



## Documentation

# Measuring Geographical Mobility in Regional Labour Market Monitoring Approaches

## Results of the Annual Meeting of the European Network on Regional Labour Market Monitoring

7 October 2011, Luxembourg

This document is based on presentations and the results of working groups which are available via the European Network on Regional Labour Market Monitoring website: [www.regionallabourmarketmonitoring.com](http://www.regionallabourmarketmonitoring.com)



## **The Relevance of Geographical Mobility of Labour for Regional and Local Labour Market Monitoring**

The Annual Meeting, and the published Anthology to describe the state of the art in geographical mobility within regional labour market monitoring approaches, have clearly shown that the topic currently has a relatively low priority for the majority of local and regional labour market observatories. There are only a handful of observatories that capture in a comprehensive fashion geographical mobility. Frequently, these observatories are in border regions and focus on cross-border mobility. These are primarily limited projects or studies to provide transparency with respect to cross-border mobility. There are hardly any collections that store and update data on mobility on a continual basis. This is surprising as the majority of observatory operators have determined that transparency on mobility is necessary in order to adjust for surpluses or deficits in the local or regional labour markets. What can then explain the limited consideration of geographical mobility in regional labour market monitoring?

A first answer to this question is to point to the inadequate data situation at the regional and local level. However, this inadequate data situation affects other topical areas of regional labour market monitoring, such as transitions between school and work, or progress towards better jobs. There is only limited reporting of this need by the current information users for such information of the needs for data on geographical mobility. What could be the reasons for this? Regional and local policy makers are aware that problematic situations stemming from an oversupply or lack of labour can be mediated through labour mobility. This also has positive consequences for the development of the local economy and the standard of living. In discourses on attracting skilled labour, this becomes particularly clear, but this is also clear in the case of the inflow of unskilled labour. This is often dominated by a limited understanding in that geographical labour mobility is seen to be synonymous with migration. This is complicated further in that its regulation is not seen in terms of its dynamic effects by regional and local actors. Against this background, hardly any transparency or informational needs would be demanded of labour market monitors regarding migration.

This perspective misses completely that geographical mobility refers not only to migration – the long-term staying or leaving of an area – but that also all forms of commuting fall under this term. Commuting can be used as an option for balancing out regional or local imbalances in the labour market. It can also expand the search area for enterprises to find suitable employees and for workers to find (appropriate) employment. Information about commuting is therefore not only a priority for policy makers, but is also crucial for local and regional labour administrations that are looking to integrate unemployed workers as quickly



as possible, often in long-term positions. Educational institutions are also aiming at supporting the successful transition of their graduates into the labour market. Not least of all, enterprises search for the skills and competencies that they need in their own regions and localities, as well as beyond. Differentiated data on commuters seldom exist, despite the informational need. There needs to be a more comprehensive sensitizing of operators and policy makers in the local and regional labour market observatories in order for such data to be collected and updated over the long term. In Section 3, the first orientation points are sketched out for regional and local observatories that want to integrate geographical mobility in their regional labour market monitoring. Before this however, two good practice examples are introduced that show how mobility data can be generated and used. The results of both projects are quite different.

### **1. Cross-Border Mobility – Two Exemplary Case Studies**

In the Greater Region of Luxembourg, Wallonia, Lorraine and Rhineland-Palatine/Saar, the “optimatch” Project was established to improve the transparency of cross-border mobility and to raise the awareness of all relevant actors for the opportunities of this common labour market. The Greater Region is very interesting as it includes the labour market of Luxembourg with a high demand for foreign labour (48% of all employees in Luxembourg are cross-border commuters) and the labour markets of the four other regions mentioned above, which are suffering from a lack of demand for the available labour. Therefore, mobility could be a ‘win-win’ situation for all regions involved. Although these initial terms represent positive conditions for cross-border labour mobility, the “optimatch” Project examined whether there was on a formal level – for example in the area of single public labour administrations – any individual national norms that could have restricted the permeability of the regions. Promoting mobility in these structures proved to be the result of the pragmatism of the involved actors that sought individual solutions. Against this background, the now available transparency creates good anchor points for a targeted development of common and over-super regional standards in the areas served by the relevant administrations. Furthermore, topical areas were identified in which there were still existing information deficits that constrained mobility and thus an optimal cross-border matching. This is data on transnational comparability of qualifications and competencies, prognostic information on future development of labour demand in individual sectors and professions, as well as on the future developments in labour supply (demographic developments) in all involved regions. Finally, data was limited on the current demand by enterprises in the region and the supply of labour (the unemployed and graduates of educational and vocational institutions) broken down by sector and qualification. It is intended to store this information in a cross-border labour market observatory, and in this way, to provide the prerequisites to optimize cross-border



