



CEDEFOP

CEDEFOP Seminar:

«Forecasting skill supply and demand in Europe:
Expert seminar on methodology and new ideas»

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CEDEFOP

Baptiste BOITIER - SEURECO



Introduction



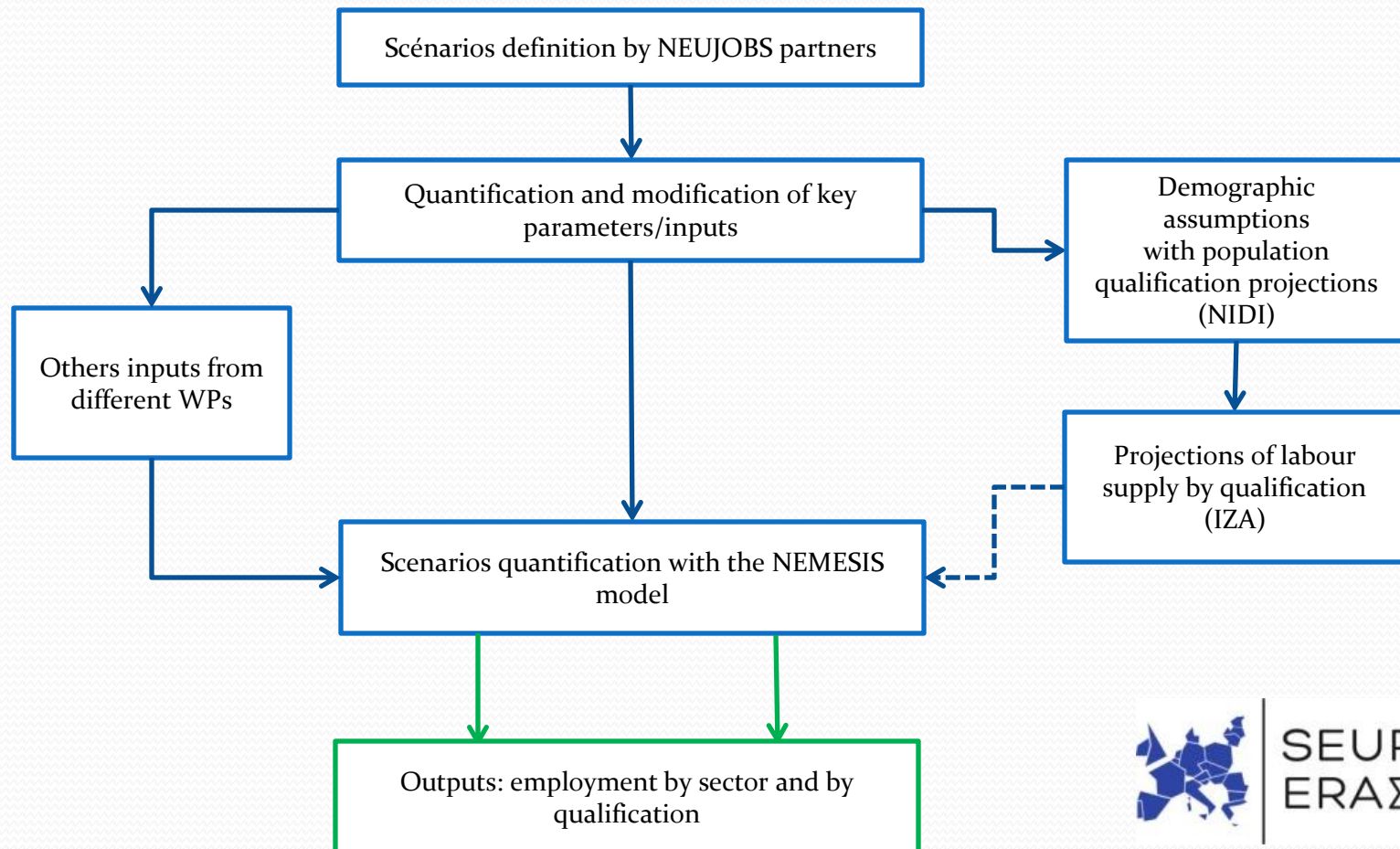
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Comparison with NEUJOBS

- 7th FP project (www.neujobs.eu)
- Objectives: “The objective is to analyse future possible developments of the European labour market(s) under the main assumption that European societies are now facing or preparing to face transitions (especially socio-ecological transition) that will have a major impact on employment, in particular for some groups in the labour force or sectors of the economy.”
- SEURECO task: quantify scenarios with the NEMESIS model (<http://goo.gl/5dJ9c>)

