As a matter of fact, many Ceemet members (companies) are encountering difficulties to fill in apprenticeships positions, to the point that in many occasions they remain vacant. Companies and social partners are currently analysing the reasons of these difficulties, including Inadequate communication – not reaching the target groups; challenges with image of the industry; stigma on apprenticeships schemes etc.

In this sense, we would like to call once more on public authorities for support to deploy information and awareness raising campaigns on the importance and added-value of apprenticeships schemes that normally lead to quality employment within the industries. These campaigns should aim at addressing also the stigma of apprenticeships in many countries. Social partners' involvement in the development and deployment of such campaigns is also critical.

We call on this point also for support for SMEs - many of which have been hit hard by COVID-19 and still remain in a very uncertain situation - to be able to continue to provide quality apprenticeships. Indeed, in many occasions, SMEs have difficulties in delivering quality and effective apprenticeships because of limited resources. Further, SMEs are also often not aware of the skills need of the future (rapid green and digital transition) and cannot train apprenticeships on those skills needed.

Financial incentives, such as apprenticeship bonuses, set up in some countries (e.g. Austria, France, Germany, the United Kingdom) and any other innovative measures, such as support for SMEs, aimed at putting apprenticeships back on the right track, are urgently needed in line with national practices and social partner tradition

Increasing adult participation in line with up-skilling and re-skilling opportunities.

All the above measures will not be enough if we do not increase adult participation in training and up-skilling and re-skilling opportunities.

It is crucial that workers are constantly up-skilled and re-skilled all along their career in order to remain employable (changing jobs and or even sectors) and in order to acquire the right set of skills adapted to present and future labour market needs

Life-long learning (LLL) and Continuing Education and Training (CET) are more than ever a key instrument for maintaining one's individual employability in a rapidly changing world of work. Therefore, awareness raising campaigns/initiatives about the importance of CET should be put in place to promote a culture of LLL and change of mindset and as part of the pathway to tackle the lack of motivation of employees to undertake training. Counselling and career guidance/advice of employees, in particular of the low skilled, on the type of training they should undertake is important. Social partners have a critical role to play here.

Policy Package 10

With regard to policy package 10 of the Council Recommendation on the optimal use of public and private funding, Ceemet shares the Commission views on the need to implement fully the relevant reforms and investments under the NRRPs. Since these plans intend to tackle, amongst others, the impact on employment and skills of the green and digital transitions, it is crucial that sector social partners are involved in a proper and timely manner in the design and deployment of these plans.

We would like to insist again on the need to set up a clear mapping of the available funds per sector/ecosystem that provides with simplified information on the policies that each fund can finance.

Policy package 11

As for policy package 11 of the Council Recommendation, Ceemet fully shares the need to enhance a structured exchange of best practices on how companies, sectors, public services, social partners in different regions and sectors most affected by technological change and the green transition are addressing the challenges related to the green and digital transitions.

The semester process is a good instrument also to foster a structured exchange of information and best practices between stakeholders and social partners.

Social dialogue at levels has to be supported and reinforced as this is an added value forum to exchange best practices and help understand the solutions being put in place at local, regional, national level to successfully address the twin transition.

Ceemet shares the Commission views of involving all “mobility stakeholders”, including SMEs and social partners in the co-creation process of this Transition Pathway. For this reason, we consider that an exchange of best practices could also take place within this “pathway”.
