



WZB

Wissenschaftszentrum Berlin
für Sozialforschung

Systems for identification skill needs in OECD-countries – Experiences of project work

Christoph Hilbert

Systems, institutional frameworks and processes for early
identification of skill needs - International conference

25th-26th November 2004, Dublin, Ireland

Why analysing skill needs? Market failure through wrong qualifications

Effects of market failure through low or wrong qualification

- > Decrease of production quality
- > Decrease of growth
- > Decrease in wage level

...but policy failures can also be a problem

- > Misapplication of results as deterministic planning tool
- > Transmission of responsibility for decisions to the scientist

> Enhancing transparency on labour market and human capital development and on future skill needs ... but how???

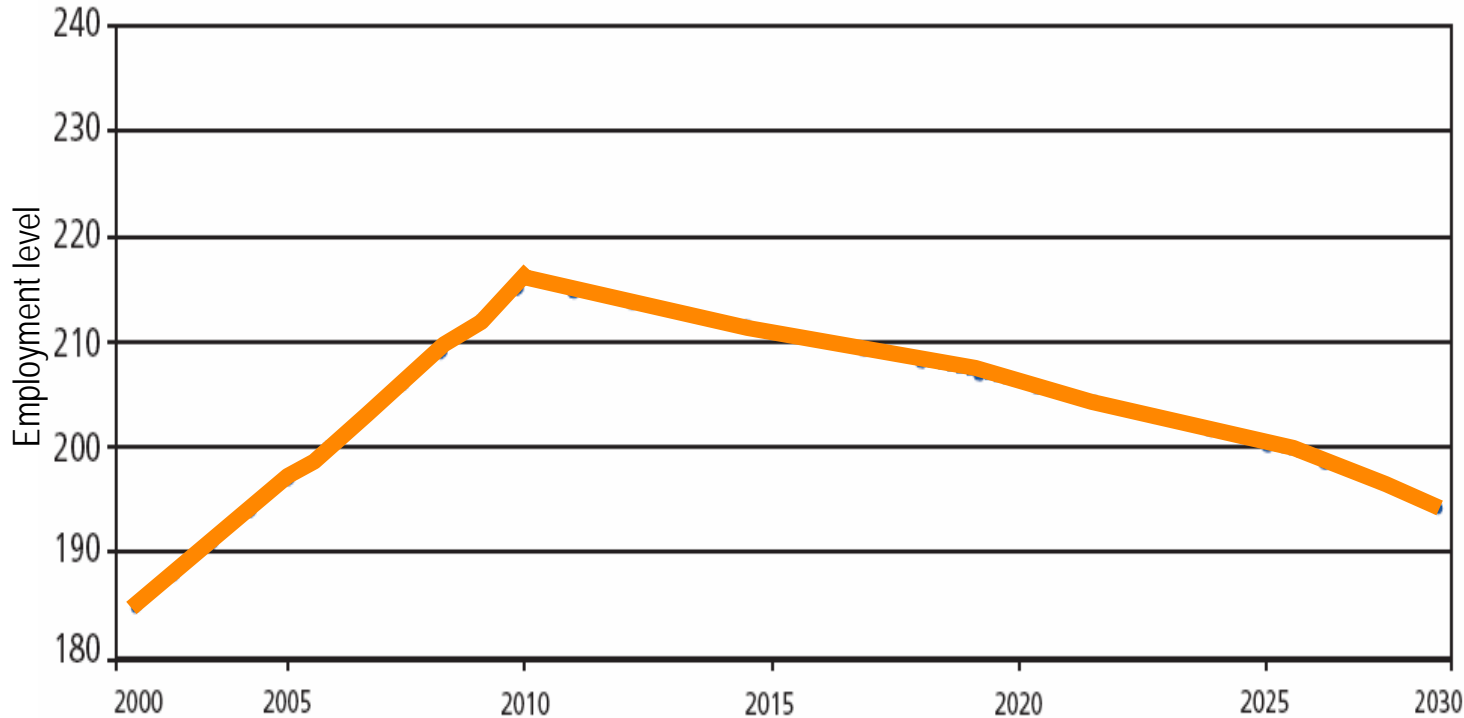
Why analysing skill needs? Efficiency and demographic aspects

- > Widespread consensus about the key role of human capital to achieve stable employment patterns in the information society
- > **Due to this:** question how to qualify in the right way
- > Calling for higher qualification level is one possibility

BUT

- > Not only expensive and sometimes inefficient, but also difficult to implement in full extend
- > **Alternative:** qualify in the 'right' way, through transparency – planning in a deterministic way neither possible nor desirable
- > **Future challenge is to handle:**
 - 1: Growing need for (high) qualification
 - 2: Regionally specified
 - 3: Under the restriction of a shrinking work force

Facing up to a shrinking and ageing workforce – real facts about future development



Even if the EU meets its **target** of having an employment rate of **70% by 2010** – about which there is already doubt - the fall in the working age population over the subsequent 20 years will result in a **sharp overall decline** in the volume of employment

Finland: innovative approaches – but without sustainable structure

- > With the joining of the EU In 1995 an extensive program by the ESF started (*Project-based Anticipation System*)
- > *174 projects, different in regional and methodical aspects have been funded*
- > *Target definition and coordination only in a rudimental way*
- > *Maxim was to find different way in an environment as free as possible*
- > *Can be defined as a pure Bottom-up-approach*
- > *Innovative and promising approaches have been developed and tested*

BUT

The system did not hold beyond the pilot phase:

- > After the phase-out of the ESF-program there was no stable network and for this, the different projects have been downsized or stopped
- > From a today's view the initiative can be seen as collapsed in the sense of installing a continuous system for the identification of skill needs.