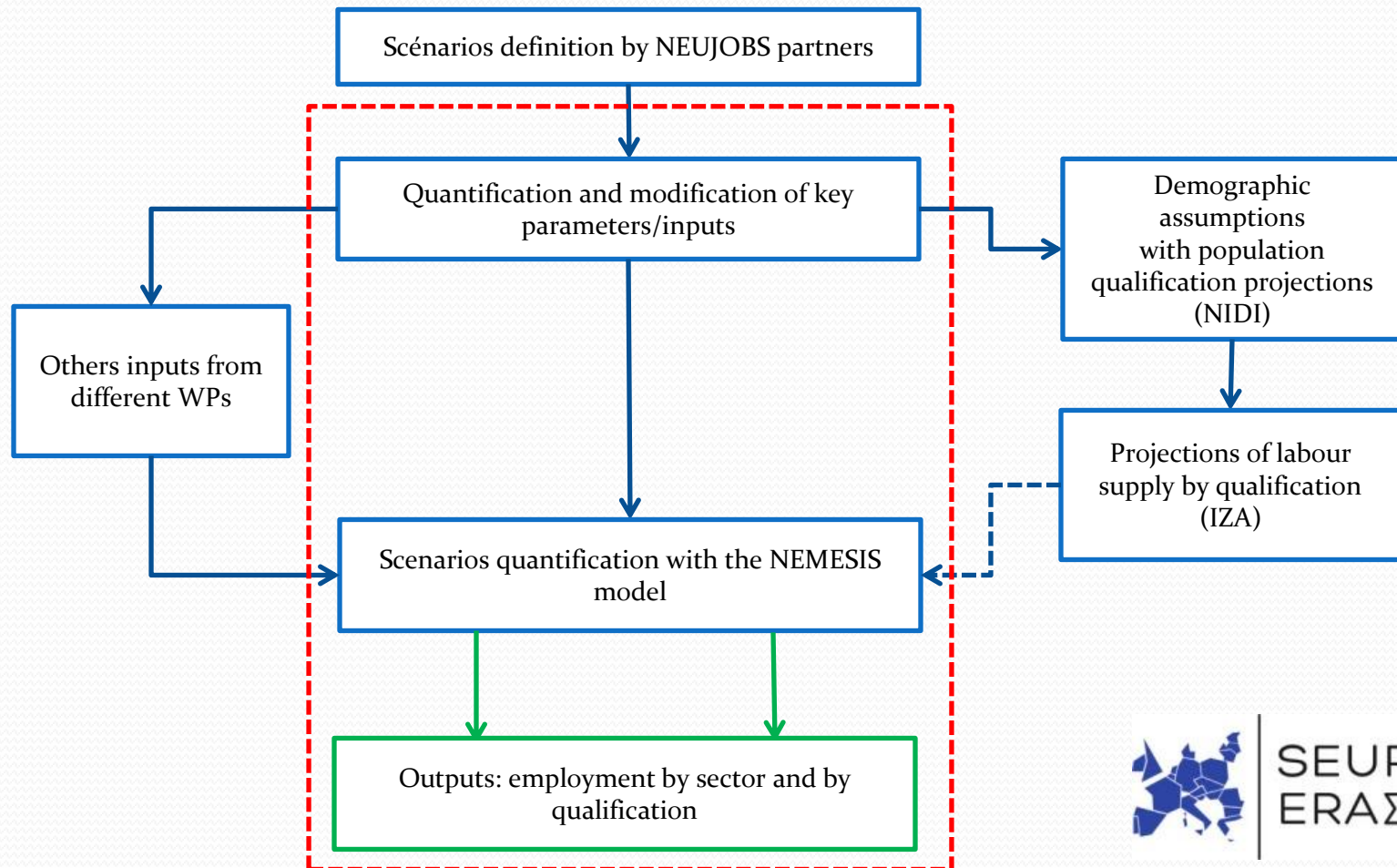
Comparison with NEUJOBS

- Framework for scenarios quantifications



Comparison with NEUJOBS

- Framework for scenarios quantifications



Comparison with NEUJOBS

- Two scenarios of global context for the European Union have been quantified without policy response (<http://goo.gl/Qu5nMB>)
- These scenarios will be updated in November in order to take into account
 - recent evolution of the European economic situation,
 - new European population projections from NIDI
 - Labour supply projections from IZA
 - Integration of diverse outputs from other WPs
- Thereafter, policies response scenarios will be quantified



