

OECD Workshop SCENARIOS OF DEMOGRAPHIC CHANGE IN LIMBURG

Maastricht – Netherlands

Friday 9th November 2012

Agenda

Organised by

OECD LEED Programme, the Ministry of Interior and Kingdom Relations and the Province of Limburg

Provinciehuis, Limburglaan 10, 6229 GA Maastricht

Background

The workshop is part of the activities of the project on 'Local Scenarios of Demographic Change' conducted by the Local Economic and Employment Development (LEED) Programme.

Demographic change is affecting all OECD member countries and developing economies. Fertility rates are lowering, ageing population is increasing, youth unemployment is increasing and the complexity of urban-rural shrinkage is posing numerous challenges to job creation and sustainable development agendas. Strategic solutions cannot be based on addressing one of these factors alone but taking into account the interplay of these elements within a particular local area of development (urban or rural).

This project aims to provide strategic guidelines for governments and organisations involved in the implementation of employment and skills development programmes at the local level on how better confront demographic changes. The project will seek to outline future local development scenarios to facilitate adoption of appropriate guidelines on the following topics: sustainable local development models and shrinkage scenarios; employment and skills development in new areas of growth; services to the elderly and social inclusion; developing the silver economy and entrepreneurs; and fertility rate policies and implications for the labour market.

*The project in Netherlands will focus the analysis in the regions of **Limburg, Drenthe/Groningen and Zeeland**. The project will identify innovative approaches to labour market issues in the regions facing demographic shrinkage. These approaches should address the particular problems generated by demographic transition (shrinkage, ageing), which means that a wider understanding of causal relations between demographic transition, economic development and labour market is needed and applied to the particular context of the participating regions.*

Regions facing demographic shrinkage are the laboratories of future labour market problems for the whole country. Limburg was the first Dutch province where the population is shrinking. The growing replacement demand and the ageing of the labour force are huge challenges for economic development and labour market transition of our province (a shortage of around 30,000 persons is foreseen by 2016). The workshop will contribute to identify the main issues and proposals for policy development and initiatives to address labour market challenges. Local activities, initiatives and strategies are of particular importance for the development of proposals for the province and in coordination with national goals.

For more information on the project visit <http://www.oecd.org/cfe/leed/demographicchange.htm>

Project WEB 2.0 platform <https://community.oecd.org/community/demographicchange>

Venue: The House of the Province of Limburg, Maastricht, Netherlands

9th November facilitated by Prof. Dr. A de Grip

08:30 – 09:00 Arrivals & Registration

09:00 – 10:00 OPENING SESSION: THE OECD PROJECT AND THE REGION OF LIMBURG

Welcome – *Bert Kersten*, Regional Minister of Labour Market and Education

Introduction to the project – *Dr. Cristina Martinez-Fernandez*, OECD/CFE/ LEED

Background note on demographic change in the Province of Limburg – *Prof. Dr. Andries de Grip*, ROA, Maastricht University

Q&A

Chaired by *Mr. Ben van Essen*, Province of Limburg

10:00 – 10:15 Coffee break

10:15 – 11:45 THEMATIC DISCUSSIONS: 4 PARALLEL FOCUS GROUPS

1:30 hours
(includes
preparing key
points to be
transmitted to
plenary)

FOCUS GROUP 1:

Opportunities of cross-border labour market: Policy responses and 'regional capacity'

FOCUS GROUP 2:

Intergenerational challenges of demographic transitions in labour markets: unemployment now but shortages soon?

FOCUS GROUP 3:

Accelerating skill development in industry clusters: what skills ecosystem?

FOCUS GROUP 4:

New sources of economic growth

FOCUS GROUP 1: Opportunities of cross-border labour market: Policy responses and 'regional capacity'

Group work in roundtable:

A vital region should have a dynamic labour market, strong job creation and be an attractive place to live in. However, due to the peripheral situation of border regions it is often more convenient for people to move to central regions, where one can choose from a big supply and variety of jobs to progress professionally while living closer to other parts of the country. Therefore it is important for border regions to stimulate cross-border commuting and migration as much as possible and to promote the advantages of cross-border labour markets and diversity of skills. The more open neighbour regions at both sides of the border become, the more attractive it is for people to find employment and to profit from the different institutional, environmental and cultural circumstances.

Questions for discussion:

1. How can cross-border commuting and migration be stimulated?
2. How can border regions profit more from each other's variety of employment, schools, cultural facilities, skill development programs?
3. To what extent can national governments be induced to create special arrangements for border regions, e.g. with regard to tax exemptions, subsidizing industrial areas, transparency/harmonization of certificates, skill development initiatives?
4. Is there a need to stimulate European migration for specific sectors or industry clusters? Should migration be temporary?

