



Local Scenarios of Demographic Change: Policies and Strategies for Sustainable Development, Skills and Employment

Summary of the Zeeland Region Seminar, November 6-7, 2012

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Executive Summary

During the visit of the OECD delegation to the province of Zeeland, experts from the region provided their opinions at four different focus group sessions. During these focus groups, many issues were raised in response to demographic transition. The policy advice of the participants concerned reflections on both the background information provided, as well as new points of view. It is impossible to summarise all different and sometimes contradicting advice. It is hoped that this summary note will provide every reader with at least one new example or idea for dealing with demographic change in order to improve sustainable development, skills and employment. Some of the main issues are summarised below.

Opportunities within the cross-border labour market

- Provide better and more structured information on cross-border developments in the labour market.
- Better co-operation across borders between governments and companies in recruiting and retaining staff.
- More attention on cross-border implications when introducing new national Acts or Rules.
- More attention on cross-border initiatives designed to increase employment and investment opportunities.
- Better harmonisation of diplomas (particularly at the vocational level) between Flanders and the Netherlands.

Mismatches in the labour market

- Mismatches are known to exist, and it is suggested that concrete projects be undertaken to rectify this.
- More attention should be paid to the competencies of older people (>45 years).
- Older people should receive better career guidance.
- Regional educational institutions, in co-operation with companies, could help provide the necessary training.

Developing the right knowledge and skills

- Young people should be encouraged to acquire necessary skills.
- Better labour market information on current and future labour market opportunities, and better career guidance, could help young people to make better study choices.
- The average level of education of the working population, in particular that of low-skilled workers, should be raised,
- Better co-operation between educational institutions, trade and industry, and the government.
- More should be done to prevent skill obsolescence among older workers.

New sources of economic growth

- New sources of economic growth include bio-based industries, Zeeland sea ports, and health.

- Developing a mix of workers from different nationalities, and a strong economic profile including resilient clusters of large and small-medium enterprise (SME) firms, with many inter-linkages between networks, are all initiatives that are good for economic growth.
- More attention to the development of networks of first-time entrepreneurs and the self-employed, including cross-border networks, and more support for these from higher education institutions.
- Attention to innovation in the care economy, which requires improvement in organisation, co-operation and delivery of quality health- and social care, with a focus on the growing demand for care services due to demographic ageing.
- Focus on the quality of life, and utilising the strength of local volunteers in social and care activities.

Introduction

As part of the OECD LEED 'Local scenarios of Demographic Change' project, an international delegation of experts visited the Dutch province of Zeeland. On the 6th November, the delegation participated in a meeting at the House of Province in Middelburg. During the morning of 7th November, the delegation undertook a field trip to two important employers in the province: Dow Terneuzen, which produces a variety of chemicals and plastics; and ZorgSaam Zeeuwsch-Vlaanderen, which includes a hospital in Terneuzen as well as other care and cure facilities in Zeeuwsch-Vlaanderen. In the afternoon, this was followed by a workshop where more than 50 regional experts discussed the impact of demographic changes on the present and future development of the province of Zeeland.

The programme was jointly organised by the province of Zeeland and the Research Centre for Education and the Labour market (ROA), in collaboration with the OECD LEED programme, and the Dutch Ministry of the Interior and Kingdom relations.

Meeting in Middelburg

During the afternoon meeting at the House of Province in Middelburg, the delegation, the local expert and the staff of the province had the opportunity to get introduced to each other. The delegation was informed about the presentation by the local expert and the study visits to Dow Terneuzen and ZorgSaam. During the evening, the Mayor of Terneuzen, Mr. Lonink, joined the group to introduce himself and informally discuss some topics on demography in the region of Zeeland. The dinner was hosted by the new Province Secretary, Mr. Smit.

The presentation by the local expert, Dr. Frank Cörvers, is based on the 'Background Note' for the Province of Zeeland, identifying the demographic and economic characteristics and data about the labour market in Zeeland. A summary of his contribution has been included below.

- Zeeland is a divided province, both physically and socio-economically. Zeeuwsch-Vlaanderen is oriented towards Belgium, more so than the rest of Zeeland. The water divides the province, but is also an economic driving force.
- The development of the population in Zeeuwsch-Vlaanderen is different from the development in the rest of Zeeland. Where the largest town of Zeeland (Middelburg) is still growing, the largest town in Zeeuwsch-Vlaanderen (Terneuzen) is shrinking. While the population of Zeeuwsch-Vlaanderen is in decline, the rest of the province of Zeeland shows an increase in its population that is somewhat higher than the average increase in the Netherlands.
- Zeeland also has an ageing population: the percentage of people older than 65 is increasing. In 2040, one out of every three residents will be over 65; currently this rate is approximately one in four (23%). This percentage is considerably lower for the Netherlands.
- The outline of the population in the region shows that age distribution of the population in the Netherlands is relatively more in balance than that in Zeeland, where more young people [age bracket 15-35] are moving away and the percentage of older people is increasing more rapidly. The number of young people.

- The net number of births (the number of births minus the number of deaths) has fallen to almost zero (2011) from nearly 1,000 (1990) in Zeeland.
- Inland and foreign migration numbers are fluctuating in Zeeland, but on average there is more inward foreign migration than there are people leaving the region. Those migrating from abroad are mainly from Belgium, but also from other countries.
- For a long time, inland migration has shown a deficit in the 15-24 age bracket. 2011 was the first year with a negative outcome for most age categories.

Economic characteristics:

- Industry, and also agriculture, are both relatively larger sectors in the province of Zeeland than on average for the Netherlands. Industry is responsible for almost 40% of the added value in the province. There are many jobs in the industrial sector, which is also the case in Zeeuwsch-Vlaanderen (25% of overall employment). But in Zeeuwsch-Vlaanderen, as is commonly the case in all Western European economies, most of the jobs are in the services sector.
- In Zeeland, some top sectors can be identified as having an employment percentage of 1.5 or two times the average in the Netherlands. These sectors include: industry (mainly bio-based, which is rapidly increasing); logistics and maintenance; the ports; the energy sector; the health sector (not exceptionally large but with a higher than average growth); tourism; water; foodstuffs; agriculture and aquaculture.

Labour market:

- Older workers in Zeeland mainly work in semi-public sectors, as well as the agriculture and communication arenas. It must be noted that there are fewer older employees working in the strongly growing industrial, chemical and foodstuff sectors.
- It is estimated that by 2040 the working age population of the Netherlands will have fallen by approximately 7%. Zeeuwsch-Vlaanderen will be the most affected, with a decrease of 27%, compared to a decrease for the rest of Zeeland of approximately 10%.
- Labour participation is nearly identical for both the Netherlands and Zeeland (70%). The participation of women in Zeeland is lower, although this percentage has risen in the past few years. Labour participation in the 55 to 65 year old population has also risen. This is a positive development, certainly in view of the overall decline of the working population.
- Unemployment rates in Zeeland are below the average for the Netherlands, and amongst the lowest of all European regions.
- A comparison between the number of vacancies and the number of short-term unemployed shows that the number of vacancies in both the paramedical and medical professions are five times the number of short-term unemployed people.
- The employment chart shows that there is potential for future gain: younger people are employed more often than is the average in the Netherlands, but older people less often.

