

# the **Lisbon** council

making Europe fit for the future

## The Lisbon Council

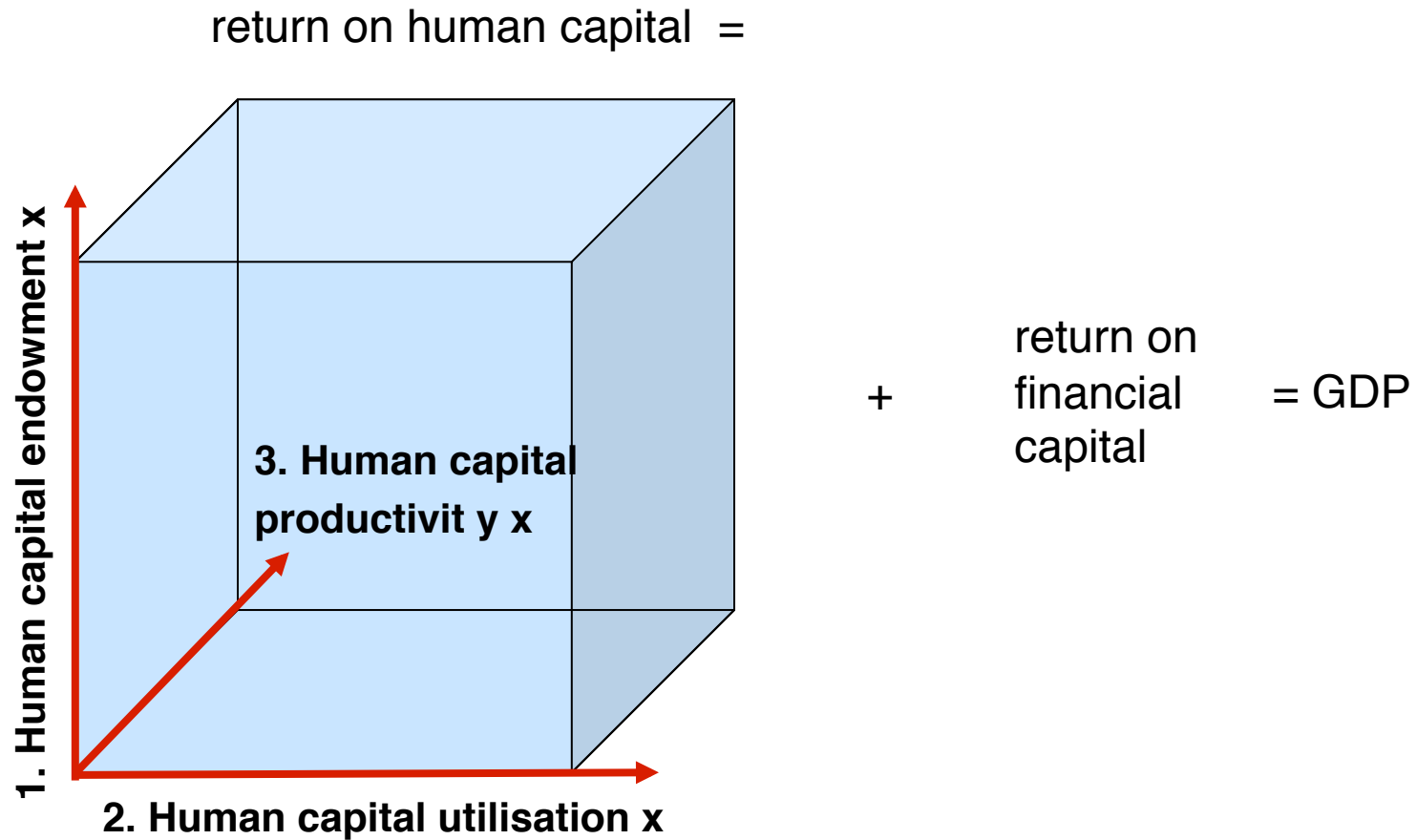
### High-Level Working Group on Skills and Human Capital

Peer Ederer, PhD

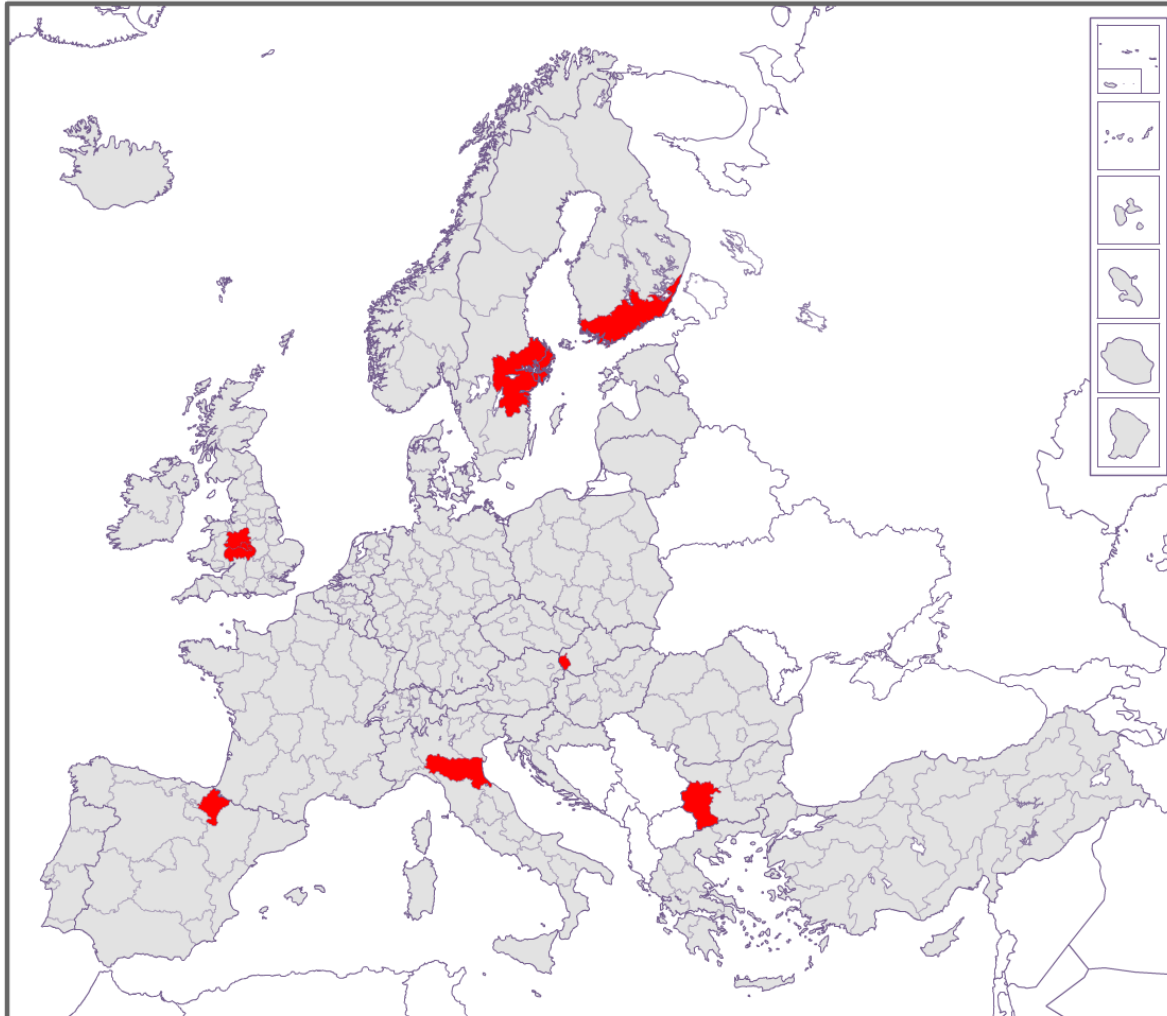
Director, human capital center, The Lisbon Council

