

the **Lisbon** council

making Europe fit for the future

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

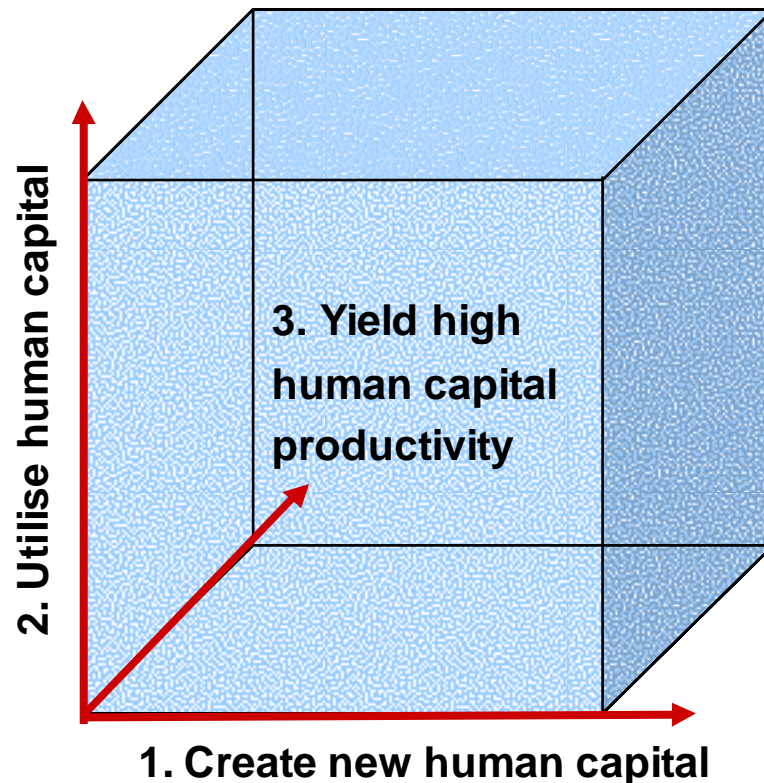
Peer Ederer, PhD

Director, human capital project, Lisbon Council

7th Qualification Africa Conference

Midrand, 23 November 2007

Three levers for medium / long term economic performance



return on
+ financial capital = GDP
capital

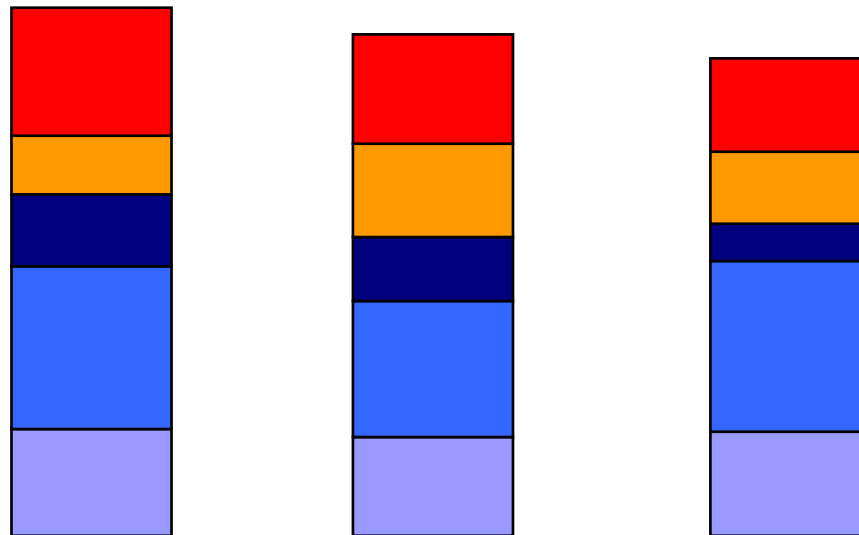
Human capital makes all the difference

| | Russia | Nigeria |
|------------------------|--|--|
| GDP 1990 | 90 b\$ | 28 b\$ |
| GDP 2004 | 764 b\$ | 99 b\$ |
| Population 2004 (1990) | 144 m (148) | 137 m (93) |
| Exports | 60% oil+minerals=160 b\$ | 95% oil+minerals=50 b\$ |
| Politics | nominal democracy | nominal democracy |
| Business Climate | entrenched corruption open market economy | entrenched corruption open market economy |
| Economic Freedom Index | 120 | 131 |
| Literacy 2003 (1990) | 99% (99) | 68% (48) |
| Tertiary Edu Enrolment | 53% | 3% |

Human capital consists of five kinds of learning

ppp\$ (base 2000) per average employed person

Parent Schooling Tertiary Adult On the job



United Kingdom

Sweden

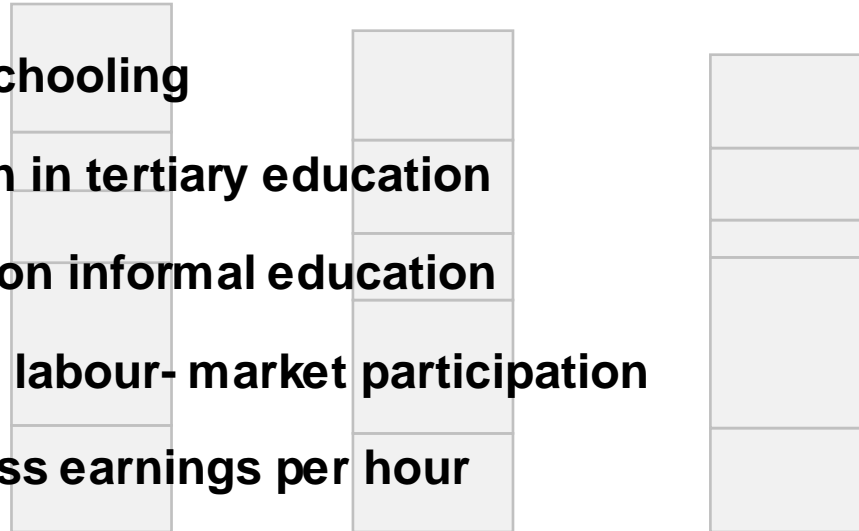
Germany

Human capital consists of five kinds of learning

Parent
 Schooling
 Tertiary
 Adult
 On the job

Main Input Data:

