



Skill supply and demand in Europe

Update of 2010 forecast results

Alena ZUKERSTEINOVA
& Vladimir KVETAN
Cedefop

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European skills forecasting

Objective:

⇒ use and produce comparable information on future skill supply and demand across Europe in a feasible & cost-effective manner

Development stages:

1st stage: demand for skills (2008)

2nd stage: supply of skills (2009)

3rd stage: skill supply and demand and identification of potential labour market imbalances (2010)

Next stages: further improvement of methods and data bases (full set of forecast every two years)



Forecast methodology

- Consistent pan-European skills projections using comparable data (Eurostat)
- Methodology based on econometric modelling with some elements of CGE
- Expansion and replacement demand
- Scenarios (baseline, optimistic, pessimistic)
- Modular approach

Demand:

- 29 countries (EU27 + NO, CH)
- 41 NACE sectors
- 21 ISCO occupations
- 3 broad ISCED levels

Supply:

- 29 countries (EU27 + NO, CH)
- 5 year age groups
- Gender
- 3 broad ISCED levels



Update of 2010 forecast results

- Most recent evidence on macroeconomic and sectoral developments in Europe
 - Skill demand patterns within sectors and skill supply remain as in the previous forecast

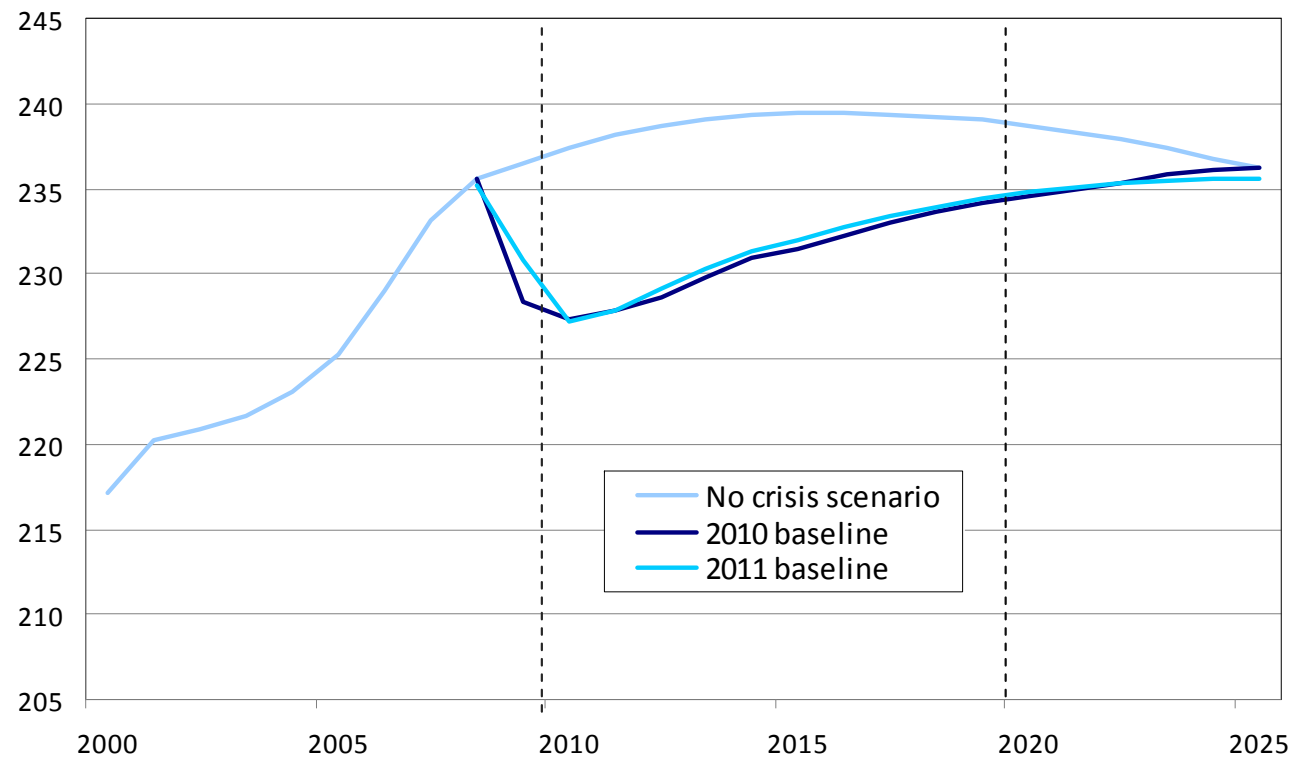
Other key elements of work in 2010:

