

<b>Workpackage number:</b> WP 3.1		<b>Start date or starting event:</b> month 21					
<b>Workpackage title:</b> <i>Matching Demand and Supply of Human Capital and Specific Skills for the Knowledge Process</i>							
<b>Participant id:</b>	NIFU-STEP	IWH	SPRU	GEA			
<b>Person-months per participant:</b>	1	2	6	7			

**Objectives:**

The overarching objective of this workpackage is to assess the societal fabric in its ability to match demand for and supply of human capital and skills as required by the transfer to a knowledge based society. Here, the analysis explicitly distinguishes between the different characters (public or private) and different types of knowledge (narrative, codified, tacit, etc.). It draws on analyses of the changing combinations of skills required for the continued expansion of knowledge-intensive processes and products in modern society.

- 1 The first objective is to assess the match between the human capital and skills demand requirements for the knowledge process in the enterprise sphere, and the corresponding supply-side conditions in the sphere of the education system.
- 2 The second objective is to assess the role of the government/administration sector in the social fabric, both in facilitating the match between the enterprise sphere and the education sector by use of policies and in how far universities and firms contribute to organisational and technological learning in the government/administration sector itself.

**Description of work:**

The focus on the extent of and conditions for the matching between the human capital demand and supply contributes an important aspect of the network alignment-concept. Supply and demand for human capital and skills emerge from the enterprise, education/research, and government/administration sector. The analysis draws from results generated in work packages of sections 1 and 2 with reference to human capital and skills as required for the different shapes of knowledge societies and relates them to the role of governments and their policies.

- 1 For the first objective, the industry's needs with regard to human capital and skills identified in WP 1.1 (D10 human capital related determinants of innovation), WP 1.2 (D 20 on the human capital and skill requirements for absorptive capacities), and WP 2.2 objective 2 (D36). are contrasted with evidence on the supply side with a particular focus on universities. Evidence from the skill supply side results mainly from work done in WP 2.2 (D 34 and 35). This assessment leads us to (i) the identification of potential structural mismatches between firm's needs and corresponding provision of skills, and (ii) organisational deficiencies between the actors involved. The analysis considers different providers of skills (higher education institutions, firms etc.) as well as the specific character (public or private) and various types of knowledge involved.
- 2 The second objective is realised by applying a system theory approach to knowledge production in the political sphere dealing with demand and supply of human capital and skills. It is elaborated how governmental bodies learn about new demand and supply conditions, how this is transferred to policy mechanisms, and how governmental bodies learn about the effects and impacts of policy measures implemented. It is assessed how universities and firms can contribute to policy learning in the government/administration sector through formal and informal institutions. This mode of analysis draws on the emerging literature on new forms of network governance (structure, control, process) for policy learning and prior insights generated in WP 2.3 and can be linked to the network analysis in WP 3.4. This analysis provides the necessary information to develop reform scenarios for organisational learning and policy learning. This includes new ways of networking government into educational, scientific and industrial policy and assessment of the absorptive capacities required of governments to achieve effective networking (also as input for WP 3.4 and WP 3.5). Both, reform- and policy scenarios, will be specific to the different characters and types of knowledge involved.

**Deliverables:**

- D21 *Report on matching demand and supply of skills*. Responsible: D. Dyker (SPRU) (month 32)
- NIFU-STEP, IWH, GEA: Assessment of the extent of matching between the human capital and skills demand and supply between the enterprise and education sectors (month 24)
  - SPRU: Network governance and its emerging forms in the accession and candidate countries (month 32)
- D22 *Paper on policy implication and policy learning in the government/administration sector to improve the matching of demand and supply of human capital*. Responsible: SPRU and NIFU-STEP (month 30)
- D23 *Policy-briefing/open workshop on social fabric to match supply and demand of skills*. Responsible: SPRU, GEA (month 32)

**Milestones and expected result:**

- 10 Assessment of the extent of matching between the human capital and skills demand and supply
- 11 Set of recommendations concerning the promotion of policy learning and specific forms of network governance in the countries of southern and eastern Europe