

# the **Lisbon** council

making Europe fit for the future

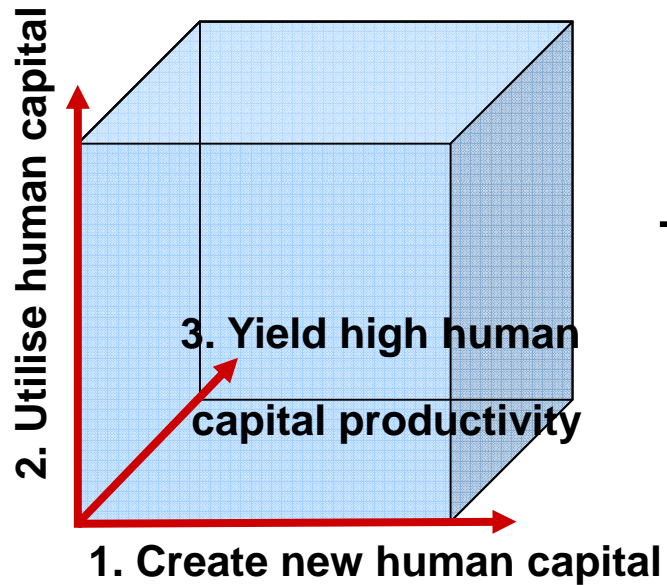
# Assessing human capital and skills for long-term economic growth prospects

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399th Meeting of the Economic Policy Committee  
Brussels, 21 September 2007

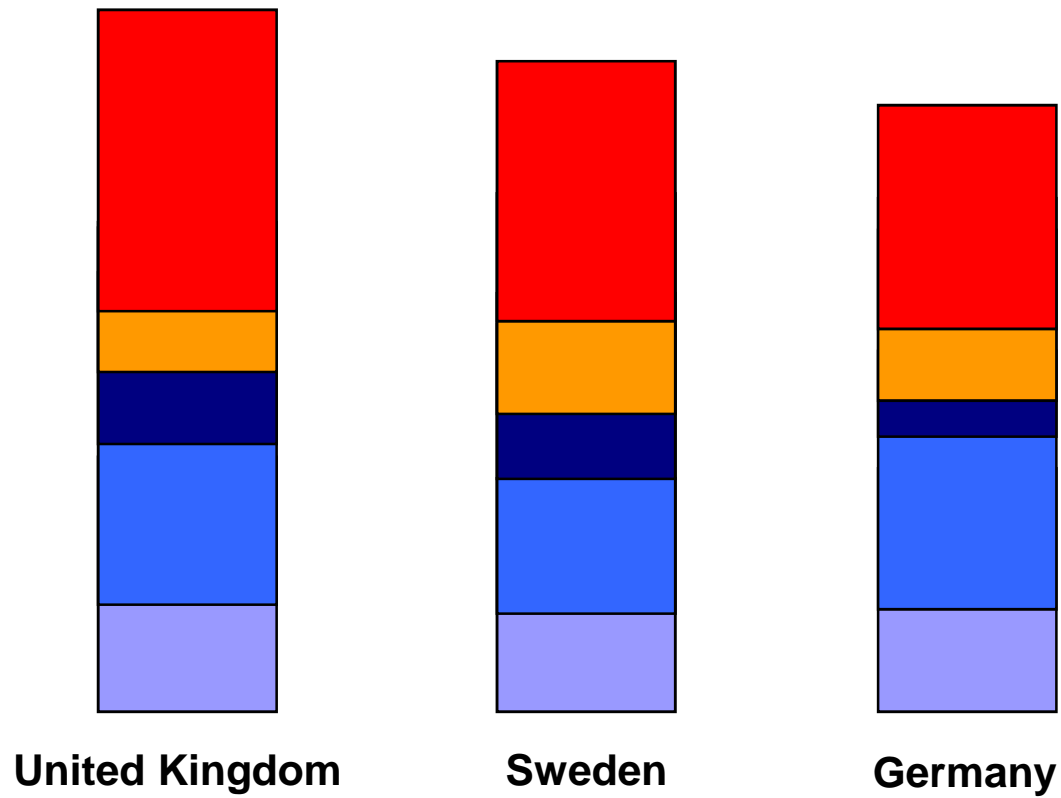
## Three levers to increase medium to long term economic performance