- Several policy scenarios
- Aspects of migration
- Qualitative scenarios for policy makers



Impact of the recession on the employment in EU-27+ (2011)

Million jobs



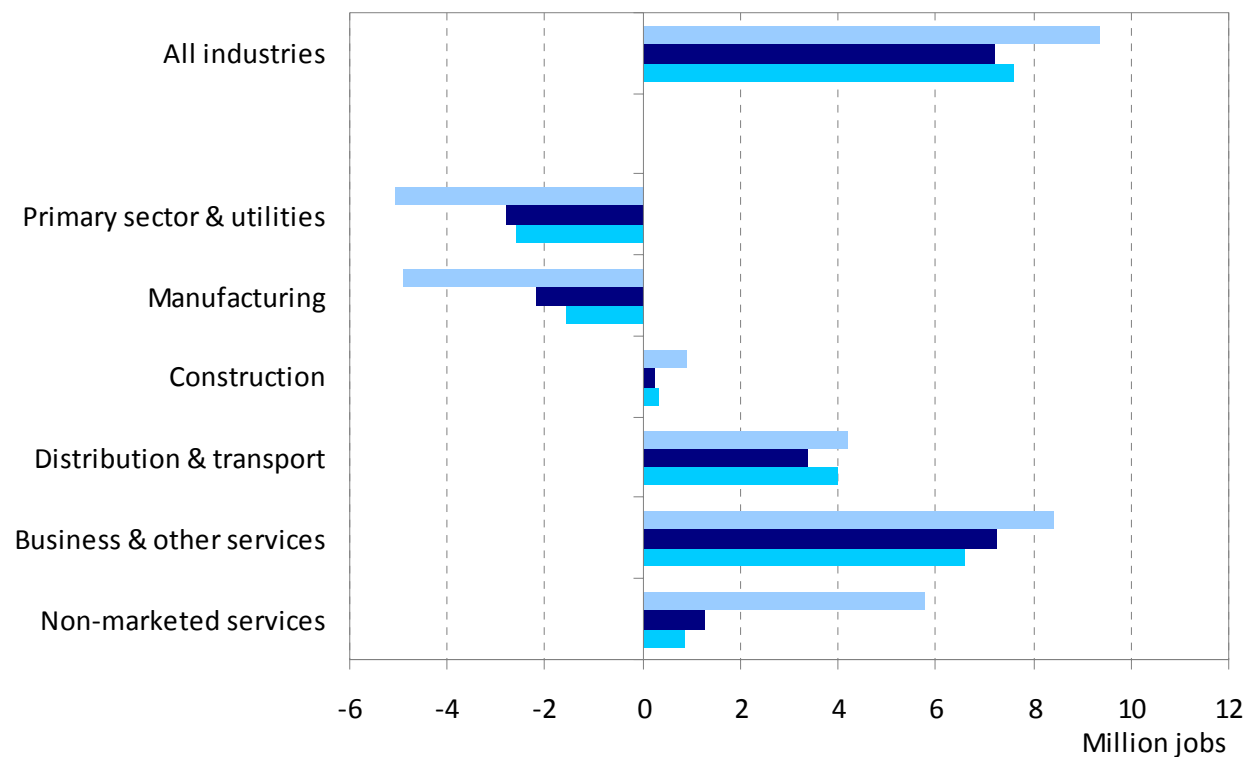


Employment changes by economic sectors in EU-27+

2020 - 10 (2011 baseline)