Brussels, 16th November 2010

## Mankiw, Romer and Weil revised...



## Regions in the focus of this study



Bratislava, Slovakia

Emilia Romagna, Italy

Helsinki, Finland

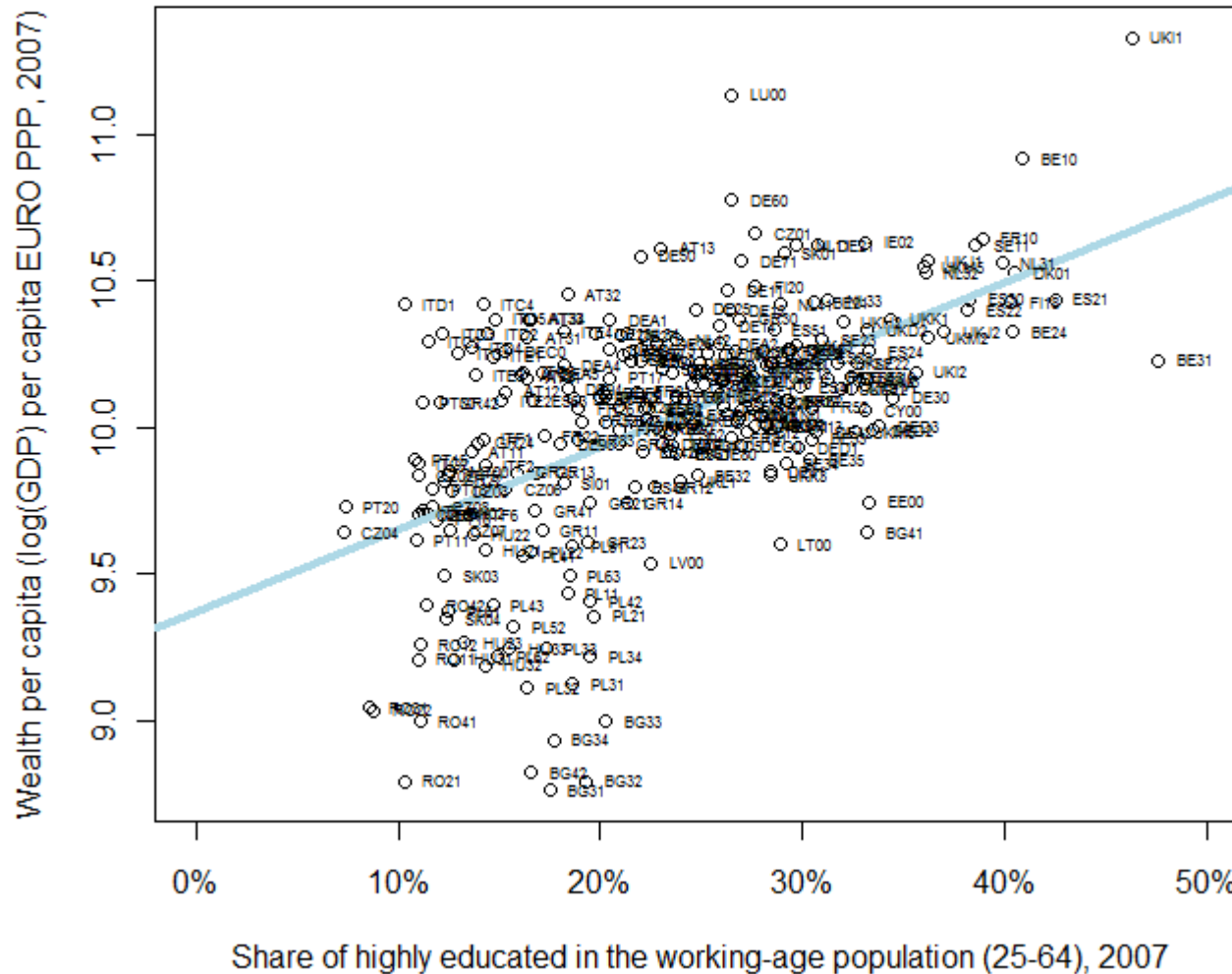
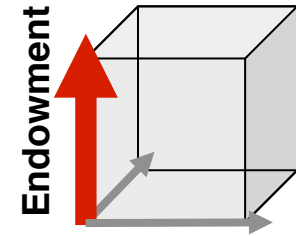
Navarra, Spain

