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THE SKILLS PANORAMA: ACHIEVING NATIONAL AND REGIONAL IMPACT (ARLI)

DEMAND SIDE ANALYSIS - Synthesis Report

CZ, DE, UK, IT, NL and SE

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1. Introduction

The present “Synthesis Report” is based on six Country Reports (CRs), which are all part of the ARLI project (“The Skills Panorama: Achieving Regional and Local Impact”). Each CR has studied a specific region, namely Prague in the Czech Republic (CZ); the Bournemouth, Dorset and Poole Local Enterprise Partnership area in the UK; the federal state of Hesse in Germany (DE); the Lombardy region in Italy (IT); the province of Groningen in the Netherlands (NL); and the province of Skåne in Sweden (SE). The basic approach of the project aims at studying two related subjects. At a general level, the first is to study how the Labor Market Information and Intelligence (LMI) infrastructure functions in the studied regions. More specifically, the second purpose is to promote the use of the recently launched LMI “EU Skills Panorama” (EUSP) and consider how this tool can be improved. For these purposes, 78 Stakeholders were identified and involved to contribute to the ARLI project. The Stakeholders are also expected to attend as key participants in the National Stakeholder Workshop, to take place at the beginning of next year in each partner country.¹

Each studied region can be said to comprise a more or less coherent labor market region, from the nearly 600,000 people living in the densely populated province of Groningen (NL), to the Lombardy region (IT) with a population amounting to nine million. The set of studied regions also offers a variety of significantly different labor markets in terms of, for instance, policy and economic structure. Given this diversity and complexity in the domain of analysis, the focus of the present study is on general trends and structures rather than on details and in-depth analysis and knowledge.² In addition, an important purpose is to put forward cases identified as “good practice”, both in terms of the LMI infrastructure in general and as it relates to the EUSP.³

A common feature for the studied regions is that the labor market has changed rapidly, during the last one or two decades, in terms of increased dynamics and complexity. To a large extent, this seems to be attributable to the implementation of policy targeted to introduce or promote market competition within important segments of the labor market. This includes, for instance, the recent introduction of outsourcing and payment by result in the UK labor market, as well as the recent reforms to increase labor market flexibility in Germany, within the scope of the “Agenda 2020”. Similarly, it includes the opening of the market for provision of employment services in Italy at the beginning of the 2000’s, and the liberalization of the staffing industry in the early 1990’s in Sweden. And it applies in particular, of course, to the Czech Republic, given its transition from planned economy to market economy, which mainly took place in the 1990’s. Also, at least in some cases increased cross-border mobility and migration flows have further added complexity to the regional labor markets, and in general there seems to be an increase in variables such as job turnover and professional mobility.⁴

¹ See the Appendix for more information on the ARLI project and the definition of LMI employed in this project.

² The approach of the CRs shares a basic common analytical structure and the choice of Stakeholders has followed agreed upon common guidelines. The Stakeholders involved in each specific CR are listed and briefly described there.

³ A second Synthesis Report, with focus on “good practices”, is delivered as part of the ARLI project and offers a more detailed account on this.

⁴ Empirical research on the effects of mismatch on the labor market is limited, in particular when applied outside the US labor market. There is, however, some evidence that matching efficiency has worsened since the 1990’s in Sweden (Karlsson and Skånberg, 2012, *Underlagsrapport 9 till Framtidskommissionen*, Government Offices of Sweden), and that mismatch on the UK labor market may explain as much as half of the movement of actual and steady state unemployment during the financial crisis (Smith, 2012, University of Warwick, mimeo).

Accordingly, the CRs have revealed several recent and important institutional developments, which have added or show potential for adding fundamental capacity to the regional LMI infrastructure. These kinds of developments have been found in all the studied regions, and these examples are identified as “good practice” according to specific yet closely related aspects. Almost without exception, moreover, the CRs have showed that the LMI infrastructure makes considerable use of external expertise, is biased towards “occupations” rather than “skills”, and is often lacking the long term perspective as well as a process of systematic evaluation.

As of the EUSP, this ambitious LMI was recently launched by the European Commission to improve transparency for jobseekers, workers, companies and/or public institutions, by addressing skills supply and labor market needs. Almost none of the interviewees, however, had heard of the EUSP prior to the interviews. The vast majority of the Stakeholders were positive to the EUSP, and in particular to the idea of having a central access point providing data, information and intelligence on skills trends in occupations and sectors at the national and EU level. The site was also characterized as well-structured and easy to understand. However, several obvious shortcomings were pointed out by the Stakeholders. On the one hand, several practical issues still need to be addressed, like the provision of correct links to (national) websites or data repositories and the availability of all information in the native language. On the other hand, and most importantly, there are several essential shortcomings related to the content. These preclude this potentially very important LMI to be seriously considered as a useful tool by most, if not all, interviewed Stakeholders. Most crucially, the regional perspective was repeatedly addressed as missing. To be able to add substantial value as an LMI, moreover, the EUSP may also need to provide more up-to-date and detailed output, offer contextual information and analysis, and seriously address the issues of comparability and consistency that are certainly present. Put differently, if a number of large and important thresholds are overcome, the EUSP has the potential to add essential value to the regional LMI infrastructures across the EU labor market.