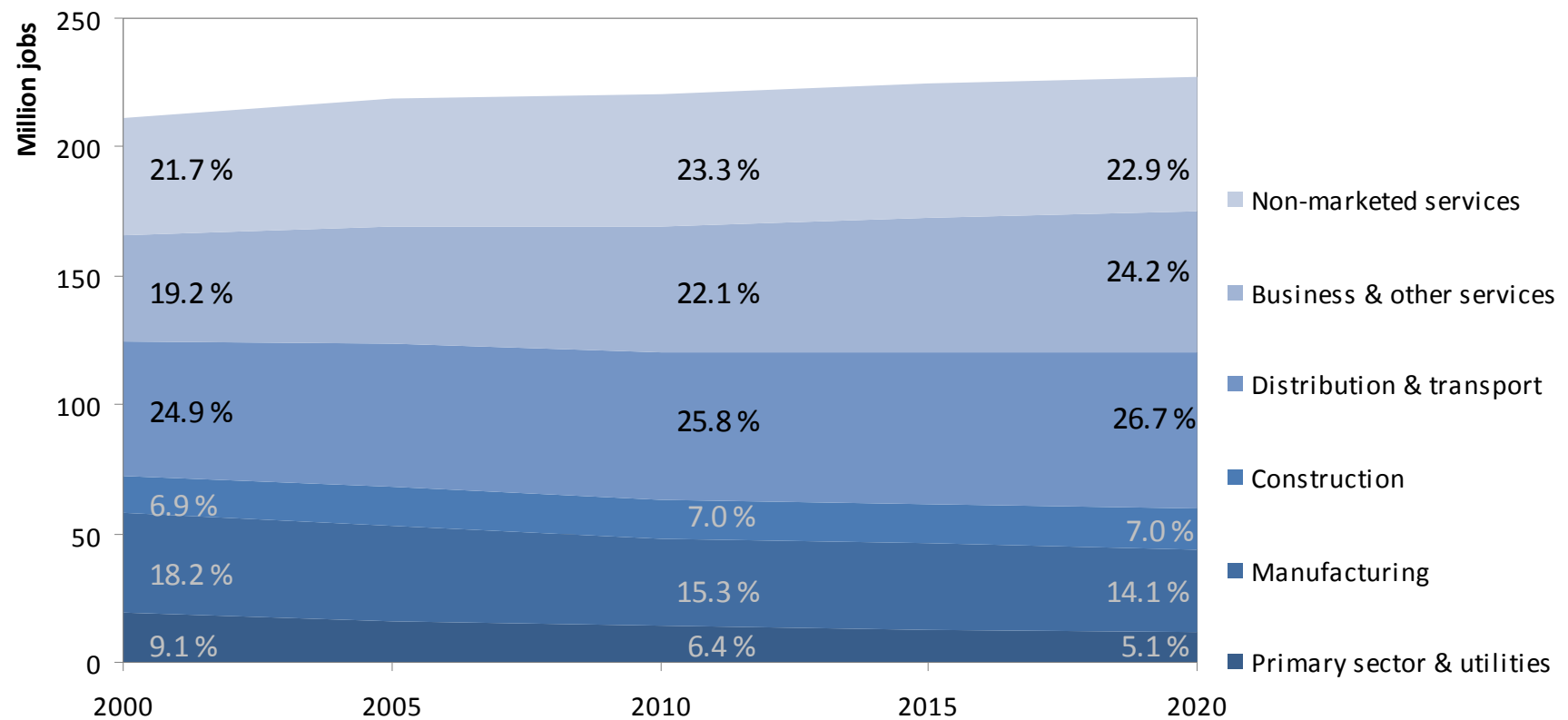
2020 - 10 (2010 baseline)