Sofia, Bulgaria

Stockholm, Sweden

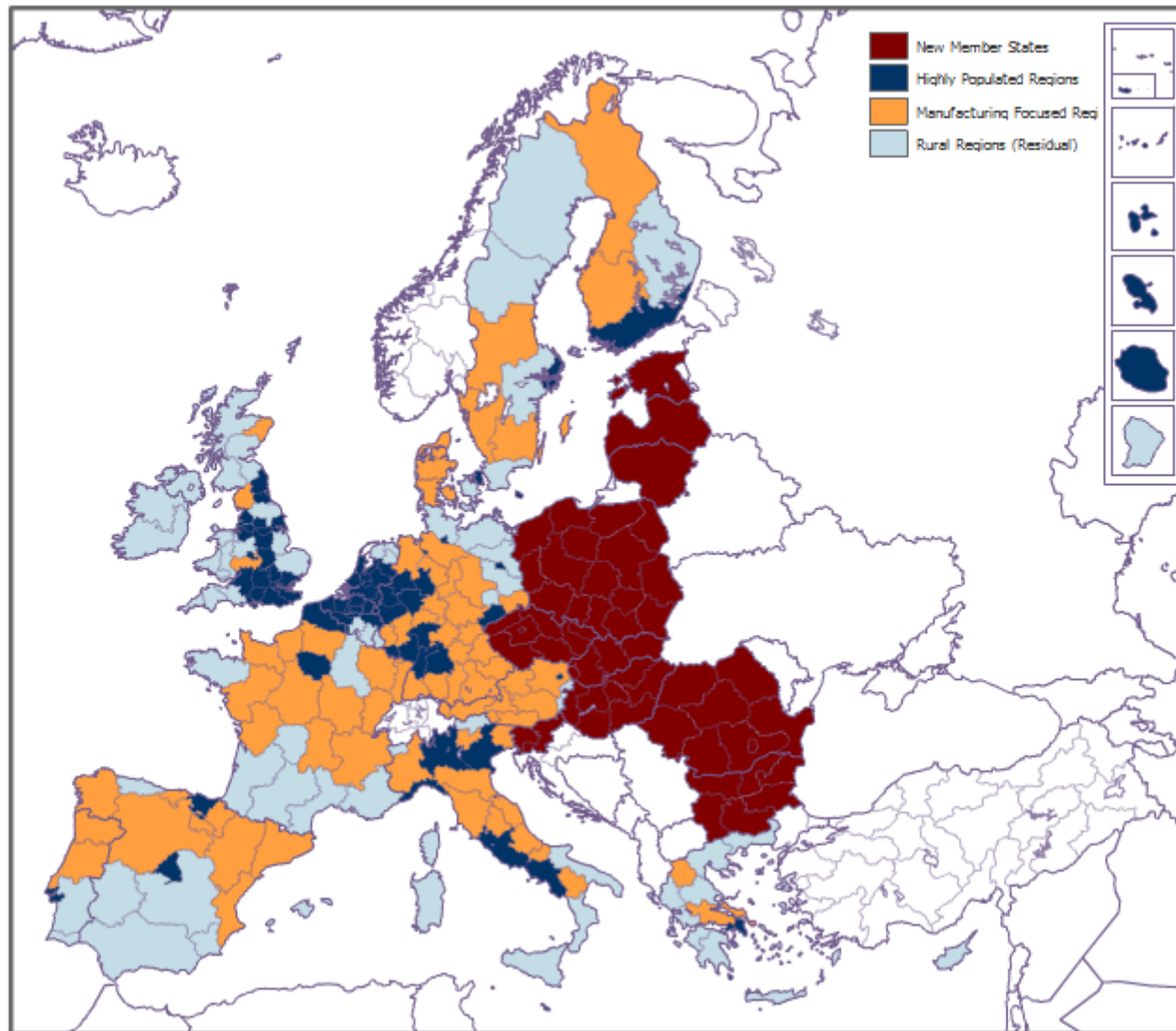
West Midlands, UK

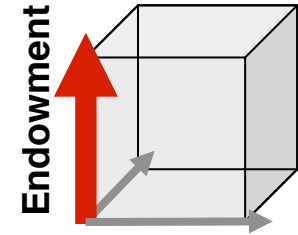
## Education explains wealth creation



- a) 32% of wealth variation is explained by share of highly educated in working-age population
- b) Over 99.9% certainty that this is not by accident

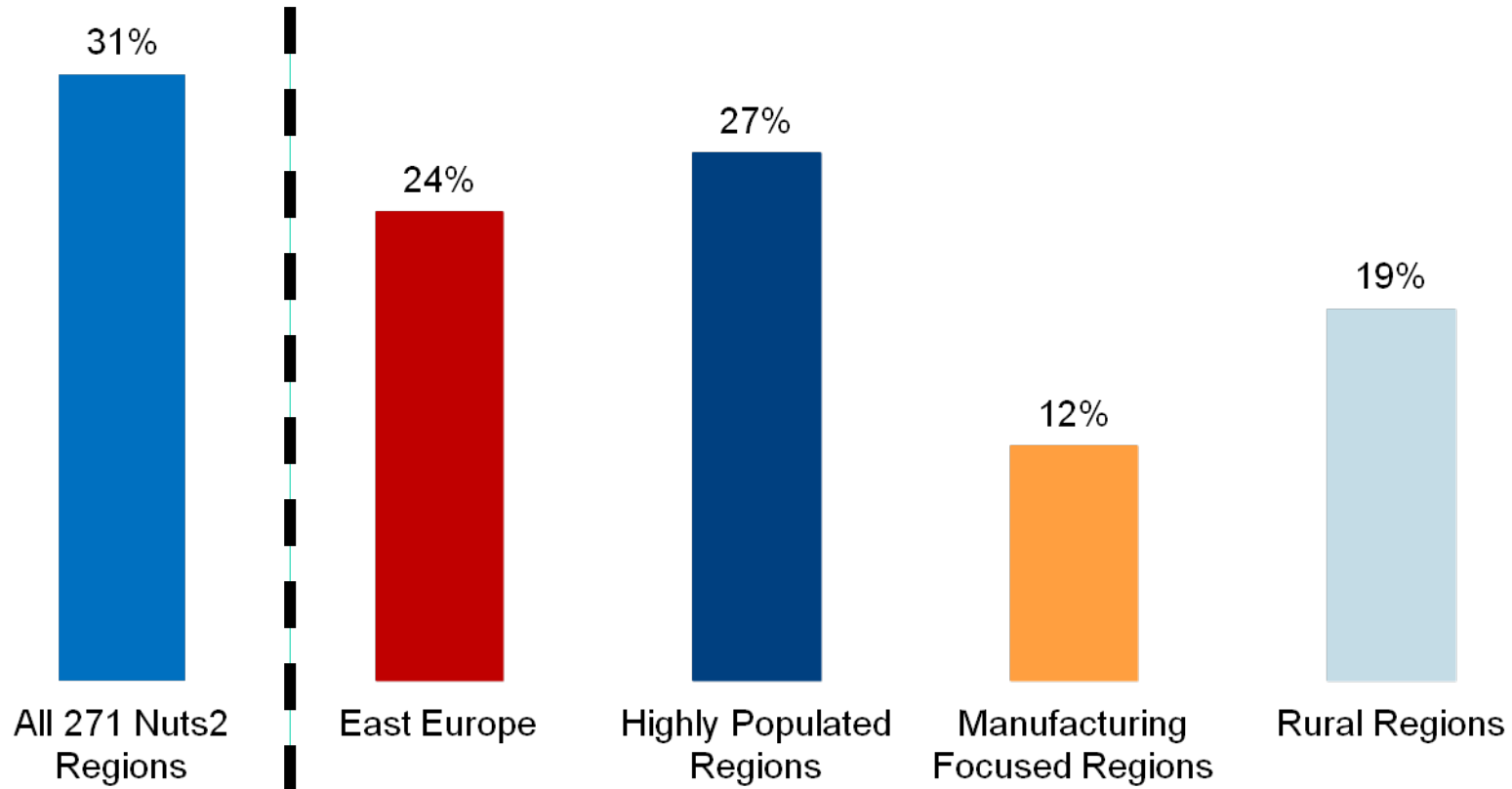
## Regions are classified into four groups

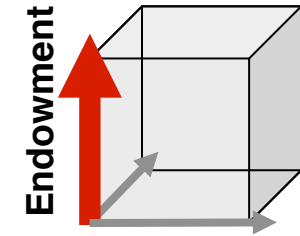




Within a group of regions education explains less wealth differences than it does between all 271 regions