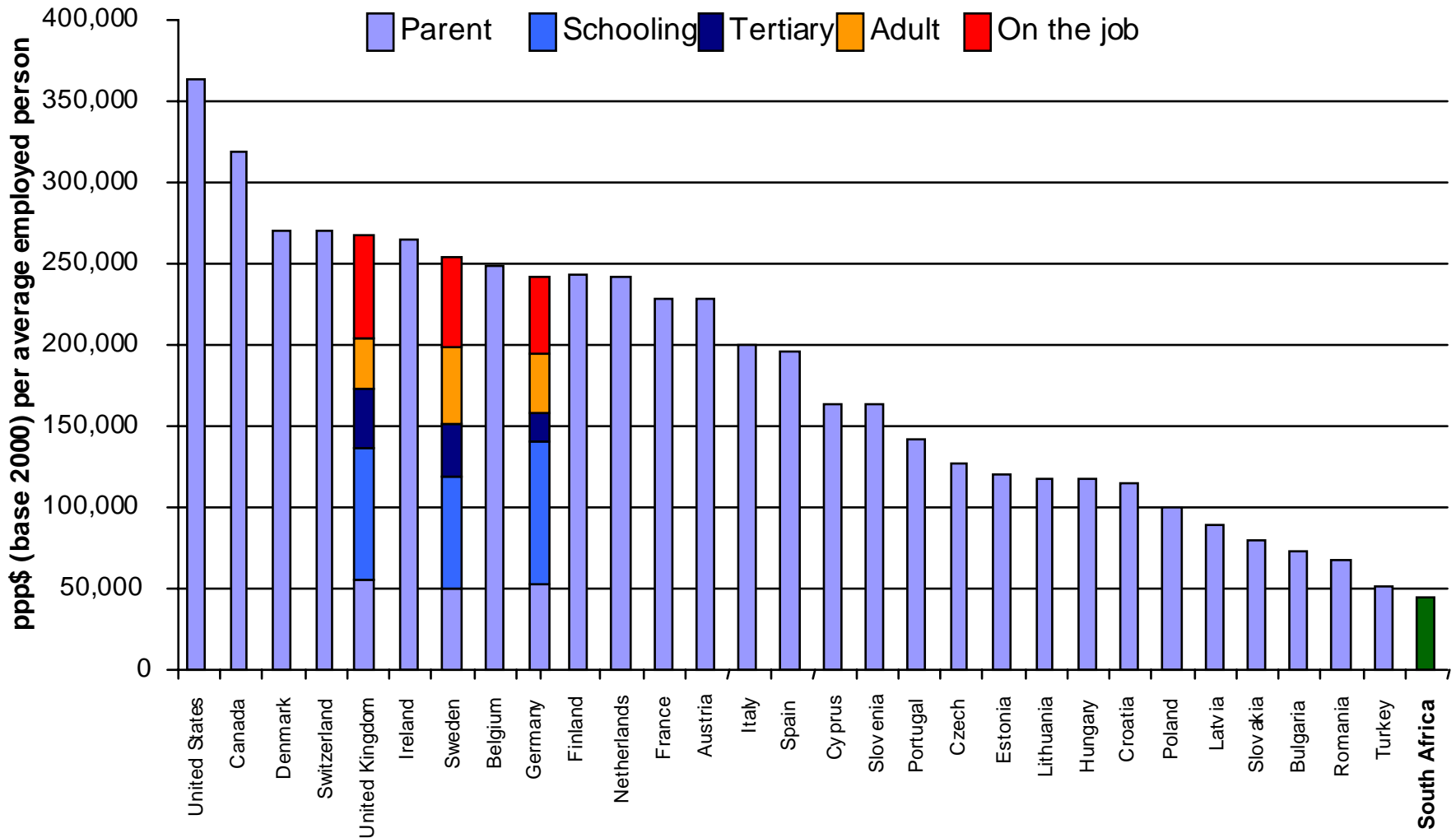
- Time spent with children
- Quality of schooling
- Participation in tertiary education
- Time spent on informal education
- Structure of labour- market participation
- Net and gross earnings per hour
- Forgetting curves
- Obsolescence experiences
- ppp values