2000 - 10 (historical data)





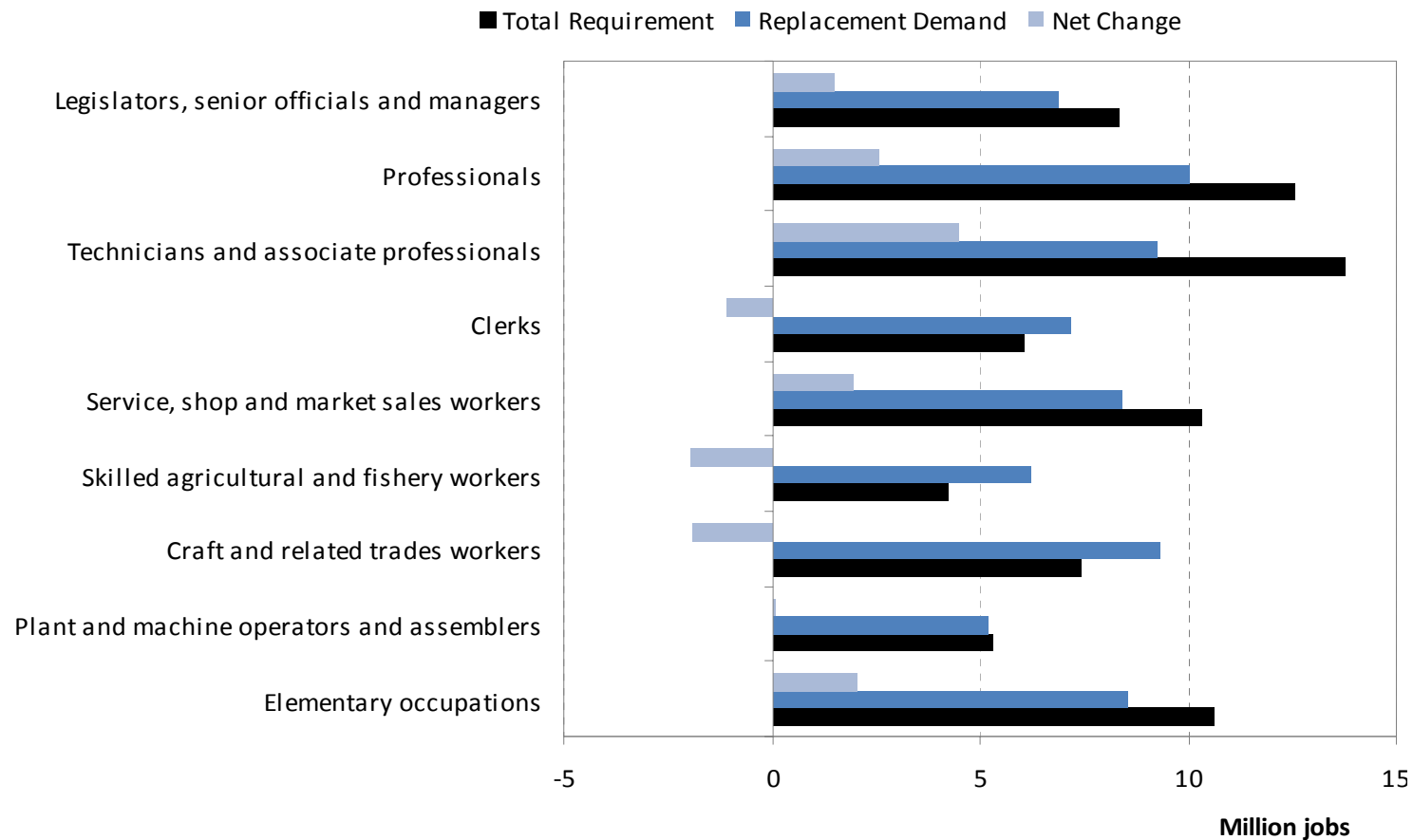
Employment structure by economic sectors in EU-27+