matching. “Optimatch” is a prime example for observatories that serve cross-border functional labour markets primarily in western and northern Europe. Further examples of this type of monitoring system can be found in the Oresund region between Denmark and Sweden, and in the Lake Constance Area.<sup>1</sup>

An important dimension of labour mobility in Europe is the movement from east to west, which is stimulated above all by economic differences. Migration and, it is important to distinguish, cross-border commuting have been covered since 2003 by the Labour Market Monitoring (LAMO) project located in Vienna. The focus of this cross-border monitoring is the great-region in the border areas of Austria, Hungary, the Czech Republic and Slovakia. The goal of this cross-border monitoring is to determine the migration and commuting potential in Hungary, the Czech Republic and Slovakia for the greater Vienna area and to measure changes over time. This information is to be seen in the context of assessing the mobility potential after the opening up of the Austrian labour market in May 2011. The monitoring was continued after the opening phase in order to show in what forms, and to what degree, mobility actually materialized. This monitoring approach generated a great deal of primary data to depict not only the basic socio-demographic and qualifications characteristics, but also motive, readiness and the decision processes that lead to cross-border mobility in connection with regional and national conditions. By considering commuting as well as migration, the conditions which lead individuals to decide for one or another variant of mobility can be identified. The data collected (which is continuously updated) forms the basis for a coordinated interpretation of the situation by involved actors in all regions and a targeted approach to steering the mobility in the greater region.

Both of these good practice examples show that a deliberate management of cross-border labour markets is possible on the basis of sound cross-border monitoring. It also shows that optimised matching can be conducted across borders.

While in both of these good practice examples, comprehensive data pools with a focus on capturing cross-border mobility were created and used, geographical mobility is in most observatories more of an aspect that is integrated into more general regional or local monitoring. Reasons for creating such integrated solution are given in the following section.

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<sup>1</sup> Further examples are described in the current Network Anthology, “Measuring Geographical Mobility in Regional Labour Market Monitoring. State of the Art and Perspectives” [www.regionallabourmarketmonitoring.com](http://www.regionallabourmarketmonitoring.com)



## **2. Orientation Points for Regional and Local Observatories that want to Consider Geographical Mobility in Monitoring – Users, Definitions and Data <sup>2</sup>**

The starting points for developing an integrated mobility monitoring are questions about the users of such information (see section 0. Information Users in the table following). Aside from policy makers, units of public administration or in the educational area, as well as enterprises and employees themselves, can be counted among the user groups. It is important not only to identify the user groups, but also the concrete informational needs that should be fulfilled by mobility monitoring. With this information as background, the next step is to decide what types of mobility should be considered (see section 1. Basic Definitions in the table following). This is primarily a decision between commuting and migration, with further distinctions drawn according to the specific needs in the locality or in the region. The next step is to determine if all labour should be included or only specific qualification levels (see section number 2. Differentiation in the table following). Depending on the qualification and/or professional group(s) selected, their motivations for being mobile and its effects on their labour market integration should be considered. For example, in the case of low-skilled labour, they may well have a much higher adaptability to the local demand than highly skilled labour. A frequently relevant aspect for managing mobility from a regional or local perspective is the knowledge of the social networks of mobile labour. Through these networks, specific types of labour can be brought into the region or their leaving the region could be avoided. After the basic categories have been determined, the third step is to investigate what data is needed to depict the relevant concepts (see number 3. Data in the table following). Above all, publicly available data (stock and flow data) form a good basis. They also have the advantage that they cover the total population and there are thus no problems with representativeness in subsections of the data. They are also continuously updated and maintained. Qualitative information is crucial for a comprehensive understanding of the situation. Such information is best obtained locally from experts in the relevant administration units and non-profit organizations. Data from the National Labour Surveys also deliver interesting insights into the mobility story. Due to the small sample size and constrained representativeness of the samples, they do not allow for breaking down the information to the regional or local level. They can however provide a good background context when asking local experts for their assessments of the situation.