Facilitator: *Mr. Ger Essers*, Expert on Crossborder Labour Policy Assistant, European Parliament Member

Rapporteur: *to be nominated by the group*

Expert participating: *Mr. David Bartolini*, OECD and *Mrs. Karin Jacobs*, Benelux Union

FOCUS GROUP 2: Intergenerational challenges of demographic transitions in labour markets: unemployment now but shortages soon?

Today, demographic change is one of the key challenges for labour markets. Although the potential for further employment growth beyond the levels of pre-crisis is uncertain, in the near future shortages are expected due to a declining labour force. Declining regions face an important dilemma. On the one hand productivity will become the main engine of economic growth. On the other hand declining regions face large shares of older people and low productive people, i.e. with physical and mental disabilities. This brings up the question how to invest in future employment growth. At the same time perspectives must be offered to older and vulnerable groups on the regional labour market, now and in the near future.

Questions for discussion:

1. What are the challenges faced by the labour market due to demographic change for current and future generations? What are the implications for young people today and tomorrow?
2. What are the causes and consequences of early losses from the labour market? How can we prevent that a lost generation will arise?
3. What are the most effective methods and tools to maintain older people, local youth and other vulnerable people in the labour market in relation to the expected demographic change? Are there best practices from firms (e.g. HR counselling services) or public (national, regional, local) support services that have a specific approach in order to counter the impact of demographic change? What are the practices that are not considered as good incentives, and prevent actors from maintaining older people in the labour market?

Facilitator: *Dr. Frank Cörvers*, leader of the Dynamics of the Labour Market research programme, ROA

Rapporteur: *to be nominated by the group*

Experts participating: *Prof. Philip Taylor*, Monash University; *Andries de Jong*, PBL; and *Aldert de Vries*, BZK

FOCUS GROUP 3: Accelerating skill development in industry clusters: what skills ecosystem?

Regional specialization may require a better match of skills of the regional labour force on one side, and the skills required by the employers on the other side. Skill mismatch may have different causes: low-skilled people without relevant competences for the labour market, young people may not choose fields of study that are needed, the competences of older workers may not be up-to-date or their skills may decline when they lose their job. Therefore employers are inclined to recruit migrants, attract graduates from other regions, or move to central parts of the country where the potential labour supply is bigger and more diverse. At the same time it is difficult for educational institutions to meet all the needs of employers or there is little connectivity between the supply and demand of skills.

Questions for discussion:

1. How can we make sure that young people choose study fields that are in demand? What is the role of regional educational institutions and employers in this case? How cluster competitiveness can be addressed?
2. How can we raise the employability of the low-skilled? What is the role of training and skill development?
3. How do we prevent skill obsolescence? What is the role of the employers?

Facilitator: *Mr. Prof. Dr. Andries de Grip*, ROA, Maastricht University

Rapporteur: *to be nominated by the group*

Experts participating: *Dr. Cristina Martinez-Fernandez*, OECD/CFE/LEED; *Jasper van Loo*, CEDEFOP; and *Mr. Graeme Henderson*, IPPR

FOCUS GROUP 4: New sources of economic growth

Apart from the overall decline of population growth in the Netherlands, the regions with shrinkage of their population also face population ageing and migration from their region to the Randstad (urban agglomeration). This migration is related to the stagnation of economic growth in the region. To curb this potentially self-enforcing process, public policy may help to curb the outflow of people by encouraging new sources of economic growth that increase employment opportunities. These new sources of economic growth could (1) encourage entrepreneurship and self-employment, (2) attract emerging industry sectors to the region, (3) develop a silver, white or green economy, (4) increase the offspring of high-tech firms from universities at newly built campuses, (5) increase employment in higher education by attracting foreign students to the region, or (6) create new cross sectoral alliances/businesses.

Questions for discussion:

1. What are the opportunities for new sources of economic growth in the region?
2. Which initiatives and strategies could facilitate entrepreneurship or self-employment in the region?
3. Which social/cross sectoral innovations can strengthen the competitiveness of the region? How to support the opportunities offered by an aging population?

Facilitator: *Mr. Bart Verspagen*, Director of UNU-MERIT

Rapporteur: *to be nominated by the group*

Experts participating: *Mr. Silas Olsson*, Health Access and *Mrs. Roxana Chandali*, BZK

11:45 – 12:45

ROUND TABLE: CONCLUSIONS AND POLICY ACTIONS

4 Rapporteurs report key points from focus groups

International Panel discuss results

- *Mrs. Karin Jacobs*, Benelux Union
- *Prof. Philip Taylor*, organisation
- *Mr. Graeme Henderson*, organisation
- *Mr. Silas Olsson*, organisation
- *Mr. David Bartolini*, OECD

Chaired by *Mr. Ben van Essen*, Province of Limburg

12:45 – 13:00

CLOSING

Dr. Cristina Martinez-Fernandez, OECD/CFE/LEED

Aldert de Vries, BZK

13:00

LUNCH