For more detailed analyses, Mr Cörvers refers to the Background Note the workshop participants received, which concludes that many young people are leaving this region to go to other parts of the country, mainly caused by the lack of a university in Zeeuwsch-Vlaanderen. In turn, the migration of young people leads to loss of highly educated personnel in the region (“brain drain”).

As a result, the working-age population has had a relatively low level of education. Few education and training facilities are on offer – or used - in the region. The most important question arising from these conclusions is: why are so many young people leaving Zeeland, in spite of its substantial economic growth and the shortage in the labour market? To establish how these problems can be solved, the underlying causes must first be identified.

Study visit

The next morning, the delegation visited Dow Terneuzen and ZorgSaam. Both are important employers within the shrinking region of Zeeuw-Vlaanderen. The transition of Zeeuwsch-Vlaanderen to a bio-based region was one the reasons why Dow was selected for the study visit. Dow Terneuzen, established in 1965, is the second largest Dow production facility in the world. It is one of the seven Dow sites in the Benelux Union. The site in Terneuzen has a surface of 440 hectares with 18 plants, where 1,700 employees and 600 contractors are employed. More than 800 different chemicals and plastics are produced at this site, and 85% of those are exported by truck, ship, train and pipeline. In the research and development centre, there are 200 employees, in the relatively new 'call centre' (BPSC) there are 400 employees, and in the Styron production, 350 employees and 100 contractors. The Dow company is the most important private employer in the region of Zeeuwsch-Vlaanderen, it is a central firm in the bio-based industry of the region, and it is connected to other firms in the region on both sides of the border, including the other Dow companies. The profitable linkages with other bio-based firms in the region will prevent Dow from closing down the site, which it will do in Delfzijl in Groningen. Dow recruits its highly-qualified workers from all over the world. It currently faces limited problems in recruiting low- and intermediate-skilled technical workers. However, strategic HRM is very important for Dow, *e.g.* it takes at least eight years for a process operator to become fully experienced at Dow.

Secondly, at ZorgSaam Zeeuwsch-Vlaanderen more than 3,180 people (1,834 full-time equivalent staff; 2011 figures) are working in health care and cure, including the personnel in ambulances and care for the elderly. The health services cover the whole of Zeeuwsch-Vlaanderen. ZorgSaam also has partnerships with other health institutions in, for example, Middelburg, Vlissingen and Gent (Belgium). In 2011, it had a turnover of €160 million and 27 000 in-takes. ZorgSaam in particular is concerned about the greying of the population. On the one hand, demand for health care services will continue to grow. On the other hand, too few young people may be available to cover the large outflow of experienced older health care workers at ZorgSaam. The care services are expected to grow at a yearly pace of 2%. Due to expansion demands, 500 additional workers will be needed through to the year 2020 (16% growth in personnel). Additionally, almost 20% of the current workers are older than 55 years of age, which means the staff replacement demands to 2020 will be massive. In total, ZorgSaam will need about 400 new workers per year up to 2020 in order to fill both the new and upcoming vacant positions. Currently, the number of vacancies that cannot be filled is low, but the management is concerned that this may change dramatically in future. To prevent shortages in personnel, they are considering a variety of options, including: encouraging part-time staff to work more hours per week; paying more attention to motivating and energising the personnel to increase productivity; and recruiting foreign personnel, despite difficulties with recognition of qualifications attained abroad - the Director of Zorgsaam has asked the Benelux Union to play a role in this difficult matter. Moreover, there is a risk that health care institutions may not be allowed to expand much, due to budget

cuts by the government. However, more attention could also be paid to innovation as a central driver for efficiency, quality and expansion in the sector.

Workshop

More than 50 regional experts, representing different social and professional groups, as well as the OECD experts, participated in the workshop on the impact of demographic changes on the present and future development of the province of Zeeland. The location of this workshop, Biobase Europe, is an example of cross-border co-operation, as this training centre in the field of bio-based industry also has a 'Bio Plant' in Ghent, Belgium. Mr Smit (Secretary of the Province of Zeeland) opened the meeting at Biobase Europe on behalf of the Province of Zeeland. Challenging economic and spatial visions and plans are being developed in this province, so the parties that were present at the workshop may expect to meet more often. The purpose of this meeting was to discuss the questions concerning the relationship between the demographic changes that are affecting this region, the effects that this will have on the labour market, and the economic developments in Zeeuwsch-Vlaanderen. The population in the region is changing and in decline, which will affect various fields: the level of social and cultural facilities; the housing market; economic vitality; and the labour market.

The Province of Zeeland has decided to adopt proactive measures through various activities and specific arrangements, with the main focus being on the region of Zeeuwsch-Vlaanderen. The 'masterplan facilities' have been set up in close co-operation with the local authorities, and experimental projects have been started in the housing market, such as joint houses and the encouragement of cross-border housing schemes.

In co-operation with partners in the different sectors, the Province of Zeeland has developed an Economic Agenda, in which the strong points of the economy were presented, economic top sectors were appointed, and business opportunities at the national and European level were identified. This has resulted in nine prospective programmes and business cases (BCs). A leading initiator from trade and businesses, with a large network, was appointed for each of these BCs. The parties from three sectors - education, government and the labour market - worked on the BCs to realise the BC's ambitions. Each of these BCs must include a human capital paragraph, to ensure that there is a sufficient workforce. The Chamber of Trade and Commerce in the region must also play a leading role. Data, networks and facilities are provided by the Province of Zeeland.

Mr Smit thanked the workshop participants for their willingness to share their knowledge and experience with the Ministry and the OECD. He also thanked the Panel Chairman, Mr Lonink, who is the Mayor of Terneuzen, the biggest municipality in Zeeland. In his introduction, Mr Lonink pointed out that within the province of Zeeland, situations may differ. The northern part of Zeeland has close connections with Rotterdam and the province of Zuid-Holland; the eastern part is connected with western Brabant; and Zeeuwsch-Vlaanderen is connected with Belgium, although the Zeeuwsch-Vlaanderen/Belgian connection could be improved.

The problems that this region is facing are unique when compared to other shrinking regions in the Netherlands. While unemployment, including youth unemployment, is a problem in other regions, Zeeuwsch-Vlaanderen's concern is how to retain a sufficient labour force for its enterprises in the region,

due partly to its ageing population, but also because of the economic growth area of Vlissingen-Terneuzen-Ghent, in which the demand for personnel is increasing. Large amounts of money are being invested in regional infrastructure: connecting roads moving East-West and North-South; and new sea locks that will connect the Seine and the Scheldt. The municipalities in the region seized upon this desire for growth through cross-border co-operation activities in order to achieve a more streamlined labour market: the Province of Zeeland, Zeeland Sea Ports and the municipalities have lined up 35 such projects for further improvement.

Dr Cristina Martinez-Fernandez presented an overview of the OECD/CFE/ LEED project, following which Mr Frank Cörvers presented the highlights from the background note on demographic change in Zeeland (see above for a summary). Dr Martinez-Fernandez spoke about global differences in population development. The OECD has been collecting data in this field since the sixties. Fertility rates have varied through the years and differ from one country to another. There is a similar trend in OECD countries: an increase in younger people leaving, and an ageing population. This must be taken into account in the new thinking processes within the economic field.