+ financial capital = GDP

## Human capital consists of five kinds of learning

Parent    Schooling    Tertiary    Adult    On the job



## Substantial amounts of data input needed for model

### Main Input Data:

- Time spent with children
- Quality of schooling
- Participation in tertiary education
- Time spent on informal education
- Structure of labour-market participation
- Net and gross earnings per hour
- Forgetting curves
- Obsolescence experiences
- ppp values

Parent
  Schooling
  Tertiary
  Adult
  On the job



United Kingdom

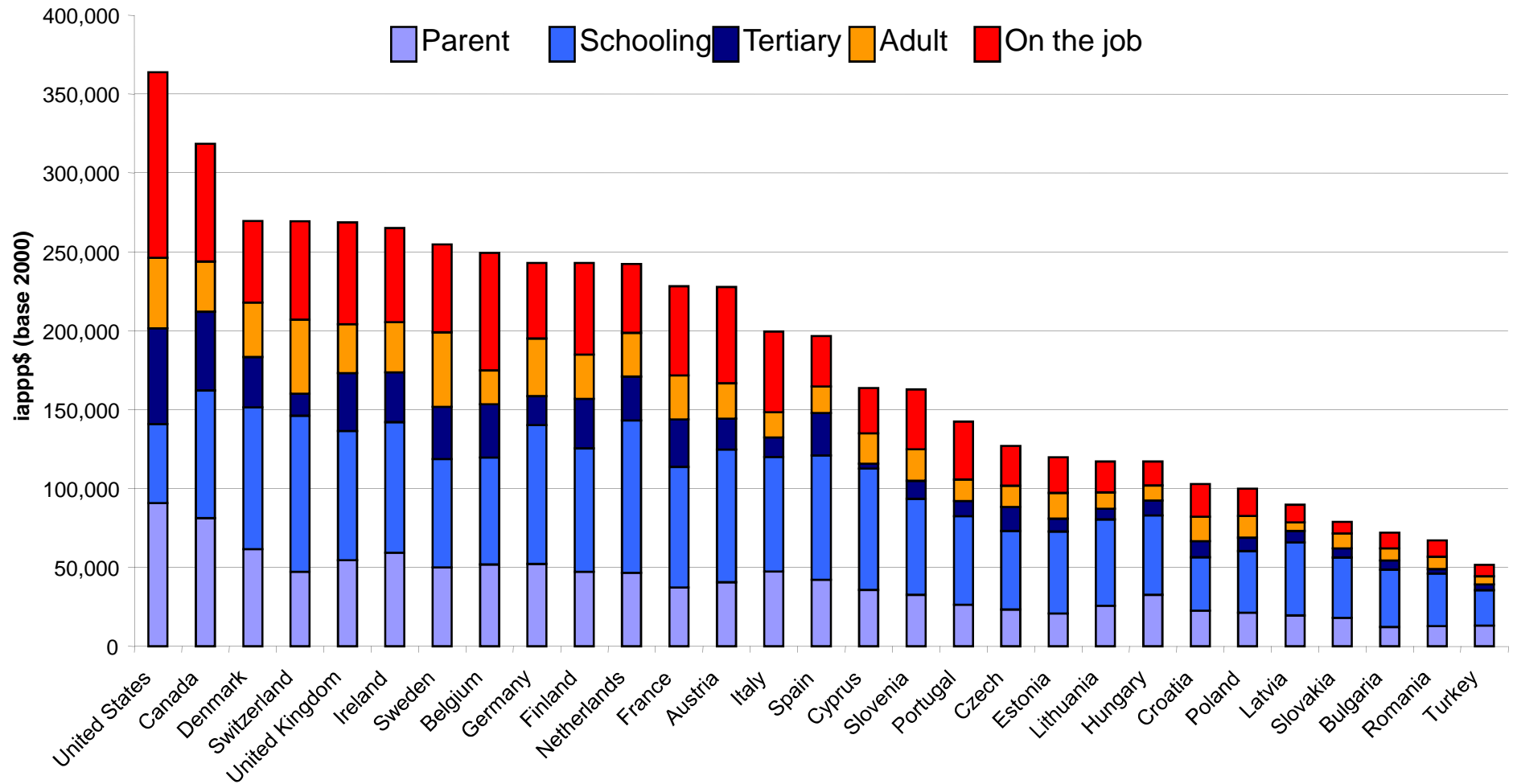


