

Warsaw 2007 - Conclusions

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EIN POLICY ROUNDTABLE ON

EMPLOYMENT, SKILLS AND HUMAN CAPITAL

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Conclusions

The main questions looked first at the supply and then the demand sides of the human capital development from the experience and perspectives of Caden and of IBM. Key points which emerged were;

- The growing skills gap worldwide, including in India and China
- The lower growth in Europe expressing itself as low employment projections
- EU labour market regulation is based on outdated concepts such as lifelong employment and "security" models

From the demand perspective:

- Europe is fundamentally (and growing) as a service economy (70%) and the challenge is to innovate in the service economies and raise productivity.
- New organisation forms and structures, e.g. moving the work to the people, rather than the people to the work
- High value added jobs have not migrated from Europe - a positive message
- Rigidities inhibit organisational adjustment, as capital replaces labour
- World class skills are still the best Social Security, including creating new employment, rather than protecting old jobs - best practice in this area in Netherlands, Germany and Ireland

- Immigration into and within the EU is an essential part of flexibility

The debate needs to be framed with a new perspective:

- Half of the 16 million jobs created since 2000 are modern "non-standard" jobs
- "Precariousness" is based on the old fashioned "job for life" concept
- Youth unemployment is frequently the result of a "Catch 22" lack of experience, so no jobs
- The sense of security is greater in a healthy economy: regulations are no substitute
- The best protection against Polish unemployment was via UK and Irish jobs where they earned 50% more, whilst the Poles left at homes' income was up 30% and they were more appreciated by their Polish employers. Polish unemployment fell from 19% to 12% last year.

A global comparison from India showed:

- India as a comparator and a different perspective of globalising forces faces growing urbanisation and people moving to where the jobs are;
- A fast growing population compared with China. By 2020 80% of the population will be in the age group of 18-34, the youngest population in the world
- The challenge to Indian education is drop-outs from schools and universities
- International competitive advantages of India cited included extensive language skills - especially English - and 60 years of democracy

From a European Parliament perspective:

- The mood music of globalisation is helping the centre-right agenda
- Employees want to "flex", especially the elderly, heading into part time/part pension work
- Human capital is unnecessarily destroyed by forced retirement and a lack of flexibility - see Belgium in particular

Key themes to emerge from the discussion which require further attention from the Working Group are:

- A coherent immigration policy for the EU - both internal and external
- The modernisation of education systems, including the importance of developing independently thinking minds, as opposed to those trained to have certain skills
- The re-assessment of an ageing society, leading to a greater scope for onward participation

- The extent to which migration has kept inflation down (also as in the US), was noted, together with the need to encourage intra EU migration

- Incentives for the private sector included tax breaks for lifelong learning and more incentives needed for SMEs in this field

- The paradox between the benefits of high participation rate of women and the problems of population decline.

"if you think education is expensive, try ignorance."