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Comparison with NEUJOBS

- Similarities:
 - Objectives:
 - Quantification of skills needs
 - Analysis of the European labour market
 - Use of a detailed economic model (E3ME or NEMESIS) for labour demand
 - And similarities in some conclusions such as:
 - “skillisation” of the employment i.e, the increasing importance of high-skilled workers
 - A potential mismatch between the strong increase of high-skill labour supply and the less rapid development of high-skill labour demand

Comparison with NEUJOBS

- Differences:
 - Scenarios vs baseline
 - No skills projection by occupation (only qualification)
 - Labour supply:
 - Population projections different from Eurostat and two different scenarios (NIDI)
 - Skills supply projections (by qualification) based on work done by IIASA (KC, et al. 2010)
 - Projections of the participation to the labour market resulting from on micro-data based model (IZA)

Comparison with NEUJOBS

- Summary:
 - Different philosophy: forecasts vs scenarios
 - some similarities (macro-economic model, etc ... and conclusions)
 - But there are some methodological differences, mainly regarding labour supply
 - One important difference, no projection of occupations (only qualifications) which reduce the scope of the results



Critical remarks: Methodology

- No real criticism on the general methodology, most of the important aspects and difficulties are treated as best as possible (regarding the scope of the forecasts).
- The methodology is well established and takes advantage of different approaches (macro-economic modelling, as micro-data analysis complemented by module and analysis)
- Detailed investigation on database, models or model parameters should be done to have real criticism

Critical remarks: Economic projections

- Importance of the macroeconomic projections. Additional details on the European (and MS) macroeconomic situation could be very useful to analyse the employment results
- For example, E3ME provides GDP growth rates at more than 2% after 2015 for EU-27 which is an “optimistic” assumption.
- In NEUJOBS, the GDP growth rates in the optimistic scenario is about 2% between 2015 and 2020 whereas it is about 1,4% in the pessimistic one
- In the Ageing Report 2012, DG ECFIN assumes a GDP growth rate of about 1,7%

Critical remarks: Economic projections

- To illustrate the importance of the macroeconomic situation:
 - Assuming two different GDP projections: 2% or 1,7% between 2015 and 2020
 - Assuming similar labour productivity, in 2020, we lose 1,8% of GDP and 1,8% of employment
 - That is to say 4 million jobs *i.e.* 60% of the expected change between 2010 and 2030



Critical remarks: non-marketed services

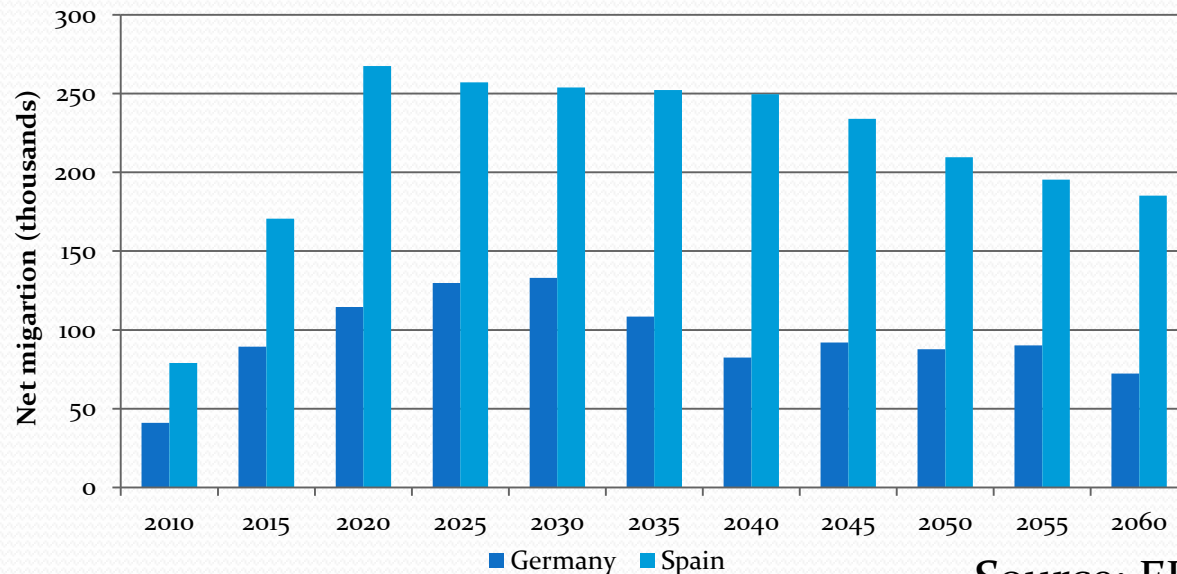
- CEDEFOP projections for employment in 2020

EU-28	2000	2005	2010	2015	2020
Non-marketed services	45 638	49 078 (+7.5%)	51 935 (+5.8%)	52 159 (+0.4%)	52 941 (+1.5%)

- Non-marketed services are a specific sector:
 - Mainly based on public employment
 - Thus, mainly driven by government fiscal policies which have been strongly impacted by the economic crisis
 - It represent almost one quarter of the total European employment
- A special attention should pay attention to this sector for which there are contradictory trends:
 - At short-medium term, reduction of public finance imbalance and thus negative prospect for employment in non-market services
 - At medium-long term, increase of social services due to European population ageing.