Sweden

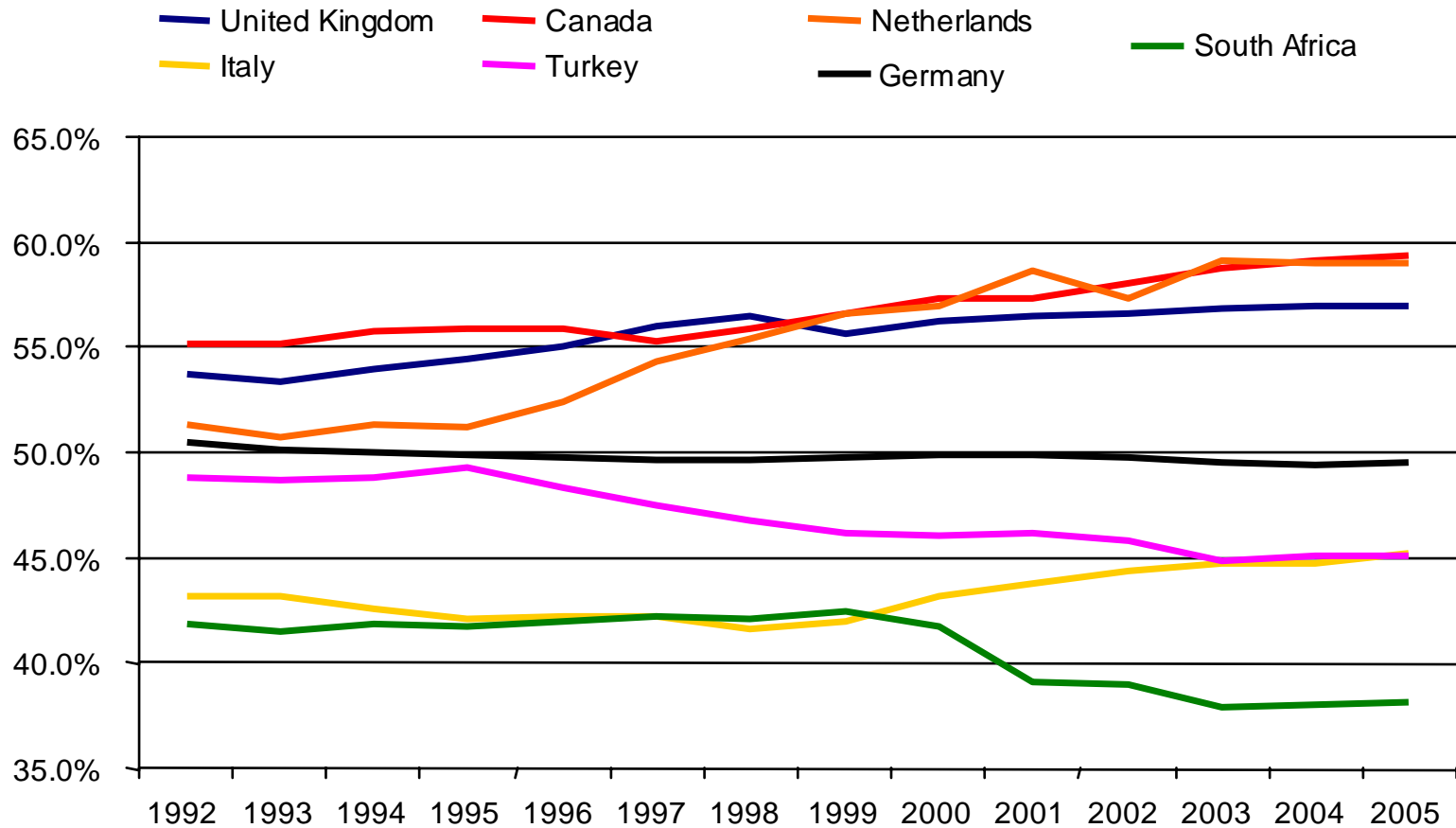
Germany

Evaluation for most OECD countries



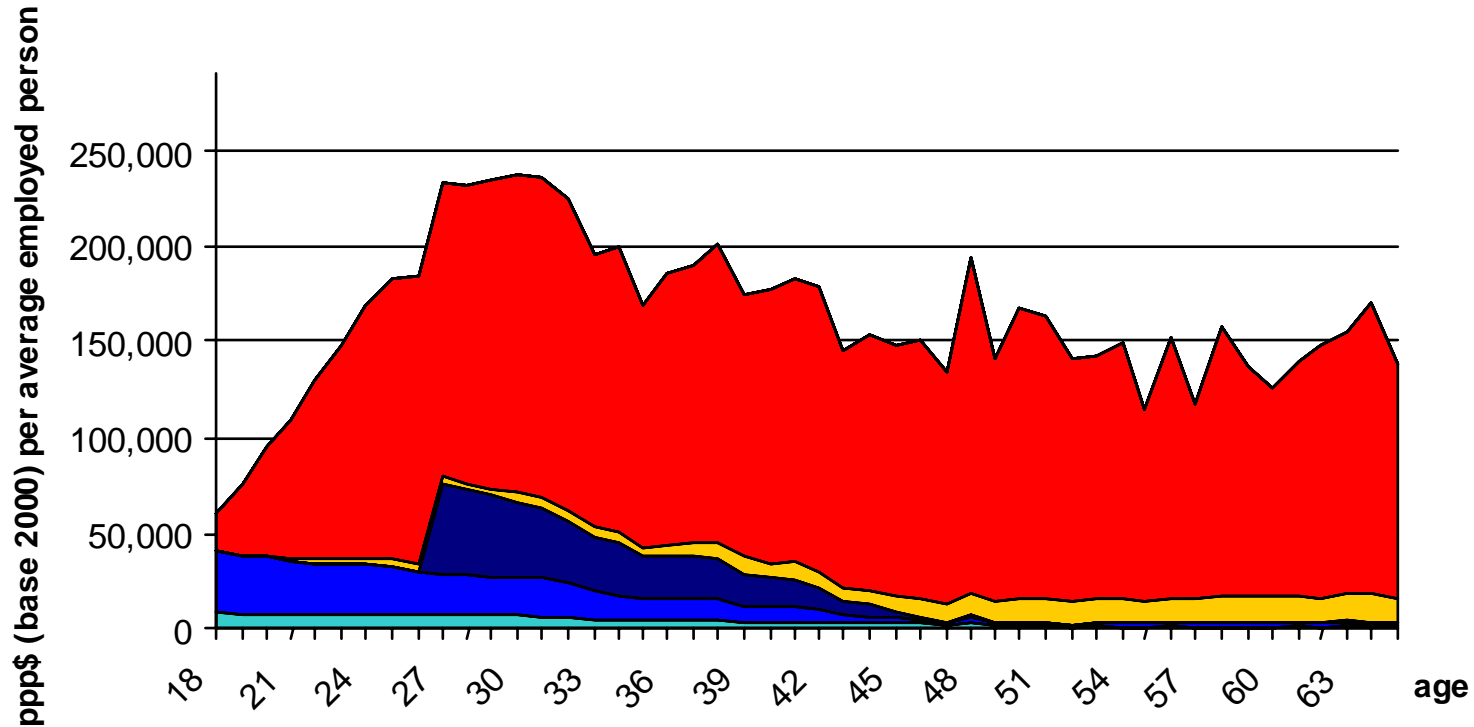
Utilization of human capital fell in South Africa