There are also discrepancies with regard to labour participation in the individual countries. Labour participation in the Netherlands, for instance, is lower than in Denmark – so there appear to be opportunities to increase labour participation.

The plenary session was followed by four thematic parallel focus group sessions.

Focus group 1. Opportunities within the cross-border labour market: responses on the basis of policy and 'regional expertise'

Chairperson: *Frank Corvers*, ROA, Universiteit van Maastricht)

This workshop was led by Mr Cörvers (ROA, Maastricht University, Head of the Department for Dynamics of the Labour Market). The aim of this group was to assess the opportunities for a cross-border labour market and to draw conclusions.

According to the Chairman, the province of Zeeland, and in particular Zeeuwsch-Vlaanderen, is a true border region. The labour markets in Zeeland and Flanders in Belgium show a clear interaction. The query under consideration was: how can we open up a region and improve contact with the surrounding areas? How can we facilitate finding solutions to shortages and how can we attract people? These issues are more challenging in Zeeland since the province is comprised of various islands.

This workshop tried to find answers to four questions. For a start, the Chairman asked if there were matters which needed additional emphasis. It was indicated that the labour market is in dire straits and that shortages mainly exist in the sectors of health care and technology. Viazorg indicated that there will be a shortage of 270 employees in the health care sector in Zeeuwsch-Vlaanderen within two years' time. The workforce back-up in Zeeland is insufficient to offset these shortages. This problem is even more serious in Zeeuwsch-Vlaanderen than it is nationally, due to the ratio of young versus old people.

Answers to key questions posed by the OECD

1. How can cross-border commuting and migration be encouraged?

- By having a personnel search system in place, or a method by which to actively recruit people. Participants indicated that larger companies such as Cargill and Dow use such systems, but smaller companies do not.
- National governments should pay more attention to the border regions and the impact of amended legislation on these regions. A cross-border assessment was proposed by some as a solution, meaning that for every Act or Rule to be imposed, the impact on the border regions should be assessed.
- More attention to cross-border mobility at a European level. In fact, the European Union was intended to enhance cross-border labour and mobility.
- Simply recruiting personnel in Belgium cannot solve these shortages. A joint approach would be advisable.
- Education should be more in line with the labour market. The school systems should educate the young based on the labour market's needs. It is important to also look at the issue from a cross-border perspective and to link up with Flemish educational institutions.
- A lot of progress may be achieved by providing better information, by facilitating easy and quick access to correct information, and by offering an opportunity for personal growth and career advice. The Benelux Union has launched a web portal which provides information to primarily to cross-border job-seekers (target group), but also to employers. The portal provides specific information related to issues such as social security matters, pensions, taxes etc. (www.startpuntgrensarbeid.benelux.int).
- The municipalities of Zeeuwsch-Vlaanderen are also financing a border information desk. This cross-border initiative of the Euregio Scheldemond is called 'Trends without borders'. This initiative will be rolled out in combination with the Belgian side of the border.
- National governments should be more aware that information provision on cross-border labour is very important.
- Introducing a system in which Dutch job vacancies on Dutch websites will immediately be displayed on German or Flemish sites.
- Initiating a joint cross-border regional economic development policy.

2. How can border regions benefit more from each other's potentials in the fields of employment, education, cultural facilities, training opportunities, etc.?

- A regional employment scheme may be helpful to tune into each other's variations. Joint investments are essential. This will enable parties to benefit from the other party's strengths and facilitate a joint approach.
- The labour market must be mapped out in a cross-border approach. A good example of this is the cross-border project with regard to greenhouse farming. In this project, Belgian job-seekers from the Ghent region are employed in a newly built facility for greenhouse-based farming in Terneuzen.
- A number of trade unions on both the Dutch and Belgian side of the border offer joint training courses on what it means to be a worker across the border. The courses address a number of subjects, such as residence, work and taxes.

- It is important to improve infrastructure, in particular public transport, and primarily cross-border public transport. It is possible that a joint invitation for tenders may offer a solution.
- “Aanzet” is another good example of cross border co-operation. This Belgian-Dutch organisation, with a cross-border legal representation based on the Benelux Convention for Cross-Border Co-operation (1986), provides assistance to the elderly within the Dutch municipality of Terneuzen and the Belgian Assenede. The service includes, amongst other things, providing meals, activities, transportation, advice and information to the older citizens of both municipalities.

3. *To what extent can national governments be encouraged to create special schemes for border regions, for instance with regard to tax exemptions, subsidising industrial regions, transparency/harmonisation of qualifications, and initiatives for the development of skills?*

- There is a lot of room for improvement, mainly regarding diplomas (especially at the vocational level, except for the Bologna process). A preferential arrangement between the Netherlands and Belgium is required and diplomas should be harmonised.
- Cluster companies across the border. This would result in more co-operation within the health care system, as institutions are competing for the same staff members. If health care institutions were to join forces they would then employ a larger number of people and consequently have a larger impact on the labour market.
- A cross-border information desk has already been established in Zeeuwsch-Vlaanderen. However, this must be incorporated structurally and should also be established on the Belgian side of the border. Financing of such information desks may require input from enterprises and organisations and not just from the government. The OECD may be able to assist in contributing best practice details with respect to similar initiatives.
- Establishment of a development fund for the region, on both sides of the border. At present, Zeeland co-operates with the development fund in the province of Brabant, but not with the fund in Flanders.
- Regions should try to achieve changes using a bottom-up process. Regions should network together and display their combined strengths in order to convince national governments to join them.

4. *Is there a need to encourage European migration for specific sectors or industrial clusters? Is migration temporary in its nature?*

- Migrants who come to Zeeuwsch-Vlaanderen often stay only temporarily. They are often expatriates employed by international companies; they roam from country to country and do not tend to take root. In general, Polish workers will stay on longer, however, due to the economic development in Poland, many of them also return to their country of origin.
- There is another specific border region problem, which is called ‘third country issues’. This pertains to people with a nationality other than Dutch or Belgian, who are either established in Belgium or in the Netherlands and have a residence permit in the respective country. As such, they cannot work across the border. A citizen from Turkey residing in Belgium (not having a Belgian passport) is not allowed to work in the Netherlands. This is unfortunate, since many job-seekers are in this position and could probably be deployed regionally. Before the region attempts to attract new immigrants it is advisable to ensure that third country nationals are able to be employed.

- As stated before, it is difficult to hire staff from countries such as Spain, Portugal or Poland for health care jobs. Their knowledge of the Dutch language and culture is insufficient to communicate or understand the subtleties, which is a requirement in health care. At the same time, there may be a 'brain drain' in their countries of origin, which will encourage these countries in their turn to attract staff from other countries. The continuation of this process may only lead to relocation of the staff shortage. It is therefore desirable to develop one single European vision and policy to cope with such bottleneck professions.

Focus group 2. The challenges of demographic transitions on the labour market: increasing unemployment versus future shortages.