2. Demand and supply of LMI

2.1 LMI infrastructure

In all the studied regions, there are a few LMIs around which the LMI infrastructure is organized. These are provided by organizations which we refer to as *Primary Providers* (of LMI). Typically, these are public authorities or publicly funded organizations which operate principally at the regional level as key providers of LMI. These organizations are distinguished by their access to qualified analytical competence and by their production of quantitative LMI, e.g. statistics and/or forecasts.⁵ National Providers of LMI also play a fundamental role for the regional LMI infrastructure, yet typically in indirect terms as the providers of statistics and other LMI which can be processed and analyzed to contribute to the regional level. In some cases, there are national LMIs which provide LMI at the regional level which can be considered to be of key “direct” importance, in the sense that the LMI is widely used by stakeholders in the region.⁶ Besides a minor subset of Primary Providers, there are a large number of organizations which are crucially dependent upon access to LMI yet have very limited capacity to gather, process, and analyze LMI. Consequently, a large majority of the interviewed Stakeholders, in all the studied regions except for Groningen (NL) and Hesse (DE), stated that they “use external expertise to analyze and/or interpret LMI”. This is not surprising given the vast extent and complex nature of the LMI infrastructure developed in labor markets of the size considered in the studied regions.⁷

Another generic feature found in the CRs is that the studied LMI infrastructures were biased, without exception, towards “occupations” rather than “skills”. It seems that this bias is not representative for the demand for LMI in the regions, as many stakeholders did explicitly state that LMI on “skills” would be of interest. Rather, it seems that this bias reflects a historical “organic” process where the LMI infrastructure has developed from a starting point where “occupations” was at center. As the LMI infrastructure has developed, it has become more and more straightforward to follow the route of such foundation. There is, for instance, a well-developed ISCO taxonomy to address “occupations” according an international standard. Some examples, nevertheless, have been found where Stakeholders have developed their own structure for providing LMI on skills. These have often in common that they are larger public organizations, which work with specialized activities that obviously benefit from having access to LMI on “skills”. Also, typically this LMI is for internal use and not targeted towards external demands that may exist.⁸ Taken together, the CRs seem to have identified a significant demand for LMI on skills which goes largely unrequited.

Almost without exception, the Stakeholder interviews showed that the use of systematic processes for evaluating the LMI produced, and in particular forecasts, were absent. Some examples of systematic evaluation were identified, yet these were not targeted towards the LMI per se but towards the activities that the LMI was provided to support. Hence, these systems of evaluation only accounted for an indirect assessment of the LMI used. Given the numerous variables that normally influence the activities in question, such indirect evaluation cannot be considered rigorous. Yet another common feature found throughout the studied regions was that the long term perspective, here defined as

⁵ The number of Primary Providers range from one in the Netherlands CR to four in the Czech CR. See the Appendix for a list of all the Primary Providers identified in the ARLI project.

⁶ Obvious examples are, for instance, *DVMonitor* in the Czech Republic, *Excelsior* in Italy, and *Yrkeskompassen* in Sweden.

⁷ The German CR is an exception, as it had limited focus on a subset (health care) of the Hessian labour market.

⁸ Examples include ISA+ in the Czech Republic; the Hessian Care Monitor in Germany; Sector Skills Councils and Local authorities in the UK; and the national PES and institute for Higher Vocational Training in Sweden.

seven years or more, was often strongly demanded and always hard to provide.⁹ Put differently, the forecasts which are particularly important in supporting the educational choices of the youth have historically been difficult to deliver and largely absent. There are important recent exceptions, however, as HPM in Hesse (DE), ROA in Groningen (NL), and UASP in Skåne (SE).¹⁰

A final observation is that the use of formal groups or networks often functions as an important means of gathering and discussing relevant labor market information and intelligence in Hesse (DE), Lombardy (IT), the Bournemouth, Dorset and Poole Local Enterprise Partnership (UK), and Skåne (SE). The input used in these kinds of LMI is predominantly of a qualitative nature, and these LMIs seem to play a significantly less important role in the Netherlands and an almost negligible role in the Czech Republic.¹¹

2.2 Adequacy and impact of the LMI infrastructure

Not surprisingly, the present study has made apparent that the LMI infrastructure, throughout the studied regions, is vast and complex. On the one hand, it has become clear that there are a large number of providers of LMI, and an uncountable number of users; and the consumers of LMI also differ considerably, most notably in terms of their capacity to analyze and interpret LMI and, of course, in terms of the activities and decisions that the LMI is used to support. On the other hand, the Stakeholder interviews have emphasized a number of aspects of LMI which together contribute to the complexity found in all the studied LMI infrastructures. In particular, labor market information and intelligence has been found to

- frequently be gained (or **produced**) as a **side effect** of the main activities of a particular organization (e.g. a hospital or recruitment agency), and that this (typically qualitative) information often is found to be too costly to gather, verify, analyze, and disseminate;
- be **widely scattered** across the LMI infrastructure and attributable to very different actors (in terms of their analytical capacity, their purposes with the information, and the segment of the labor market on which they operate), with many pieces of important information that inescapably does not reach potential consumers;
- almost generically require the consideration of **several explanatory variables** when studying a relation on the labor market (several demand and supply side variables);
- often involve the consideration of **non-measurable explanatory variables** when studying a relation on the labor market (qualitative analysis, often related to terminology such as “shortage”, “unskilled”, “qualified”, and the like); and
- be **very costly** to gather, process, verify, analyze and disseminate, corresponding to a considerable threshold which very few potential consumers are capable of surpassing.