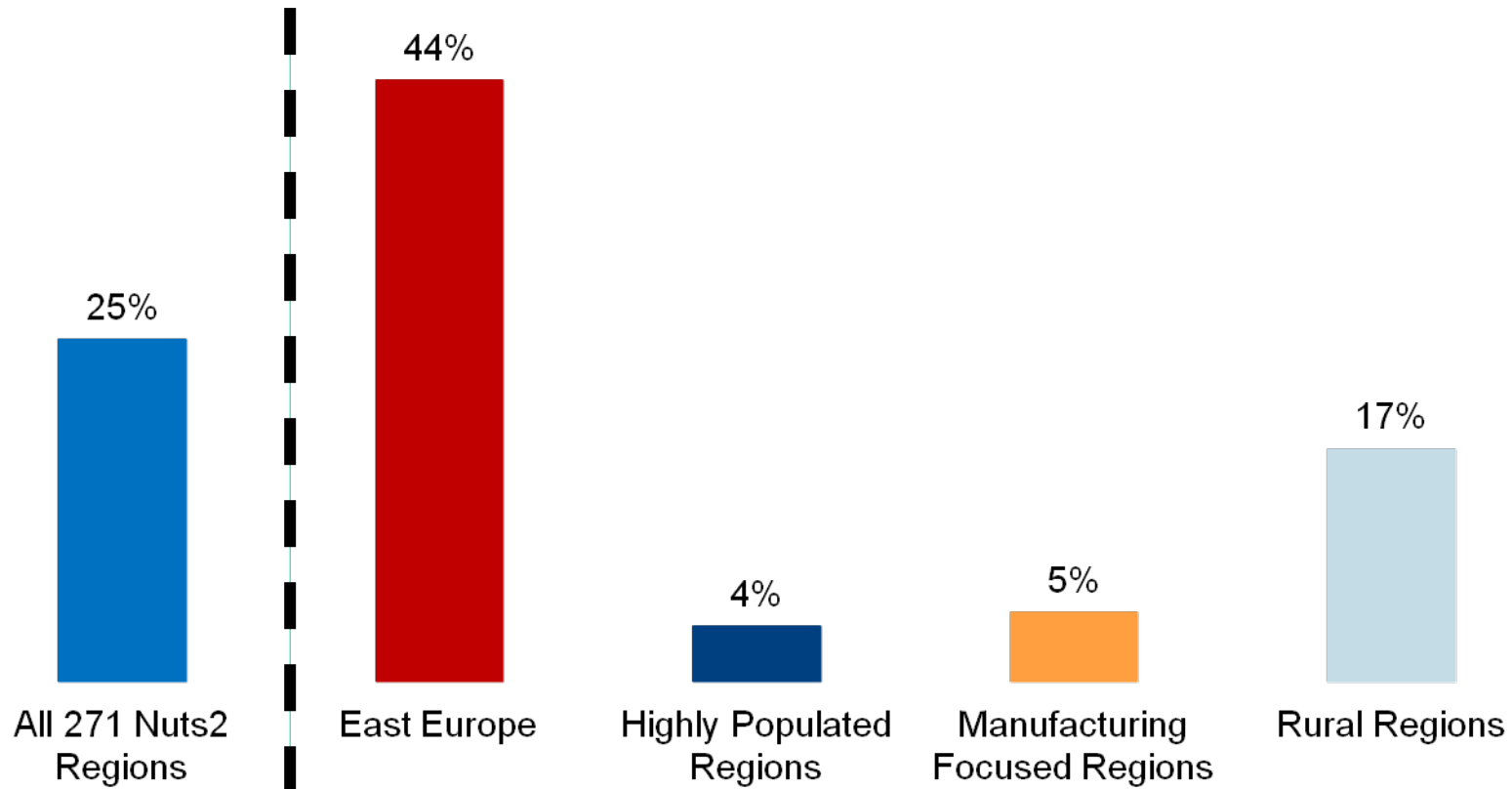
Variance in wealth explained by education within each group of regions





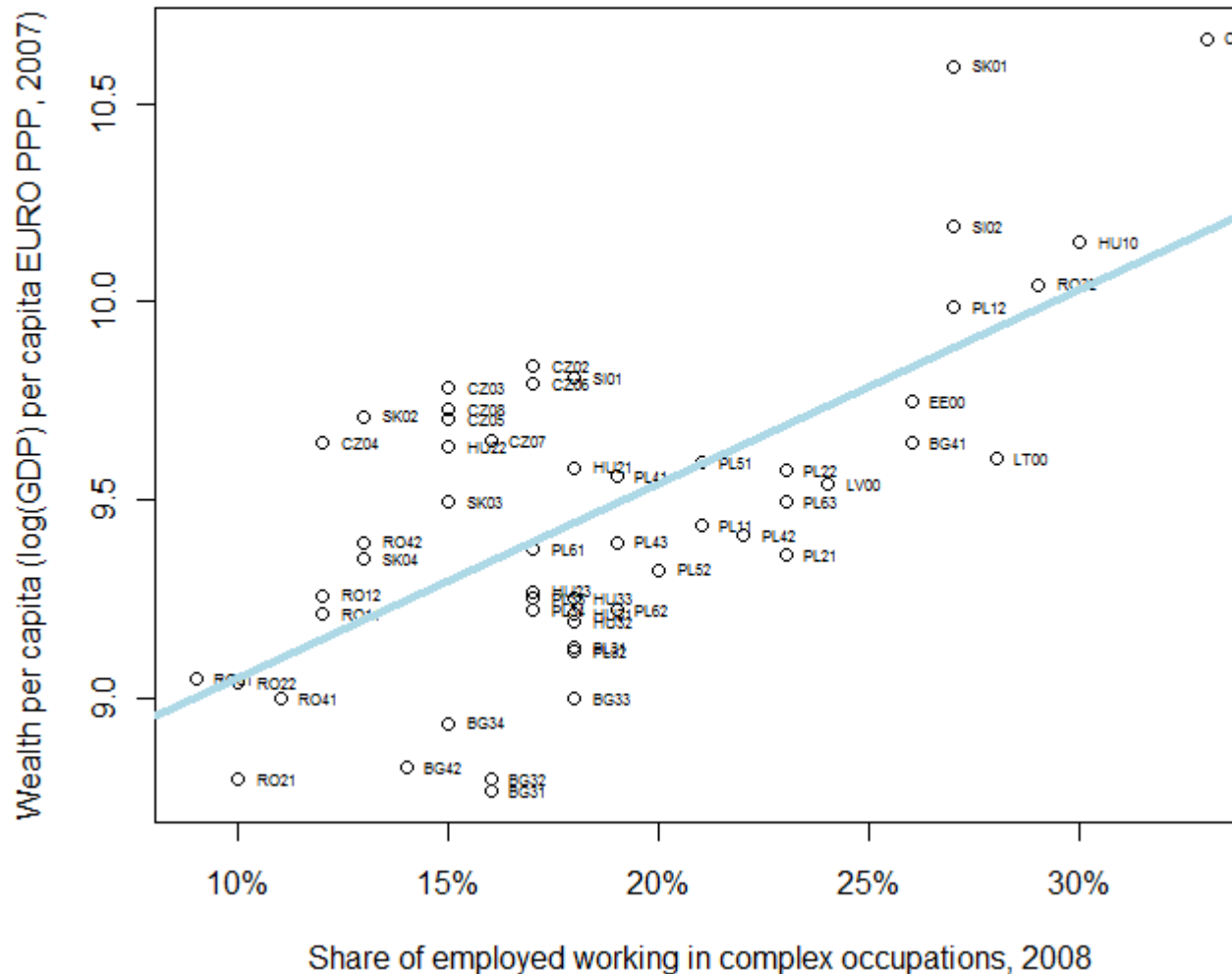
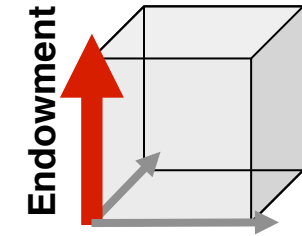
## Quality of jobs is a significant wealth creation driver for new member states' regions