Chairperson: *Ab Smit*, Director Province of Zeeland

The Chairman asked the participants for their priority questions they would like to ask of the OECD, or to state what they would like to report to the OECD. The primary responses were:

- It is a good thing that research is being done within the various sectors, but everyone hoped to also get some answers and some good 'best practices'. There is a lot of information, but it is all statistics.
- If there is a mismatch in the labour market between demand and supply, the reason for that is probably to be found in education.
- The correlation between the working population and employment is drawn too easily.

Answers to key questions posed by OECD

1) *What are the main challenges faced by the labour market in view of demographic developments, both for the current generation and future generations?*

- One of the challenges is filling job vacancies. Demographic changes may lead to the risk of many vacancies not being filled. Some businesses solve this problem by hiring people from outside, rather than by deploying 'local people'. The problem is that the groups which should fill the vacancies are moving away from the region.
- Finding a solution to this problem does not seem easy. The labour market in Zeeuwsch-Vlaanderen focuses on secondary vocational education. The intake into lower secondary vocational and secondary vocational education is falling by 25%. To try and turn the tide, we should start with the parents, who could make their children aware of potential work opportunities in Zeeland, and the linkages with lower secondary vocational education and secondary vocational education. Parents, however, will always try and make their children do the best they can. Many children are encouraged to attend higher general secondary education and pre-university education and it is usually these children that move away from the region and often do not return. Not all workshop participants see this as a problem, for the focus of the Zeeland labour market is on secondary vocational education and not on higher vocational education and higher education.
- Another challenge is creating urban areas. At the moment, Zeeland's population is ageing, which results in a declining working population. If you adopt the principle that working in Zeeland will be followed by living in Zeeland, more businesses will then have to be located in the Zeeland region. As there is no university, there is no employment at that level. However, if there were a university in the region, urban areas would follow, leading to development of the required living and housing environment.

2) *What are the causes of students leaving school prematurely and the consequences for the labour market? How can we prevent the emergence of a lost generation?*

Currently, there are simply no opportunities for young people. Therefore, it would be good to promote older workers. For the purpose of this workshop, we will adopt the position that by deploying older people, young people will be attracted to the region. Attention should focus on the qualities older workers have. According to UWV [Employee Insurance Agency], there are more than enough older workers, but companies should be prepared to deploy them. Hiring older people would be an incentive for young people. An older worker could, for instance, be a mentor to a younger worker, and campaigns could be launched to encourage older unemployed people to seek work, and to encourage businesses to hire older workers. An awareness of work opportunities should be created, and the mindset of businesses and older and younger workers need to change. Businesses could become more diverse; and other avenues could be explored, such as encouraging more women into full-time work.

3) *What are the most effective methods and tools for ensuring the employability of vulnerable groups? Are there 'best practices' for companies and public service providers, who have developed a special approach? What aspects form obstacles to this?*

- It is conceivable that if no young people are active in the labour market, older people will have to be hired or must be retained longer. Some workshop participants believed that the market will regulate itself, other participants wonder whether that is not too short-sighted a view.
- At the moment, the region is contending with education not meeting the demand side of the labour market. Education and an ageing population are not interrelated, but educational institutions can help where further training of the working population is concerned. One of the participants argued that labour market policies should be converted into individual career guidance. As noted before, employers can also play a role in this, but the working population itself needs to be involved. In many cases, people are lagging behind market developments, which mean they do not get hired. People develop, learn and are educated between the 5th and 65th years of their lives and it is partly the responsibility of people themselves to keep pace with market developments. However, people who become unemployed are often the same people that do not find a solution themselves and remain unemployed. They are often not used to investing money in themselves, for example, undertaking job interview training. These people are often lacking career guidance.
- The business community and educational institutions should take the initiative here and ensure people continue to develop and adapt to the present market. More in-company training could be done, for instance, and retraining of unemployed people.
- In other countries, retraining unemployed people is easier than it is in the Netherlands. In Belgium, for instance, this is subsidised by the government. The workshop participants agreed that the most important consideration is that quality of life in the Zeeland region be retained and preferably improved. This may require a different policy compared to other parts of the country. Only if the boundaries are pushed, do we get national politicians to act. Another idea would be to set up a training scheme, "Zeeland BV", which could then fund training programmes. However, not everyone agreed to these ideas. Some participants stated that it is the prevailing mentality of younger and unemployed people that actually needs to change.
- One final idea that was mentioned within this scope was that of offering trainee placements to students undertaking bachelor studies in the Zeeland region; with the municipal authorities, for instance; to help create a social coalition and develop an action plan. Some participants suggested

that Scalda, the Municipality of Terneuzen, and UWV [Employee Insurance Agency] could contact each other to see whether this idea can be put into practice.

Focus group 3. Developing knowledge and skills for the regional labour market

Chairperson: *Gertjan van der Brugge*, Scalda

The Chairman welcomed all those present at this workshop. Mr van der Brugge is a member of the Board of Directors of Scalda, Chairman of the Bio Base Europe Foundation, and he is also on the board of the Association for the Promotion of Influx in Technical Positions. The Chairman introduced the theme for the workshop, and noted that a lot is happening in the Zeeuwsch-Vlaanderen region in the areas of country planning, and economics as well as socially. Some examples are the construction of the Sluiskiltunnel, a new sea lock, and the Maintenance Value Park, in which a number of chemical companies are involved. Lots of initiatives have been launched in the field of bio-based economy, and Zeeuwsch-Vlaanderen has the largest number of starred restaurants per 100,000 inhabitants throughout Europe. Moreover, it hosts an innovative hospital, which is expanding, and the Kanaalzone (channel area) is one of the few regions in the Netherlands that still has space available to offer to large industrial corporations such as those in the process industry. At the same time, the population is shrinking, the number of young inhabitants is decreasing and the population is ageing. The industry hosts capital-intensive, ground-based industries, which have a growth potential of 5-10%. Combined with the shrinking workforce, there is a mismatch looming ahead.

Answers to key questions posed by OECD

1) *How can we stimulate young people to choose to work in sectors in which there is a demand for labour? And what is the role of educational institutions and employers in this?*

- It was indicated that it would be advisable for local companies to be well known at educational institutions. Educational institutions could consider offering guest tutorials by people from local small-medium enterprises (SMEs).
- Younger people often lack a clear picture of what is entailed in various professions. Having a good and realistic job profile may offer added value before they decide on a type of education.
- An education which is relevant to the labour market is important, but it may be difficult for companies to predict their requirements three to four years ahead (the normal duration of an educational course). One option is to offer a more generic technical education, after which students could attend additional training for specific professions.
- However, sector-wide predictions of future staff requirements are often available, and these figures are not expected to vary considerably.
- From experience we know that it is hard to influence a choice of profession. Despite the efforts of the process and electro industries, shortages still exist. The difficulty here is that the industries' image is in question: the work is known to be dirty and tough. A solution could be to introduce these professions to young people quite early in their careers.
- The group agreed that the aim should be to provide broad-ranging technical and health care education.
- EduDelta offers education in 48 specific diploma options. There is a market in Zeeland for all of these students. However, this specialist way of training requires permanent fine-tuning with trade

and industry. Generic programmes would be possible, but this would then entail additional on-the-job specialisation by students.