The steps described chronologically here can also be realized in parallel, depending on which direction the impulses for the expansion of the regional local monitoring is coming from. The following table provides an overview of the individual orientation points.

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<sup>2</sup> In working groups at the Annual Meeting, it was determined what the orientation points could be for regional and local labour market observatories that wanted to incorporate geographic mobility in their systems.



	Commuting	Migration
<b><u>0. Information Users</u></b>	<p><u>policy makers</u> (need to know about 'in-and-out' commuting as these are crucial for the functionality of the regional and the local labour market)</p> <p><u>public labour administration</u> (need to know where to place job seekers)</p> <p><u>employees</u> (need to know about locations with good job opportunities)</p> <p><u>employers and their associations</u> (need to know about regional and local labour shortages that are mitigated by commuting as well as about potential employees commuting in the region or locality)</p>	<p><u>policy makers</u> (have special interest on migration inflow as immigration or return migration)</p> <p><u>educational institutions</u> universities (have interest in migration outflow as this reduces the number of potential students and in case their graduates do not find work in the region. They also have an interest in migration inflow as they offer their services to migrants who want to adapt their degrees) vocational training (have interest in migration outflow in case their graduates do not find work in the region or inflow for offering services to adapt new arrivals to the demands of the local economy )</p> <p><u>employers and their associations</u> (have interest in labour shortages that may be influenced by the level and types of migration and in hiring immigrants with specific skills/characteristics)</p>
<b><u>1. Basic Definitions</u></b>	<p>Commuting consists of living in one region and working in another. This can be within one country or in a cross-border region. (There may be long-range commuting where someone lives near to work for part of the week (i.e. in temporary accommodation) and the rest of the week at their home)</p> <p>Multi-locality is spatial mobility which denotes different combinations of living and working in different places.</p> <p>Special Case: Highly skilled professionals traveling between two or even more homes.</p>	<p>Migration occurs when workers change their places of residence to other regions or to other countries. (definition of Eurostat: a migrant would have to spend at least 12 months in the country of destination)</p> <p>Special Case: Transmigration is the case when workers change their country of residence for another after the end of working opportunities in foreign countries.</p> <p><u>Reasons for Monitoring Migratory Movements:</u> Many migrants still maintain ties with their country of origin using different public services, or sending remittances or leaving parts of the family in the country of origin.</p>



	Commuting	Migration
<b><u>2. Differentiation</u></b>		
<b>Skills level and Motives</b>	<p>Main motive in European regions is to find a job.</p> <p>Exception: Commuting to Luxembourg to find a better paid job.</p> <p>Special Case: mobility within one company</p>	<p>There are two main groups of mobile labour:</p> <ol style="list-style-type: none"> <li>1. Highly skilled labour is mobile to find a better paid job. Highly skilled is determined by level of education and/or degree, or professional position</li> <li>2. Low skilled labour is mobile in order to find a job. Low skilled should be distinguished between skilled manual, unskilled manual and skilled non-manual.</li> </ol>
<b>Geographical location</b>	Within regions (in one nation or cross border)	From East (South) to West or North
<b>Social networks</b>	Social networks affect commuting – as they may provide support e.g. family to provide help with child care after school if may affect how far someone can commute, or networks may provide information on finding jobs and these new jobs may require a different commute etc.	Social networks are important in determining the destination for migration and support the integration in the destination country. However, social networks might also result in a lower capacity and willingness to integrate. Increasing numbers of low skilled can put pressure on the local low skilled labour (social dumping), leading to the reduction of local labour costs and support the growth of the grey labour markets.
<b><u>3. Data</u></b>		
	<p><b><i>quantitative data</i></b></p> <p><u>public data/statistics: (stock and flow data)</u></p> <p>register data (social security / working): place of work and residence is not identical (minimum distance between both locations or different municipalities)</p> <p>tracking a person via social security number (problems with data protection and security)</p> <p>tax data: number of tax payers at place of work with residence in another municipality.</p> <p>traffic data (travellers in public transportation and others)</p> <p>EURES data stock (registered workers)</p> <p>census data (might be not precise enough on the local level and out-dated)</p> <p><u>survey data:</u></p> <p>household surveys</p>	<p><b><i>quantitative data</i></b></p> <p><u>public data/statistics (stock and flow data):</u></p> <p>register data (in region or country of immigration) (including migrants' socio-economic, demographic and educational characteristics)</p> <p>tracking a person via social security number (only national level in case of cross-border from the perspective of the sending country and there are problems with data security)</p> <p>EURES data stock (registered workers) and data exchange facilitated by EURES</p> <p>census data (problem of being out-dated)</p>