Variance in wealth explained by share of complex occupations within each group of regions

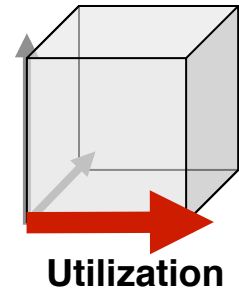




## Quality of jobs explains wealth creation

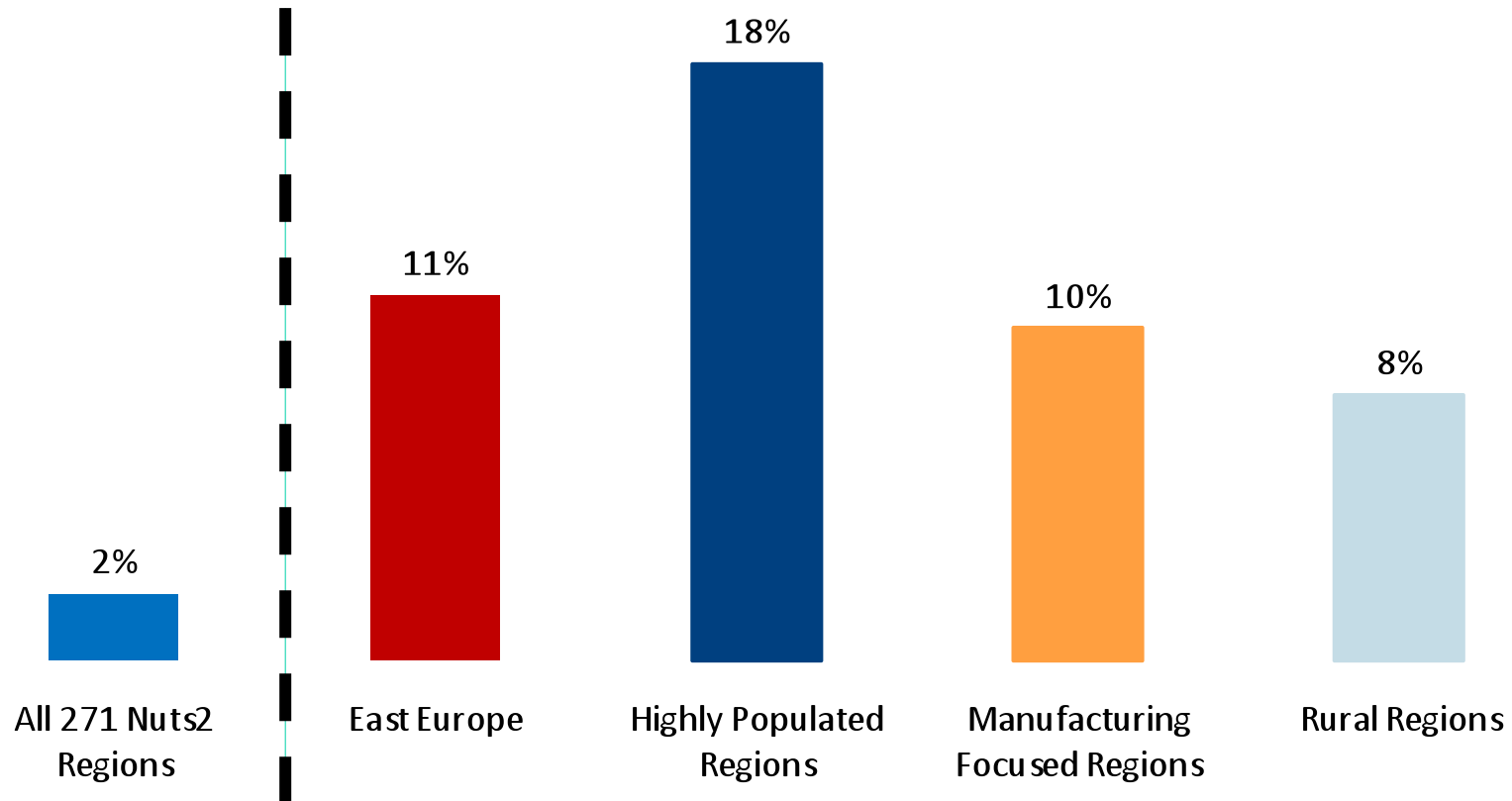


- a) 44% of wealth variation is explained by share of employed working in complex occupations
- b) Over 99.9% certainty that this is not by accident

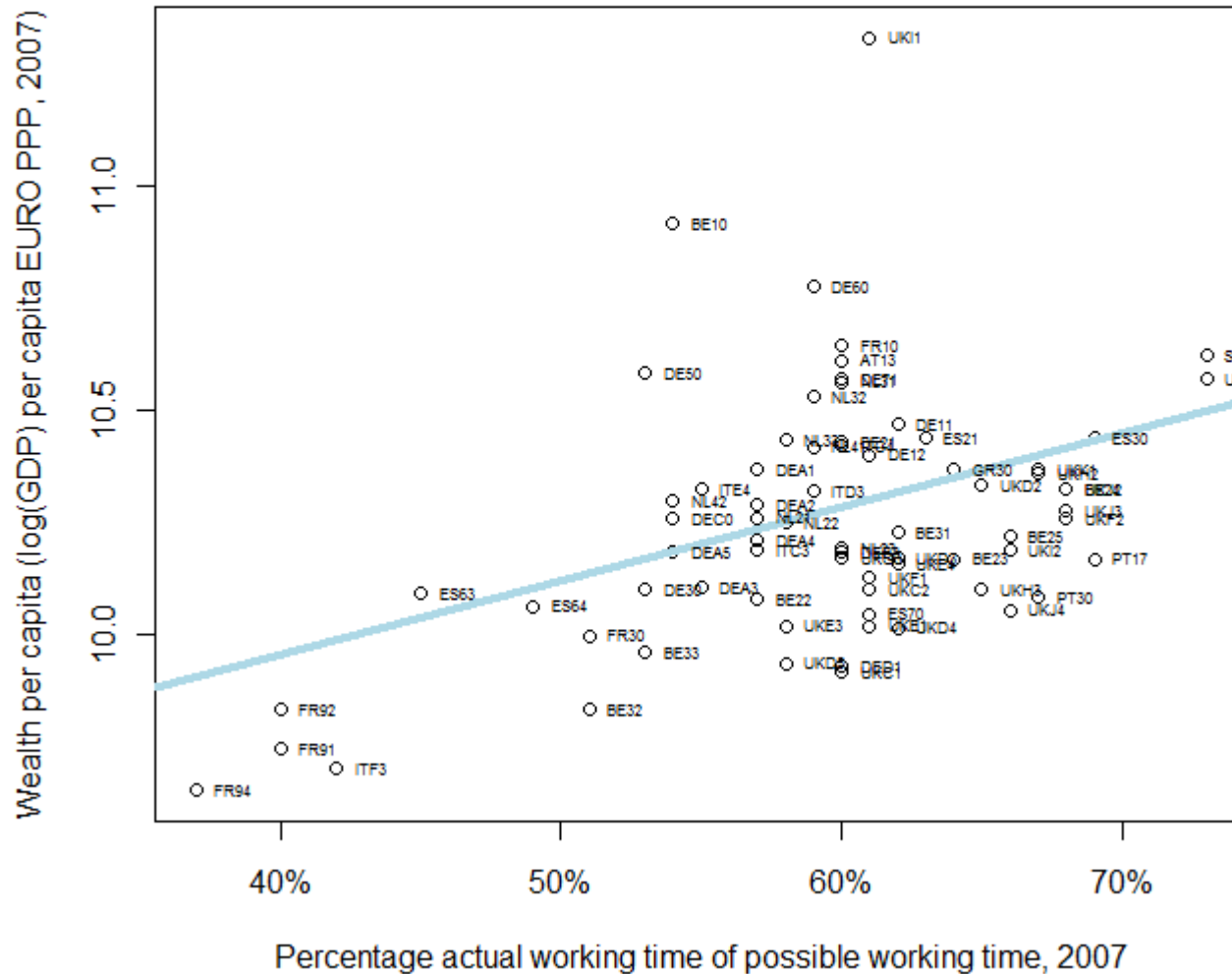
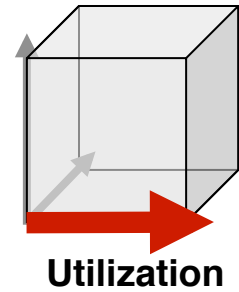


