

OECD Workshop

SCENARIOS OF DEMOGRAPHIC CHANGE IN DRENTHE / GRONINGEN

Assen – Netherlands

5th November 2012

Agenda

Organised by

*OECD LEED Programme, the Ministry of Interior and Kingdom Relations and
the Provinces of Groningen and Drenthe*

Hosted in Assen

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. The growing replacement demand and the ageing of the labour force are huge challenges for economic development and labour market transition. At this moment population decline is noticeable and visible in three regions: Noordoost-Groningen/Eemtdelta, Oost-Groningen and municipality De Marne. But for the next 20 years more regions in Groningen and Drenthe face the effects of ageing and population decline. 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 Drenthe, Assen, Netherlands

5th November facilitated by Prof. Dr. J. van Dijk

12:30 – 13:00 Arrivals & Registration

13:00 – 14:30

OPENING SESSION: THE OECD PROJECT AND THE REGION OF GRONINGEN/DRENTHE

Welcome – *Geert Sanders*, Chairman, SER Noord-Nederland

The region of Drenthe – *Ard van der Tuuk*, Deputy Education and Employment, Provincie Drenthe

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

Background note on demographic change in Drenthe & Groningen – *Prof. Dr. J. van Dijk*, Rijksuniversity of Groningen

Q&A

14:00 – 14:15 Coffee break

14:15 – 15:45

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 labor 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 labor market: Policy responses and 'regional capacity'

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?

Participants (6-8): older workers, employers, trade unions, chambers of commerce, regional authorities

Facilitator: *Karel Groen*, Ems Dollard Regio

Rapporteur: to be nominated by the group

Experts participating: *Michael Förschner*, ZSI and *Leo van Wissen*, NIDI

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: *Jan Dirk Gardenier*, CAB Groningen

Rapporteur: *to be nominated by the group*

Experts participating: *Prof. Phillip Talyor*, Monash University 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?

Participants (6-8): city council, regional authorities, local development agencies

Facilitator: *Dr. Arjen Edzes*, Rijksuniversiteit Groningen

Rapporteur: *to be nominated by the group*

Experts participating: *Dr. Jasper van Loo*, CEDEFOP; *Roxana Chandali*, BZK; and *Jennyfer Imperator*, the Netherlands Delegation to the OECD

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: *Prof. Dr. Paul Elhorst*, Rijksuniversiteit Groningen

Rapporteur: *to be nominated by the group*

Experts participating: *Silas Olsson*, Health Access; *Graeme Henderson*, IPPR; *Femek Verwest*, PBL; and *Dr. Cristina Martinez-Fernandez*, OECD/CFE/LEED

15:45 – 16:00 Coffee break

16:00 – 17:00 ROUND TABLE: CONCLUSIONS AND POLICY ACTIONS

4 Rapporteurs report key points from focus groups

International Panel discuss results:

- *Michael Förchner*, ZSI, Austria
- *Prof. Phillip Talyor*, Monash University, Australia
- *Dr. Jasper van Loo*, CEDEFOP
- *Graeme Henderson*, IPPR, UK
- *Silas Olsson*, Health Access, Sweden

Chaired by *Geert Sanders*, SER Noord-Nederland

17:00 – 17:15 CLOSING

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

Aldert de Vries, BZK

17:15 NETWORKING RECEPTION