	<p><b>qualitative data)</b> information provided by social networks and organizations for job placement, housing and schooling issues</p> <p><u>problems:</u></p> <ul style="list-style-type: none"> <li>• data bases cannot be connected</li> <li>• sample sizes are too small for regional analysis</li> <li>• disaggregation at the regional and local level is impossible</li> <li>• data protection law provides restrictions</li> <li>• different geographical levels of data collection do not allow aggregation</li> <li>• lack of in-depth data</li> <li>• out-dated data</li> </ul>	<p><b>qualitative data (to provide in-depth insights)</b> studies on social networks and support structures, motives, expectations, pull and push factors (economic, social, cultural and familial impact on mobility)</p> <p><u>problems:</u></p> <ul style="list-style-type: none"> <li>• data bases cannot be connected</li> <li>• data protection law provides restrictions</li> <li>• different geographical levels of data collection does not allow comparisons</li> <li>• lack of in-depth data</li> <li>• limits in cross-border data exchange</li> <li>• no data on unregistered illegal workers from third states outside of the EU</li> </ul> <p><u>improvement:</u></p> <ul style="list-style-type: none"> <li>• at the regional level bilateral agreements between sending and receiving countries</li> </ul>

### 3. Next Steps to further the Implementation of Mobility Monitoring

The Initiative for Networking Regional and Local Observatories across Europe has chosen geographical mobility as the topic for their activities in 2011/2012. Therefore, a communication with all regional and local observatories will be started shortly to present the results of the Annual Meeting of the European Network on Regional Labour Market Monitoring as documented here and presented in the 2011 anthology of the Network. On this basis, all observatories will be invited to reflect on the possibilities to discuss with their current users, and potential prospective users, about their specific interests on this topic. As the discussions during the Annual Meeting and the experiences of the Network members show, it might take time to sensitise regional and local actors to the relevance of transparency on the topic of geographical labour mobility. Furthermore, all observatories will be strongly encouraged to look for chances to integrate relevant indicators in their monitoring systems. Beside the information in this document, observatories can get individual support from Network members who are experienced with geographical mobility monitoring in building such data stocks. In August 2012, there will be a survey conducted including all 520 regional and local observatories to explore the state of implementation of mobility monitoring. The results of this survey will be presented and further discussed on the European Day 2012 in Cracow.



The Initiative has also constructed a data base for which observatories can sign up. Being in the data bank provides many opportunities to find other observatories who are more experienced on the topic and who are willing to give support. There is also the chance to build new networks of observatories to start in common the process of building such a data stock.

The newsletter of the network will inform on a regular basis about the progress of these activities.

#### **4. Next steps for European Network on Regional Labour Market Monitoring**

The Plenum of the Annual Meeting decided to focus on a new topic until the next Annual Meeting on 12 October 2012 in Cracow. The topic still needs to be clearly defined together with the Public Labour Office, who will host the meeting – it will be in the general line of regional and local skills monitoring. To describe the state of the art in concepts and data, there will be an anthology prepared and published in October 2012. All interested Network members are invited to contribute to the 2012 anthology. Early in 2012, a call for articles to this anthology will be sent to all Network members.

For further information on all topics covered in this documentation, please contact Ruth Hasberg, the Coordinator of the European Network on Regional Labour Market Monitoring ([Hasberg@em.uni-frankfurt.de](mailto:Hasberg@em.uni-frankfurt.de)).

#### **Timetable for the activities within the European Network on Regional Labour Market Monitoring**

January 2012	Call for Articles on the topic of skills monitoring for the Anthology 2012
May 2012	Deadline for Articles for the Anthology 2012
June 2012	Preliminary programme for the annual meeting 2012 in Krakow
12 October 2012	Annual Meeting in Krakow