New ideas

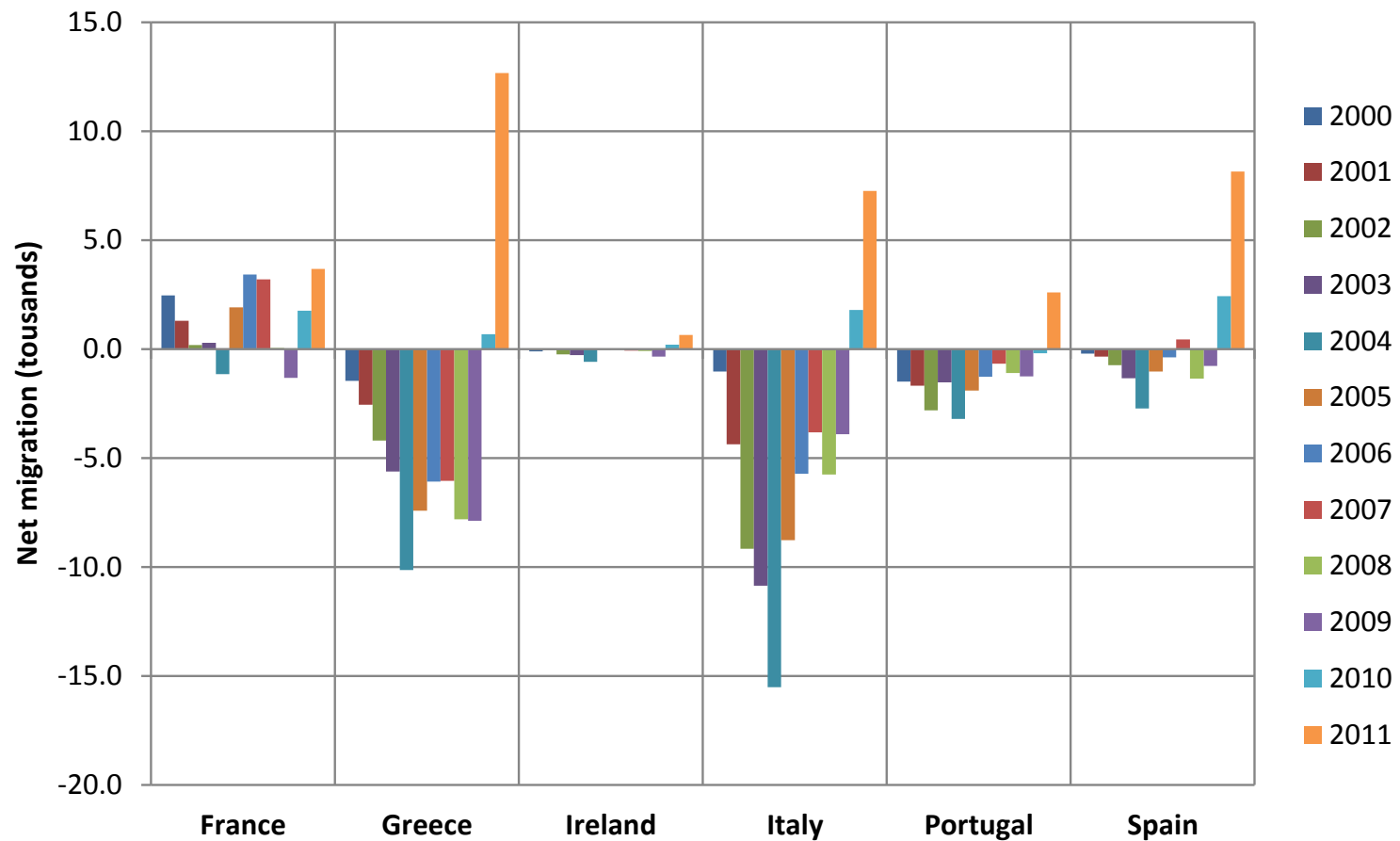
- Enhance population projections and especially migration projections
- With the European economic crisis, the migration between EU countries and with the RoW have changed, and new population projections should consider those aspects