- Scalda offers 200 specific diploma courses. All of these specific diplomas have been fine-tuned with trade and industry. Consequently, trade and industry would not react very positively if a number of these professional diplomas were to disappear.
- In the building and construction areas, wider associations need to be developed, including with painters, bricklayers and fitters. These people could be employed in their own area of specialisation by, or on behalf of, a building company. It would thus be important for companies to profile themselves at relevant schools.
- Promotion and introduction may be achieved by offering educational and training opportunities or hosting excursions and 'tag-along' days. This has proved to be more successful than offering gifts to trigger a decision regarding a specific education. It may also be necessary to direct image improvement at parents and relatives, as they have a large impact on the young and often act as role models.
- Additionally, young people may often be steered in a different direction by means of a short conversation.
- Finally, it was mentioned that it is hard for SMEs to stand out in this region. There is a general picture of the broader workforce targets of regional SMEs, but this recognition is not specific to the sectors.
- It was concluded that real steering regarding the choice of education and profession by young people is impossible. The ultimate viable achievement will be to seduce them, and to offer employment with what they see as being attractive employers. This seduction will have to be subtle and also has to be aimed at parents.

2) *How do we ensure that low-skilled people are sufficiently employable?*

- Large corporations, such as Dow and Zorgsaam, offer few positions for low-skilled workers; their minimum requirement is a diploma at MBO 4 level (senior secondary vocational education level 4 of 4). It remains to be seen if they can continue this policy when labour market supply further decreases. In this situation, job carving, or splitting up positions, may offer a solution. The European labour market is expected to offer jobs at a ratio of approximately 20% low-skilled workers; 50% medium-skilled workers; and 30% high-skilled workers. Job carving takes the entire scope into account. Effectively, when supply at higher levels of education is short, it means that any tasks which may also be performed by a medium-skilled employee will be removed from the higher positions and will be performed by an employee with only senior secondary training.
- At the same time, we need to be aware that each employee has its maximum capacity – intellectually - to be educated. This is not always visible when they leave school for the first time; but they may choose to enrol in higher level education after a ten-year career. Consequently, jobs have to be designed accordingly: they need to encourage further training; and adult education is crucial.
- Finally, sometimes displacement occurs at lower levels of the labour market, i.e. by Eastern European citizens in nurseries. It is obvious that entrepreneurs address this issue in different ways. Whatever governments or educational institutions may decide, business economic perspectives will lead.

3) *How can skill obsolescence be prevented, and what is the role of the business sector and educational institutions in this?*

- Co-operation between educational institutions, trade and industry, and the government has developed well over the past few years. This connection is important: even good teachers often lack a realistic view of the current demands of trade and industry. Top sector government policy is also aimed at correcting this issue.
- In order to direct employability more towards competitive clusters, there are two areas needing improvement. Firstly, this co-operation could be expanded and intensified. Secondly, support and monitoring of problem youngsters is important, in order to handle the available regional human capital even more carefully.
- Companies that allow employees' skills to become obsolete will eventually go bankrupt. At present, we have observed that companies which focus on ongoing skill development have achieved a lot and have become respected employers. Jobs need to be designed for people to make the most of their capacities and to deploy their skills to the maximum.
- Nevertheless, recent research showed that the Netherlands have a rather bad track record with regard to skill obsolescence. 25% of the people in the 30-55 year age group feel their skills are not up to date.
- Companies such as Dow Chemical employ strategic HR planners, but hundreds of smaller regional companies lack this expertise. How can we address this? Educational institutions could start a dialogue with companies to investigate their policies, training investments, etc. It is often observed that the 'return on investment' of schooling and skills is not immediately visible and that companies may feel hesitant to invest in schooling for this reason.
- Skill obsolescence is also caused by the lack of a life-long-learning culture in many companies belonging to specific sectors. Statistics show that investments in refresher and training courses decrease with the age of employees. Requests for education are often only made by employees up to about 40 years of age. Above this age, the demand for education decreases considerably or is not communicated. It is, however, advisable for employers to encourage their employees to continue personal development.

Focus group 4. New sources of economic growth

Chairperson: [Dick ten Voorde](#), NV Economische Impuls Zeeland

The Chairman welcomed all the participants to the workshop on new sources of economic growth. The OECD presented three questions for this workshop, which were open for debate and discussion. The Chairman referred to the tension between the decline (16% through to 2030) in the working age population, and the ambition to realise new sources of economic growth. The question is: would this mean new jobs for new residents, and from where would these new residents have migrated? It is unlikely that Belgian workers could be tempted to come here, as Zeeuwsch-Vlaanderen (NL) and Vlaanderen (B) are fishing in the same pond when it comes to the work force.

Answers to key questions posed by the OECD

1) *What opportunities are there for new sources of economic growth in the region?*

- The region must therefore widen its scope. An example is Damen Shipyards in Vlissingen, which recently hired a large number of Greek employees. In order to increase the labour market, the

region is now looking beyond national boundaries, which must continue. The current mix of countries of origin in the workforce is good. The question is whether people come here for a job - with employment potential being the leading factor, followed by available housing; or for the housing potential, in which case available accommodation comes first, followed by job opportunities.

- All workshop participants felt that the current strong economic profile is the basis for migration into the region, and that this must serve as a starting point for further development. The presence of Dow Chemical is the basis for this economic strength, so it is essential that this company stays in the area. With an invested capital of \$8 billion and the presence of related businesses, fortunately this company is not likely to leave the region.
- Even if the company were to leave, as one workshop participant point out, the infrastructure would still remain, which would make it relatively easy to find a company interested in taking the premises over. It is essential for new economic growth that clustering of companies around Dow Chemical and other large companies is encouraged and that there is more interdependence of suppliers and customers. Half-finished products are now transported all over Europe before they are turned into end products. This leads to extra costs and is certainly not a sustainable option.
- Attracting businesses from Belgium is a second business opportunity, now that in (East) Flanders in Belgium there is not enough business space available. The Zeeland region could play an active role and create conditions that would tempt these businesses to locate here.
- A third business opportunity will be the realisation of the Schelde-Seine connection, linking the ports of Rotterdam and Paris. This will bring opportunities in the fields of trans-shipping and value-added logistics for the hub of Terneuzen. Ghent is not a competitor, but a co-operative partner. The location, the port and the deep water of Terneuzen, in combination with the chemical cluster, are the most prominent economic strengths of this region.
- Economic growth requires investment in education. Educational institutions must focus on those sectors where there is a shortage of workers. More attention must be paid to provision of further training and re-training.
- Good accommodation for foreign workers is also essential. More attention must be paid by local authorities to availability of both permanent and temporary housing, such as rented apartments.
- Economic growth (increased per capita income) can also be achieved without an increase in employment. A prerequisite would be the increase in labour productivity, which requires further use of technology, engineering and science.
- A relevant example is the case of Cargill, where a new installation worth €50 million is operated by a single employee. A higher rate of labour participation is also expected of older workers now that the retirement age is shifting towards 67 years of age.
- The question arises whether in future a labour supply with a degree at the MBO (intermediate vocational education) level should be the guiding principle, or must there be a shift to HBO (higher vocational education) or VWO (pre-university education) education levels? Opinions vary. On the one hand, research and development activities must be improved; on the other hand, the region of Zeeuwsch-Vlaanderen (NL) does not have the correct profile for this field. There is no employment in the higher services sector in this region, nor is there a university. It is precisely at the technical MBO (intermediate vocational education) level that there should be more innovation.

