



**CEDEFOP**

European Centre for the Development  
of Vocational Training



# Identifying and analysing imbalances in the Pan- European skill supply and demand forecast

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# Overview

1. Methodological issues.
2. Policy relevance.
3. Future actions.

# Methodological issues

- A challenging task!
  - Reconciling projected S and D estimates!
  - Classification changes/LMARs
  - Inclusion of wage information/skills/tasks
- Reconstructing assumptions – the ‘King is Naked’!
  - Overall sensitivity to forecasting modelling exercise
  - Labour demand proxied by employment (unfilled vacancies?)
  - Plausible patterns of unemployment differentials by qualification
  - RAS adjustment procedure
  - Maintain patterns of occupational deployment in constrained supply
  - Weighting shares (e.g. IFIOD and fields of study) constant

# Policy relevance

- Complexity (constrained D; LMAR; RAS)
- Insufficient variation (e.g. IFIOD) & level of occupation
- Inconsistency with policy messages from other sources
  
- *Should current policy be concerned with (i) a potential absence of labour in lower-skilled occupations (IFIOD) or (ii) a reallocation of qualification types within occupations (MC) or with (iii) an insufficiently skilled workforce within higher-skilled occupations?*

# Policy relevance

- European Company Survey (2009)
  - *Difficulties to fill low-skilled/unskilled posts: 10%*
  - *Difficulties to fill skilled posts: 36%*
- **Job-finders to unemployment ratio:**
  - Evidence of shortages in professionals and associate profs:  
*Nursing and midwifery profs; Life science profs; Health profs and associate profs; Computing profs and associate profs; Physical and engineering science technicians, sales and finance associate profs.*
  - Limited evidence of shortages among:
    - Clerks; Service and sales occupations; Elementary jobs.

(Source: EVRR, 2012)

# Policy relevance

- Based on **PES vacancy inflow to unemployed ratio**:
  - *Evidence of shortages in skilled manual and professional occupations* (Source: EVRR, 2012)
- National studies (e.g. employer surveys, PES vacancy duration & administrative data) & Manpower Talent surveys:
  - *Predominance of recruitment difficulties for professional occupations in IT, engineering, finance and health.*
- Risk assessment approaches (e.g. UK National Skills Audit; Australian AWPA-NILS index) – movements at the margin

# Future actions

- Cross-country differences.
- Sensitivity to inclusion of fields of study.
- Modelling the wage mechanism.
- Regional dimension?
- *“National studies indicate that bottleneck occupations do not necessarily affect an occupation as a whole, but rather certain specialisations within that occupation” (EVRR, 2012).*
- Taking account of employer adjustment & working conditions (e.g. 21% say they provide training and development to existing staff).
- Inclusion of skills information – EUMISS & Employer Survey?



# Thank you for your attention

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