Source: EUROPOP2010

New ideas

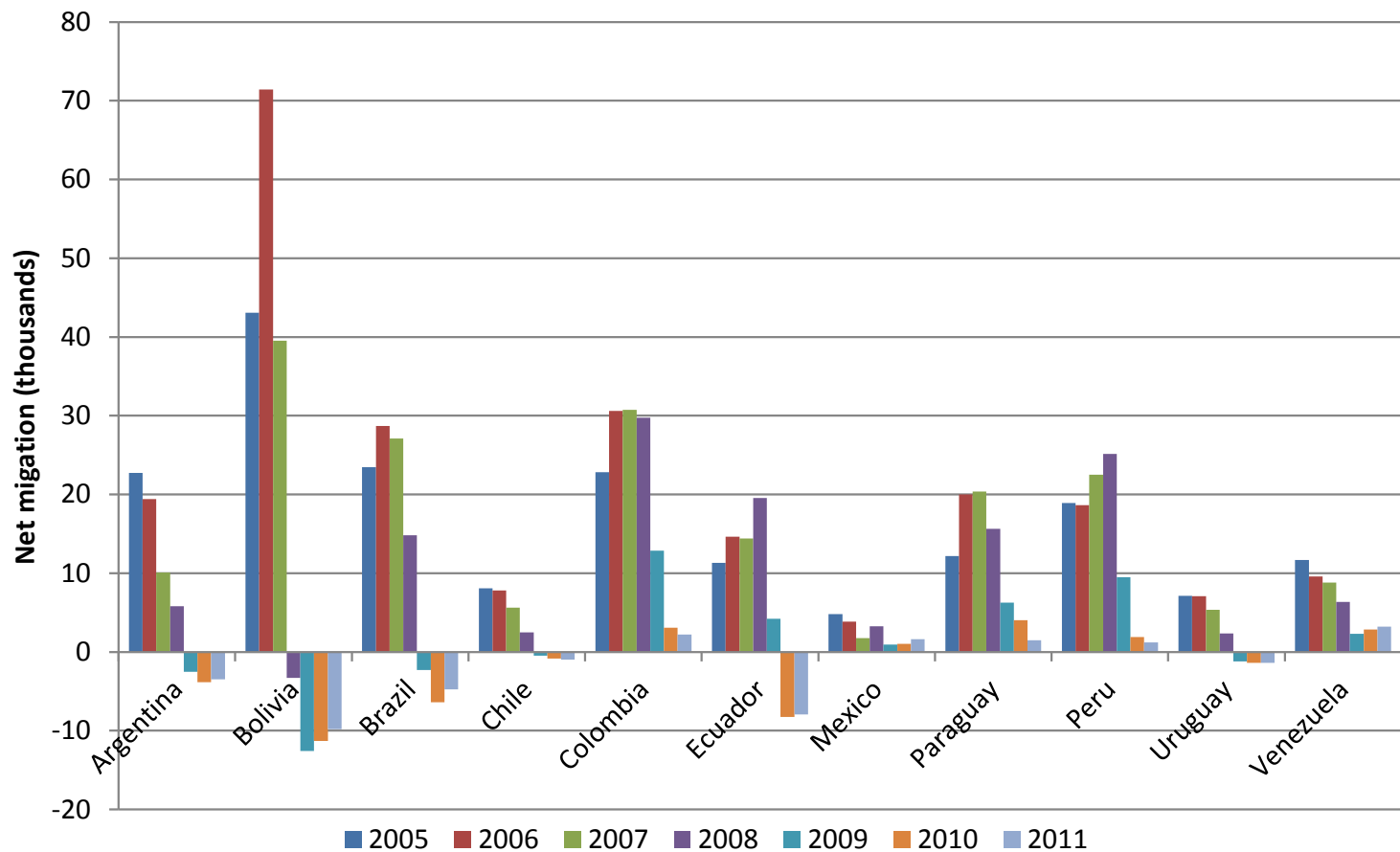
- Illustration of recent changes in migration within EU
 - Net migration to Germany (from selected EU countries)



Source: OECD migration databases

New ideas

- Illustration of recent changes in migration
 - Net migration to Spain (from selected South-American countries)



Source: OECD migration databases

Conclusion

- Impressive work achieved with a robust methodology
- Put further emphasis on the economic context
 - Medium-long term economic growth
 - What about non-marketed services?
- Population projections should consider the new migration context after the economic crisis

Thanks

Contact:

baptiste.boitier@erasme-team.eu

www.erasme-team.eu

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