Sweden

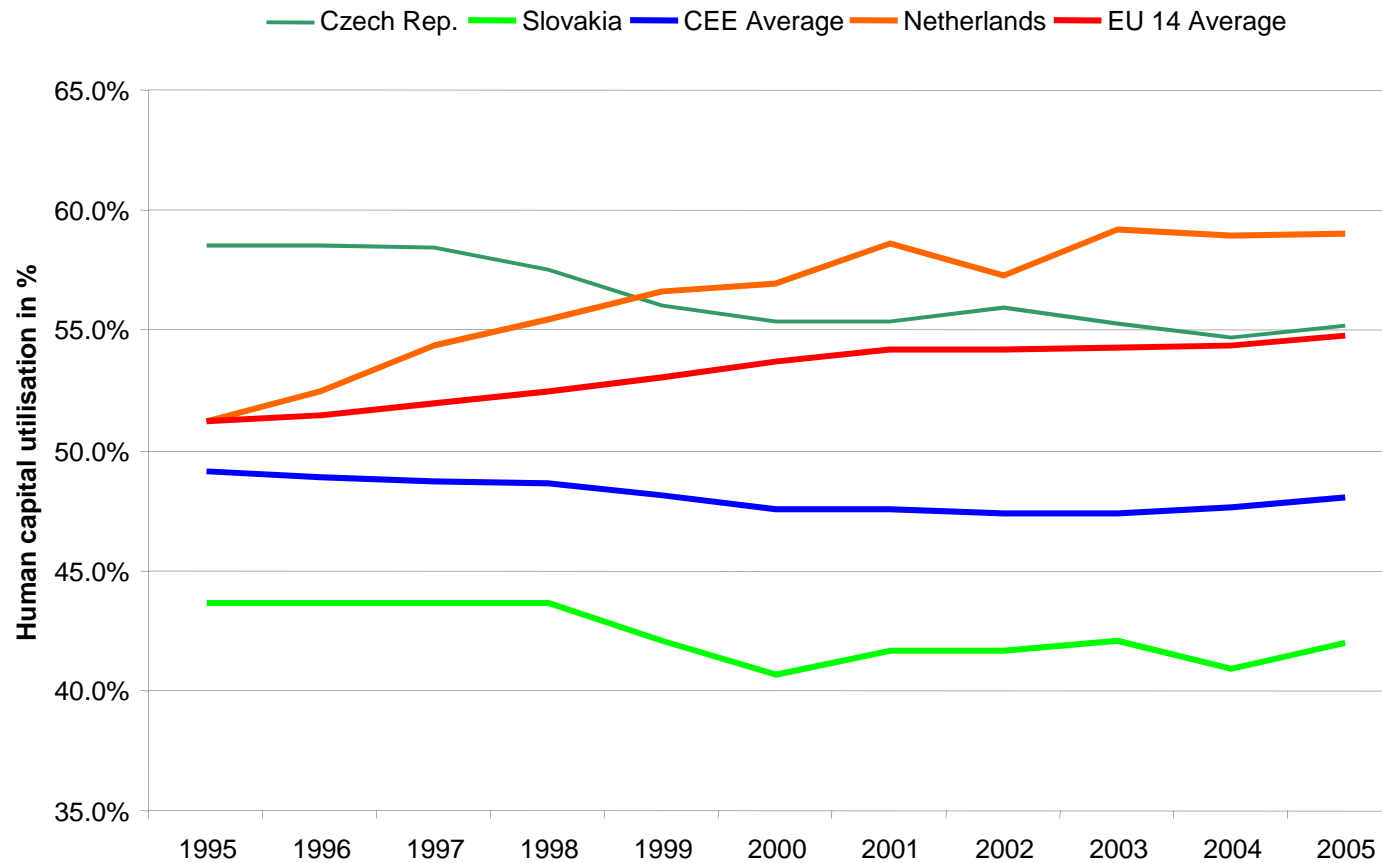


Germany

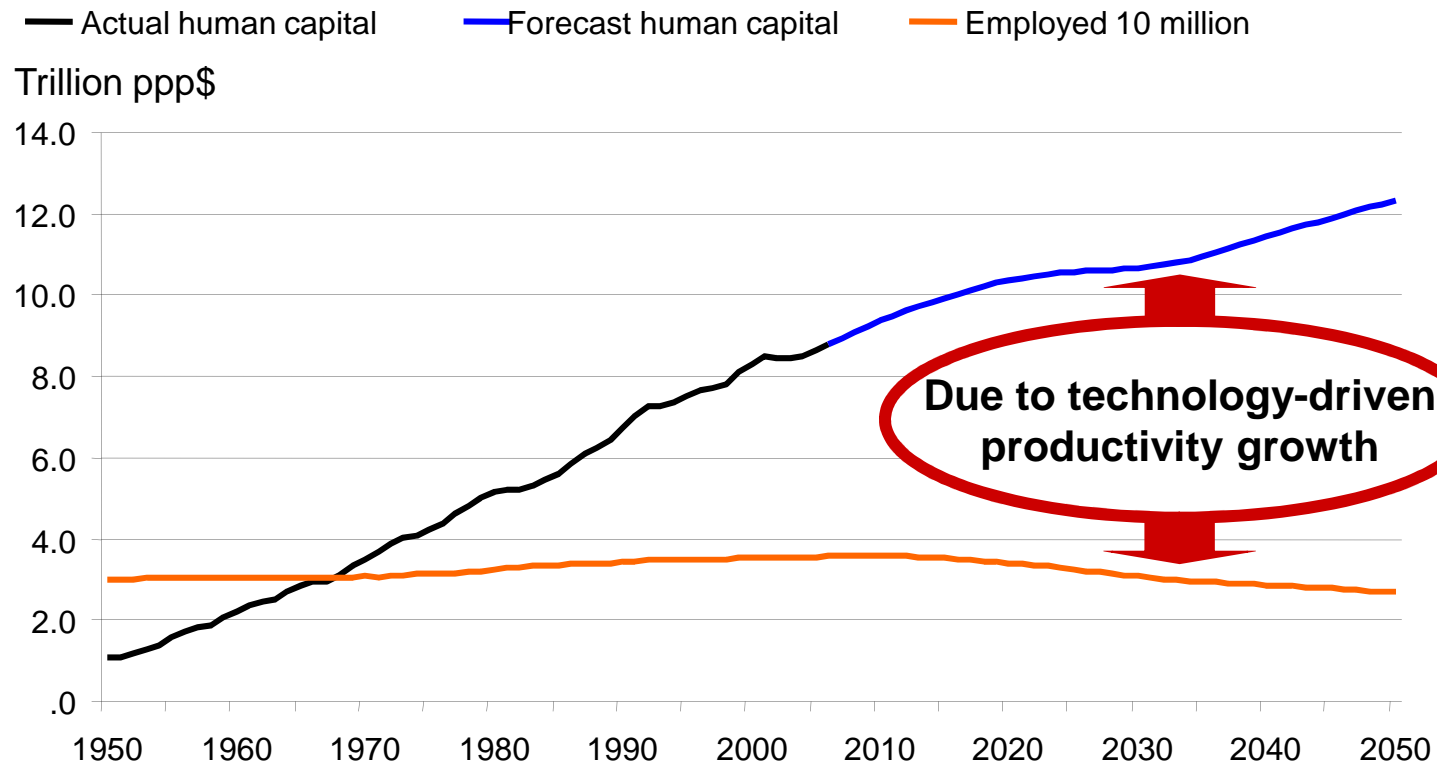
## Tentative evaluation for most EU countries



In West Europe, utilisation of human capital has been steadily rising; in Central European countries, it is stagnating