- More medium and small businesses should be encouraged to locate in the region; this would benefit the region, particularly Terneuzen, which would develop a more differentiated economic profile with organic growth potential.

2) *Which initiatives and strategies could simplify entrepreneurship or self-employment within the region?*

- There should be a network for first-time entrepreneurs and self-employed people, which focuses on their products and innovations. Such a network could be situated in the Biobase building. Moreover, apart from supporting first-time entrepreneurs and self-employed persons by giving them an office, they could also gain access to experienced developers.
- As in Vlaanderen (B), first-time entrepreneurs and self-employed people (Belgian KMOs) [Small, medium-sized and micro-sized enterprises] should be more actively supported by higher education institutions and through other activities. It would help if there were one single contact point for all the higher education institutions and universities.
- The suggestion was made that education in Zeeuwsch-Vlaanderen should be more closely linked with innovative activities by and the work of first-time entrepreneurs and self-employed people, and this should be done in close co-operation with Vlaanderen (B), with one central contact point. It must be noted, however, that complete public funding such as exists in Vlaanderen (B) is not possible, but it is possible a pilot scheme could be introduced.
- The workshop participants also expressed concern at the lack of innovative skills within the medium and small sized businesses in the region, and believed that these businesses are currently primarily in survival mode, rather than busy with innovation.
- In view of the ageing population, encouraging health care tourism and the development of new products for older people should be given more priority.
- The settling of large groups of elderly people in the region (in a 'Sun City' type of arrangement) must not be encouraged, it is better instead to stimulate innovation in the health-care and elderly support areas. A good co-operative scheme is already in existence between Zorgsaam (Health and MediCare) and other institutions, with medium and small-sized businesses and self-employed people. More attention should be paid to innovation and higher quality services. A small business cluster could develop around Zorgsaam. The advantage of a business cluster is that it can develop independently at a regional level, and does not depend on foreign enterprises or foreign investment potential. There are opportunities for this in the Domotica field, but a morning work visit to Zorgsaam revealed that so far financial incentive has been rather limited.

During this discussion, the Province of Zeeland said that it is prepared to add the new business case of Care Economy to the Economic Agenda.

3) *Which social and cross-sector innovations could strengthen the competitive capacity of the region? How can the opportunities offered by an ageing population be supported?*

- The example of Biervliet, where care is mainly provided by volunteers, is a successful arrangement in light of the ageing of the population, reduced funding for care, and fewer facilities because of the population decline. The big care facilitators are currently holding back because this is not in line with the present care system, and because of adverse financial triggers in the care system. Using the support of local people will, however, become a more and more important element if the quality of life in the region is to be maintained. This is also important in order to attract and keep businesses and residents in this region.

- Previous huge investment is not a guarantee that the Dow Chemical company will stay in the region. Current profitability and prospects for staying profitable are the decisive factors for companies and regional strategic support is needed.
- As ZorgSaam does not appear to be particularly innovative, setting up an innovative cluster around ZorgSaam should be given special consideration and targeted directives and incentives. Strategic policy support from the region and the central Netherlands government together is advisable.
- There is also the example of the buurtbus (neighbourhood bus); a small bus for local transport in smaller communities, which is driven by volunteers.
- The decentralisation of the national AWBZ [Exceptional Medical Expenses Act] to the local Wmo [Social Support Act] funding for care facilities and support is seen as an opportunity for better regional systems, but local government lacks expertise in this field. More co-operation between municipalities and care institutions is also essential. Health Care insurance institution, CZ, has already embraced some initiatives such as provision of small subsidies.

Concluding remarks

The visit to Dow Chemicals clearly showed a global company, with high mobility amongst its employees, particularly the more highly qualified staff. At the other end of the staffing spectrum, however, routine jobs are shrinking constantly, which means that typical industrial positions are losing out to more abstract jobs, and people who cannot cope with this development will find themselves in a poor labour market position. Dow Chemicals state that they have more difficulties attracting staff with lower technical skills than more highly skilled staff, but the strategies they mention having formulated appear to be particularly focused on attracting highly skilled people. Examples are the marketing campaign designed to attract people from other parts of the Netherlands. As lower skilled people are generally less willing to commute over long distances, these strategies do not seem helpful in solving the shortage of lower technically skilled workers. Lifelong learning, starting early and continuing until retirement age, is therefore of increasing importance.

Dow's technical work is complex. It takes eight years's worth of on-the-job-training to reach a position in the company in which one has the right to undertake emergency-stop processes and productions. This long training time means it is natural for the company to have a scheme for knowledge transfer from older to younger staff members. All staff in the company are included in a development and training scheme, which does not end at a certain age. Not surprisingly, the reported experience with this training measure is very good. A challenge for the company is to further develop flexibility for older staff in technical and shift-work areas to better balance their job with personal requirements, such as the need to support and care for older family members. The Dow company, in addition to part-time, and flexi-time (where possible), is advised to introduce and assess different kinds of information and communications technology (ICT) enabled support services such as e-care and e-support, to ease the burden on staff and better balance work with caring for other family members. In addition, this kind of support may be appreciated by younger staff, to enable sharing of family responsibilities. Dow's human resources strategy is also focused on having more female staff members in management positions. The proposals listed above could help support the company's desired image of being "staff and family friendly", which will in turn assist with recruitment of female workers.

From a company perspective, the constant investment in the qualifications and skills of its employees is an important factor to ensure the company remains globally competitive. Company representatives made it clear that the qualifications of its staff are an important factor in its overall

business strategy, but there are other factors they consider when making strategic decisions. It is therefore all the more crucial that strategies are developed and followed at a regional level, thus ensuring that the manifold factors that make up a regions' profile are targeted in a coherent way by the institutions concerned. Local governments often think land prices are the most important factor for a large international company when deciding where to base themselves, but the literature and also speaking with Dow Chemicals show that this is often not the case; rather, multiple considerations are taken into account by companies like Dow. This is an important note for local governments when determining where to focus their policies.

The management of Zorgsaam believed that the national policy regarding regional shrinkage was important, and supported Zorgsaam in continuing to offer good care services in shrinking regions. They also foresee a future labour market problem. On the one hand, there is an increase in the demand for care due to the ageing population, but on the other hand, there is a decrease in the supply of labour due to a decreasing potential working population, and outflow of workers due to retirement. They state that the retirement of the older workforce (from the baby-boom generation) has been slowed down by the economic crisis, as people are uncertain of the future and therefore continue to work longer. As a result of this, the outflow of people in the 55+ age bracket is relatively low.