Future demand by occupation in EU 27+

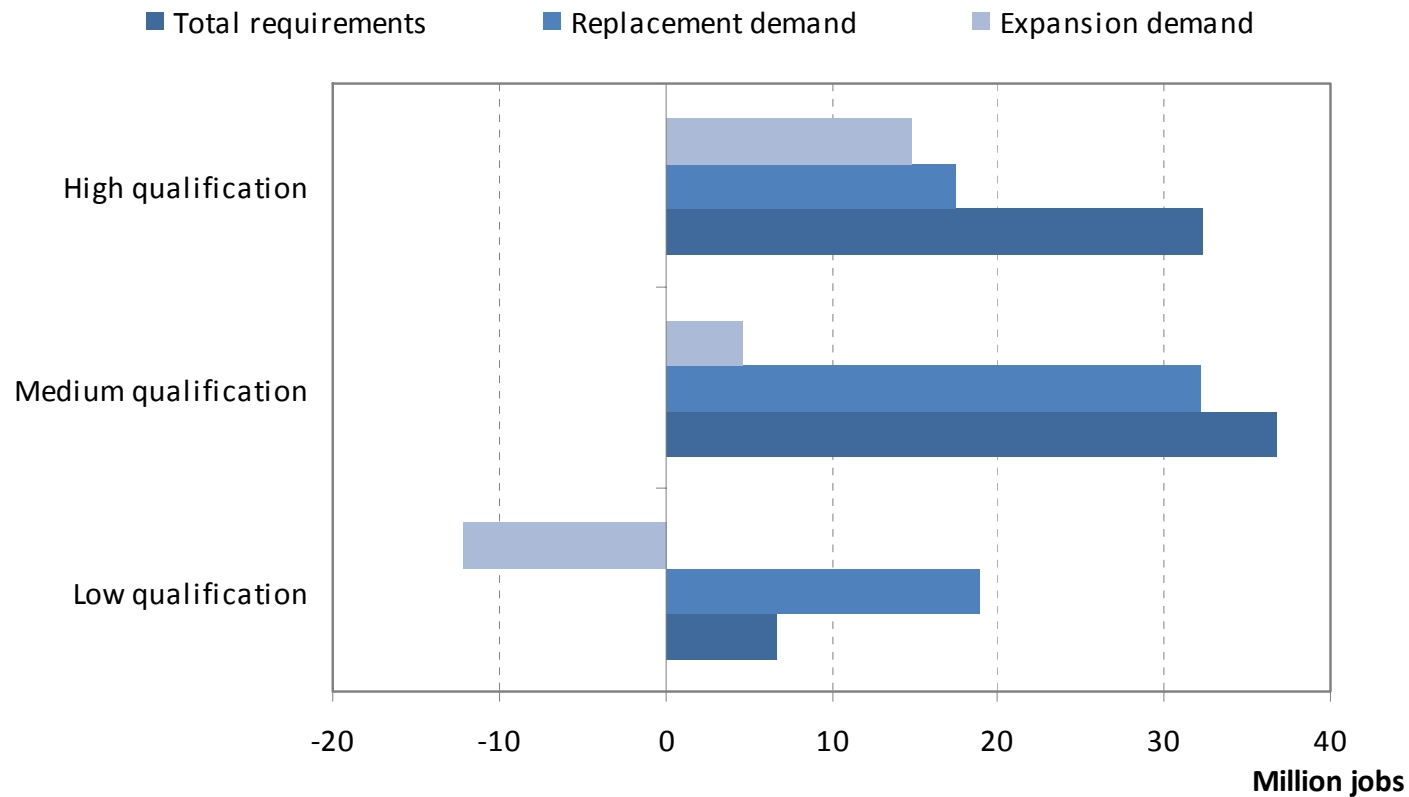
Change between 2010-2020





Future demand by qualification in EU-27+

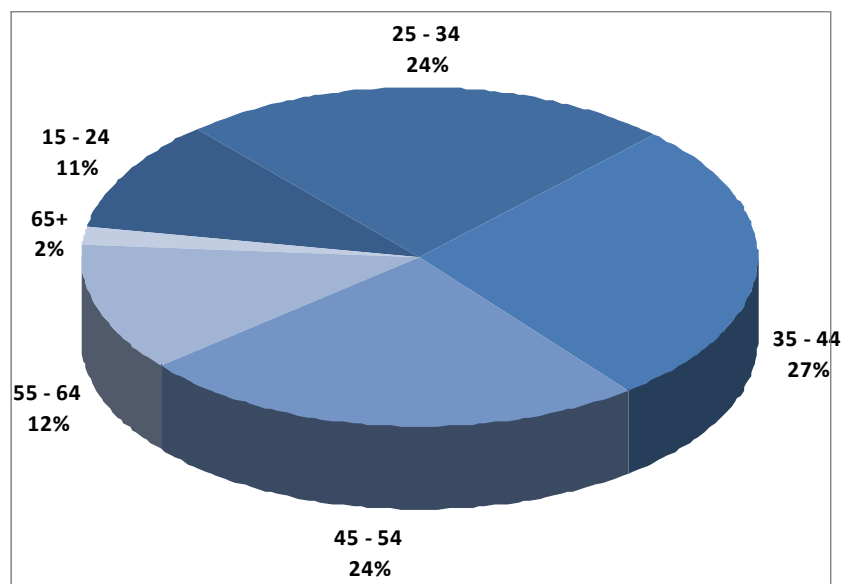
Change between 2010-2020



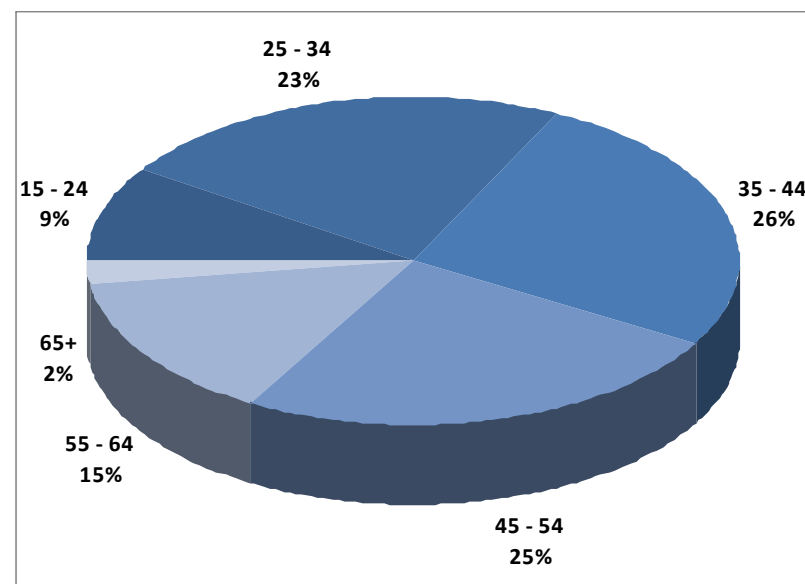


Change in labour force by age in EU-27+

2010

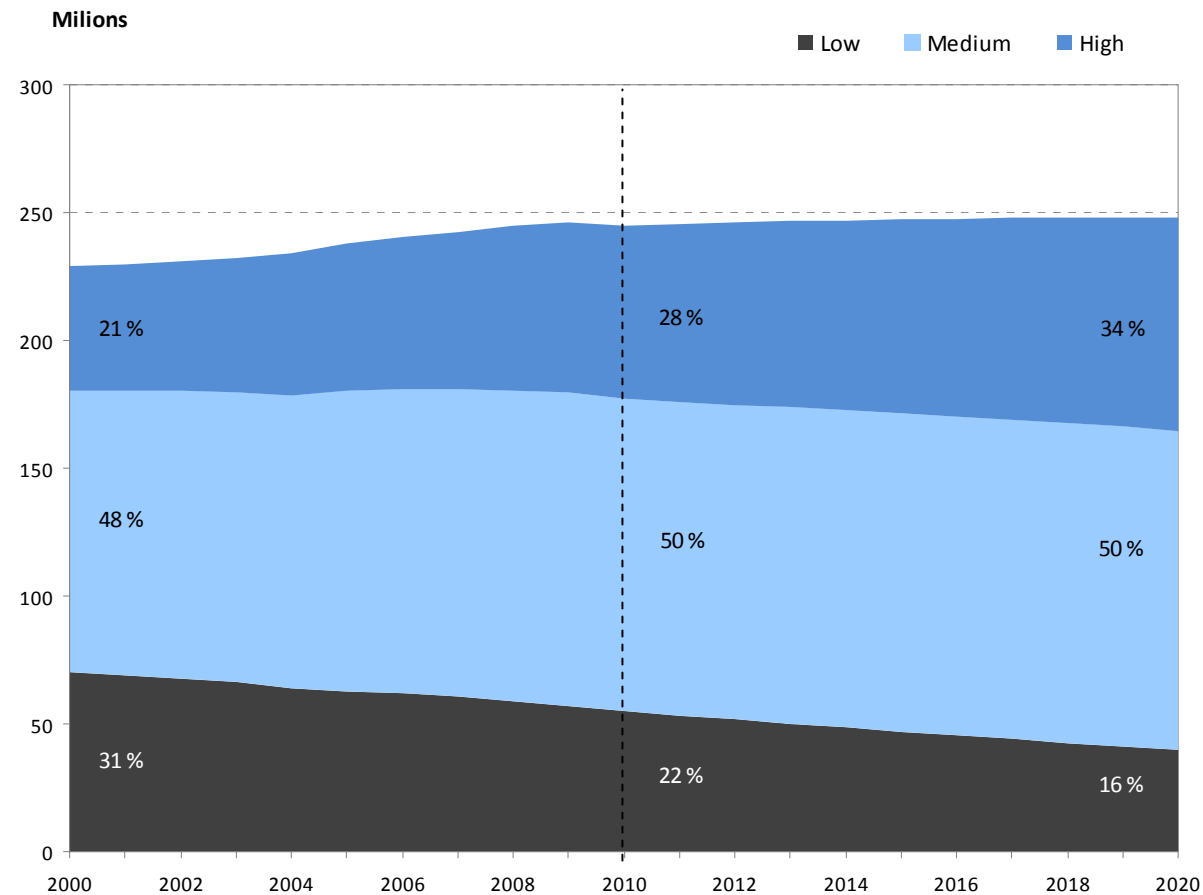


2020



