



**SUSTAINABLE ECONOMY AND SUSTAINABLE EMPLOYMENT:  
Approaches to Measuring Sustainability in Regional and Local Labour Market Monitoring**

**Results of the 9<sup>th</sup> Annual Meeting of the  
European Network on Regional Labour Market Monitoring (EN RLMM)**

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This document is based on the presentations and working group results at the Annual Meeting, which are available at **[www.regionallabourmarketmonitoring.net](http://www.regionallabourmarketmonitoring.net)**.



The developments in the regional and local labour markets in Europe are increasingly influenced by the transformation of national economies to “green economies”. There is singular evidence leading to the conclusion that very different development paths and dynamics exist in the regions. So far, however, there is no fundamental transparency for following these central development processes systematically and continuously in regard to their impact on the regions and localities. ***The approaches of the regional and local labour market monitoring create first systematic approaches, with which such a structured transparency and a basis for action for regional and local decision-makers can be created.***

### ***1. Transformation to “green economy” and its effects on employment***

There is a general agreement between the large international and supranational organisations such as the OECD, ILO and EU that “green economies” or “green jobs” constitute themselves through focusing on the preservation or restoration of the environment. Thus, the “green sectors” are such, in which products or services are generated in a resource-efficient manner (in regard to energy efficiency and low-carbon production). The examples for this are renewable energies, green construction, health food or eco-tourism. Furthermore, the so-called “greening” processes can be identified in other sectors. The parts of the production processes transformed in line with energy efficiency. It is also possible that only in certain parts of a sector the ecological aspects become relevant, for example the thermal insulation in retro-fitting in the construction industry. This does not lead to the emergence of green sectors in itself, leading to the sector delivering so-called “green” products next to conventional products.

The provision of “green products and services” does not always lead to the emergence of “green jobs”. Hereby, “green jobs” are understood as tasks, which entail specific – mainly technical or legal – requirements in regard to energy efficiency. Even in the “green sectors”, like for example the renewable energies, above all the R&D activities can be declared as “green jobs”. All the related commercial or personnel-specific jobs require rather the conventional range of skills. Partly also the jobs in the construction sector are aligned in a manner that some activities require specific “green” skills, whilst a large share of the performed activities belong to the conventional range of tasks and skills. In these cases, we are talking about the so-called “greening of areas of occupation”. Furthermore, it has become clear that the cycles of transformation processes in regard to employment or skill requirements are not continuous or uni-dimensional. Instead, for the area of renewable energies it can be demonstrated that to start with the development and implementation of the technology requires highly qualified specialists, who indeed have “green” skills. In the course of the further development, for example maintenance tasks have to be performed, which require hardly or only in some aspects special knowledge and skills. Thus, there is no empirical evi-



dence that the growth of employment resulting from the transformation is a continuous and sustainable process.

Besides considering the technical skills, the international organisations like the ILO have introduced a further definition of green jobs. According to that, green jobs are such, in which decent work exists. This refers to the quality of working conditions in regard to the quality of work and fair remuneration. The quality of work depends on the working conditions, which should be arranged in a manner enabling the employees to remain healthy, to acquire appropriate skills for their tasks and to use their potentials well ([Prof Michael Huth](#), [Dr Martin Schmitt](#), [Dr Nicholas Sofroniou](#), [Dr Mattia Martini](#)). Apart from their individual prerequisites, the company-based environment and the locality or the region are of relevance ([Nathalie Cliquot](#)). Furthermore, inclusion and job satisfaction are important goals ([Dr Carola Voelkel](#)).

These deliberations make clear that besides the environment-related dimensions (resource efficiency) the transformation process in the “green economies” also has a technical (energy efficient technologies) and a social side (decent work). These three dimensions are not always simultaneously referred to in the political and societal discourses. Especially the social dimension is often not connected with “green” or “greening”. Against this background it seems to make sense to use different notions in the general discourse to denote this area taking into account all three dimensions. Sustainability is such a notion, which is connected with a concept, tying in environmental, technological and social aspects. Therefore, in the following we will not speak of “green economy” or “green jobs”, but of sustainable economy and sustainable employment as the goal of the transformation process ([Dr Christa Larsen](#))

## **2. The effects of the transformation of national economies on the regions and localities**

The transformation to sustainable economy and the sustainable employment in that context has impact on regions and localities. Of particular relevance for regional and local decision-makers and planners are the interdependencies between different effects of the transformation. This, for example, can be exemplified with the developments in the renewable energies sector: through the transition from conventional energy sources to renewable energies, employment increases in the area of renewable energies, whilst at the same time it declines in the area of conventional energies. Another example would be the building up of eco-tourism, which causes employment loss in agriculture. These examples show that the transformation process is the source of emerging interdependencies between the employment situations in different sectors. Further interdependencies can arise also between occupations and skill levels. An example would be the employment of highly skilled specialists as a result of the introduction of clean waste processing. Possibly they are not available in particular regions and localities and have to be recruited in other regions. At the same time, as a result of the transformation unskilled persons in the conventional waste processing are laid



off. This leads to negative employment growth in regard to the local population, even though new jobs were created. The described interdependencies have a high impact on the structures and their development in the regions. Against this background, especially the decision-makers, i.e. politicians from the economy, education, labour market and social affairs need a high level of transparency so that they can assess the interdependencies of the transformation process accordingly and steer them appropriately ([Vera Neisen and Prof Alfons Schmid](#)).