Human capital utilisation in % of total human capital available



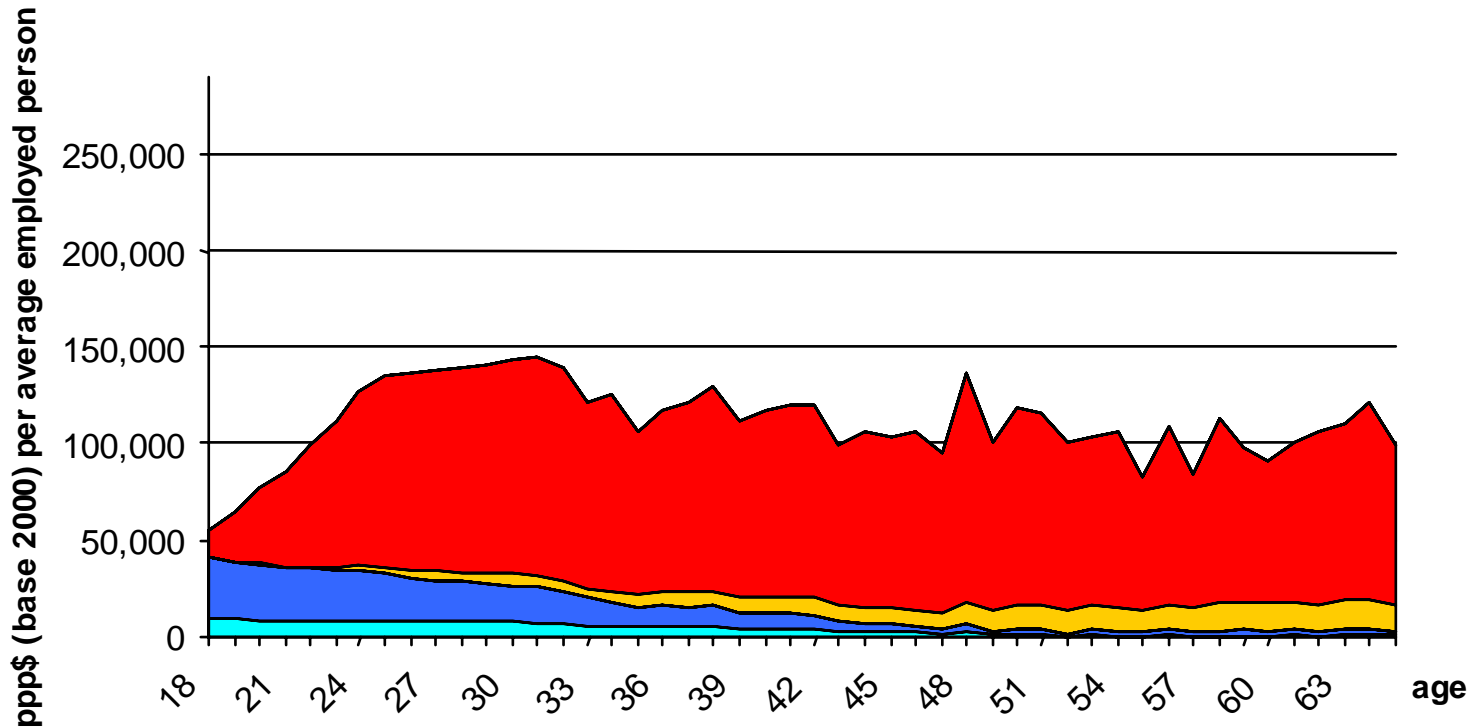
Pursuing a pathway: Black South African with university education
in a managerial position
n=226.000

Parent
 Schooling
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 Adult
 On the job