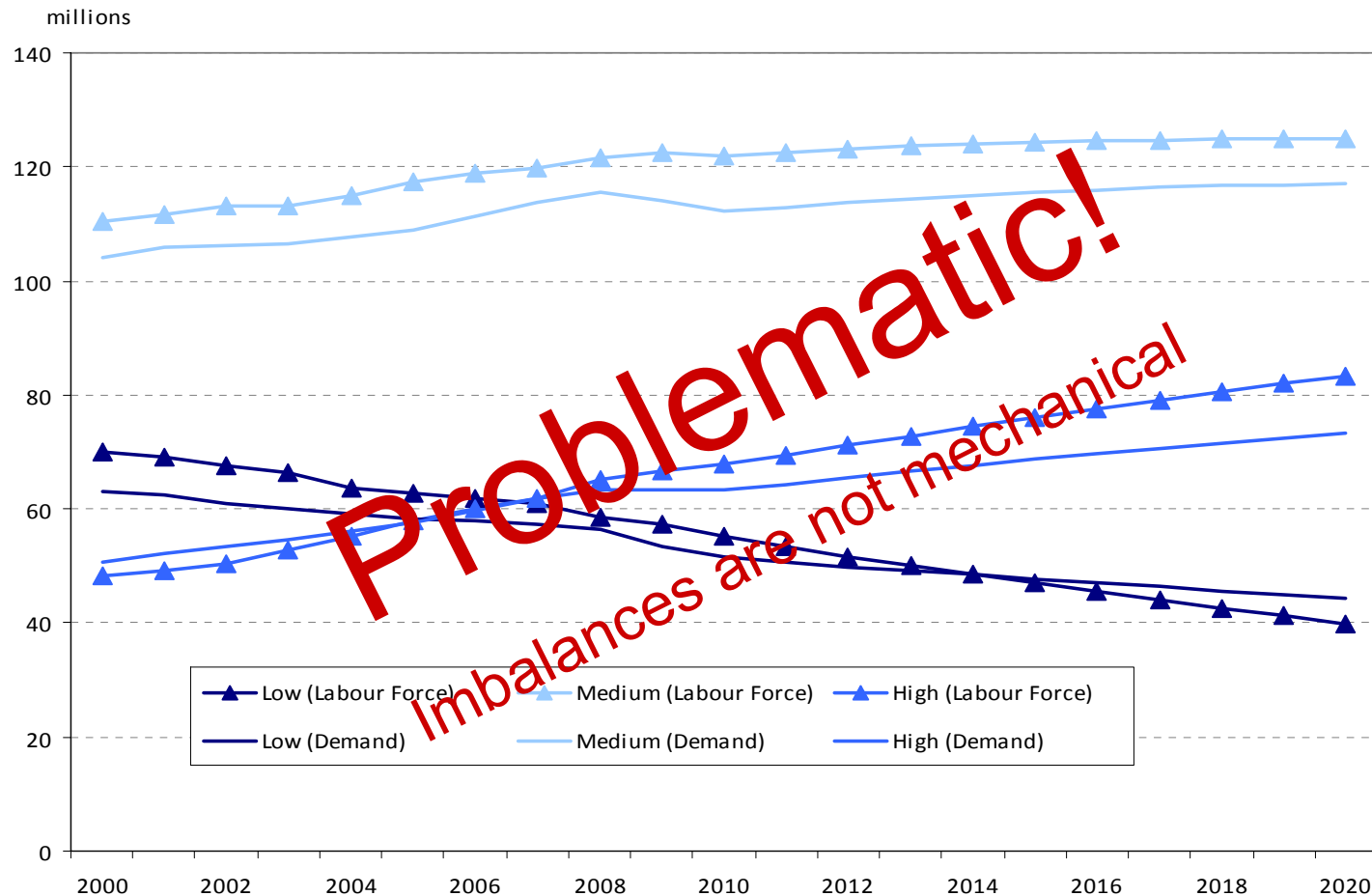


Supply trends by qualification (LF 15-64) in EU-27+





Comparison of supply and demand trends





4 more policy scenarios and their employment effects

Scenario	Short-term effect	Long-term ↑	Long-term ↓
Fiscal austerity	Overall ↓	Private sector	Public sector
Economic uncertainty	Overall ↓	Most sectors, ex. inv. goods	Investment goods sectors
Retirement age	None	Most sectors	None
Ageing, health and pensions	↑ in health sectors	Health sectors	Most other sectors



Main messages

Short-term prospects

- falls in employment
- is impact of recession over and what effects of austerity measures to expect?

Long-term prospects better

but policies need to make employment transitions between sectors easier:

- wage rates need to adjust flexibly
- workers need to have the right skills to move

If not, employment and skills outcomes could be significantly worse than those projected.



**Thank you for your attention
and
enjoy the conference!**

More information:

www.cedefop.europa.eu

or

skills-analysis@cedefop.europa.eu