

# Anticipating the Supply and Demand for Skills in Europe

A brief overview of the Data Check-Scrutiny and Validation Exercise for Six Countries in Central and Eastern Europe & Greece

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# Plan of the Presentation

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**Country-Zoom (in a nutshell);**

**Let's see for some ODDITIES;**

**The Crisis and the Advent of the EURO are they properly reflected, IF AT ALL?**

**The Slow Pace of the Change;**

**Preliminary Conclusions of the data-scrutiny exercise**



# General Remarks

- Countries under analysis: Bulgaria, Czech Republic, Hungary, Greece, Romania, Slovakia, Slovenia = 6 Post-Transition economies (2 Euro-zone) plus one “old MS” (Greece);
- A wealth of data provided giving a rather good insight on the shape of the things to come;
- Although still some anomalies observed needing fine-tuning, overall developments in line with reality on the ground;
- The impact of the crisis not fully grasped but some changes are visible (the slow pace of change might be one indication of the impact of the current downturn);
- All in All a comprehensive image making for a fairly good support for decision-making;



# Developments Observed – The Supply Side

- Overall population seems to be falling for the whole of the interval and for the whole of the group with small exceptions;
- However, in some cases the fall is less than expected, though there seems to be a certain “compensation mechanism” at work!
- Labour force is ageing though not significantly falling in number – courtesy to large generations still on the labour market for the whole of the anticipation interval;
- Some effects of migration look like being taken into account albeit they make no significant alterations;

# Developments Observed – The Demand Side

- Agriculture and whole of the primary sector in dramatic decline throughout the region – sometimes one would say even ***much too much!***
- Construction looks rather ROBUST for the future as in spite of the effects of the crisis there is still a *dire need* for “sinking investment” in the vast majority of the countries under analysis;
- Automotive seems to hold strongly in some countries but metals and related sector look heavily under pressure;
- Services and **distribution** are on the **UP** suggesting that in spite of the heavy impact of the current crisis “external competitiveness” remains a distant dream!

# Developments Observed – Sector Related Evolutions

- Technological change seems to be at work and hard, as primary sectors become less and less labour intensive;
- In the meantime, services are becoming more demanding in terms of qualification;
- The Need for social services becomes ever more clear as populations are ageing;
- And so does the need for education as industries are getting more sophisticated;

# Developments Observed - Qualifications

- All over the region the need for higher qualifications is visible;
- In the meantime however, as some sectors, especially automotive retain a significant weight, there is still a significant need for medium qualifications, particularly in assembly;
- Lower qualifications are clearly losing as labour intensiveness declines in primary sectors or as natural reserves are witnessing depletion;
- However, given the strong advances in higher education in the region, coupled with the **not so strong** headways in economic development, it looks like OVER-EDUCATION of the labour force and Under-Employment might become an issue to tackle in the years to come!!!

# Country Zoom (in a nutshell!)(1)

- BG – a dramatic fall in population;
- CZ - the current economic structure seems to hold on, with even some increase in population, though ageing sets in strongly;
- GR – the current structure seems also to hold on;
- HU – marked decline of demand in computer services;

# Country Zoom (in a nutshell!)(2)

- RO – agriculture remains still the major employer (19% of total); Distribution seems to expand beyond belief!;
- Slovakia – automotive remains a force;
- Slovenia – motor vehicles seem to be on the way towards a... *ROUGH RIDE!*?

# Let Us See for some ODDITIES!

- How can BG survive in the future – with such a sharp drop in population the country's future looks in serious jeopardy!;
- There seems to be a surge in demand in education in Romania which stays AT ODDS with the sharp decline in school-age population – Is it about VET for it looks rather strange given the forecasted structure of the demand?!;
- Computer services in Hungary seem to go down the drain – Is it the crisis? Is it “market saturation” or WHAT?
- “Other mining” looks like on the rise in HU after 2010 – what could that mean?
- Slovakia seems to hold in automotive while Slovenia looks like on the way of losing it all – how can this development be explained?

# The Crisis and the Advent of the EURO – are they properly reflected?

- By 2025, all of the countries will be in the EURO-ZONE (their Accession treaties MANDATE IT!);
- However, the impact of this does not seem to figure anywhere;
- Countries are evolving practically on the same *path* as in the past, just *the pace* looks slightly different!
- In many countries the structure of the demand stands to DETERIORATE rather than IMPROVE!
- The current harmful imbalances with respect to EXTERNAL COMPETITIVENESS seem to hold on!

# The Slow Pace of the Change

- In spite of the fact that the technological progress factor looks at work, the reading in 2025 still resembles the Economic Geo handbook of... twenty years ago!
- RO remains mired in agriculture and raw materials, an importer of industrialized goods;
- CZ and SK retain their industrial sway in the region;
- Greece remains THE PLACE to bath in the Sun!
- Although countries are moving along, their relative position one vs. the other and IN THE WIDER CONTEXT seem to suffer only minor alterations;
- It might be that here one can see the true IMPACT OF CRISIS; *OR NOT?!*

# Preliminary Conclusions (1)

- The projections look so far robust on all dimensions;
- Necessary corrections will have to be made so as to TREAT the ODDITIES observed, which are by no means insignificant!
- The advent of the EURO will have to be taken somehow into account for all countries in the group;

# Preliminary Conclusions (2nd and... *THE END*)

- Scenarios seem now to be less developed which hampers the whole picture, though the image remains, to our advice at least, fairly accurate;
- **To more than a certain extent WE do tend to agree with the evolutions depicted to date and AS SUCH WE CONSIDER THEM BEING FOR ALL PURPOSES VALID!!!**
- Country experts will have to give their inputs nevertheless!
- Finally, we do hope to have the chance and put more into our reports to the MAIN CONTRACTOR;
- We do ask, kindly, for the permission to circulate, even the current version, to major interested stakeholders in our country/countries, maybe at least inside the **ReferNET national consortia** as PEOPLE ARE WAITING!

***THANK YOU FOR YOUR ATTENTION***