However, there is a shortage in highly-skilled personnel. Zorgsaam have therefore formulated different strategies, among which are encouraging part-time staff to increase their contracts, stimulating vitality, and providing on-the-job training. The national government has stipulated that co-operation between healthcare institutions is only allowed if it delivers a positive contribution to society. The management of Zorgsaam noted that taxes and regulation can either hinder or stimulate dealings with the decreasing potential working population. They emphasise that it is important that the national government is aware of the effects proposed tax reforms can have on labour markets in peripheral regions and the willingness of Flemish people to work and settle in the Netherlands. Zorgsaam also notes the need to address integration of cross-sector financial flows and recognition of diplomas on both sides of the border (for example, for nurses working in operation rooms, and oral surgeons). The Director of Zorgsaam has asked the Benelux Union to play an active role in solving this matter in order to help deal with labour market issues related to demographic changes and negotiate with the national government to support them on these issues. Finally, the company noted that the lack of financial incentives hinders them from making more use of ICT innovations, as all investments in this has to come from themselves.

However, much effort has been put into problem analysis by the management of Zorgsaam. Strategies are primarily focused on attracting people and to date not much attention has been paid to strategies focused on doing more with less people (and making use of ICT innovations). To counteract the consequences of the demographic ageing in Zeeland, ZorgSaam needs to recruit 16% more staff through to the year 2020. The funding from the Netherlands government does not cover such an increase, which is of great concern for ZorgSaam. However, over the next few years, the financing for care of the elderly will shift from the Netherlands government across to local governments, which will force local caregivers like ZorgSaam to be much more innovative in order to deliver more quality care for every euro spent. As determined by ZorgSaam, calculations currently show that the new financial budget for elderly and home care will be cut by 75% by 2015. If this cut is realised, some 600 staff members will have to be laid off.

However, ZorgSaam may not be as innovative as will be required in terms of organisational developments, social innovations, and use of ICT to enable new work processes, new ways of delivering care, and to support older people in homecare through more self-care and a better independent life. Strikingly, the representatives of ZorgSaam made it clear that there is no incentive for ZorgSaam to introduce innovations that support older people in homecare and similar settings to have better self-care and more independence. The Dutch government (and local/regional governments) should introduce

measures and incentives that encourage care providers like ZorgSaam to actively develop, test and apply innovations (including social innovations) in order to be more efficient and, at the same time, support older people in homecare and similar settings to keep the clients as healthy as possible for as long as possible, and also provide more innovative support for self-care and independence.

The final workshops took place at Biobase, a training centre, which follows a similarly modern and playful approach as their Groningen counterpart, SXC, in order to raise interest in technical professions. The concept of these training facilities could be utilised by other countries.

However, Zeeland is lacking a university as an engine driving support for start-ups and small and medium sized enterprises (SMEs), high-end technology in selected top sectors, and innovations in the region. It is strategically sound for the regional government to ensure that the absence of a university is compensated for by policy, organisational and practical systems, in order to provide access to university-level knowledge and skills. Linked to this issue, there also appears to be only a limited amount of local institutional intelligence regarding the local economy and labour market. People with high-level skills and expertise in Zeeland appear to be scattered around in different organisations. The regional government should consider establishing an organisation (an “institute”) to bring together multidisciplinary expertise that can better assist policy makers in supporting regional developments and innovations, and function as a one-stop-shop for networking amongst start-ups and SMEs.

Labour market issues also include the challenge of finding jobs for both members of a young family migrating to Zeeland. While no doubt a factor, the lack of an academic university is not the sole explanation for the lower numbers of young people in the area, but rather is one of many determinants that create somewhere that young people want to live. The issue of cross-border recognition of professional degrees in areas such as nursing was discussed intensively, but the message coming through was that this should remain to be dealt with by the Dutch government. The ageing population in Zeeland will require more care services, which in turn will raise the cost of these services if not counterbalanced by innovations. Caregivers need to work more closely with local entrepreneurs and utilise ICT based tools and services as a strategic enabler for social innovations. In this sphere, both the Dutch and regional governments could introduce policies, strategies and incentives to support innovators and care service providers.

Annex 1 – Workshop agenda



Ministerie van Binnenlandse Zaken en
Koninkrijksrelaties



OECD Workshop SCENARIOS OF DEMOGRAPHIC CHANGE IN ZEELAND

Terneuzen – Netherlands

Wednesday 7th November 2012

Agenda & List of Participants

Organised by

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

Hosted in Terneuzen

Background

The workshop is one of the activities of the 'Local Scenarios of Demographic Change' project, 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, the population age 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 need to take 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 to confront demographic changes. The project will seek to outline future local development scenarios in order 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 the Netherlands will focus analysis on 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 the labour market is needed and should be applied to the particular context of the participating regions.*

Regions facing demographic shrinkage are the breeding ground of future labour market issues for the whole country. The demographic prognosis for the province of Zeeland shows that the current population of 380 000 will remain at a constant level until approximately 2020 and will then shrink by 2% to 374 000 in 2030. The 20-65 age group, which forms the basis of the labour force, will drop from 58% in 2012 to 52% in 2030. In the Zeeuws-Vlaanderen region, the population will shrink by 6% from 106 000 in 2012 to 100 000 in 2030, while the 20-65 age group will drop from 58% in 2012 to 51% in 2030. The workshop will contribute to identifying the main issues, leading to proposals for policy development, including initiatives designed to address labour market challenges. Local activities, initiatives and strategies are of particular importance for the development of policy proposals within the province itself, but are equally important with regard to national developments, challenges and solutions.

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: Biobased Europe, Zeelandlaan 2, Terneuzen, Netherlands

7th November facilitated by Dr. Frank Cörvers, ROA, University of Maastricht

13:00 – 13:30 Arrivals & Registration

13:30 – 14:30 OPENING SESSION: THE OECD PROJECT AND THE REGION OF ZEELAND

Welcome – *Ab Smit*, Director Province of Zeeland

Introduction Zeeuws Vlaanderen & Programme – *Jan Lonink*, Mayor City of Terneuzen

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

Background note on demographic change – *Dr. Frank Corvers*, ROA, University of Maastricht

Q&A

Chaired by *Jan Lonink*, Mayor of the City of Terneuzen

14:30 – 14:45 Coffee break

14:45 – 16:15 THEMATIC DISCUSSIONS: 4 PARALLEL FOCUS GROUPS

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

FOCUS GROUP 1:

Opportunities for cross-border labour markets: 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 skill ecosystem?

FOCUS GROUP 4:

New sources of economic growth

FOCUS GROUP 1: Opportunities for cross-border labour markets: policy responses and 'regional capacity'

A vital region should have a dynamic labour market, strong job creation and be an attractive place in which to live. 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 large supply and variety of jobs in order 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 neighbouring regions on both sides of the border become, the more attractive these areas are for people seeking employment and desiring 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, and skill development programmes?
3. To what extent can national governments be induced to create special arrangements for border regions, e.g. with regard to tax exemptions, subsidising industrial areas, transparency/harmonisation of certificates, and 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: *Frank Corvers*, ROA, Universiteit van Maastricht)

Reporter: *to be nominated by the group*

Experts participating: *Michael Foerschner*, ZSI; *Karin Jacobs*, Benelux Union; and *Roxana Chandali*, BZK

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 pre-crisis levels is uncertain, shortages are expected in the near future due to a declining labour force. Declining regions face a major dilemma. On the one hand, productivity will become the main engine of economic growth. On the other hand, declining regions have large percentages of older people and less productive people, such as those with physical and mental disabilities. This raises the question of how to invest in future employment growth. At the same time, prospects must be offered to older and vulnerable groups in 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 having a lost generation arise?
3. What are the most effective methods and tools by which 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 available from companies (e.g. HR counselling services) or public support services (national, regional, and local) that have a specific approach in order to counter the impact of demographic change? What are the practices that are not considered to be good incentives, and prevent actors from maintaining older people in the labour market?