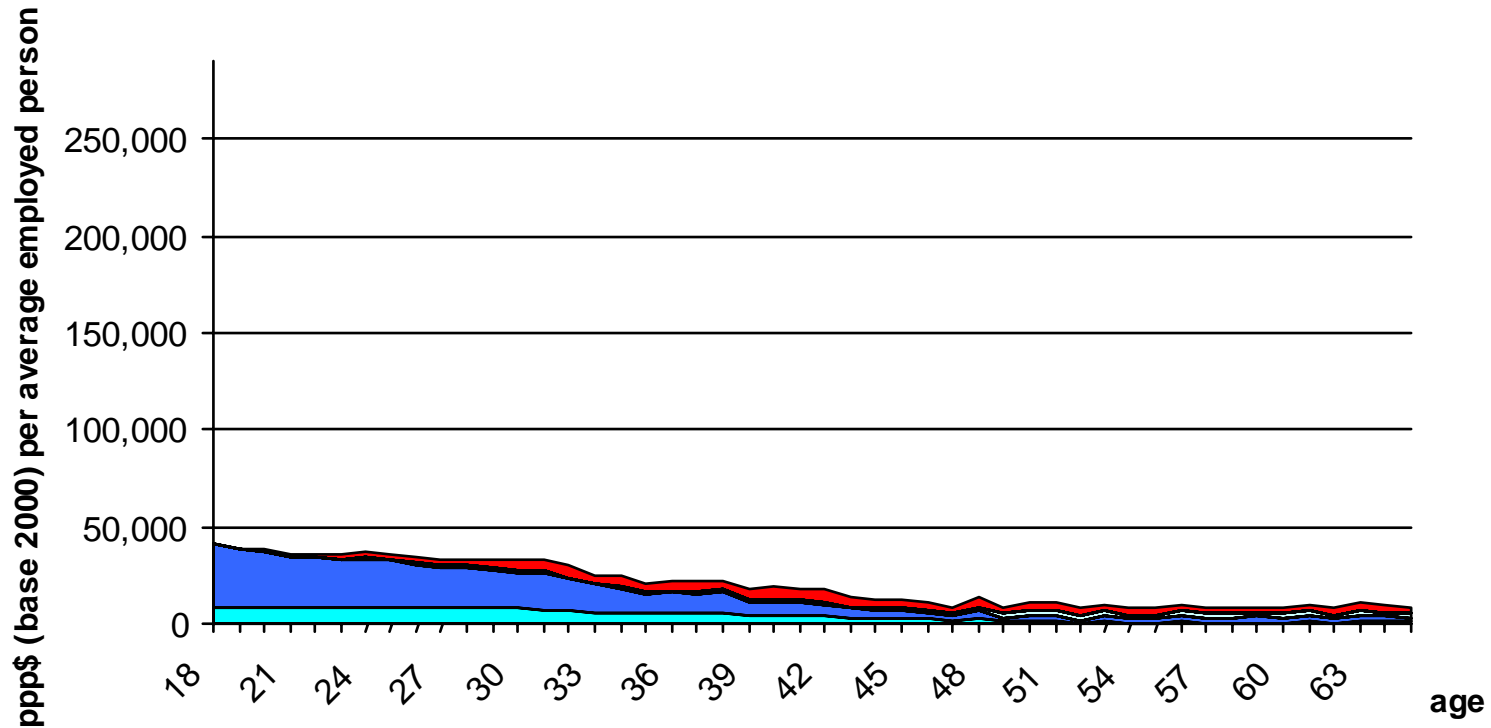
Pursuing a pathway: Black South African **without** university education in a managerial position
n=270.000

Parent Schooling Tertiary Adult On the job



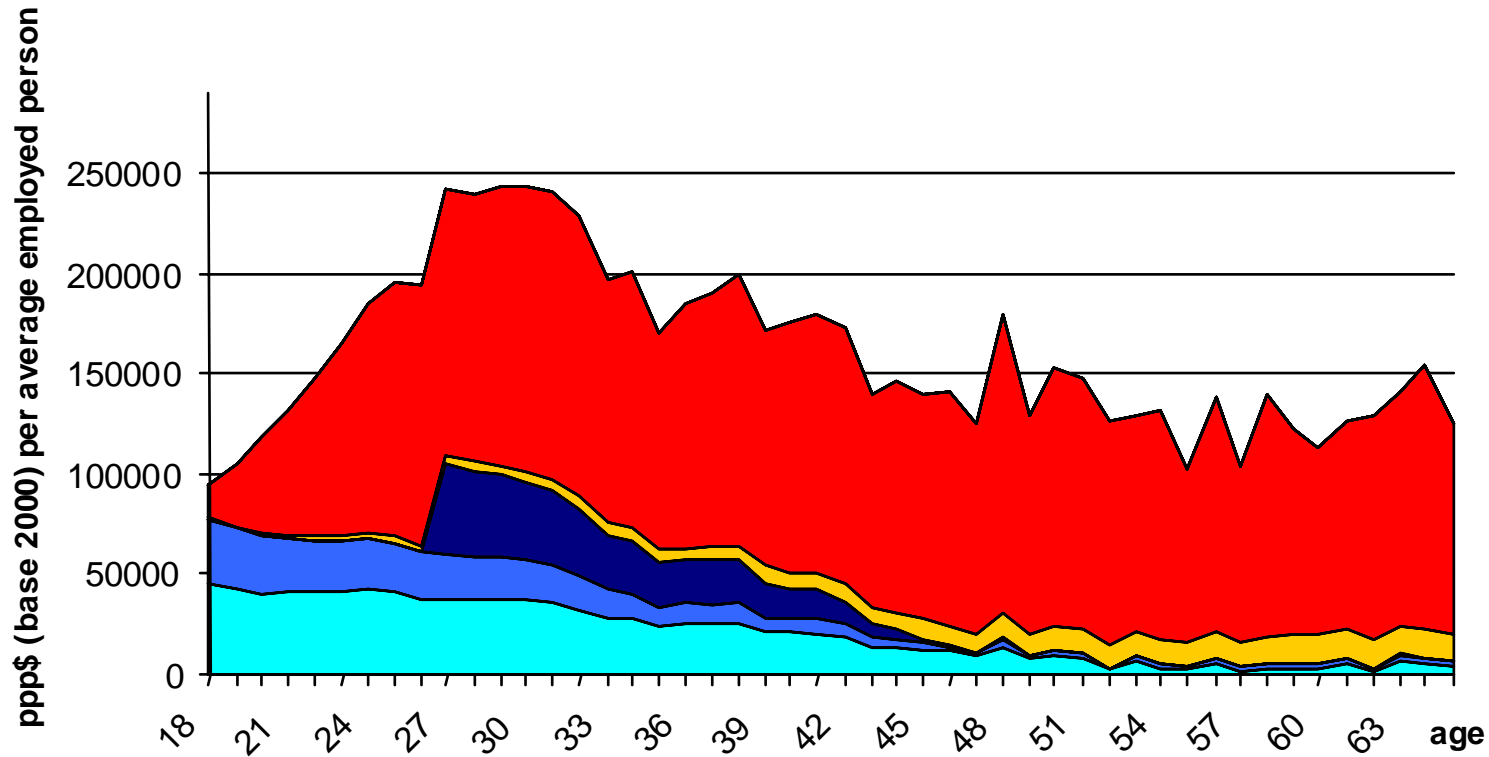
Pursuing a pathway: Black South African **without** university education in a **blue collar** position
n=5.730.000

