



Labour market analysis for early identification of skills shortages in the Netherlands

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werken aan perspectief

5 main tasks of UWV

Employment



- Public Employment Services
- Employer services
- Eures
- Dismissal permits
- **Labour market information**

Social medical Affairs



- Medical assessments
- Determine work capacity
- Gatekeeper for sickness and disability benefits
- Re-integration of people on Sickness benefits

Benefits



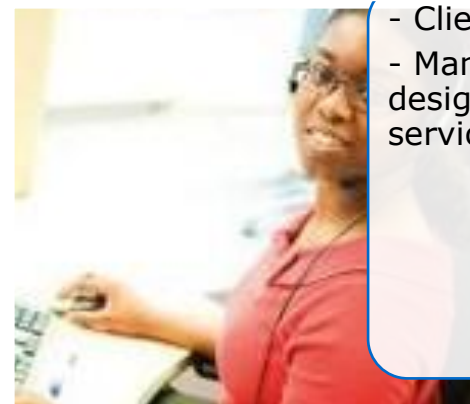
- Determine the rights on benefits
- Calculating the height of benefits
- Pay out benefits

Data management



- Data management for employment insurance policy

Client & Services



- Client contact centre
- Managing & designing internet services

Purpose Labour Market Information:

- ✓ To show jobseekers the best opportunities to find a job
- ✓ To show employers the best opportunities to recruit staff
- ✓ To give professionals information about the labour market perspectives of studies
- ✓ To make services of UWV more targeted
- ✓ To make the labour market more transparent for policy makers



A need for valid, reliable, specific, targeted and up-to-date labour market indicators



4 methods



Four methods:

- 1. Forecasting:** by the Research Centre for Education and the Labour Market (ROA)/Maastricht University, supported by UWV
- 2. Tension Indicator:** UWV in co-operation with Textkernel, Panteia and with the Central Bureau of Statistics
- 3. Related occupations with better chances:**
at first in co-operation with ITS/University of Nijmegen, later on UWV alone
- 4. Labour Market Position by Graduate Tracking:**
at first developed by SEO/University of Amsterdam with data of the Central Bureau of Statistics, later on in-cooperation with UWV

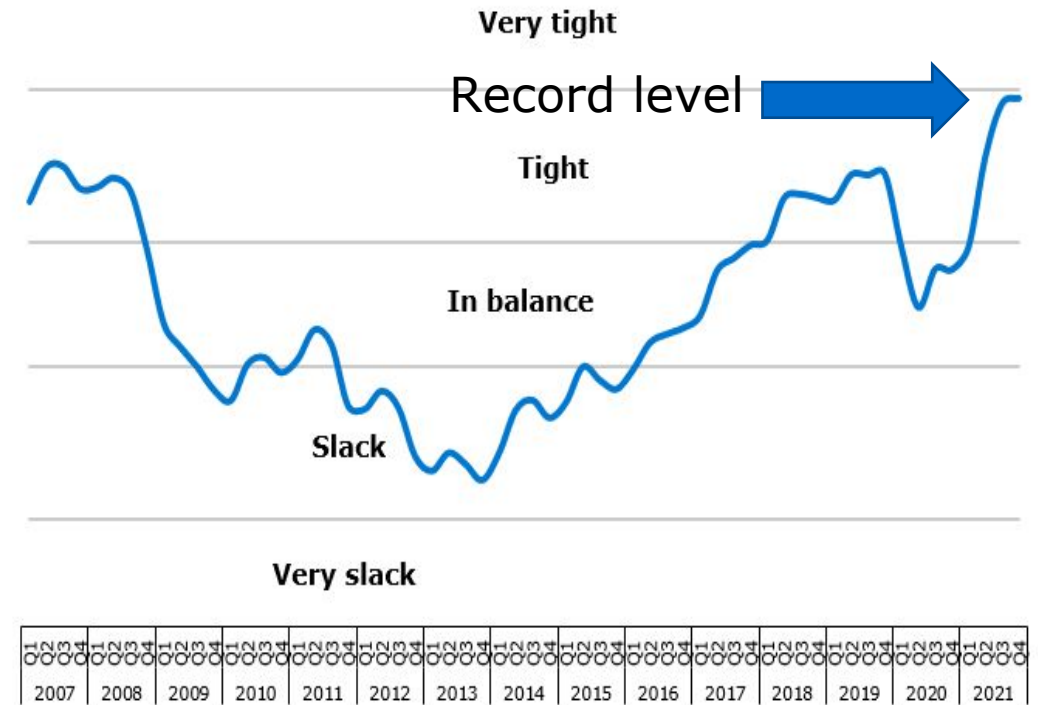
1. Forecasting

- Forecasting 6 years ahead, once every two years
- Econometric modelling
- Expansion demand, replacement demand, substitution demand, inflow of new supply
- Several indicators ratio demand/supply: 6 years ahead for 114 occupational groups and 103 types of study;
- For 35 regions an indicator ratio demand/supply for 33 groups of studies
- Advantage: (1) valid method (2) a sophisticated model, not only based on vacancies or expansion demand
- Disadvantages: (1) not specific enough (2) not always reliable
- Main results: shortages for technicians, medical and caring workers and teachers

