



## Labour Market Forecasting to align VET and Economic Development Strategies - Good Practice Examples

Policy Implications for National Actors in Vocational Education & Training and Economic Development

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### INTRODUCTION

#### Aligning VET and EDS: The role of labour market information and intelligence (LMII)

The VET-EDS project seeks to identify good examples of the effective alignment of Vocational Education & Training (VET) policy and economic development strategies (EDS); and particularly the role played by labour market information and intelligence (LMII). This Briefing summarises national good practices that help labour market observatories (LMOs) to tailor their forecasting activities to the specific needs of VET actors and economic development audiences. Further details are contained in the full Compendium of National Good Practices report.

#### 21 national examples of good practice

The Compendium draws from the knowledge and national expertise of seven project partners from the seven participating Member States (Czech Republic, Germany, Italy, the Netherlands, the Basque Country in Spain, Sweden, the United Kingdom). It provides an overview of national examples of *good practice* and covers the following key themes:

#### Key themes

- Matching education with employers' needs
- Forecasting
- Sector specific training
- Integrating socially excluded/immigrants into the labour market
- Analysis & monitoring

#### Main Highlights

The case examples suggest that it is important to:

1. Increase *recognition of the growing need for VET skills and qualifications* at the post-secondary level and their role in the competitiveness of firms and the growth in economic productivity;
2. Ensure that LMII is of *high quality and easily accessible* to all users;
3. *Involve a wide range of relevant actors* or social partners across the entire process of gathering, analysing and using the LMII; which will improve its usefulness and be of mutual benefit;
4. Carefully *monitor and evaluate* all LMII initiatives, and share learning lessons across nations and regions.

## KEY OBSERVATIONS

### Lessons learned:

All national good practice outcomes in the Compendium feature a range of programmes and initiatives – from those which are already well-established (i.e. repeated and integrated into the employment skills and training landscape of the respective nations), and those still in developmental stages, and thus with limited evaluation carried out for consideration of lessons learned. All examples, however, suggest opportunities for straightforward replicability and scalability of national projects under the condition that national specificities, local factors and overall idiosyncrasies in national labour markets dynamics are considered and adjusted for.

The main VET-EDS project’s lessons can be grouped into the six categories as presented in the Table below.

	Key successes [What worked?]	Key success factors [Why did it work?]
<b>Increased use of LMII</b>	<i>Increased use of Labour Market Intelligence and Information (LMII) in designing training and labour market engagement strategies</i>	<ol style="list-style-type: none"> <li>1. National observatories demonstrating a better understanding of the usefulness of LMII in relation to the labour market supply and demand analysis, training and skills policies and employability strategies.</li> <li>2. National observatories having better access to LMII resources such as regular labour market publications, distinctive data sets, bulletins and more in-depth thematic analysis.</li> <li>3. Appetite for utilising possibilities for disaggregating national data to the appropriate level (i.e. and regional, local or community) and implementing forecasts into planning of labour market strategies.</li> </ol>
<b>Engaging employers</b>	<i>Engaging business and other users in the skills development and training cycle</i>	<ol style="list-style-type: none"> <li>4. Understanding the demand-side of the labour market, linking this knowledge with strategic objectives and applying it to the design of solutions.</li> <li>5. Fostering strong co-operation between VET centres and companies, and other actors, through an emphasis on shared purpose and mutual benefits (the ‘business case’).</li> <li>6. Working with companies and other employers to develop bespoke training solutions and maximise the impact of employment and skills policies on growth and national/international competitiveness.</li> </ol>
<b>Inclusiveness and customisation</b>	<i>Inclusiveness and customisation of VET needs and training</i>	<ol style="list-style-type: none"> <li>7. Focus on individuals’ needs and choices of education and career pathways in addition to generic profiles of learners.</li> <li>8. Improve utilisation of computer assisted technologies and various on-line tools, and adoption of user-driven planning and</li> </ol>