## Hours worked is a significant wealth creation driver for highly populated regions

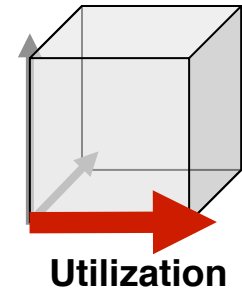
Variance in wealth explained by working time differences within each group of regions



## Working hours explain wealth creation

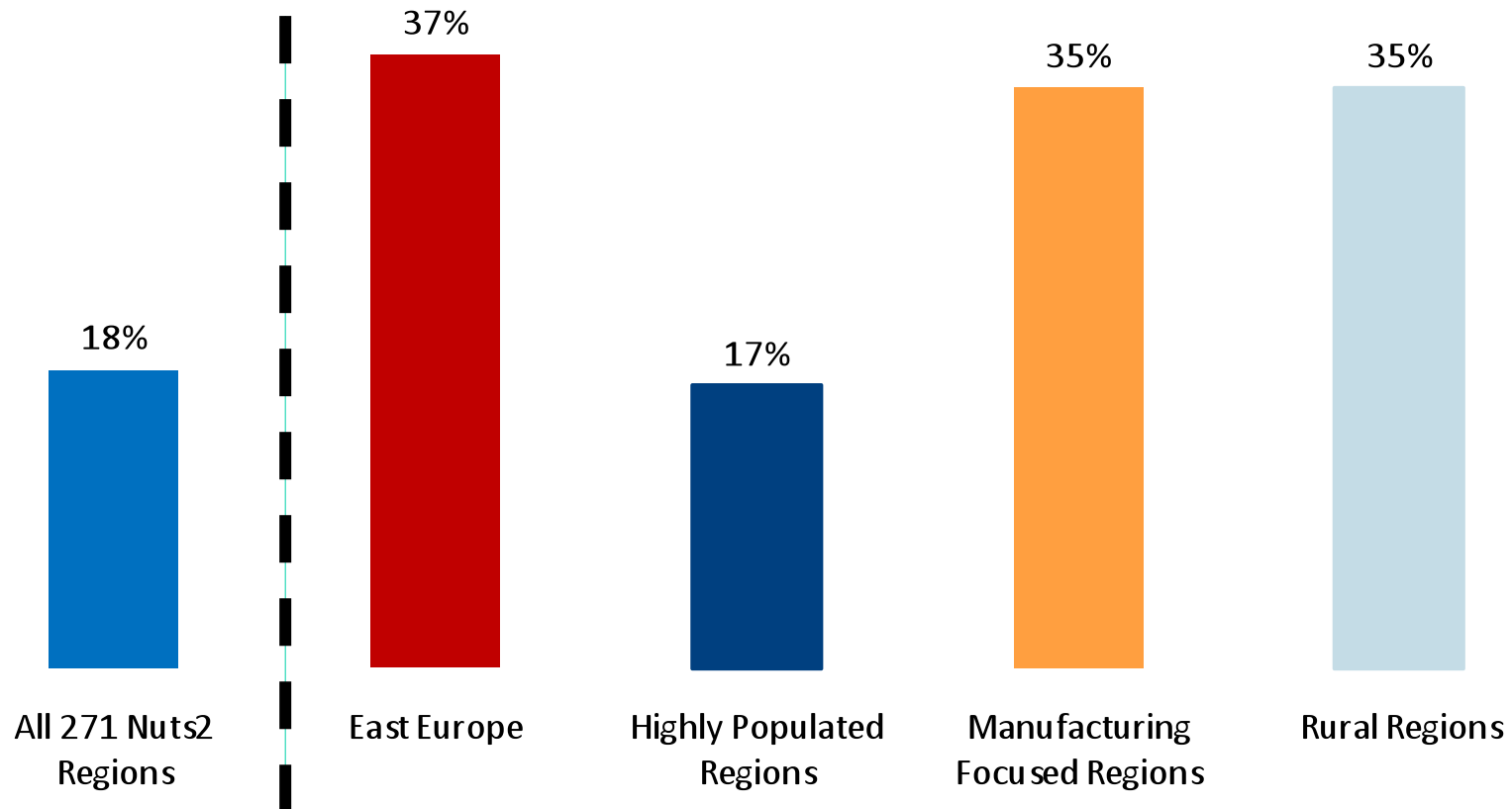


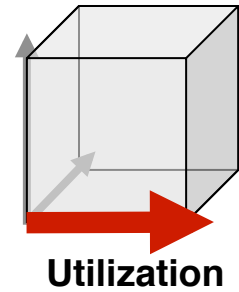
- a) 18% of wealth variation is explained by hours worked
- b) Over 99.9% certainty that this is not by accident