⁹ An exception was the Italian CR, where the Stakeholders involved clearly conveyed their preferences for the short run, in a context where no forecasts, on any sight, were currently available. In this project, the short run is defined as less than two years, the medium term perspective as two years or more but less than seven years, and the long run as at least seven years.

¹⁰ Note, however, that HPM is exclusively focused on the regional health care sector. For practical reasons, the study of the Federal State of Hesse (DE) has been restricted to this segment of the labor market, and thus LMI:s with a comprehensive approach that may exist has not been part of the analysis. Given this limited approach, it is striking that the German CR have identified as many as four LMI:s generating forecasts (ranging from the short to the long run).

¹¹ In the Czech Republic, however, these kinds of groups are currently being established with relation to the design of new operational programs (EU funding) for 2014-2020 period and are expected to play a more important role in the years to come.

Taken together, the extent and complexity of the LMI infrastructures imply that, inevitably, there is a vast set of pieces of information which could but are not being targeted, either directly or after being packaged as LMI, to support numerous and very different types of analysis and decisions related to the labor market. This challenge is crucial and probably the most fundamental for all the studied regions, even though it is important to add that the scope of this challenge also seems to vary significantly across the studied regions. As mentioned in the previous section, there are another two important common characteristics which have been found in this study, namely the limited provision of long run forecasts and the absence of rigorous systems of evaluation (of forecasts in particular). These are generic and important flaws in all the studied LMI infrastructures, which also appear as major challenges.

The present study have, however, found a number of interesting examples of good practice (next section), which have been recently introduced and in some cases are still under development. Typically, these examples have been initiated and administered by a Primary Provider, which have managed to provide LMI with an encompassing target (covering all the larger segments of the labor market), which includes in-depth analysis and adopts a time perspective beyond the short run. In several cases, the LMI provided have accounted for a process which involves a considerable number of stakeholders, thereby allowing for a broad set of input in terms of information, intelligence and feedback. The cases of good practice reported in the next section, however, all reveal different dimensions along which the LMI could be improved further.

In all the studied regions, there seems to be a need of establishing a well-developed, collective process for producing a broadly encompassing LMI of high quality. The provision of such LMI is related to considerable costs and requires different types of input, from a large number of stakeholders. As such, there is a significant threshold to establishing such process. It nevertheless seems to carry potential to add fundamental value to each particular regional LMI infrastructure as a whole. This view is based on the observation that the LMI infrastructure of all regions except Hesse (see footnote 7) appears to be too segmented and scattered, along several dimensions, to function ideally. The provision of such LMI would be the provision of an important *public good*,¹² which serves as a common basis for the regional LMI infrastructure and deals with the most important generic flaws found in this study. Such LMI, which we refer to as *Pivotal LMI*, can be characterized according to the following benchmark for good practice.

- 1) It is managed and administrated by a **PRIMARY PROVIDER**, which has both analytical resources to provide this LMI and the capacity to engage a representative number of stakeholders which provide input.
- 2) It is characterized by a structured process which allows an essential and representative subset of the region's **STAKEHOLDERS** to provide systematic feedback, e.g. through an advisory board, workshops or remittances.
- 3) It is
 - a) **COMPREHENSIVE**, in the sense that it includes
 - i) **forecasts** on the labor market situation (shortage/surplus),

¹² By "public good" we are referring to a good that is not efficiently provided under market competition. The output of LMI, like the nature of "ideas", is *nonrivalrous*, and its *degree of excludability*, as an economic good, is low. These two factors imply that, in general, LMI can be expected to be underprovided unless there is a collective solution to coordinate a more satisfactory level of provision.

- ii) **occupations** representing all the larger segments of the regional labor market,
 - iii) a **time span** covering the short (less than two years), medium (at least two years but less than seven years) and long sight (more than seven years), and
 - iv) complementary analysis on the **explanatory variables** behind each forecasted labor market situation; and
- b) **BROADLY TARGETED**, in the sense that it is useful for practitioners and young people as well as policy makers and researchers.
- 4) It is provided on a **REGULAR BASIS** which is public information, where at least one year and no more than three years may account for a reasonable compromise between effort and value.
- 5) It is characterized by a process which includes an element of **EVALUATION** with respect to changes in the forecasts between two reports.

The above characterization resembles an attempt to cope with some of the generic flaws of the LMI infrastructures addressed in this study. Considering the extent of the Pivotal LMI and the resources needed to provide it, item 1, above, is crucial for it to be feasibly accomplished.¹³ Not least, having a Primary Provider responsible for the provision is probably necessary to ensure a high quality standard in the analysis. In this respect, moreover, item 2 is crucial too in that it will assure a broad process which allows for further input, verification, and discussion of this input, as well as additional data gathering and analysis to revise the preliminary results. Given the vast amount of widely scattered yet valuable information which have been found in all the studied regions, item 2 aims at establishing a process of “checks and balances” of the input and results. Tentatively, this is an important element given the importance of qualitative information in general, as addressed earlier. Item 3 is targeted to assure that the Pivotal LMI is capable of standing as a standard benchmark or reference for any LMI in the region, and thus a fundamental basis for *consistent* guidance and discussion on the regional labor market. As such, it is important that it is delivered on a regular basis and transparently, as addressed in item 4. Finally, item 5 is obviously targeted to deal with the generic problem of evaluation. This process of evaluation, moreover, is intended to serve as an important complementary “checks and balances” to item 2.