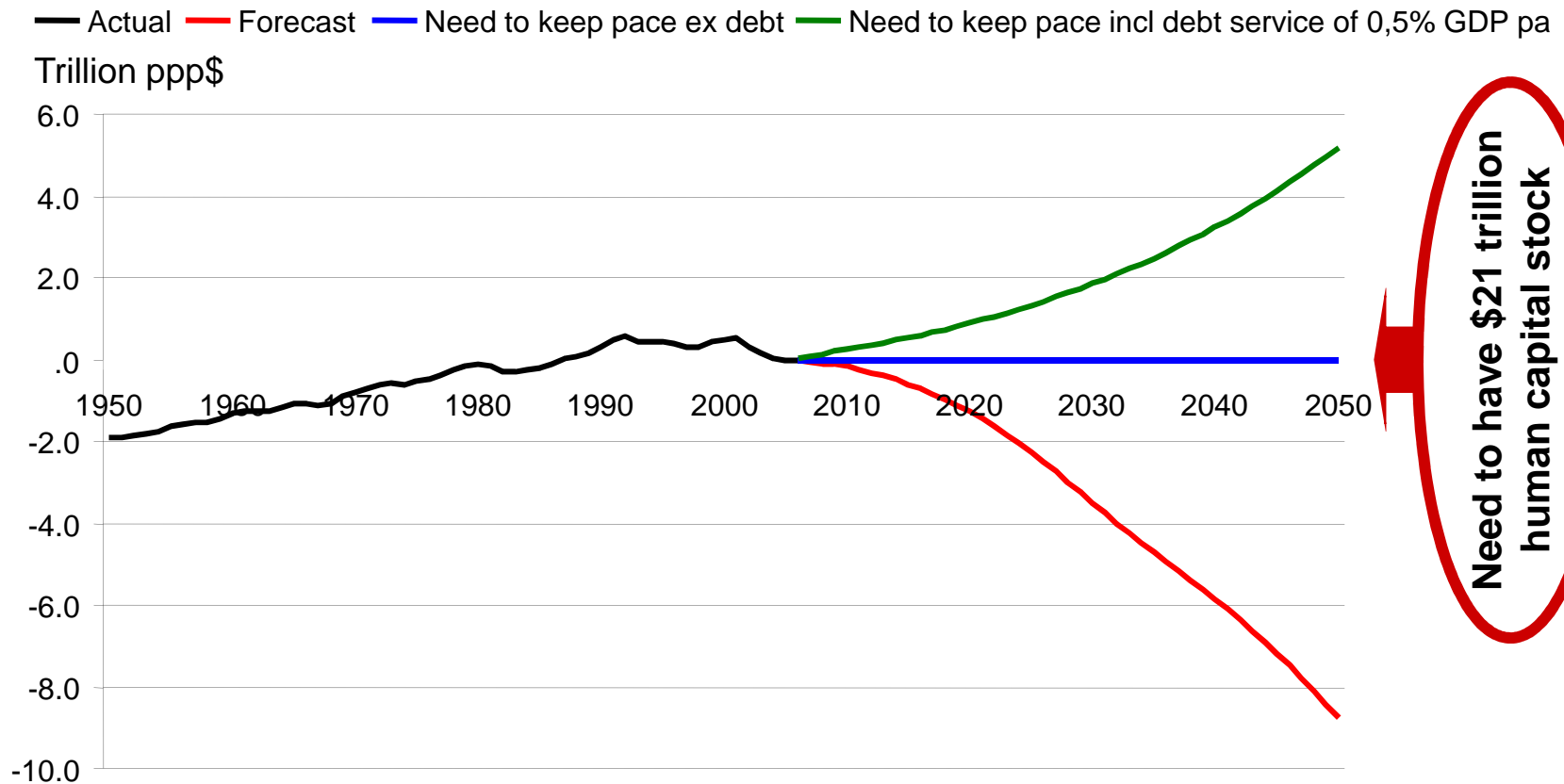


## At first sight, the future appears alright for Germany

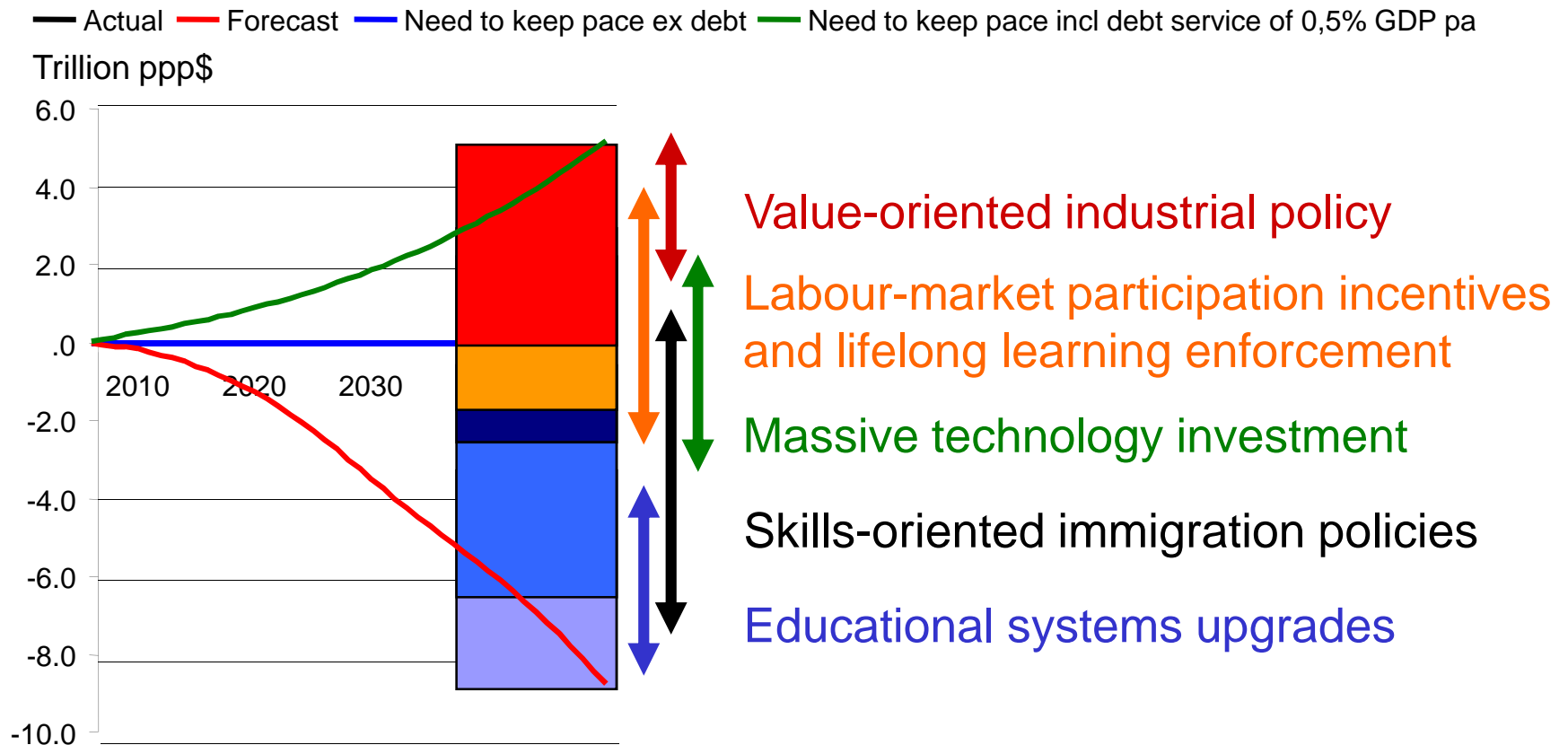




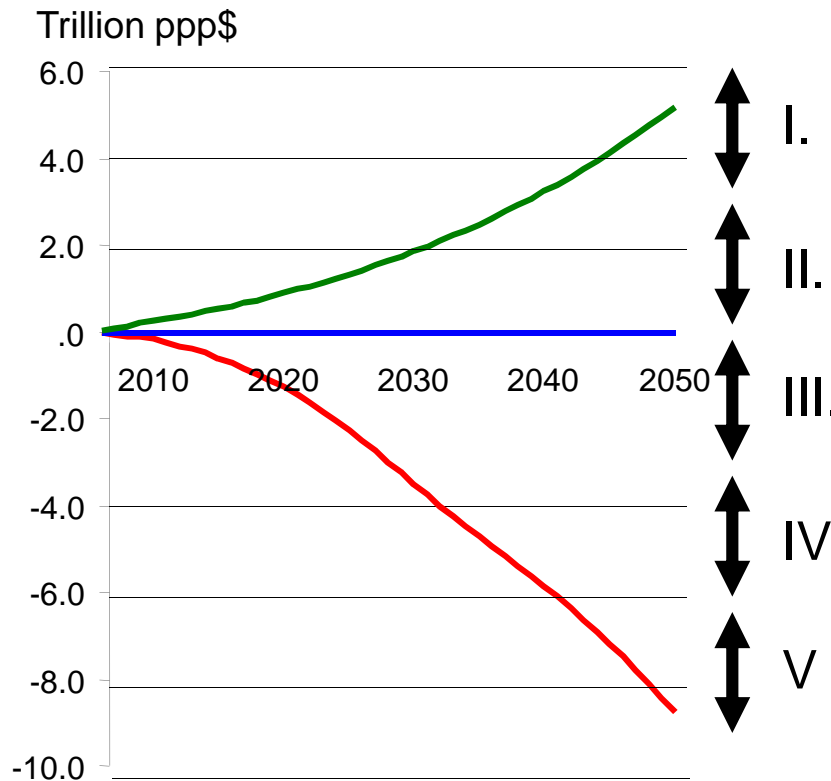
## Shortfall of human capital in Germany in 2050 is almost twice the current amount



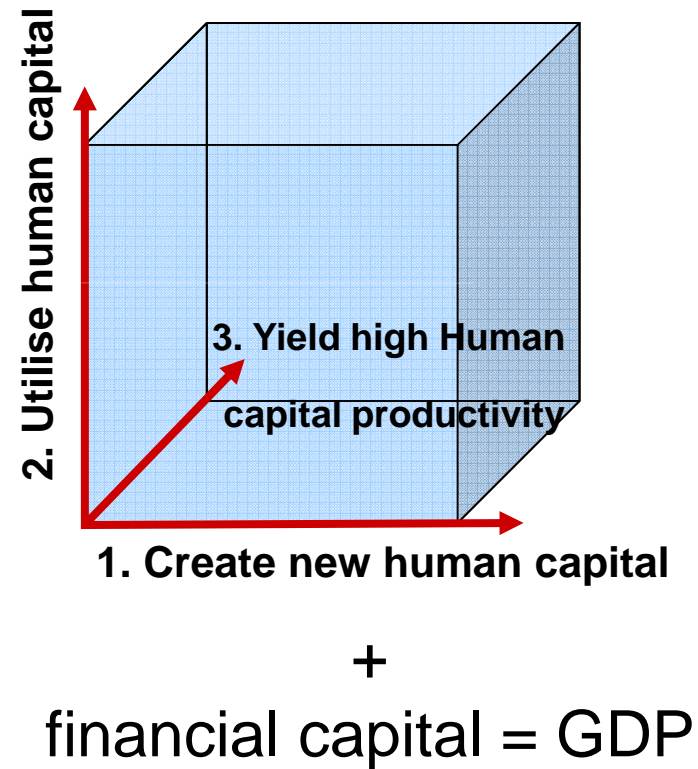
## Essentially all ministerial portfolios need to contribute to closing the gap



Finance ministries to be setting the strategic agenda for guarding national long-term economic prosperity



National strategy



## Audiences

US State Department, Intelligence and Research Bureau

Federal Government of Canada, Policy Research Initiative

Centre d'analyse stratégique of the French Prime Minister's Office

Korea Research Institute for Vocational Education and Training

European Union, Interreg IVb North Sea Region Programme

OECD Education Department and their INES B expert network from 28 countries

*'No one has worked out the impact of knowledge like this before.'*  
The Economist, October 2006

Thank you

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