



## Tackling unemployment in Europe

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## The way forward

Unemployment is an issue that is affecting countries across the EU; in the three months to September 2013, unemployment in the UK stood at 2.487 million with youth unemployment totalling 965,000, 21%; in the same period and as of October 2013, unemployment in the Eurozone stood at 19.3 million, 12.1%, with youth unemployment totalling 3.58 million, 24.4% (Sources Parliament.uk, BBC News and The Guardian). Youth unemployment is far more severe in some of the Eurozone countries such as Greece and Spain; with youth unemployment exceeding 55% indicating the possibility of a lost generation. Many steps have taken by both the UK Government and the European Commission to try and help people back into work, these initiatives include the Youth Contract Scheme and the Back To Work Initiative in the UK and the Youth Opportunities Initiative and the Grand Coalition for Digital Jobs in the EU, (Source BBC News and Europa.eu).

The current unemployment problems in the UK and EU are not dissimilar to the unemployment issues that were facing the region in the 80's and 90's, and so this report is concerned with one or two tried and tested employment schemes from that time which were supported by the UK and EU as part of the EUROTECNET (Vocational Training and Innovation in Europe) initiative. In 1984 each of the 12 European member states at the time selected 10 ongoing innovative technology or education projects and linked these local networks, known as TECNET, into a European network of projects called EUROTECNET. The people who were involved in TECNET projects in each country were brought together to discuss the innovative aspects of their projects and how Europe could become more competitive. The primary areas of focus were: the introduction of new technologies and the development of novel training programmes for the unemployed.

One of the UK TECNET projects included in EUROTECNET, known as 'Factory of the Future', which started in 1980 and ended in 1996 is a good case for consideration. A copy of the then UK Government Department for Education and Employment's report on this project is attached (Appendix 1) for reference purpose. **Europe has to realise that simply creating initiatives in a top-down approach has not been the solution in the past and will not be the solution in the future.** The report In Appendix 1 clearly shows how 'Factory of the Future' used a different approach, and instead tackled unemployment problems in a collaborative way, involving the key Industrial stakeholders at local, national and European levels. It's an acknowledged fact that the future of Europe and its member states lies with its SMEs and a review of the Factory of the Future programmes, Appendix 1, identified a number of conclusions and recommendations that are as relevant today as they were in 1995:

1. The majority of SMEs are small companies who do not have the time to stay up to date with European or National initiatives and prepare the extensive proposals needed to seek funds to improve their performance.
2. The majority of SMEs are involved with, or work within, supply chains, working with other SMEs supporting an OEM.



3. SMEs often have problems with understanding new technologies and how to apply them; hence many SMEs often fail to incorporate a technology that is crucial to the maintenance of their current performance or for improving their share of the market. Many SMEs who adopt technologies that are imposed on them face difficulties in implementing and using this new technology in the workplace.
4. **SMEs often are unable to find and allocate resources to working with local colleges and universities, government bodies, or with the EU to seek funding for the application of a new technology, to recruit new staff, or to train their existing workforce to improve their competitiveness.**

In this technological world, in order to tackle unemployment, SMEs, should be given the resources to adopt the latest technologies that specifically address their business needs, as well as being given help to recruit new staff and/or train their existing work force to adapt new technologies. It is pertinent to point out that several papers published by the Factory of the Future Project (Factories in of the Future as from 1996) clearly identifies that the pay-offs gained from adopting various types of technology: Adopting robotic technologies did not have a positive pay-off for most businesses, whilst adopting technologies such as CAD did not have a measurable short-term pay-off but did prove necessary for the long-term survival of the business. What is interesting to note is that one technology, MRP (now known as ERP) led to a significant positive pay-off for businesses. The reason for this is that MPR/ERP helped SMEs, and larger companies, to manage themselves more effectively and efficiently, and helped them to learn what was actually going on in their workplaces. MPR/ERP technology started as a simple material resource planning (MRP) routine which gradually became more comprehensive and documented.

The Factories of the Future projects were not a gimmick; rather they formed a core body in several locations across the UK and beyond. The projects were designed to help SMEs become familiar with new technologies and methods that could support them in their quest to remain solvent and/or to become more competitive. These projects also created direct links for SMEs to access local, national and European initiatives, helping them to achieve funding for a particular technological development and for training their workforce to ensure effective implementation.

The Factories of the Future projects also carried out surveys of the local manufacturing base in specific areas of Europe and identified the skills/manpower requirements of the companies in the region. Then in response to the survey findings the projects worked with local universities and colleges to develop appropriate training programmes directly addressing the skills/manpower requirements of the surveyed companies. These surveys involved not only the companies and local colleges and universities but also representative of local and national government bodies. This knowledge of funding opportunities from the EU and national and local governments helped to finance many training courses at craft, technician, graduate and post-graduate levels, as well as funding PhD programmes for key management personnel. Looking at the new Pisa (the Programme for International Student Assessment) results published this month which show the UK for the first time not reaching the top 20 in International tests for reading, maths and science; the importance of such industry tailored training courses as those used in Factory of the Future projects could be of more importance for young people today than they were in the 80's and 90's.

All Factories of the Future training programmes employed a hands on approach applying RZ techniques (the RZ technique involves exposure to real world situations using scaled/simulated models of technologies or methods). In one of the training programmes Navy personnel who had been marked for redundancy were assessed, each was given a document accrediting their prior learning whilst also specifying what training programmes they needed to take in order to gain qualifications that could help them to secure a job in a local company. Since local companies were already involved with scheme it helped trainees and the companies to come together, which in many cases led to Factory of the Future trainees finding permanent jobs in the companies involved.



The Factories of the Future Project also ran specific programmes to prevent unemployment taking root in the first place. This was achieved by working with larger companies, particularly OEMs, to assess the learning needs of all their personnel through a careful examination of each individual employee's learning needs, with the specific aim of ensuring that the existing development plan of the company is supported by appropriate training programmes for current and future staff. In each company a decision was made to develop a current and future map to ensure appropriate training programmes, and any new technologies, supported the company to develop from its current map to its future map. Each future map consisted of 3 stages, one for short term, one for medium term and the third for the achievement of the long term objectives. At each stage, specific evaluations and assessments took place and any changes agreed and implemented accordingly.

In almost all cases these schemes required a survey of the local companies to identify their skills/manpower requirements, and the involvement of a local colleges/universities to provide the appropriate training for the trainees and their APL (Accreditation of their Prior Learning). The colleges/universities helped to develop specific training programmes and recognition was obtained by involving a major awarding or accrediting body. A very good example of this system in action, is given in Appendix 2 which details the cooperation between a 'Factory of the Future' Project and Rover.

Preventing unemployment or countering it effectively is not a gimmick and needs a concerted effort and co-operation between Industry, Government and Education Institutions. Appendixes 1 and 2 are examples of previous success in this area, and to solve today's unemployment issue Europe should look to these successful Factories of the Future projects and to the achievements of the EUROTENET for good practices. The key conclusions and recommendations of the reports in Appendixes 1 and 2 are as relevant today as they were when they were first written over 15 years ago, and this author would recommend the readers to go through these conclusions and recommendations and make up their own minds.

My own conclusion is to bring back the TECNET and let the innovators help governments and the EU to set the scene for the next twelve years as EUROTENCET did in 1984 for 1980s and 1990s.

Links to read [Appendix 1](#) and [Appendix 2](#).