Switzerland – the 'other' country in Europe

- > Economically and politically outstanding role as economy Europe
- > In the 90's, innovative labour market and education policy reforms in fast reaction to changing environment
- > In skill forecasting 2 important developments:
 1. Co-operations on an inter-cantonal level in Eastern Switzerland (AROSA) and in the Roman Swiss (ORTE)
Target: through a scientific approach, information on regional labour markets are collected and the actual and future skill need is tried to be anticipated. Target group is are the Regional and cantonal employment offices.
 2. Pilot project for a CD-Rom-based integrated information system
Potential target groups are experts in:
Labour market and education offices, career consulting, unions and organizations, schools, labour market, occupational research

Differentiated information system on occupational employment expectations and skill needs

Main Characteristics:

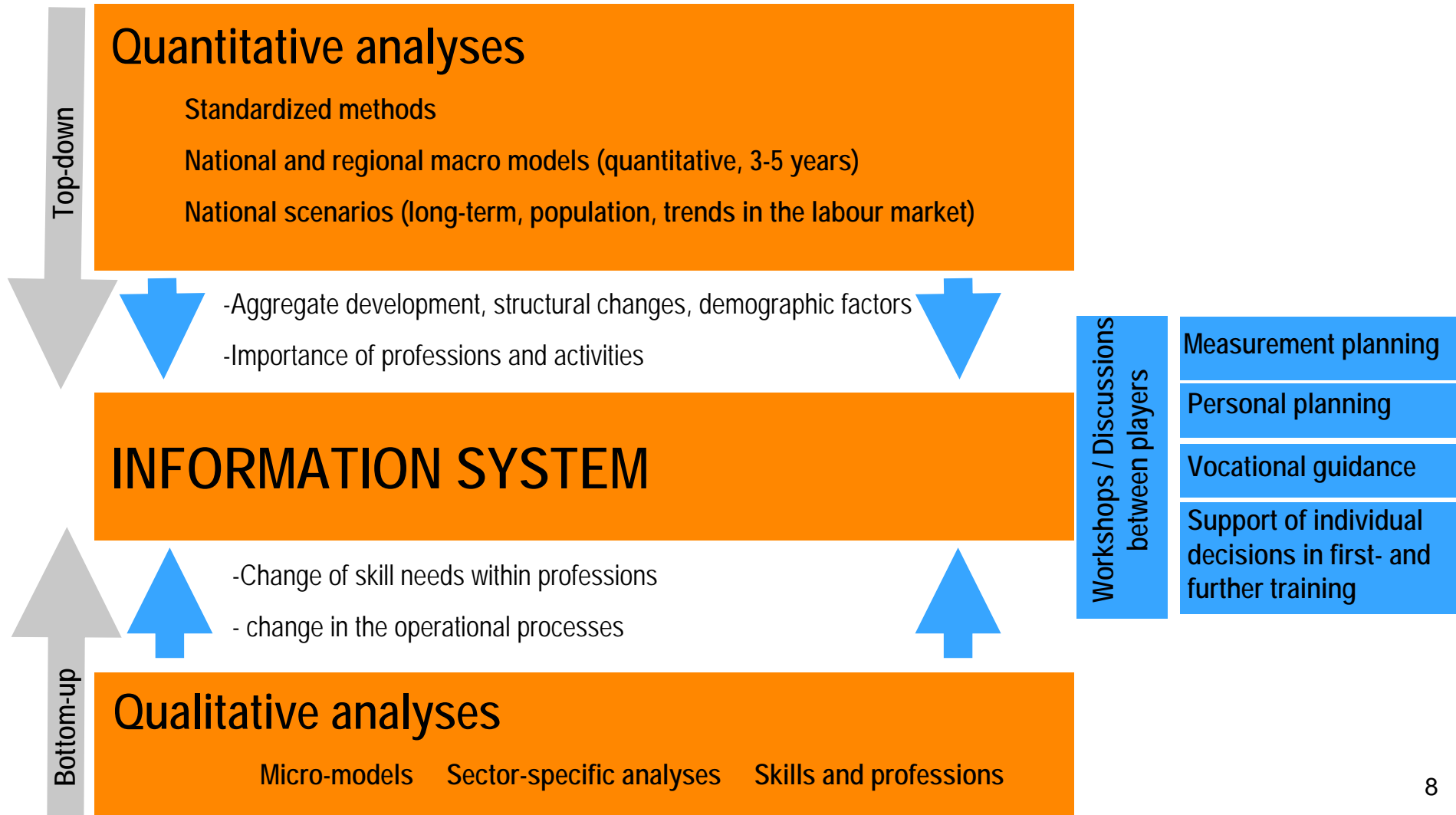
Information for all qualification levels

Apprenticeship and occupations are the main classification group

Not a new development of methods and forecasts but a collection of existing work

Modul 1	Occupational employment expectations, short-term
Modul 2	Education and apprenticeship expectations, short-term
Modul 3	Trends and long-term developments
Modul 4	Demand-oriented simulations
Modul 5	Supply-oriented simulations
Modul 6	New occupations, qualifications and skills
Modul 7	Data export

Framework for more transparency in the market for skills



Conclusion: Three main consequences for the importance of skill needs in Europe

1

Analysing skill needs (quantitative and qualitative) is an important instrument to **avoid market failure**:

- More transparency
- Improve matching

2

For definition of information unit **regions** are often more useful than countries... So why European perspective?

- Learning methods
- Identify (regional specific or general) trends
- Improve and harmonize user-friendly presentation and publication

3

Labour market information is a **public good** and can be interpreted as a tool for **quality assurance**. Today, the use of results in most European countries is rather **fragmented** (Regional economic development, PES, decision makers, branches, ...) – and **not evaluated** in their results due to implementation