

## **Promoting Inclusive Economic Growth and Employment through Enhanced ICT Skills and Knowledge**

### **Overview**

All economies globally have over the last few decades experienced different phases of growth and contraction. Nonetheless, the prevailing economic tide has forced the various trading blocs – and the countries therein – to closely examine the concept of productivity. Increased productivity can help to prevent some economies from falling further into decline, serve as a catalyst to reinvigorate economies which have stagnated, as well as enable thriving economies to move higher up the value chain.

These fluctuating economic times provide a useful opportunity to reflect on how the increased productivity and efficiency of a workforce can not only impact positively on the economic growth of an enterprise, and therefore a country, but can also be of great benefit to the employment and social prospects of the workers themselves. Improved efficiency of a workforce effected through greater ICT knowledge and skills, or e-productivity, is considered to be an important element in stimulating economic activity for the future, whilst promoting the concept of inclusive growth. In fact, it has been shown that over an eight-year period, ICT's contribution to positive labour productivity growth in a national economy is both significant and measurable<sup>1</sup>. By certifying workers' ICT skills to an internationally recognised standard, employers will develop a more productive workforce (as less time will be spent resolving ICT-related difficulties), and by having a measurable yardstick of their skill levels, will be able to deploy them more effectively and productively within the organisation<sup>2</sup>.

### **Enhanced ICT Skills, Knowledge, and Certification as a Means to Stimulate Employment Growth**

Some trends strongly suggest that in future the ratio of the need between skilled and unskilled jobs will alter significantly as the demand for jobs that require more skilled workers increases greatly<sup>3</sup>.

This shift towards more highly skilled, productivity-driven growth will require major new investment in the skills, expertise, and innovative capabilities of enterprises and people over the forthcoming years. In terms of the human capital investment, measures such as investment in developing and certifying workers' ICT skills will be of enormous benefit in the creation of a more dynamic and productive workforce, and in a more even distribution of skills-based knowledge.

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<sup>1</sup> "Reaping the Benefits of ICT - Europe's Productivity Challenge" Economist Intelligence Unit, 2004 p.14

<sup>2</sup> "IT Skills: The Business Gain – Measuring Employees' Efficiency after e-Skills Training & Certification" ALBA Graduate Business School (Greece) 2010

<sup>3</sup> See Cedefop Briefing Note, Feb 2010: "Jobs in Europe to become more knowledge- and skills-intensive"

On a national policy level, this move towards productivity growth is aided by: matching workers with available vacancies; promoting job mobility through continuous education and training (CET); and enabling those unemployed to find work through the delivery of targeted (and ideally subsidised) skills-based training measures, such as the development and certification of ICT capabilities. Policies such as these become increasingly important instruments in helping to promote full employment and in fighting against social exclusion.

### **e-Productivity's Role in Working 'Smarter, not Harder'**

For sustained economic growth, it is important to make better and more productive use of the current resources available, and especially by growing the skills and talents of the workforce. This investment in, and growth of, human capital becomes increasingly necessary in economies where the pool of those available to work is shrinking, due to factors such as an ageing workforce. This does not necessarily require workers to work harder or for longer hours; it relates to efficiency of output, and improved ICT skills allow for the up-skilling of a workforce, and facilitate the creation of an environment where fewer workers can perform a greater variety of more complex tasks. In essence, enhanced e-productivity is in line with the principle of working 'smarter, not harder'. An analysis of local drivers of growth shows that human capital is a fundamental source of economic development in an increasingly knowledge-based economy. Continuing education and training (CET) has a major contribution to make in driving inclusive growth; not only in providing the pool of skills that the economy needs locally, but also in fostering entrepreneurship, innovation, and social cohesion<sup>4</sup>.

### **Investment in ICT Training and Certification as a Benefit to Companies**

The benefits of benchmarking workers' levels of ICT knowledge and skills against an internationally recognised certification, such as ECDL / ICDL are many: not only can it show the actual measurable return on investment (ROI) of an organisation's investment in the ICT training of its staff, but through targeted training and certification the amount of re-training required for staff is in itself also greatly reduced<sup>5</sup>. Additionally, a benefit of certification from the organisation's point of view is that by measuring the ICT skills of its workers against a quantifiable and objective standard, the overall efficiency (improved by enhanced e-productivity) of that organisation can be clearly demonstrated externally. This is particularly useful for service-based organisations that possess an external client base.

### **Conclusion**

- A more dynamic workforce delivering enhanced e-productivity is becoming an increasingly important factor in building a sustainable competitive economy, and surviving the economic downturn.

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<sup>4</sup> See "More Than Just Jobs: Workforce Development in a Skills-Based Economy" – OECD, Feb 2008

<sup>5</sup> See "The Cost of Ignorance in an Information Society": Report – Bocconi University (Italy) & AICA 2001

- Investment in technology will only be successful when coupled with investment in human capital.
- Enhanced e-productivity will greatly benefit the creation of a more dynamic workforce as required by current labour and employment trends.
- Greater e-productivity allows for a more even distribution of skills-based knowledge, promotes inclusive growth, and full employment.
- With improved and certified ICT skills in the workforce a clear measurable benefit both to enterprises/organisations and to the workers themselves can clearly be demonstrated.
- Internationally recognised certification programmes show a clear demonstration of an organisation's investment in the ICT training of its staff.