	<p>service provision (e.g. self-assessments tools).</p> <p>9. Greater accessibility of platforms and portals that consolidate existing information.</p> <p>10. Adoption and promotion of user-driven engagement with the type and amount of labour market/ employment information as well as a learner-driven training (growing the availability of customised on-line modes of training).</p>
<p><b>Support infrastructure</b></p> <p><i>Embedding national strategies within an appropriate support infrastructure</i></p>	<p>11. Adopting a partnership model of work (among nationally and locally situated stakeholders) when analysing future demand for skills and developing appropriate educational solutions and social programmes.</p> <p>12. Including the private sector in the process of VET redesign for economic development.</p> <p>13. Systematic focus on LMII and expertise from particular industrial/professional contexts of work when designing VET programmes and other initiatives.</p> <p>14. Building the national knowledge capacity is closely aligned with other strategic objectives focused on unlocking further development opportunities for companies to become entrepreneurial and innovative.</p>
<p><b>Cross-EU cooperation</b></p> <p><i>Benefits from EU member states' cooperation</i></p>	<p>15. Increased recognition that a successful strategy process needs support from experts and partners.</p> <p>16. For example, being part of a system of observatories such as the European Network on Regional Labour Market Monitoring (ENRLMM) offers opportunities for continuous learning, and exchange of information and sharing of good working practices.</p> <p>17. The participation in international intra-EU cooperation brings inspirations for individual member state's VET service innovation and offers different methodological insights (e.g. in relation to evaluation of programmes).</p>
<p><b>Immigration as a solution</b></p> <p><i>Focus on increasing immigration as a solution in resolving labour market related problems such as skills shortages</i></p>	<p>18. Application of holistic thinking, which integrates economic and social agendas.</p> <p>19. Exploring participation in the labour market as an opportunity for less-skilled, disadvantaged or immigrants to become activated and integrated into society (e.g. by assisting foreign professionals in having their qualifications formally recognised, by teaching them the local language or by incorporating e-learning into the provision of training).</p>

## RECOMMENDATIONS FOR POLICY-MAKERS

### How can VET and EDS be better aligned?

Findings of this project suggest that implementation of the following recommendation can help to further support the VET-EDS alignment at the national and EU levels. It is important that the design of employment policies includes:

- **BETTER LABOUR MARKET INTELLIGENCE (LMI)**

Labour market intelligence development practices and initiatives that are **well financed and resourced**; the capacity for understanding the LMI is consciously advanced; information on which it is based is up-to-date, of **high quality** and based on rigorous and thorough data analysis; the emerging trends that are easily shared, accessible and made relevant to **local and regional partner institutions** and a wide range of other **relevant actors** - who should part-take in the process of gathering, analysing and using the labour market intelligence and information in planning and effective funds distribution.

- **RECOGNISING & SUPPORTING COMMITMENT**

Recognising and sustaining the **commitment of actors** representing professional & vocational training centres and growing engagement of partners from the private sector employers by developing appropriate employment policies, training strategies and funding streams which provide incentives to take **an active part in developing skills** needed in today's labour market. Supporting **sustainable investments** in cooperative arrangements and solutions that bring mutual **benefits to multiple labour market actors** and other social and economic partners in the short- and long-terms.

- **RESPONDING TO THE NEEDS OF A DYNAMIC LABOUR MARKET**

Using LMII to inform management of **skills supply and demand** at the national level while identifying key regional challenges; forecasting the future skills needs and **shifting focus** on skills development rather than professions to **increase employability** in highly changeable labour markets; **integrating social policy** areas (such as immigration and migration) to address current and predicted skills shortages.

- **EVALUATING AND MONITORING OF POLICIES**

It is important that newly introduced policies and initiatives are closely monitored and evaluated in order to contribute to existing **sources of knowledge** and help to create a **systematic canon of practice** on employment policies, which can be shared for the benefits of individuals, local communities, regions, nations and the whole EU community.