In any of the studied regions, the provision of a Pivotal LMI would require considerable resources and efforts. It is nonetheless expected to generate significant value, mainly by (i) **generating and aggregating** labor market information and intelligence that is not widely disseminated and considered at present, (ii) **improving the quality** of the output of the overall LMI infrastructure, and (iii) offering a **common input and reference** for the vast amount of decisions which need the support of LMI. As considered in the next section, there are already several initiatives taken, at least partly, in this direction.

From a more visionary view, a thorough and consistent development of Pivotal LMIs across the European regions would form a solid foundation for providing qualified and consistent input to the EUSP at the regional level. In particular, such development would deal with the problem of making relevant cross-country comparisons, addressed in section 3.

¹³ This is related to the fact that it is “very costly to gather, process, verify, analyze and disseminate [LMI], corresponding to a considerable threshold which very few potential consumers are capable of surpassing”. In the Italian CR, for instance, an important problem addressed is that the LMI available exclusively uses historical data as input, such that there are no actors providing neither forecasts nor analysis on current job openings at the regional level.

2.3 Examples of good practice

Table 1 lists a number of providers of LMI which offer examples of good practice along one or several dimensions in our “benchmark for good practice” (or “Pivotal LMI-framework”). Apparently, examples of good practice are present in all the studied regions, yet there is no provider which can be said to convey a good practice along all the stipulated dimensions. To a large extent, the listed examples correspond to very recent or ongoing developments, and may be seen as seminal initiatives that can be further developed in accordance with the stipulated taxonomy of Table 1. Not least, a necessary requirement for such potential development is probably that all the addressed examples satisfy item 1, which means that the LMI is provided by a Primary Provider.¹⁴

TABLE 1: Examples of good practice according to Pivotal LMI-framework

	Skills Cards (CZ)	DV Monitor (CZ)	The Hessian Care Monitor (GER)	Common Framework for LMI (UK)	LMI for All (UK)	Excelsior (IT)	Basisset regional arbeidsmarkt-informatie (NE)	UAPS (SE)	YK (SE)
1 Pivotal provider	YES	YES	YES	YES	YES	YES	YES	YES	YES
2 Systematic feedback	-	-	YES	-	-	NO	YES	YES	partially
3a Comprehensive	partially	no	partially	no	no	YES	partially	YES	partially
forecast	YES	no	YES	no	no	YES	no	YES	YES
segments	YES	YES	no	YES	YES	YES	YES	YES	YES
time span	no	-	YES	no	-	YES	no	YES	no
analysis	YES	-	YES	-	-	-	YES	YES	no
3b Broadly targeted	YES	no	no	no	YES	YES	YES	no	YES
4 Regularly provided	-	-	YES	-	-	YES	YES	no	YES
5 Evaluated	no	-	no	no	-	no	-	no	no
Established	2012	2012	2007	2009	Under development	1997	2009	2012	1989
Level	National	Nat/Reg	Regional	National	National	National	Nat/Reg	Regional	Nat/Reg

From the recent developments listed in Table 1 it is possible to outline two interesting broad developments. On the one hand, the initiatives in Hesse (DE) (Hessian Care Monitor (HPM)) and Skåne (SE) (UAPS) have contributed to their particular LMI infrastructure by instituting a somewhat structured process of feedback (2) and by providing forecasts anticipating future shortages/surpluses (3A). In both examples, there is scope for further developing the structure for systematic feedback, and in the case of HPM the LMI produced is not “comprehensive” in that it only covers the elderly care

¹⁴ This probably explains another common feature found regarding the good practices listed in Table 1, namely that almost all either have a national approach or are formally and closely part of a national context. The only exception is HPM, and this has probably to do with the fact that this LMI does not have a comprehensive approach given its exclusive focus on the health care sector.

sector. Both are nevertheless examples of much demanded and highly appreciated contributions to the regional LMI infrastructure, and both have rapidly become standard references in the region.¹⁵

On the other hand, there is a set of recent initiatives from the Czech Republic and UK which, taken together, have focus on combining different LMI sources (DV Monitor and Common Framework for LMI) and on providing a user friendly outlet (Skills Cards and LMI for All). Among these LMI:s, it is only Skills Cards which has an anticipatory output that somewhat resembles a forecast in the sense of item 3a (projections of employment for the following three years, for 180 occupational groups).¹⁶ Even though none of the initiatives can be regarded as “comprehensive” in that sense, they provide a common ground upon which a Pivotal LMI may be developed. All have an explicit focus on target groups, both in terms of providing an output that is adequate for these groups and in involving them to succeed with this task. The basic approach thus includes an important element of cooperation with stakeholders which may be exploited to develop a Pivotal LMI. In particular, the provision of a forecast which satisfies item 3a should greatly improve the potential of the regional LMI infrastructure, given the structure for cooperation and targeting which largely seems to be in place.

As can be seen in Table 1, the present study has not managed to find a good practice regarding the evaluation of LMI:s like forecasts and assessments of current occupational shortages or surpluses. This element has been literally absent in the studied LMI infrastructures, and this has probably to do with the complexity of this task. Nevertheless, this is a standard element in the planning of any activities beyond some minimum level of scale, and it would certainly add value by contesting the outputs and methods related to a regional LMI infrastructure.