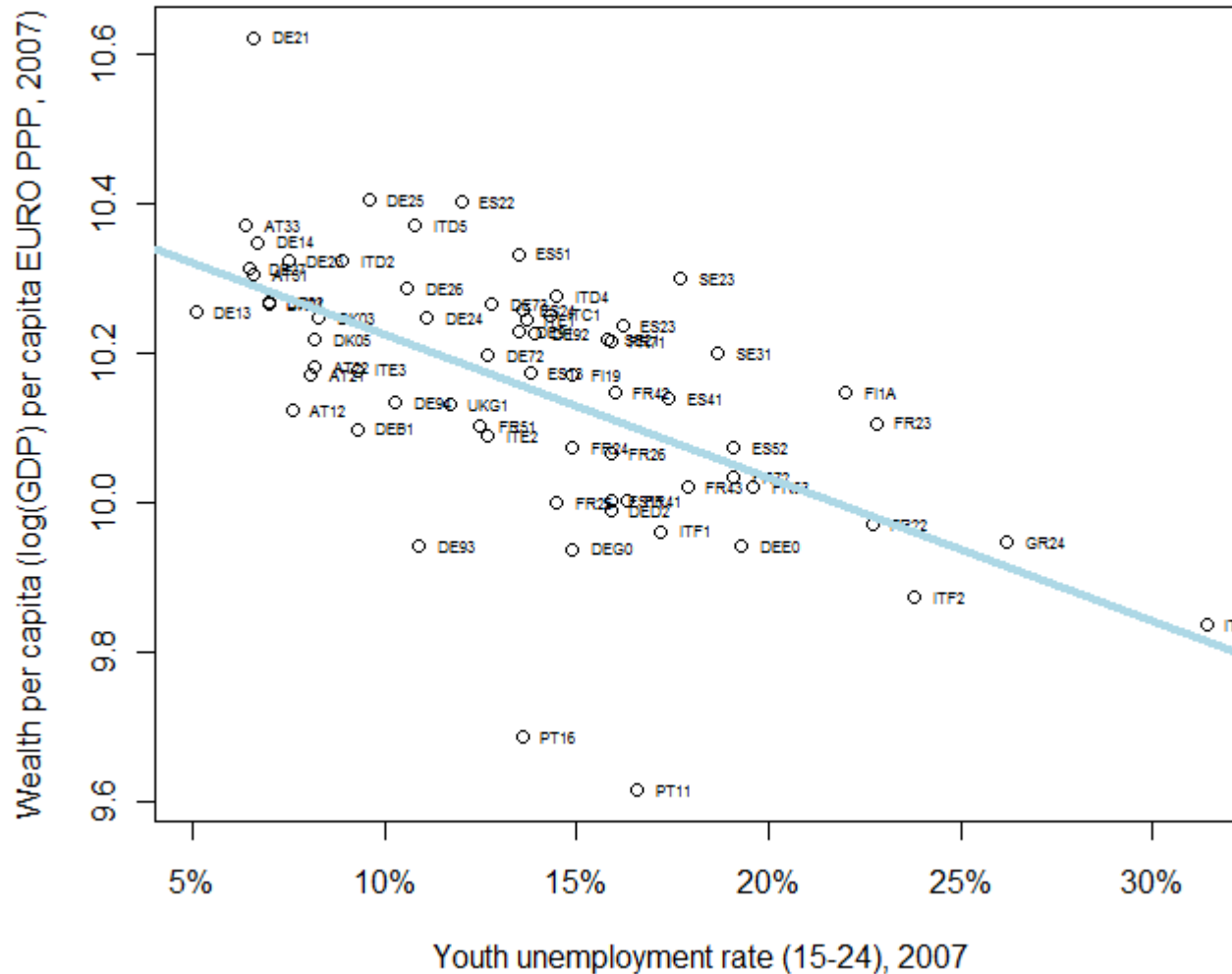
## Youth unemployment is a further wealth creation driver for regions focused on manufacturing

Variance in wealth explained by youth unemployment rates within each group of regions

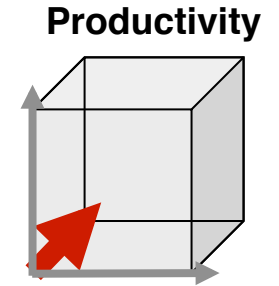




## Youth unemployment explains wealth creation

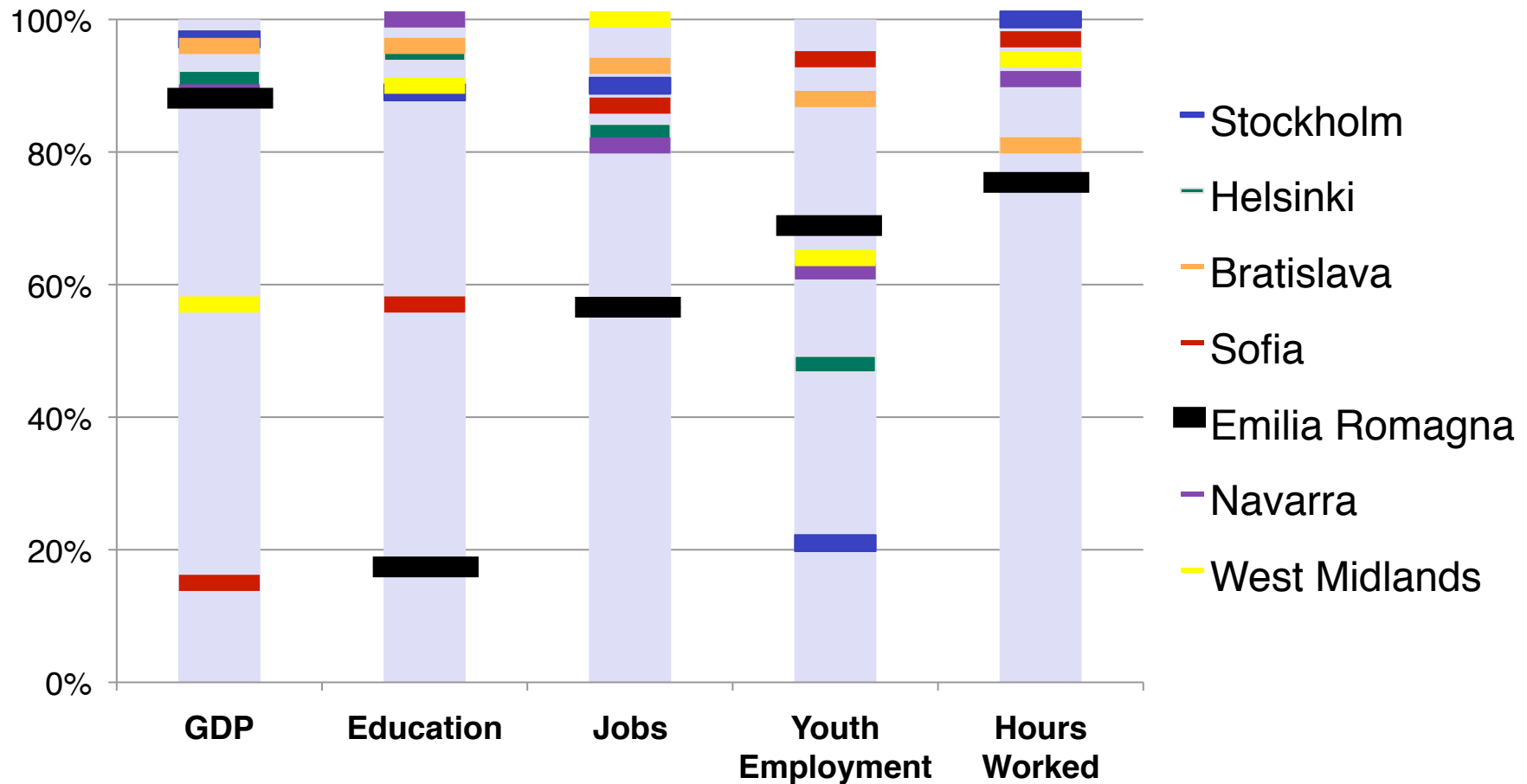


- a) 35% of wealth variation is explained by youth unemployment
- b) Over 99.9% certainty that this is not by accident



