The Relevance of Forecasting and Foresight for Regional and Local Labour Markets

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Coordinator of the European Network on Regional Labour Market Monitoring (EN RLMM)
1. What is the European Network on Regional Labour Market Monitoring (EN RLMM)?

- established 2005
- non-profit network
- over 400 members (labour market research, administration, politics, consultancies)
- over 30 European states and beyond
- Objective: Develop regional and local labour market monitoring through exchange between research (concepts) and practice (application, experience)
- Initiative for Networking Regional and Local Labour Market Observatories Across Europe (2009)
- Scientific Committee
- annual meetings, anthologies

www.regionallabourmarketmonitoring.net
2. Which are the Trends and its Current and Prospective Effects on Labour Markets?

**Trends**
- digitalisation
- demographic change
- globalisation

**Effects on Labour Markets**
- current
- prospective (short term, middle term, long term)

For evidence based steering of labour markets, information is needed on current, short-, middle- and long-term developments
3. Which Actors Need Prospective Information and to what Purpose?

**National Level - Policy areas**
- labour
- qualification (education and training)
- Economy ...

**Steering, Framework (legal conditions, programmes, ...)**

**Regional and Local Level**
- labour market politics (qualification and economic)
- companies (organisations of interest groups)
- qualification
- counselling and placement

**Action (matching demand and supply)**
4. Which Information on Prospective Developments in Labour Markets is Available and Needed?

<table>
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<tr>
<th>National Level</th>
<th>Regional and Local Level</th>
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<td>• some forecasts and foresights generated by international and national organisations (e.g. CEDEFOP, national ministries of labour) on branches, occupations, skills, ...</td>
<td>• much less forecasts/foresights, often national figures applied directly to regional and local levels</td>
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**Challenge:**

• regional and local structures of supply and demand differ from structures on national level

**Need for improvement of information basis at regional and local levels**
5. How to Generate Adequate Prospective Information at Regional or Local Levels?

Experiences from Regional and Local Labour Market Monitoring

- 550 Regional and Local Labour Market Observatories across Europe
- combining Top-Down and Bottom-Up Approaches
- conduct Regional or Local Labour Market Monitoring, an Action Oriented Cyclical Process

Information

Communication

Action
6. How is Forecasting/Foresight Conducted in the State of Hessia in Germany to Serve Regional and Local Labour Market Actors?

regio pro – Regional Forecast on the Development of Occupational Groups in the State of Hessia and its 26 counties

• since 2007
• Ministry of Economics in Hessia
• www.regio-pro.eu
• short/mid term prognoses (prospective 7 years)

Application

• combining Top-Down and Bottom-Up Approaches
• cyclical process involving all functions of the Monitoring Process
6. How is Forecasting/Foresight Conducted in the State of Hessia in Germany to Serve Regional and Local Labour Market Actors?

Information Function
Partitioning and Differentiation of Forecast Model

**Demand Side**
- national Inforge model weighted by regional structure of branches and occupations *(expansion demand: growth or decline)* plus focus groups with experts from business development of the 26 counties
- age structure of current employees to calculate the *age replacement demand* in the next 7 years

**Supply Side**
- numbers of graduates, active unemployed, labour migrants, of additional women, ... to calculate the supply for the next 7 years

*Matching of Demand and Supply*
6. How is Forecasting/Foresight Conducted in the State of Hessia in Germany to Serve Regional and Local Labour Market Actors?

Communication Function

Relevant Actors in each of 26 counties:
- companies, chambers of commerce/crafts
- education and training
- PES, career guidance
- politics (labour, economy, education, ...)

Local Workshops in each of 26 counties
- data input
- different formats for exchange: working groups, focus groups

Objective: Accomplish a shared understanding and interpretation of data/information on how to describe the current and the prospective labour market situation
6. How is Forecasting/Foresight Conducted in the State of Hessia in Germany to Serve Regional and Local Labour Market Actors?

**Action Function**

*Strategy Development und Implementation in 26 counties (working groups)*

- specification of areas for calls for action, assessing the effects of measures in place and needs for new measures, ...
- strategy development, measures, actors, ... and implementation

**Evaluation and Modification**

- data input
- decision making and changes on measures, possibly strategy

Feedback loop to national level?
7. What to Learn from the Experiences in Hessia?

Bridge the gap between information and action by applying the concept of Regional and Local Labour Market Monitoring

**Benefits**
- good fit of information
- actors are motivated and active
- evidence based decision making is established

**Challenges**
- access to regional and local actors
- competencies of personnel
- long lasting process (resources)
- further development of methodological concepts
Thank you for your attention!

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