EURATEX

THE EUROPEAN APPAREL AND TEXTILE CONFEDERATION

An effective Pact for Skills should be an essential pillar of the new EU Textiles Strategy

EURATEX President, Alberto Paccanelli addressed European Commissioners Thierry Breton and Nicolas Schmit during a High Level Roundtable on Skills for the Textiles, Clothing, Leather and Footwear (TCLF) sectors. In his remarks, Mr Paccanelli insisted that addressing the skills challenges will be an essential condition to make a successful transition of our industry. These challenges relate to the ageing workforce and difficulties to attract young talents, and the need for new skills – related to digitalisation and sustainable production. He asked support to the European Commission to increase already existing up/reskilling activities, and in attracting younger generations to work in the sector.

The European Textile and Clothing industries stand out on the global market with their quality and heritage, high-end goods, but also innovation of production processes and products. In recent years, digitalisation, sustainability and other trends emerged, requiring new skills to be developed and integrated in the companies. The sector also suffers from an ageing workforce - 35% of current workers in the textile and clothing industry are over 50 years old –, decreasing number of younger employees and lack of attractiveness. The COVID-19 pandemic significantly accelerated these trends and created new challenges.

These issues were presented yesterday to European Commissioners Nicolas Schmit and Thierry Breton during the "Pact for Skills roundtable". Several representatives from the industry and related stakeholders 1explained that these trends not only affect the workforce of EU companies, but more broadly the competitiveness of the industry. A "Pact for Skills" can offer the right framework for developing a new framework, if well designed and implemented.

A recent TCLF survey among 150 companies, launched by EURATEX, CEC and COTANCE, confirmed these challenges:

- Only 57% of respondents implement currently up/reskilling activities to meet digital skills needs, 85% foresee them as important or very important in the next 5 years.
- 1 in 3 companies implements up/reskilling activities to meet green skills needs, and around 60% see them as very important in the next 5 years.
- Up/reskilling activities, focused on process and production skills characteristic for the textile and clothing industries, will remain important in the future. 9 out of 10 companies foresee needs for this type of skills in coming years.
- Up/reskilling initiatives in companies are constricted by time and financial constraints, as well as lack of knowledge about existing offer. That's why only 15% of companies admitted that they often or always use external financial support in up/reskilling. Collaboration structures between education stakeholders and policy makers - on national and regional levels - are considered ineffective.

The Pact for Skills initiative can then be the solution to these problems, but it needs to deliver concrete answers. EURATEX President highlighted some actions which should be part of the Pact for Skills:

- Support SMEs in their digital transformation with financial aid or programmes. In the survey, companies stated that direct funding is the only way to meet this transformation.

- Improve the skillsets of existing workforce, by supporting companies in their efforts to upskill and reskill their workforce through training, apprenticeship and mentorship programmes.
- Minimize skills gaps and mismatches in the areas of sustainability, digitalization, process innovation and new business models.
- Attract well-qualified young workers and professionals.
- Supporting the modernization of the sectors' VET and training infrastructure through improved education-industry collaboration.

At the same time, European T&C companies are willing to engage and develop the Pact for Skills initiative. With the necessary support, they can commit to:

- increase diversity at the leadership level to become more inclusive and dynamic;
- foster closer cross-sector collaborations, as for example in Digital Innovation Hubs;
- create new collaborations with education and policy stakeholders;
- plan to make greater use of the possibilities offered by Erasmus+ Programme.

"*The Pact for Skills initiative can be the driver for change in a sector which is going through a substantial transformation*" commented Alberto Paccanelli. "*But it should be implemented quickly, offer tangible results, and be part of the wider EU Textiles Strategy. EURATEX is ready to support the European Commission in running the process and connect all the different actors*".