¹⁵ The Barometer of Occupations (*Yrkeskompassen*, YK), provided by the Swedish Public Employment Service, offers an interesting example of “systematic feedback” (2). The approach has been developed since 1989 and involves the input from numerous PES:s at the local level to provide assessments at the regional and, eventually, national level. The structured “feedback”, however, is only partial in that it is exclusively internal, and the output is only partially “comprehensive” in that it only covers the short run sight, at the regional level.

¹⁶ Both DV Monitor and Common Framework for LMI are set up to offer an outlet which effectively gathers different sources of LMI. These two LMI:s as well as Skills Cards and Skills for All are at the national level. LMI for All will include links to the Working Futures 2010-2020 site, which offers the most detailed and comprehensive set of UK labor market projections available.

3. Current and potential use of the EU Skills Panorama

3.1 The EU Skills Panorama

The European Commission has established the EU Skills Panorama (EUSP), which seeks to improve transparency for jobseekers, workers, companies and/or public institutions by forecasting skills supply and labor market needs. Currently, there is no single entry point to access information on skills needs easily. The EUSP has been developed to change this. It brings together different sources from EU member states at the sectorial level on current and future skills needs. It is intended to make it easier for users to see which skills they need to invest in, given the current labor market and how it will develop in the future.

The EUSP provides information and intelligence that can

- help improve the capacity for skills assessment and anticipation; and
- inform skills governance through the anticipation of skills needs, by improving the responsiveness of education and training systems as well as the matching of supply and demand for labor across Europe.

The EUSP is a public website that

- functions as a central access point providing data, information and intelligence on skills trends in occupations and sectors at the national and EU level;
- provides a European perspective on trends in labor supply, demand, and mismatches;
- signposts users to national sources with skills information; and
- signposts users to the methods used to generate skills anticipation information.

3.2 Prior Experience of this LMI

Almost none of the interviewees have heard of the Panorama prior to the interviews,¹⁷ and it is safe to say that the EUSP was, in general, unknown for the Stakeholders. Hence, the opinions about the EUSP are given after just a few minutes after being introduced to the website. This circumstance must be recognized, implying a bias on the answers that has to be considered. At a first glance it is hard for any Stakeholder to say anything very specific about the content of the EUSP, and the comments about the content should be considered as beginners' thoughts on the matter.

A relevant question, then, is what activities have the Commission been involved in or supported to make the EUSP more known? Given that the website, with a few exceptions, is totally unknown for organizations that in their daily operations use LMI, it seems that there has been a lack of effective dissemination activities on the EUSP. Therefore, it would be interesting to compare the stakeholders' opinions about the EUSP after been using the site for a while, or try to get in contact with experienced users to get more detailed opinions about the content of the site. This is beyond the scope of this particular project, however, and has not been possible to consider in the present report.

¹⁷ One of the UK stakeholders and one of the German Stakeholders had heard about the EUSP before the interviews.

3.3 Capacity to use this LMI

The vast majority of the stakeholders were initially positive to the EUSP, in particular about the idea of a central access point providing data, information and intelligence on skills trends in occupations and sectors at the national and EU level. The site was characterized as well-structured, clear and easy to understand. The menus on the left worked well and produced the expected findings. At the time when the interviews were carried out the EUSP was only available in English. This was a circumstance that made the site hard to interpret and understand for a few stakeholders, especially among Italian, German and Swedish Stakeholders. In some cases it was considered a major drawback. In Germany, about half of the stakeholders stated that it was a problem to navigate the website in English. Even Stakeholders that did not express strong demands for a translation argued that it would be a good idea in the long run, as they were uncertain to what extent the categories of occupations or sectors were comparable across countries.

This fact might affect many of the judgments about the usefulness of the EUSP. The language problem could affect the opinions in both negative and positive ways. For example, it could be hard for the Stakeholder to value and understand the information, and the interviewed person may therefore be skeptical to the web site and its content. Conversely, the lacking knowledge of English may lead the Stakeholders to adopt a more positive view of the EUSP. As the Stakeholder is not able to interpret the information and decide if it is of any importance to them, it may just be assumed that the material is relevant for their organization. To investigate if the Stakeholder's opinion about the EUSP has changed since it became available in the Stakeholder's native language is a question which should be studied in the future.

Interestingly, some of the English Stakeholders were raising concerns about technical jargon and the absence of introductory information. Such information may address how and why the EUSP is intended to be used, and what groups of users that are targeted by this comprehensive and ambitious LMI.

3.4 Content

The pros

The predominant opinions on the EUSP were that the information was interesting and well-produced. It gave a good quick start to exploring a particular theme or topic and the repository of reports was good and skills information was accessible. It was perceived easier to use than Eurostat. Especially the Italian Stakeholders saw great potential in the idea about creating a single point of access to LMI, as this is a substantial shortcoming in the Italian LMI infrastructure

The cons

Missing regional dimension. The lack of Eurostat data was not seen as an important flaw for the EUSP as an LMI, but the lack of a regional dimension is the most commonly mentioned critique about the content and should be considered as a major drawback.

The absence of links, information, and analysis to regional and local data were identified as the most critical aspect in every Country Report (CR) and considered the main reason why the EUSP will not be

used in the future. The information need to be much more local to be truly relevant and useful for many of the Stakeholders.