Parent Schooling Tertiary Adult On the job



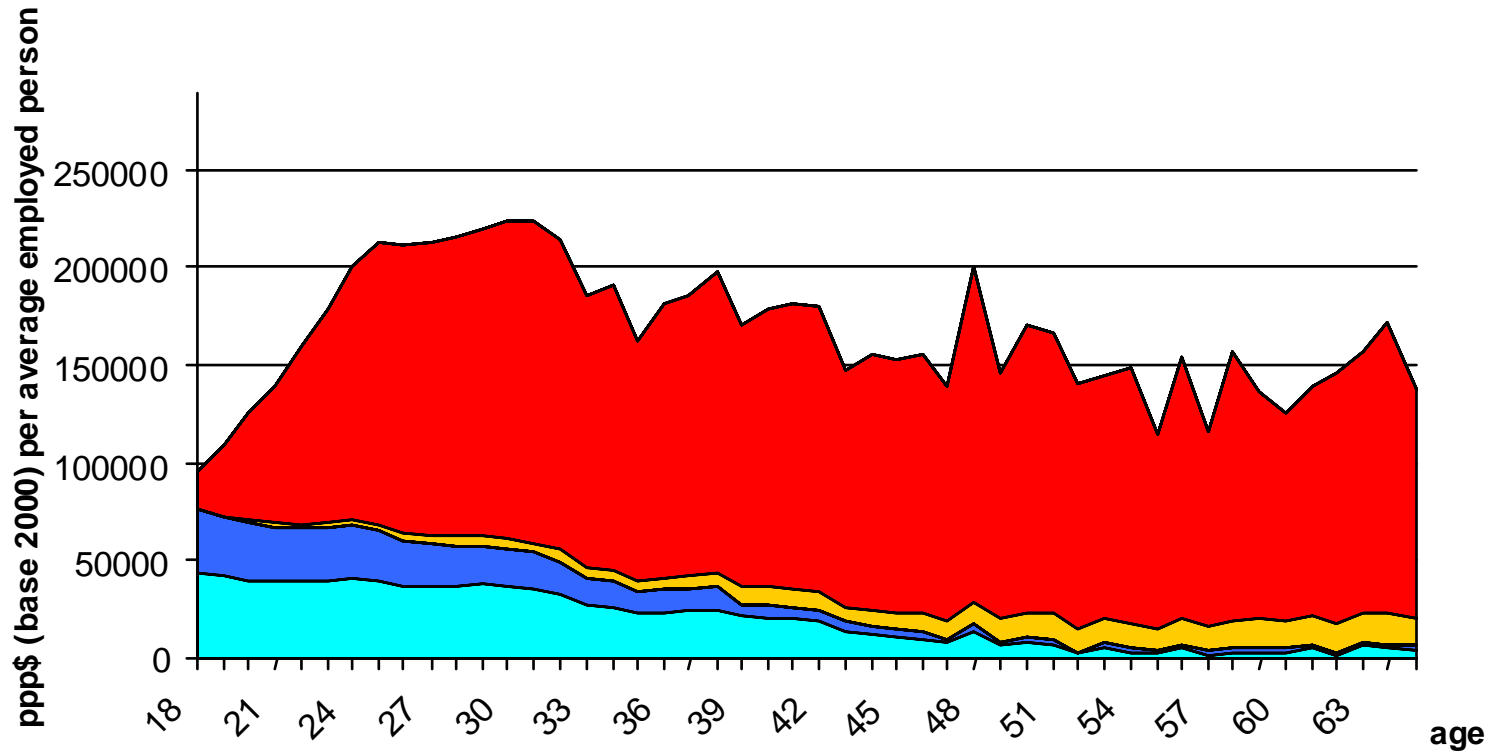
Pursuing a pathway: **White** South African with university education
in a managerial position
n=192.000