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## PROJECT IDENTITY

### Aims of project

The VET-EDS project is part-funded by EU under the ERASMUS+ Programme. The project is developing and implementing a new toolkit to enable national, regional and local labour market forecasters to ensure that they are able to support the alignment of Vocational Education and Training policy and economic development strategy. It includes case studies, good practice approaches and recommendations that address the need to tailor forecasting (analysis, intelligence, format, methodology) and accompanying labour market intelligence (subject, sector, qualifications) across the partner countries (CZ, DE, ES, IT, NL, SE, UK).  
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### Partners

University of Exeter (UK); IWAK, Goethe-University (D); SMS, University of Stirling, (UK); The Swedish Public Employment Service (Arbetsförmedlingen) (SE); Czech National Observatory for Employment and Training – National Training Fund (CZ); KWIZ (NL); Prospektiker, Bilbao (ES); CRISP, University of Milano Bicocca (IT)

### Website and copies of reports

#### **Project website:**

[http://www.regionallabourmarketmonitoring.net/veteds\\_project.htm](http://www.regionallabourmarketmonitoring.net/veteds_project.htm)

#### **A copy of full report entitled:**

**COMPENDIUM OF NATIONAL GOOD PRACTICES (Output 4)**  
**available at:**

[http://www.regionallabourmarketmonitoring.net/veteds\\_outputs.htm](http://www.regionallabourmarketmonitoring.net/veteds_outputs.htm)

*Other reports produced within VET-EDS Project available at:*

*Local and Regional Compendium of Good Practice –*

[http://www.regionallabourmarketmonitoring.net/rlmm-pdf/Compendium\\_OUTPUT\\_2\\_plus\\_ANNEXES\\_final.PDF](http://www.regionallabourmarketmonitoring.net/rlmm-pdf/Compendium_OUTPUT_2_plus_ANNEXES_final.PDF)

*BRIEFING: Policy Implications for Regional and Local Actors in Vocational Education & Training and Economic Development*

[http://www.regionallabourmarketmonitoring.net/veteds\\_outputs.htm](http://www.regionallabourmarketmonitoring.net/veteds_outputs.htm)

#### **Literature Review Report –**

[http://www.regionallabourmarketmonitoring.net/rlmm-pdf/Literature\\_Review\\_Report\\_Output\\_1.PDF](http://www.regionallabourmarketmonitoring.net/rlmm-pdf/Literature_Review_Report_Output_1.PDF)

*The views expressed within this report are those of the authors and not of the European Commission.*







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REFERENCE TABLE





GOOD PRACTICE		KEY CHARACTERISTICS & SUCCESS FACTORS
THEME 1 - MATCHING THE EDUCATION WITH EMPLOYERS' NEEDS		
1 Matching the education with employers' needs	 <p>Hezibi: A new model of work-linked training</p>	<ul style="list-style-type: none"> <li>Initiated by the skills needs of businesses.</li> <li>Combines a <b>VET centre</b> with <b>workplace- based training</b>.</li> <li>Promotes internship-style work-linked training</li> <li>Fully supported by local businesses as they take an active and engaged role in shaping of the learning process.</li> <li>Fosters cooperation between VET centres, businesses and communities, and benefits students with developing practical skills for which there is demand.</li> </ul>
	<p><b>Further THEMES</b></p> <p><b>New model of apprenticeship</b></p>	
	 <p>Innovation Learning Work (IAL)</p>	<ul style="list-style-type: none"> <li>Training institute founded in 1955 by one of Italy's major trade unions to promote better <b>qualifications of workers</b> to aid the competitiveness of enterprises.</li> <li>Provides <b>services, activities</b> and <b>training programmes</b> for both people and organisations, on the basis of a <b>network of qualified partners</b> in Italy and abroad.</li> <li>"Tailored" professional training programs, with <b>certified quality</b> through the accreditation of 14 social enterprises.</li> <li><b>Customised methodologies</b> of teaching are implemented through the activation of <b>networks</b> (e.g. firms, experts and institutions related to the world of education).</li> </ul>
	<p><b>Further THEMES</b></p> <p><b>Cooperation between labour market actors</b></p>	
	 <p>National Register of Vocational Qualifications (NRVQ)</p>	<ul style="list-style-type: none"> <li><b>Public register</b> of qualifications in the labour market.</li> <li><b>Continuously updated</b>.</li> <li>Based on existing <b>skills needs</b>, as defined by practitioners, and promotion of employability in the workforce.</li> <li>Enables candidates to gain nationally <b>recognised certificates</b> of professional qualifications accrued in the world of work.</li> <li>Enables comparison with qualifications in <b>other European countries</b>.</li> </ul>
	<p><b>Further THEMES</b></p> <p><b>Certificate recognition</b></p>	
	 <p>Swedish National Agency for Higher Vocational Education (MYH)</p>	<ul style="list-style-type: none"> <li><b>MYH is one single national public agency</b> that is responsible for all the Higher Vocational Education (HVE) in Sweden.</li> <li>Brings together almost all VET-programmes at the post-secondary level. It is constituted to evaluate and ensure that the supply of education <b>meets the demand</b> from the labour market. Adopts innovative approaches to <b>publicly-funded</b> programmes.</li> <li>Ensures <b>high-quality</b> by ensuring that providers of education fulfil mandatory requirements regarding <b>on-the-job training</b> and <b>cooperation</b> with the world of work.</li> </ul>
	<p><b>Further THEMES</b></p> <p><b>On-the-job training</b></p>	
	 <p>VET Plus – The Dual Course of Study</p>	<ul style="list-style-type: none"> <li>Combines <b>higher education</b> and <b>VET</b> into one course.</li> <li>Provides the labour market with <b>well-trained</b> and <b>highly-educated professionals</b>.</li> <li>Provides a model to create a <b>better connection</b> between the studies and the future occupation through combination of <b>theory</b> and <b>practice</b></li> </ul>
	<p><b>Further THEMES</b></p> <p><b>Applied Universities</b></p>	
 <p>Child Care Professionals – VET and Labour Market Strategies to meet the increased demand in Germany</p>	<ul style="list-style-type: none"> <li>Deals with <b>increased demand</b> for skilled childcare personnel due to a <b>new law</b> which guarantees children aged 1-3 years the right to get a place in a <b>kindergarten</b> or a similar professional institution.</li> <li>Different <b>initiatives</b> were taken to attract people to this profession and to increase the number of <b>skilled professionals</b> in kindergartens.</li> <li>The number did increase and the share of personnel with a <b>certified education</b> stayed at the same level, which makes it successful.</li> </ul>	
<p><b>Further THEMES</b></p>		