A majority of the interviewed Stakeholders have mainly a local or a regional focus, and tried to find regional data from the EUSP, without success. The opinion was that “Regional government needs a regional dimension for the EUSP to be an important and useful tool”. The lack of a regional dimension was a disappointment to these Stakeholders.

Missing context information. In order to interpret the presented labor market trends in a meaningful way, the interviewed Stakeholders stated that they needed further information to put them into the right context. This particular example is from the German CR: Even if we know that there has been a strong increase in the employment in one particular sector, we still do not know anything about the drivers of the increase or the sustainability of these processes. Similarly, we cannot judge the effects on the labor market: does that mean that there is plenty of labor supply to cover possible further increases, or is the shortage going to face a labor market mismatch in that sector?

Unconnected links and no up-to-date data. Not surprisingly, the stakeholders started their visit at the EUSP web site looking at information about their own country. This is a reasonable way to get a grasp of what kind of information that is provided on the site and to value the information. The result when using the links to the Swedish reports was in most cases disappointing as the links were not in work or misleading. Links that were supposed to lead to specific reports were only leading to the starting page of the publisher of the report. To have updated and functional links is crucial for the credibility of the site, and without accurate links the EUSP loses one of its key functions.

Another factor that seems to preclude the interest of the stakeholder for future use is the level of data update. With reference to Italy, for example, in June 2013 the “recent data” refers to 2000-2008, and those on current situation to 2011. Obviously, the reference periods are seen as too dated to allow an effective use of the EUSP, even if only for descriptive purposes.

The EUSP is not detailed enough. The website is not detailed enough to meet the needs of most users. It features 2-digit ISCO as a maximum, creating excessive aggregation of occupational groups. Such aggregate statistics may be used at a central level. The information and data are too general for practical use in counseling, creation, and adjustment of school curricula, or for addressing any specific mismatches between demand and supply on the labor market.

Lack of comparable data on key indicators. A few Stakeholders sought after comparative and consistent data, or key indicators, to compare the labor market situation among the EU-countries. In the Swedish context stakeholders were interested in LMI that compared the Swedish and the Danish labor market situation. This kind of comparative data were not found by the Stakeholders. There is still no relevant information following the link “Datasets and indicators” on the EUSP.

Not essential information for the Stakeholders. One of the Stakeholders stated that the information on the website was “nice to know, not essential to know”. The quote also explains the main reason why only a very little minority among the Stakeholders had heard about EUSP before the interview: the information is not crucial for the Stakeholders’ day-to-day activities. Even though a majority of the stakeholders thought that the information on the EUSP web site was interesting, no one seemed to think that EUSP addressed a missing link or was of big importance in their pursuit of LMI. The more

obvious reasons for neglecting the EUSP is that the vast majority of the stakeholders were merely focusing on the regional or national labor market, and not in search of LMI concerning the European labor market as a whole.

3.5 LMI that Stakeholders wanted on the site

The stakeholders pointed out several aspects on what the EU Skills Panorama could include: from minor suggestions about linking different types of data, to suggestions about modifying the EUSP concept in a direction that would make it equivalent to the American *O*Net*. However, a few suggestions were repeated in several CRs:

- **Regionally differentiated LMI:** the missing of a regional dimension is the most commonly mentioned critique as regarding the content of the EUSP.
- **More differentiated information on occupation:** regional Stakeholders are in need of specific, carefully targeted LMI. The web site should focus more on skills that were perceived to become increasingly relevant in the world of work.
- **EUSP could be used as a databank of good practice examples of LMI:** several Stakeholders would like to see examples of good practice from elsewhere in Europe. The EUSP could have the function as a well of inspiration.
- **Include more comparative data:** Stakeholders are interested in benchmarking indicators that would provide an ability to look at comparable data from other countries. The attempts found in the EUSP were not considered serious by some Stakeholders.
- **Link different types of data:** Modern LMI combines sectorial, occupational, educational and regional perspectives in one single point.

4. Concluding remarks

Through interviews involving 78 Stakeholders, in six regions across Europe, the ARLI project offers a snapshot of the extent and complexity of the LMI infrastructure in European regions and localities. An important conclusion from the present study is that, inevitably, there is a vast set of pieces of information which could but are not being targeted to support numerous and very different types of analysis and decisions related to the regional labor market. This is a general conclusion, relevant to all the studied regions.

In all the studied regions, then, there seems to be a strong need of establishing a well-developed, collective process for producing a broadly encompassing LMI of high quality. This view is based on the observation that the LMI infrastructure in the studied regions appears to be too segmented and scattered, along several dimensions, to function ideally. There is thus a need of developing an LMI capable of standing as a standard benchmark in each particular region, where it can serve as a fundamental basis for common guidance and discussion on the regional labor market. The ARLI project has identified several recent initiatives taken in this direction.

As of the EUSP, this ambitious LMI was recently launched by the European Commission and has the potential to introduce a new and important dimension into the LMI infrastructure in the EU. To do so, the regional perspective needs to stand at center. This implies, for instance, that the EUSP may need to provide more up-to-date and detailed output, offer contextual information and analysis, and seriously address the issues of comparability and consistency that are assumed to be present. If these kind of important shortcomings are overcome, the EUSP has the potential to allow the regional LMI infrastructures across the EU labor market to improve greatly. Such development carries the potential of coping with significant problems of quality, comparability and consistency in the output of regional LMI infrastructures across the EU.