Facilitator: *Ab Smit*, Director Province of Zeeland

Reporter: *to be nominated by the group*

Experts participating: *Philip Taylor*, Monash University and *Aldert de Vries*, BZK

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

Regional specialisation may require a better match of skills for the regional labour force on one side, and the skills required by employers on the other side. Skill mismatch may have different causes: lower-skilled people without relevant competencies for the labour market; young people may not choose fields of study in areas that are needed; the competencies of older workers may not be up-to-date or their skills may decline if 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 larger and more diverse. At the same time, it is difficult for educational institutions to meet all the needs of employers, or there is a lack of connectivity between the educational supply and demand for 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 can cluster competitiveness be addressed?
2. How can we raise the employability of lower-skilled people? 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: *Gertjan van der Brugge*, Scalda

Reporter: to be nominated by the group

Expert participating: *Jasper van Loo*, CEDEFOP; *Dr Cristina Martinez-Fernandez*, OECD/CFE/LEED; and *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 shrinking populations also face issues of population ageing, and migration of younger people 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-replicating process, public policy can help to curb the outflow of people by encouraging new sources of economic growth, which in turn 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 offshoots of high-tech firms from universities at newly built campuses; (5) increase employment in higher education areas by attracting foreign students to the region; or (6) create new cross-sector 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-sector innovations can strengthen the competitiveness of the region? How can we support the opportunities offered by an aging population?

Facilitator: *Dick ten Voorde*, NV Economische Impuls Zeeland

Reporter: to be nominated by the group

Experts participating: [Femke Verwest](#), PBL; [Silas Olsson](#), Health Access; and [Michal Sulkowski](#), Ministry of Regional Development Poland

16:15 – 16:30 Coffee break

16:30 – 17:30 ROUND TABLE: CONCLUSIONS AND POLICY ACTIONS

4 Reporters provide key points from focus groups

International Panel discuss results:

- [Michael Förschner](#), ZSI, Austria
- [Prof Phillip Talyor](#), Monash University, Australia
- [Dr Jasper van Loo](#), CEDEFOP
- [Graeme Henderson](#), IPPR, UK
- [Silas Olsson](#), Health Access, Sweden

Chaired by [Jan Lonink](#), Mayor City of Terneuzen

17:30 – 17:45 CLOSING

[Dr Cristina Martinez-Fernandez](#), OECD/CFE/LEED

[Aldert de Vries](#), BZK

[Jan Lonink](#), Mayor City of Terneuzen

17:45 NETWORKING RECEPTION

Workshop Participants

Title & Initials	Surname	Organisation
Dhr. G. van	Autenboer	IVR Schelde-Kampen
Dhr. R. de	Back	Werk Servicepunt
Dhr. D. van den	Bout	Scoop Zeeland
Dhr. G.	Bouziani	Provincie Zeeland
Dhr. M. van de	Bovenkamp	Provincie Zeeland
Mevr. P. De	Braal	Gemeente Terneuzen
Mw. M.	Broeckaert	Gemeente Terneuzen
Dhr. G. van der	Brugge	Scalda
Dhr. F.	Buter	UWV
Dhr. E.	Caspers	Gemeente Schouw.-Duv.
Mw. R.	Chandali	Ministerie Binnenl. Zaken
Mw. J.	Coppens	Ministerie Binnenl. Zaken
Dhr. F.	Cörvers	Maastricht University / ROA
Dhr. N. da	Costa	Pursuit Media
Dhr. H.	Dettingmeijer	Wende
Mw. L. van	Dijke	Provincie Zeeland
Dhr. P. van	Dongen	Hogeschool Zeeland
Dhr. J. van	Drie	Edudelta
Dhr. B. van den	Dries	Gemeente Borsele
Dhr. F. van	Driessche	Gemeente Hulst
Dhr. J. den	Engelsman	Bouwopleiding Zeeland BV
Dhr. P.	Filius	Provincie Zeeland
Dhr. M.	Foerschner	ZSI, Oostenrijk
Dhr. P.	Geertman	Kamer van Koophandel
Mw. M.	Gijsbers	Public Result
Dhr. H. de	Goeij	Onderwijs
Dhr. H.	Goovers	MKB
Dhr. W.	Goudzwaard	Gemeente Hulst
Mw. M. van	Groeningen	Provincie Zeeland
Dhr. G.	Henderson	IPPR
Mw. L.	Hogeboom	Public Result

Summary of the Zeeland Region Seminar, November 6-7, 2012

Dhr. L.	Hostens	VDAB Antwerpen
Mw. K.	Jacobs	Benelux Union
Dhr. A. de	Jong	PBL
Dhr. L.	Kaagman	Provincie Zeeland
Dhr. W.	Keygnaert	VDAB Antwerpen
Mw. A.	Koning	Tolk
Dhr. Ruud van	Leest	Gemeente Terneuzen
Dhr. J.	Lonink	Gemeente Terneuzen/dagvoorzitter
Dhr. J. van	Loo	CEDEFOP Europa
Mw. C.	Martinez-Fernandez	OECD (OESO)
Mw. H. van	Meerkerk	Scalda
Dhr. A.	Meyer	Pursuit Media
Dhr. P. de	Meyer	Provincie Oost-Vlaanderen
Mw. I.	Monteyne	Provincie Zeeland
Dhr. J.	Naafs	Viazorg
Mw. M.	Oggel	Centrum Management Terneuzen
Dhr. S.	Olsson	Health Access
Dhr. P.	Ploegaert	Gemeente Sluis
Mw. R.	Ravesteijn-Prins	Tolk
Dhr. D.	Rombout	UWV
Dhr. W.	Scholte	Public Result
Dhr. R. de	Schutter	Vakbondsraad Schelde-Kempen
Dhr. A.	Smit	Provincie Zeeland
Mw. M.	Sollie	Bouwend Zeeland
Dhr. R.	Strauss	EU
Dhr. M.	Sulkowski	Ministry of Reg. Developm. Poland
Dhr. H.	Tak	Roosevelt Academy
Dhr. Ph.	Taylor	Monash University Gippsland
Dhr. F. van der	Velden	Vakbondsraad Schelde-Kempen
Mw. N.	Verton	Tolk
Mw. F.	Verwest	PBL
Dhr. D. ten	Voorde	Economische Impuls Zeeland
Dhr. M. de	Vos	Gemeente Hulst
Mw. G. de	Vries	Provincie Antwerpen

Dhr. A. de	Vries	Ministerie Binnenl. Zaken
Dhr. G. van der	Wal	Gemeente Middelburg
Mw. J.	Wesenbeek	Tolk
Dhr. D. van der	Wouw	Scoop Zeeland
Mw. J. van	Yperen	UWV
Dhr. R. van der	Zwaag	Gemeente Veere