Furthermore, differently from the superordinate levels of the nation states or the EU it has to be taken into account that the transformation process is strongly structured through the regional and local context. The possible impact factors can be the economic and socio-demographic situation. For example, many structurally weak regions who were strongly affected by the economic crisis, but nevertheless wanted to retain young people in their region, forced the transformation process. However, this often happened without considering the interdependencies. In the regional and local context, further important impact factors are the (financial) incentives ([Alessandra Motz and Dr Moreno Baruffini](#)). Also the importance of cultural framework conditions should not be underestimated. The attitudes of the population, who are the consumers of “sustainable” products and services, for example health food or ecological construction, are important context conditions for the stimulation of transformation processes.<sup>1</sup>

These deliberations elucidate that the decision-makers in the regions and localities always have to contextualise the transformation processes and take into account the interdependencies of different processes in order to do justice to the actual situation. These complex connections should be as transparent as possible for the decision-makers so that they can steer them efficiently. The approaches of regional and local labour market monitoring can provide such transparency.

### ***3. Transparent transformation processes through regional and local labour market monitoring***

The known approaches of regional and local labour market monitoring, which are brought together in the European Network on Regional Labour Market Monitoring (EN RLMM) point at two complementary access points for creating the transparency. To start with, the targeted extension of the currently existing data stock is the first entry point. More complex access points, often launched through specific projects, complement the first access in a reliable manner. These are available in the form of good practices.

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<sup>1</sup> Interdependencies also arise through the consumers of services and products who trigger the demand in various sectors such as health good, construction, ecotourism. Further interdependencies can arise from SMEs who act as technical innovators, but also the VET system that develops offers for new skills (key word “certificates”).



### **3.1 Expanding the data stocks in the regional and local labour market monitoring**

More than half of the regional and local observatories carrying out labour market monitoring in Europe have expanded their data stocks in order to establish more transparency in regard to the effects of the transformation processes. The data can be differentiated in two thematic blocks: sustainable economy and sustainable employment.

At the centre of sustainable economy stands the measurement of employment in the sector “Environmental Goods and Services”. The sector is output-oriented, i.e. it is defined from the starting point of the products and services. For this sector, we have information on the employment: total and full-time, current and prospective in relation to employment in other sectors or the overall economy. Often a comparison with the different greening sectors is made in order to analyse comparatively the development of employment, often differentiated according to skills groups. There are approaches that try to provide information on just the sectors, in which only some parts are currently going through transformation processes. There are, for example, the construction sector, the waste industry and services as well as eco-tourism. Also here, the employment development is analysed using the same criteria as described above. The difficulty of exactly demarcating part sectors is solved by either considering only select occupational groups or using expert estimates for extracting the shares of employees from the whole sector. Since the area of employment can be covered through the structural data of Statistical Offices, in many cases time series are built. Indirectly, this enables also to delineate the development cycles of green technologies. Partly, also the relevantly qualified graduates are taken into account, also in relation to all graduates and the development in time course. The analyses, which are carried out on the basis of these data make clear the job gain and loss as well as the shifts in the skill levels over time ([Dr Rudolf Kohleick](#)). So far, only in a few observatories surveys are carried out with the aim to acquire further information on the specific sectors. Also the multitude of expert interviews contributes to the generation of further qualitative information. In these cases, the motives of action of the employed persons, graduates but also the companies are in focus.

The sustainability of employment is already measured in all observatories – above all with the focus on the situation of specific target groups of labour market policies such as long-term unemployed, transition of youths from school or higher education to work, the elderly, migrants or women. The main aim of the studies is to present information on the supply side and enhance the transparency, which is necessary for the targeted integration into employment or inclusion. Data on the target groups of labour market policies are above all available as structural data of Public Employment Services, municipalities, schools, etc. However, the conceptual scope of the studies does not always deliver information on decent work in its broader understanding. The important dimension of working conditions is so far hardly represented in monitoring. Here the focus is on the conditions in the company, like for example



healthy and safe working environments, long-term contracts and decent income, career perspectives and working times. Here, micro data is needed, which can be acquired through surveys. However, due to the limited resources of the regional and local labour market observatories, they can seldom be carried out. Further important framework conditions for decent work are to be specified on the level of region or locality, be it childcare, which enables reconciliation of family and work, be it good transport infrastructure, which ensures the necessary mobility of the employees or be it available and affordable housing or local recreation areas. These framework data are rarely available in monitoring so far, even though a lot of this information can be obtained from structural data available in the regions/localities. These deliberations show that so far only rudimentary approaches for capturing sustainable employment can be covered through monitoring. Still, there are many structural data, which can still be integrated in order to obtain better transparency.

