

DC NOISE

Workshop on demographic change and the labour market for higher educated

Frans Coenen



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demographic change



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Workshop Labour market

- a) The consequences of demographic change for the labour market for higher educated

- b) Pilot; Labour market in of Twente





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Consequences of demographic change for the labour market

- Regional demographic changes influences
 - the regional workforce
 - the workforce in organizations
- Not just aging but also migration
- Some regions are hit harder or earlier because they
 - are peripheral (battle between regions for people)
 - have a more vulnerable regional economy





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Why a pilot on the labour market for higher educated?

- The importance of skilled people for economic and social processes
- The job mobility of higher educated
- Labour productivity of higher educated





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The importance of skilled people

- Lisbon agenda (knowledge economy)
- Regional economic structure
 - correlation between high skilled jobs and low skilled jobs
 - economy less vulnerable for companies moving to low wage countries
- Crucial positions in the welfare state (doctors, teachers)
- Important for social capital
- Buying power (contribute to the wealth of the community)





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The job mobility of higher educated

Higher educated are drawn to metropolitan or core regions

- Concentrations of economic processes in core regions (effect of globalization)
- Cultural dimension people want to go where 'it' is happening (phase in life)
- Labour opportunities (job-hopping)
 - companies go where people can be found
 - people go where they can choose among jobs





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Labour productivity of higher educated

- Limits to raising labour productivity for higher educated
- Low skilled jobs are moved to low wage countries
- Labour ratio for low skilled jobs can be lowered (more robots) or outsourced
- Work asks increasingly more skills (example banks)





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Is it really a problem?

A relatively low percentage of higher educated in a region (stock of human capital) is only a problem if these people are needed in society and economy

- Ambition of the region (Twente 10.000 new high skilled jobs)
- Fiscal aspect; educating people in one region on the region's expenses who all leave the region after graduations
- A young higher educated is not the same as an old higher educated (work experience and innovative capacity)





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Can we manipulate the future situation?

Manipulate the regional stock of human capital (amount, composition of the workforce)

- More births → Dutch policy: use the silent reserves
- Immigration from other countries
 - cultural problems
 - competition with metropolitan regions
- Competition with other regions → first mover wins the battle for brains?
 - wages
 - quality of life
 - facilitating moving to the region (job for wife, house, etc.)





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Measures to influence the stock of human capital

- Measures to stop brain drain, at least to a level that no more young high educated leave than the region needs itself
- Measures to foster brain gain, this is drawing new people to the region.
- Upgrade the existing stock (life long learning)
- Measures to use the silent reserve on the labour market.
- Innovative measures to rationalise the economic production processes and outsource labour-intensive economic activities to other regions (to be able to do the same work with a shrinking population).





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Approaching the problem (the pilot)

- Analyses of the problem
- Awareness raising among employers
- Supporting measures for individual organisations
- Joint measures by employers.





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Analyses of the problem

- No study project, but we have to understand the consequences and underlying mechanism to be able to take the right measures
- Insight in the consequences of demographic change is crucial for awareness raising





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Awareness raising among employers

- Problem on a regional level is recognised, but not fully for the own organisation (example of the Saxion Applied University)
- The problems are coming faster than many expect (example Twente region)
- Recognition that the ideal candidate for the job is not longer a 24 year old male, white, with working experience but somebody re-entering the labour market or from an ethnic background or from abroad
- Recognition that on a regional basis employers should work together (Career Center Twente)





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Supporting measures for individual organisations

Key is 'looking differently' at hiring people, by:

- using the silent reserve in the own region;
- using reserves in the labour market cross border or interregional;
- raise the qualification of the own staff;
- binding employees and potential employees (students) at the organisation





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Joint measures by employers

Synergy in measures, if organisations take them together.

- Some measures are impossible to take as an organisation alone (for instance region branding)
- Some are more efficient to do together (for instance recruiting abroad).
- We need to create an infrastructure to create and implement measures together





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Discussion theme (1)

1. Do our regions differ and what does this mean for the consequences of demographic change on the labour market?
 - Commuting
 - Education infrastructure
 - Quality of life
 - Feeling of connection with the home region
 - Respect for older employees





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Discussion (2)

2. Do we know the consequences for our region and do we understand the underlying mechanism?
 - Data are not specific enough
 - Data are important to urge stakeholders to take action





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Discussion (3)

3. Employers are not enough aware what is coming and don't anticipate enough on the consequences for their organisation





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Discussion (4)

4. Measures should not be developed top down by regional government but bottom up by employers
 - Example of Career Center Twente, Zirkl Kaiserslautern





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Discussion theme (5)

5. Re-assessing the idea of the 'ideal candidate' for a job is crucial to anticipate on demographic change
 - Measures on employability





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Discussion theme (6)

6. Employers working together on measures is crucial for implementing solutions efficiently