Appendix

ABOUT THIS PROJECT

The project “The Skills Panorama: Achieving Regional and Local Impact” (ARLI) started in April 2013 and ends in March 2014. It is funded by the European Commission together with the partners involved, which are *University of Exeter* (project lead) (Exeter, United Kingdom); *Das Institut für Wirtschaft, Arbeit und Kultur* (IWAK) (Frankfurt, Germany); *Edinburgh Napier University* (Edinburgh, United Kingdom); *Interuniversity Research Centre on Public Services* (CRISP) (Milano, Italy); *National Training Fund, National Observatory for Employment and Training*, (Prague, Czech Republic); *I and O Research* (Enschede, Netherlands); and *Arbetsförmedlingen* (Malmö, Sweden).

The point of departure of the project is the EU Skills Panorama (EUSP), a tool offered by the European Commission for “providing access to labour market and skills information and ‘intelligence’”. The EUSP, in turn, is based on the Commission’s initiative “An Agenda for new skills and jobs”, launched in 2010 to help the EU reach its employment target for 2020 as part of its overall strategy – “Europe 2020” – set up to “promote smart, sustainable and inclusive growth in the next 10 years and beyond”. The basic purpose of the ARLI project is to support the European Commission directly through the EUSP, by expanding its reach to embrace local and regional information and intelligence, and, ultimately, by promoting information sharing and better use of labour market intelligence in employment, education and training policy formation across the EU.

The ARLI project is based on standardized input from 78 Stakeholders (see “About the Stakeholders”, below) from seven regions in six countries across the EU. The Stakeholders have been identified by the partners of the project and the input has been gathered mainly through interviews but also through e-mail. The main output of the project includes Country Reports, Synthesis Reports and a Final Report, as well as National Stakeholder Workshops and a Final Conference. Also, there is a project brochure and updated information may be found at the project website (http://www.regionallabourmarketmonitoring.net/arli_public.htm). The basic approach of the project aims at studying two related subjects. At the general level, the first is to study how the LMI infrastructure (see “About LMI”, below) functions in the studied regions. More specifically, the second aim is to promote the use of the EUSP and study how it can be improved to support the goals of “An Agenda for new skills and jobs”.

ABOUT LMI

In this project, Labor market information and intelligence (LMI) is defined as

- analyzed, processed, directed, and/or regularly collected information and intelligence about the labor market, which is
- provided by a source (internal or external) that is not temporary nor spontaneous in its provision of the information that the
- providing organization uses to plan their activities in order to achieve its overall goal.

LMI may:

- account for published or internal reports, databases, industry councils or similar forms of structured meetings, structured networking and a variety of other forms of intervention to generate information and knowledge as defined above; and
- inform of such things as number of vacancies in one or more parts of the labor market, as well as the type of vacancies it concerns; about general trends in the labor market, or if activities are starting up or closing down within a particular field of analysis; about skills and qualifications that employers are looking for, and the skill levels and competencies that people have; demographic trends in the labor market, at national, regional or local level; and much more which satisfies the above restrictions in the definition.

ABOUT THE STAKEHOLDERS

In this project “stakeholders” are defined as providers of LMI with a specified region as main domain of analysis. For the purpose of the project, a standardized set of stakeholders have been selected and asked to participate by providing input through the interviews (see “About this project”, above). In the present report, the capital letter in “Stakeholders” is used to distinguish the stakeholders which have participated in these interviews. The studied regions are the Prague region, CZ; the Federal State of Hesse, DE; the Dorset Local Enterprise Partnership area (in part), UK; the Lombardy region, IT; the Province of Groningen, NE; and the Skåne region, SE. See the specific CR for a list of the Stakeholders that have answered to the standardized questionnaire (mainly by face-to-face interviews but also by telephone and e-mail) regarding the particular region.

GLOSSARY

ARLI project: “The Skills Panorama: Achieving Regional and Local Impact”. See “About this project”, above.

Country abbreviations: Czeck Republic, CZ; Germany, DE; United Kingdom, UK; Italy, IT; Netherlands, NL; and Sweden, SE.

EUSP: “EU Skills Panorama”

LMI: Labor market information and intelligence. See “About LMI”, above.

LMI infrastructure: the set of existing LMIs in the geographical area considered.

Long run sight: more than seven years

Medium term sight: two years or more but less than seven years

Pivotal LMI: abstract reference to address key dimensions along which the regional LMI infrastructure should function properly in order to deal with important flaws in the provision of LMI. See pp. 6-7.

Primary Providers: see “Primary Providers”, below.

Short run sight: less than two years

Stakeholder: see “About the stakeholders”, above.

Primary Providers

In this study, Primary Providers of LMI are identified as key providers of LMI in the studied region. Typically, these are public authorities or publicly funded organizations which operate at the regional level. These organizations are distinguished by their access to qualified analytical competence and by their production of quantitative LMI (e.g. statistics and forecasts). Below follows a list of the identified Primary Providers in the Arli project.