	Extension of Early Childcare policies	
		<ul style="list-style-type: none"> <li>▪ <b>THEME 2 - FORECASTING</b></li> </ul>
2 Forecasting	 Excelsior <b>Further THEMES</b> Large scale survey	<ul style="list-style-type: none"> <li>• <b>Accessible and free</b> information system on the labour market (forecasts, open database, statistic tables, bulletins and ad hoc (thematic) as well as regular publications).</li> <li>• Provides data and analysis on <b>employment demand</b> and <b>required training</b>. A <b>very large interview survey</b> (physical or telephone) is the basis of regular forecast, conducted in each province through the network of Italian Chambers of Commerce.</li> <li>• <b>Broad target group</b>.</li> </ul>
	 Institute for the Development of Vocational Training of Workers (ISFOL) <b>Further THEMES</b> Skills profiling tools	<ul style="list-style-type: none"> <li>• <b>Accessible and free</b> information system on the labour market supervised by the Italian <b>Ministry of Labour</b> and Social Policies.</li> <li>• Provides detailed information on the skills required by 800 different <b>professions</b>, including information on knowledge, skills, attitudes, activities and work context.</li> <li>• <b>Provides forecasts</b> of labour demand in both the <b>short-</b> (one year) and <b>medium term</b> (five years) by industries, professions and regions and <b>skills profiling tools</b> for individual evaluation of individual skills and personality with respect to occupations and training.</li> </ul>
		<ul style="list-style-type: none"> <li>• <b>THEME 3 - SECTOR SPECIFIC TRAINING</b></li> </ul>
	3 Sector Specific Training	The sectoral skills development framework  <b>Further THEMES</b> Skills, training & workforce development governance
		<ul style="list-style-type: none"> <li>• <b>THEME 4 - INTEGRATION OF SOCIALLY EXCLUDED INTO THE LABOUR MARKET</b></li> </ul>
4 Integration of socially excluded into the labour	Labour market activation through a literacy diagnosis  <b>Further THEMES</b> Immigration and skills	<ul style="list-style-type: none"> <li>• <b>Assessment</b> of literacy skills of long-term unemployed people followed by design of a <b>tailored VET programme</b></li> <li>• Targeted at the <b>activation</b> of people with low literacy.</li> <li>• It starts with customised <b>literacy training</b> and then <b>vocational training</b> combined with a <b>part- time job</b> within a specific area.</li> <li>• Response to the criticism of traditional VET system as offering the <b>same training solutions</b> to all, and thus contributing to poor performance by people with low literacy.</li> <li>• It requires the <b>cooperation</b> of social organisations, training centres, foundations, development agencies, etc.</li> <li>• It reinforces the <b>interrelation</b> between business and educational worlds.</li> </ul>
	Skills development for employment of people at risk of social exclusion  <b>Further THEMES</b>	<ul style="list-style-type: none"> <li>• Programme developed to improve the <b>employability of the most vulnerable</b> sectors of society.</li> <li>• Model of active participation of <b>all social agents involved</b> (business, public administration and the third sector).</li> <li>• The programme is both a <b>monitoring</b> and a <b>training tool</b> for the development of the most demanded skills.</li> </ul>