Parent
 Schooling
 Tertiary
 Adult
 On the job



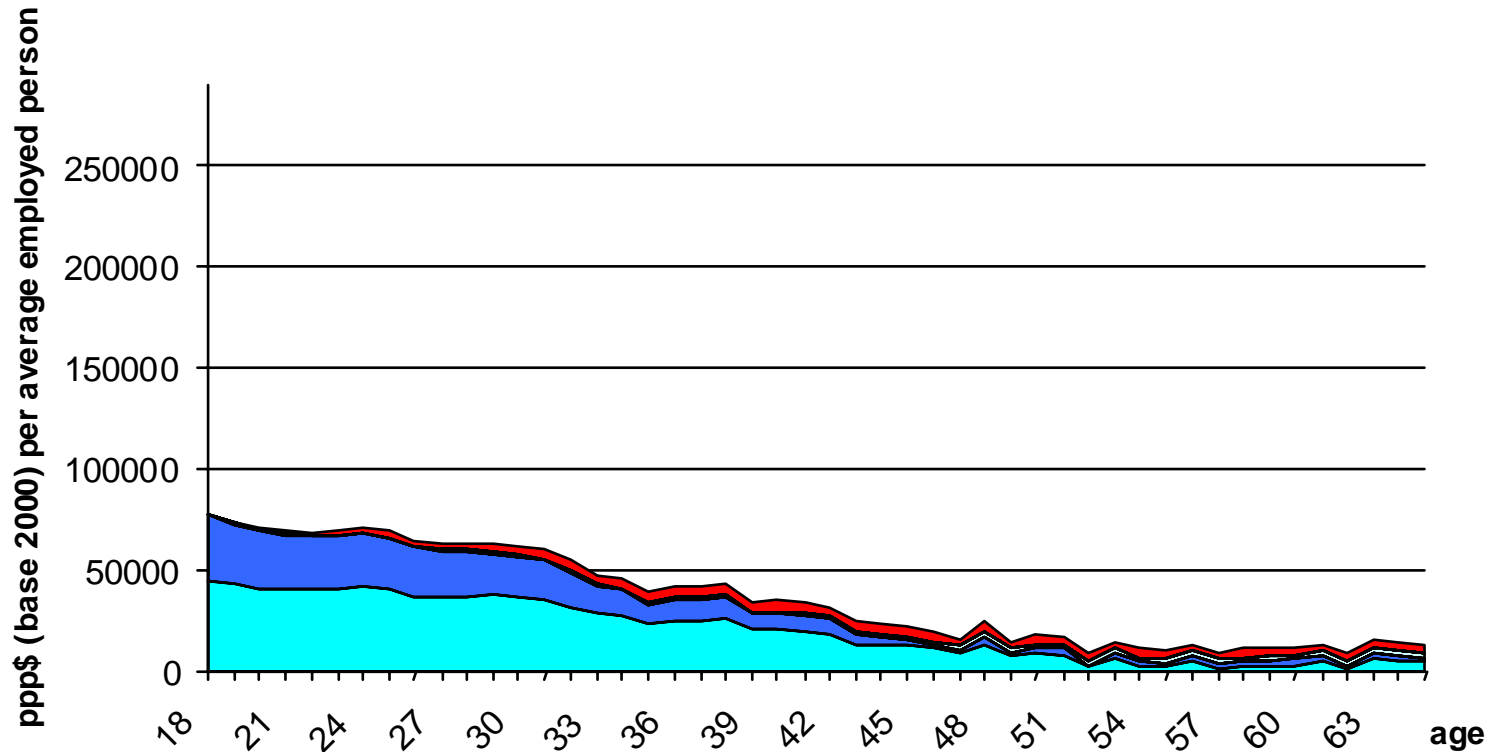
Pursuing a pathway: **White** South African **without** university education in a managerial position
n=297.000

Parent Schooling Tertiary Adult On the job



Pursuing a pathway: **White** South African **without** university education in a **blue collar** position
n=392.000

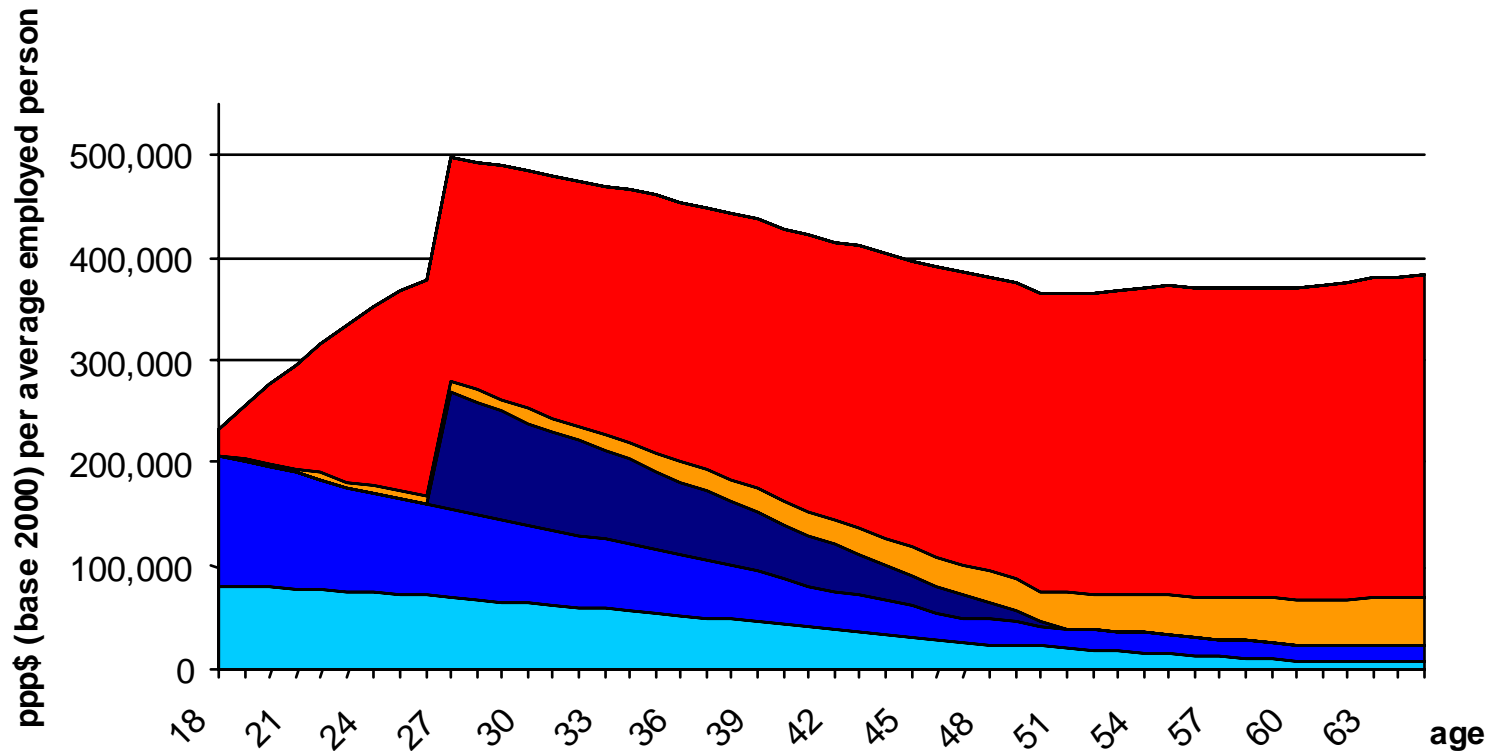
Parent Schooling Tertiary Adult On the job