2a. Tension indicator

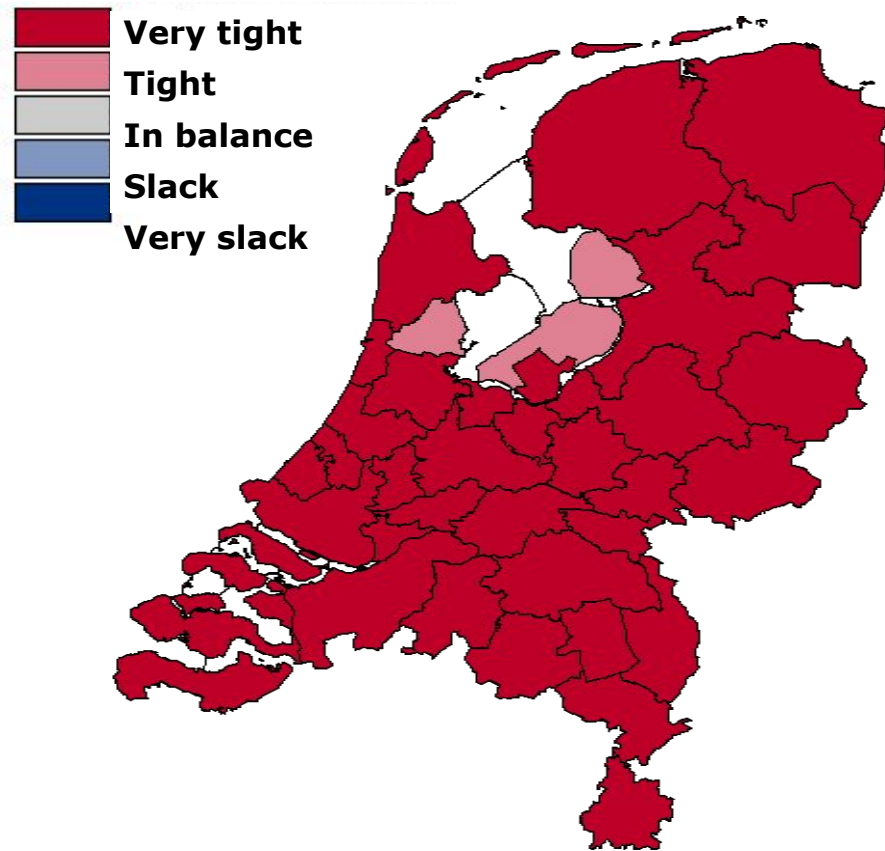
- For employers and policy makers
- Ratio between vacancies and job seekers
- Labour Force Survey and Vacancy Survey not detailed enough > proxies
- Proxy for vacancies: online vacancies AND weighting to improve representativeness
- Proxy for jobseekers: people with unemployment benefits ≤ 6 months
- Each quarter: 114 occupational groups in 35 regions

Tension Indicator Labour Market Netherlands (UWV)