<p>Immigration and skills</p>	<ul style="list-style-type: none"> <li>• Includes tools for <b>objective measurement</b> of skills level as well as specific training materials, as well as <b>risk profiles</b> including a social analysis.</li> <li>• <b>Online application</b> allows career advisors to automate and manage the registration of candidates, their assessments and identified skills gap.</li> </ul>
<p>Swedish for professionals</p>  <p><b>Further THEMES</b></p> <p>Immigration and skills</p>	<ul style="list-style-type: none"> <li>• Different courses that focus on <b>professional Swedish language</b>, related to specific areas of work.</li> <li>• A way to <b>shorten the path through the educational system</b> for newly arrived immigrants.</li> <li>• Target groups are <b>unemployed people with no or only basic knowledge of Swedish</b>.</li> <li>• <b>Two objectives</b>: reduce the shortage of labour and shorten the integration process.</li> <li>• A <b>two-step programme</b>: the first step <b>prepares the individual</b> for labour market training programme; the second step is a <b>labour market training programme</b>.</li> </ul>
<p>Project Prototyping</p>  <p>Transfer as Innovative Approach in German Labour Market and VET Policy</p> <p><b>Further THEMES</b></p> <p>Immigration and skills</p>	<ul style="list-style-type: none"> <li>• An approach to gain formal <b>recognition of competences</b> and <b>professional skills</b>.</li> <li>• Targeting professionals with a <b>foreign degree</b> from a <b>non-EU country</b>.</li> <li>• A way to <b>attract foreign professionals</b> to the German labour market and <b>secure a supply</b> of skilled professionals in Germany, both <b>regulated</b> and <b>non-regulated</b> professions.</li> <li>• Uses <b>practical work</b> assessments to gain recognition of competences and skills.</li> </ul>
<p>Migrant Advisory Committee's Points Based System (PBS)</p>  <p><b>Further THEMES</b></p> <p>Immigration and skills</p>	<ul style="list-style-type: none"> <li>• Using <b>migration</b> to support the skills needs in the UK.</li> <li>• A way to handle the skills shortages through immigration.</li> <li>• A points-based system to modernise and <b>strengthen the UK's immigration system</b>.</li> <li>• The model represents an <b>evidence-based and independent</b> approach to the difficult topic of migration.</li> <li>• Led by the <b>Migrant Advisory Committee (MAC)</b> that consists of a chairperson and 5 independent economists.</li> </ul>
<p>Borderless Employment</p>  <p><b>Further THEMES</b></p> <p>Cross-border related training and support</p>	<ul style="list-style-type: none"> <li>• Aims to prepare 800 Dutch citizens who live in areas close to the German and Belgian borders to secure <b>employment</b>.</li> <li>• Participants also have the possibility to participate in <b>language and cultural courses</b> and they can receive <b>on-the-job training</b>.</li> <li>• The project aims to <b>bring supply and demand in the labour market in border areas together</b>.</li> <li>• <b>Builds on existing knowledge</b> of placement across borders.</li> </ul>
<p>Online Learning</p>  <p><b>Further THEMES</b></p> <p>Training Access and Teaching Methodologies</p>	<ul style="list-style-type: none"> <li>• <b>People with limited labour skills are encouraged and supported into conventional work environments</b>. In the past they could work at a special firm, with similar colleagues and special guidance.</li> <li>• Governmental organisations are trialling <b>e-learning to train those furthest from the labour market</b>.</li> <li>• The <b>WORK portal</b> is the most used programme for these people. It is aimed at improving the employee's <b>employability</b> skills as well as labour-specific skills.</li> <li>• The e-learning programme makes those with limited labour skills feel <b>more independent, proud and included</b>.</li> </ul>
<p>Guaranteed Jobs</p>  <p><b>Further THEMES</b></p>	<ul style="list-style-type: none"> <li>• Guaranteed jobs are intended for <b>people with limited employment opportunities</b> with measures to facilitate the <b>guidance</b> of these people towards jobs in regular companies.</li> <li>• <b>Grants supplement the salary value</b> of an employee to the legal minimum wage, and 'no-risk' insurance in case of illness of the job seeker/employee.</li> </ul>