Czech Republic:

i) NATIONAL TRAINING FUND: Nonprofit organization promoting the development and restructuring of human resources in accordance with the requirements of economic and social reforms in the Czech Republic. It provides information about the development of human resources, collects data and analyses trends in education and the labor market against the background of social and economic changes. As part of the analyses extensive surveys are conducted, the results of which facilitate up-to-date information concerning specific areas that are not covered by regular statistical data.

ii) NATIONAL INSTITUTE FOR EDUCATION: Public organization directly managed and subsidized by the Ministry of Education, Youth and Sports. It mainly supports the implementation of the school curricula. In the area of LMI, it provides data and analysis related to graduates, their labor market employability and career pathways on both national and regional level.

iii) CZECH STATISTICAL OFFICE: It is a central body of the state administration of the Czech Republic. It conducts surveys and public inquiries and provides data and analysis on national and regional level. It is represented by regional branches in each Czech region.

iv) PUBLIC EMPLOYMENT SERVICES: The Labor Office of the Czech Republic, responsible for all areas of employment, protection of workers at the employer's insolvency, state social support and other. The PES is responsible for carrying out the Active Labor Market Policies (ALMPs), a set of measures designed to ensure the maximum possible employment level. The PES provides regional data, e.g. on job vacancies and job seekers, and also labor market analyses at the regional level.

Germany:

i) STATISTICAL OFFICES: The Federal Statistical Office provides and disseminates statistical information. In line with the federal structure of the state and the administration in the Federal Republic of Germany, federation-wide surveys of official statistics are implemented in cooperation between the Federal Statistical Office and the Statistical Offices of the 16 federal states. In most cases, federal statistical surveys are thus organized in a decentralized manner. This implies a division of labor in which the main function of the Federal Statistical Office is coordination. Its principal responsibility is to ensure that federal statistical surveys are without overlaps, comply with standard methods and observe the time schedule.

ii) THE FEDERAL EMPLOYMENT AGENCY (BA): The Bundesagentur für Arbeit is the largest provider of labour market services in Germany, comprising an extensive nationwide network of Employment Agencies and Job Centres. BA carries out labor market and employment research, monitoring and reporting on the labor market and is responsible for labor market statistics. At the regional level, it is represented by 10 Regional Directorates. The Research Institute of the Federal Employment Agency (*Grundsicherung für Arbeitsuchende*, IAB) is an independent institute of the Federal Employment Agency. It assesses the manifold effects of instruments aimed at promoting employment but also the effects of the basic income support scheme for job-seekers.

UK:

i) DORSET COUNTY COUNCIL (DCC): the county council of the Dorset in England. It provides the upper tier of local government, below which are district councils, and town and parish councils. The county council has 45 elected counselors and is based at County Hall in Dorchester. It has responsibility for education, social care, transport and many other functions. They have internal experts in analysis, including LMI.

ii) MARCHMONT OBSERVATORY: research centre within the University of Exeter's College of Social Sciences and International Studies (CSSIS). Aims at improving evidence-based practice and policy in the field of employment and skills. Is the provider of SLIM, the Skills & Learning Module of the South West Observatory, responsible for providing evidence for the development and implementation of the regional employment & skills strategy and Technical Assistance to support the effective delivery of the South West ESF Competitiveness program. The observatory acts as evaluators to a wide range of EU and UK funded projects and programs.

Italy:

i) EXCELSIOR (Information system for employment and training): Forecasting of labour market needs in Italy takes place through the Excelsior survey, which is conducted by the Italian Union of the Chambers of Commerce (*Unioncamere*) and funded by the Ministry of Labor (through the European Social Fund). This survey is part of the official statistics produced on an annual basis within the Italian National Statistical System (SISTAN). Data are collected on a sample of about 100,000 Italian enterprises, updated on an annual basis. It provides a variety of

information, disaggregated by region and focused on the occupations demanded by firms and the main characteristics of the job vacancies.

ii) REGIONAL LABOUR MARKET OF LOMBARDY: Public research institution constituted by a regional law in 2006 as part of the regional government. The institution is responsible for collecting, integrating, analyzing, and disseminating data and information on education, training and labor market, as well as of assessing active labor market policies which are implemented at regional level.

iii) PROVINCIAL LABOUR MARKET OBSERVATORIES. The observatories are part of the local governments and responsible for collecting, analysing and disseminating information on labor market at the local level. There are 12 Local Observatories in Lombardy, one for each province; the oldest and most relevant in terms of data analysis and outputs is that of the province of Milan. Provincial Labor Market Observatories use the same data base of RLMO (Mandatory Communications) and, through a strong collaboration with the regional observatory, provide information specifically geared to the provincial and local labour markets and targeted to the local stakeholders and policies makers.

Netherlands:

i) THE SOCIAL SECURITY AGENCY (UWV): *Uitvoeringsinstituut Werknemersverzekeringen* was established in 2009, as an independent administrative body and commissioned by the Ministry of Social Affairs and Employment. UWV is a national institution with 30 regional offices. It is responsible for the implementation of social benefit systems in the Netherlands and for reintegration of the unemployed and disabled. UWV manages a database on labor market statistics.

Sweden:

i) *REGION SKÅNE*: Established in 1999 on trial and as a permanent administration in 2011. As a jurisdiction, it stands out in Sweden as one of two regional governments where the elected politicians also are responsible for "regional development", besides the major pillar health and care. Region Skåne main contribution to the LMI infrastructure is to provide analyses and to coordinate efforts among stakeholders in the region, for instance by acting as lead partner in relevant projects.

ii) THE SWEDISH PUBLIC EMPLOYMENT SERVICE (AF): *Arbetsförmedlingen* is the Swedish Public Employment Service, a national authority. AF is represented in basically all the municipalities of Sweden, and provides published LMI at the national and regional level. On the basis of its national network of local PES offices, it administrates an extensive data set on the labor market.