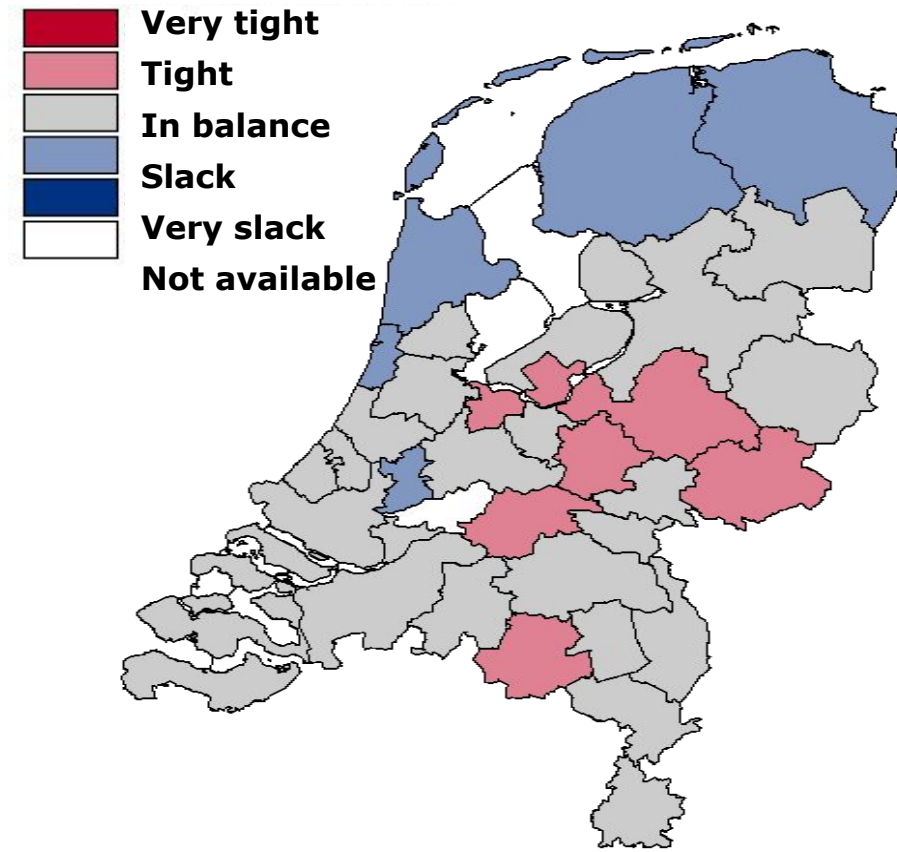


2b. Tension indicator per occupational group and region: examples 2021-Q4

ICT-occupations



Creative and linguistic occupations



3a. Related occupations with better chances

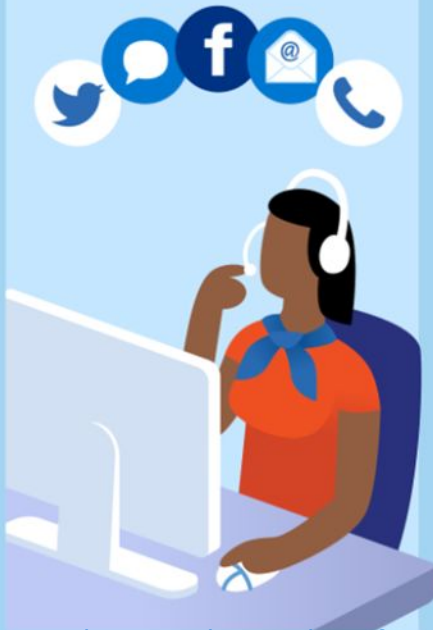
- For job seekers with occupations in low demand
- A composite indicator to measure **occupations in low/high demand**
 - Tension indicator
 - Duration to find a job for people with an unemployment benefit
 - Unemployment benefits per 100 employed workers
 - Qualitative check
- A method to determine the **relatedness** of occupations
 - Historical job mobility paths (database with resumes)
 - Skills per occupation (only in doubtful cases)

Low chances to find a job



Related occupations with better chances to find a job

Customer service employee



Logistic employee



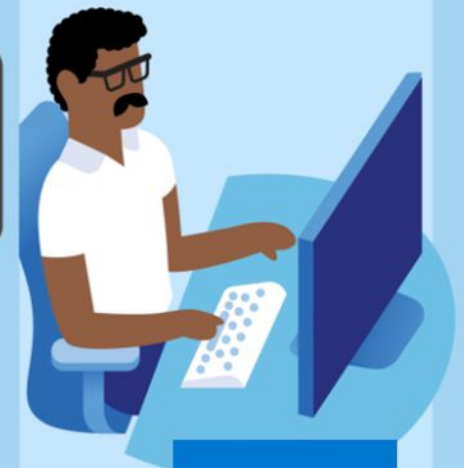
Back office employee



Planning and coordination



ICT help desk



4a. Labour Market Position by Graduate Tracking

- **Why?** Honest and relevant labour market information for students is lacking
- **Purpose?** to create reliable labour market information for students of initial education (comparing 70 master studies, 87 bachelor studies and 104 VET-studies)
- **By whom?** Cooperation between UWV and SEO/University of Amsterdam (data from CBS)
- **Source?** Register data (218,000 graduates annually)
- **When?** Measuring 1.5 (=starting position) and 10 years after graduating

4b. Labour Market Position by Graduate Tracking

(example Table Starting position graduates Master's degree)

How? Composite indicator for Labour Market Position:

- 1) Permanent contract
- 2) Hourly wage
- 3) Annual income
- 4) Time to find a substantial job

Main Results:

- 1) Large differences between types of study
- 2) The subject of study has long-term effects
- 3) Information can be used for professionals and guidance at schools and for PES

Graduates with a Master's degree		
Labour market indicators	Type of study with worst score	Type of study with best score
(1) Permanent contract	8%	68%
(2) Hourly wage	13.70 euro	25.20 euro
(3) Annual income	23,600 euro	61,200 euro
(4) Time to find a substantial job	26 months	1 month

4c. Rankings of the starting position

Starting position in the labour market graduates from a university master



Based on SEO Economic Research/Elsevier



Conclusions

- There's a need for valid, reliable, specific, targeted and up-to-date labour market indicators
- The most up-to-date information is not always the best choice
- Forecasting is an early indicator for skills needs, but not always reliable and specific enough for supporting jobseekers and employers
- Invest in high quality indicators and work together with Research Institutes
 - Tension Indicator: employers and policy makers
 - Related occupations with better chances: job seekers
 - Labour market position by graduate tracking: professionals and students

Golden rule to be effective:
Quality of LMI x Quality of communication

Thank you!

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[Demo](#) of our Web Portal (in English)