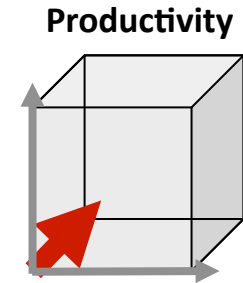
Overall for the regions, high wealth corresponds to good performance in the human capital indicators

Ranking of regions by human capital indicators relative to their peer group



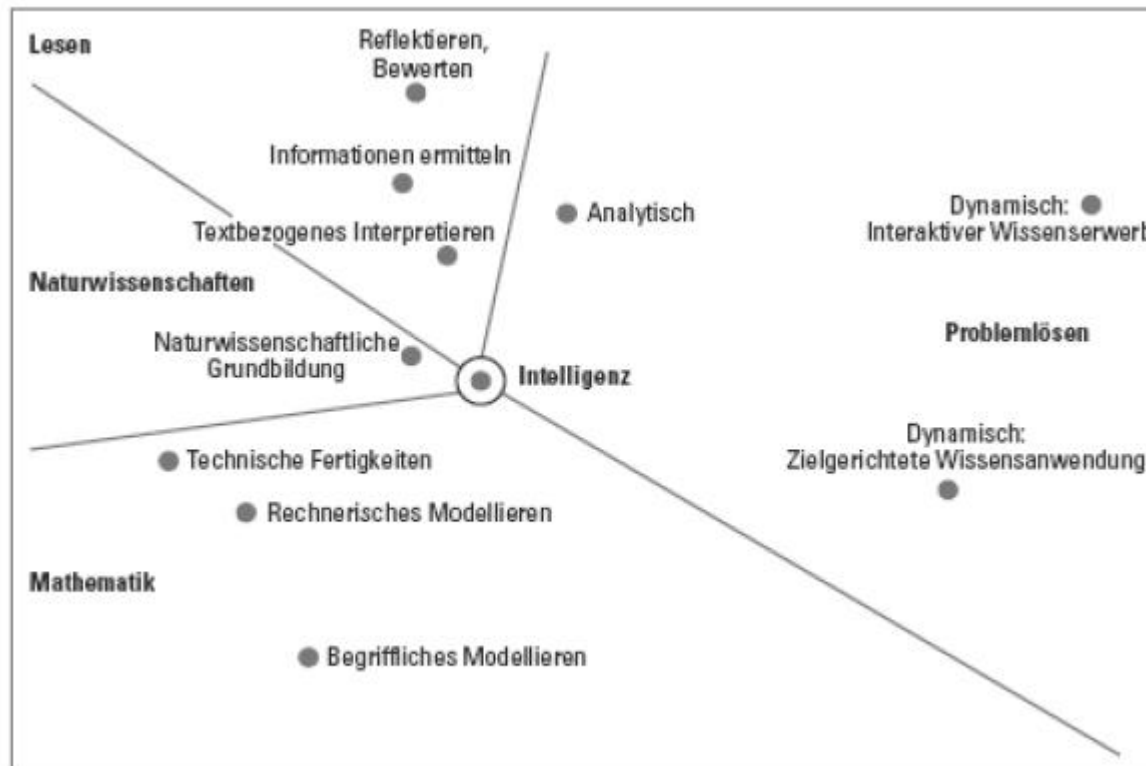
## Emilia Romagna

*One of the most advanced regions in Europe with a GDP of 31.900 EURO ( 24% more than the national average) putting the region at the 86° percentile of all EU NUTS2 regions.*



- The small companies producing niche goods require youth with work experiences **Learning on the job** has a great importance in these realities.
- **Social cohesion** and well-functioning institutions; administrative continuity
- The large share of **immigrants** keeps low the wages for low qualifications and thus helps the **competitive advantages in the medium/low technology sectors.**
- **Small businesses**, family-run or organized in cooperatives, represent **centers of employment, development, learning, networks, locus of working and social life.**
- **Good quality of education: PISA score 510** , above OECD average of 500, and national of 470 points
- Good services to support female employment. **The region decided to invest in services instead of infrastructure.** In no other region in Italy there are so many kindergartens places per inhabitants.

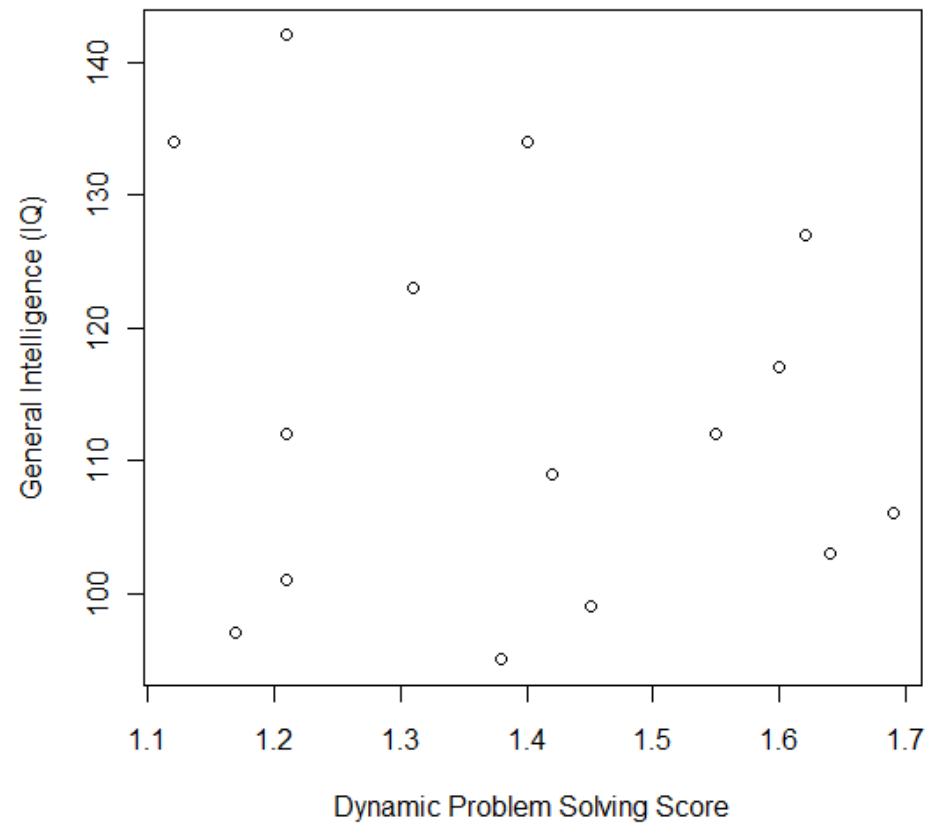
## Dynamic problem solving is distinguishable to fluid intelligence





## No relationship between dynamic problem solving and general intelligence observable

Pre-Test results of a computer-based dynamic problem solving test.  
Depicted are dynamic problem solving scores and IQ scores of participants, 2010.





For more information:

[www.lisboncouncil.net](http://www.lisboncouncil.net)

Thank you !

[peer.ederer@lisboncouncil.net](mailto:peer.ederer@lisboncouncil.net)