	<b>Job coaches</b>	<ul style="list-style-type: none"> <li>• <b>Job coaches</b> provide personal and skills training on the job often for a longer period of time.</li> <li>• Uses <b>assisting technology in the work area</b>.</li> </ul>
		<ul style="list-style-type: none"> <li>• <b>THEME 5 - ANALYSIS AND MONITORING</b></li> </ul>
5 Analysis and Monitoring	 National Research and Innovation Strategy for Smart Specialisation	<ul style="list-style-type: none"> <li>• National and regional strategy to <b>effectively target funds</b> (European, national, regional, and private) to promote <b>human capital</b> with respect to <b>innovation activities</b>.</li> <li>• Process of participation of all relevant stakeholders through <b>innovation platforms</b> at the national and regional levels, and also within <b>regional innovation councils</b>.</li> <li>• The Strategy is <b>updated</b> every two years, mainly in response to changes in the environment, progress of addressed activities, and barriers to implementation.</li> </ul>
	 Regional competence platforms	<ul style="list-style-type: none"> <li>• A <b>government commission</b> set up in 2009 to establish regional meeting areas (Regional Competence Platforms, RCPs).</li> <li>• A way to gather knowledge about the supply and demand for labour, in order to facilitate <b>efficient matching</b>. The RCP's are responsible for the <b>coordination and cooperation</b> on a regional level.</li> <li>• A good way to produce and disseminate LMII at both regional and national level. One successful LMI is the <b>long-term forecasts on education and training</b>.</li> <li>• <b>Many different actors</b> involved in the RCPs, such as education providers, regional and national authorities and representatives from different industries.</li> </ul>
	<b>Further THEMES</b>	
	<b>Job matching</b>	
	 Wales Learning and Skills Observatory	<ul style="list-style-type: none"> <li>• A <b>national LMI</b> observatory, <b>provides data, information and intelligence</b> on the Welsh labour market, including education, learning and skills sectors.</li> <li>• <b>Virtual</b>.</li> <li>• Follows the sectoral <b>Skills Implementation Plan (SIP)</b> that has detailed priorities.</li> <li>• The SIP sets out a key role for <b>Regional Skills Partnerships</b>. This is in order to identify economic challenges and needed skills within the workforce.</li> </ul>
	<b>Further THEMES</b>	
<b>Skills Implementation Plan</b>		
 UKCES approach to LMI	<ul style="list-style-type: none"> <li>• UKCES is <b>publicly funded</b> and led by industry. Offers guidance on employment issues and skills in the UK.</li> <li>• Aims to <b>provide good labour market intelligence</b>, which facilitates businesses and people to make good choices and <b>maximise the impact of employment and skills policies</b> to support growth and a competitive skills base.</li> <li>• <b>Involves</b> employers, trade unions and representatives from the Devolved Administrations across the UK.</li> <li>• Produced <b>Working Futures 2010-2020</b>. Looks at future jobs and skills supply and demand; <b>LMI for ALL</b> brings together already existing sources of LMI to one place. Makes data available and <b>encourages open use</b> by websites and applications.</li> </ul>	
<b>Further THEMES</b>		
<b>Policy impact</b>		