Pursuing a pathway: German with university education in a managerial position

n=5.980.000

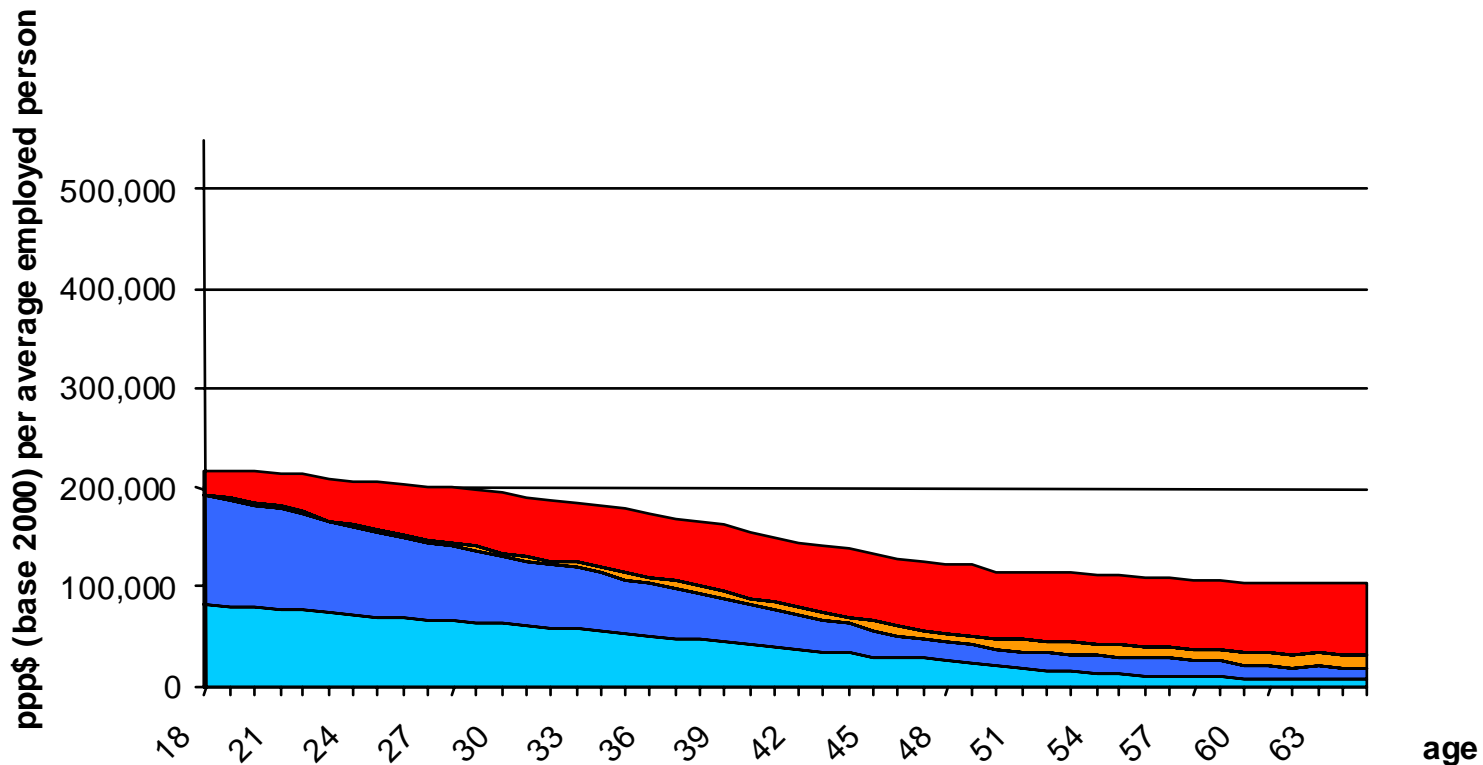
Parent Schooling Tertiary Adult On the job



Pursuing a pathway: German without university education in a blue-collar position

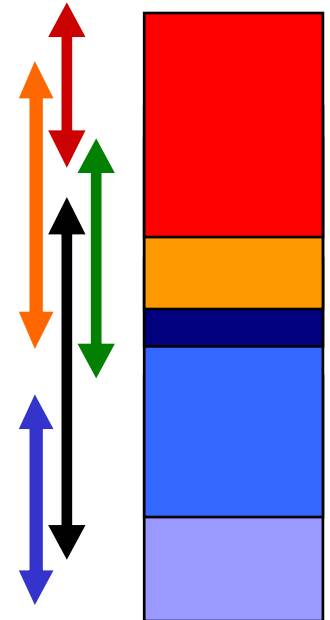
n=10.570.000

Parent Schooling Tertiary Adult On the job



All ministerial portfolios need to contribute to creating and deploying human capital in an economy

- Value-oriented industrial policy**
- Labour-market participation incentives and lifelong learning enforcement**
- Massive technology investment**
- Skills-oriented immigration policies**
- Educational systems upgrades**



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

Economic Policy Committee of the European Finance Ministers

World Bank

'No one has worked out the impact of knowledge like this before.'

The Economist, October 2006

Thank you

Peer Ederer, PhD

Director, human capital project, Lisbon Council

+49 171 55 164 99

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