Only minor efforts are necessary to integrate the above-mentioned concepts and data stocks into the observatories. The achieved expansion of the information basis makes already an important contribution to documenting the impacts of the transformation processes on the regions and localities. For some of the observatories in the European regions the extension of the data stocks is not enough. They have developed and implemented far-reaching complex approaches, which are presented below in the form of good practice examples.

### ***3.2 Good practice examples for complex and comprehensive approaches***

These examples cannot be subordinated to the systematic explained above, since they are in some parts highly complex. Therefore, they are described successively. The headings of the sections already imply the direction of the approaches.

#### ***3.2.1 France: A comprehensive, integrated approach across different levels***

In France, the monitoring is carried out on the centralised and de-centralised levels. Hereby, systematic ties between the levels are implemented. Moreover, in order to take into account the effects on and the changes in the Vocational Education and Training (VET) system, the national education agency Céreq is systematically involved.

The starting point of the approach is the green economy jobs plan of the Ministry of Ecology, Sustainable Development and Energy. It aims to support the economic actors in the anticipation, planning and management of skill needs and training for jobs associated with the transition to a green, resilient and equitable economy. Stakeholder, think-tanks and the National Observatory for Green Economy Jobs and Labour (ONEMEV) participate in the implementation of the plan. Beyond the continuous observations and analyses, the focus is above all on the support for sectors, regions and localities ([Dr Nathalie Tessier](#)). This process is flanked through the activities of the national education agency Céreq, who analyses the requirements towards the VET systems and the necessary changes, gives advice and support the



VET system ([Dr Aline Valette-Wursthén](#)). The activities of many observatories are based on the insights of these both actors. They exchange information and their experiences through the well-established OREF-Network. Working groups, which are thematically connected to this topic supervise the transformation process, voice recommendations and support actors from the companies but also from the VET system ([Ousmane Sow and Pierre Lorent](#)). In the regional observatories, special importance is attached to the social dimension in the transformation process. Especially the aspects of inclusion are of importance (unemployed, graduates), but also the efficient use of the potentials of the employed persons (women, migrants, elderly, disabled). In order to achieve this, representatives have been appointed in the observatories accordingly, who act as multipliers on these topics through organising workshops and offering advice ([Pierre Lorent and Lydie Chaintreuil](#)).

### *3.2.2 Systematic demand analysis and process-related supervision of activation, qualification and placement processes in the area of renewable energies and green jobs in the Basque Country*

The observatory of the Public Employment Services Lanbide in the Basque Country set up an expert panel for the sector of renewable energies in 2010. The main aim was to acquire indications for how to develop the skill measures of the Public Employment Services support the systematic development of the renewable energy sector. This approach is specific in so far that the whole value chain in regard to specific skills was taken into account. As a result, for the single areas of the chain the corresponding skills and occupations could be identified and the scope of current as well as future possible demand determined. This example shows how the necessary core competencies can systematically be identified and how the corresponding adjustments in the training can be carried out and the multipliers supplied with the insights. Moreover, the processual approach demonstrates how new developments can consistently be taken into account, how the effects of these processes can be integrated into the following sequences and how the Green Job Programme is derived from this ([Miren Gotzone Sagardui](#)).

### *3.2.3 Sustainable Employment at Hessen-Forst in Germany*

The Landesbetriebsleitung of Hessen-Forst, a large company belonging to the Federal State of Hesse responsible for the management of the public forest, shows in a conceptual approach how through targeted recruitment of young talents, systematic personnel development and continuous qualification efforts the sustainability of employment is ensured ([Hans-Dieter Treffenstädt](#)).



### *3.2.4 House of Clean Energy: Hessian Application Centre for Renewable Energies and Energy Efficiency (Germany)*

The House of Clean Energy is a platform functioning as a market place on which expertise, networking and support are available for companies, who are active in the area of renewable energies and energy efficiency. This applies to the business models, employees, skills as well as products and services. Events, projects and innovations are targeted at the development of environmental competencies as an essential vehicle for the transformation process ([Gerd Mehler](#)).

### *3.2.5 Green Pages in the Skills Barometer in Austria*

The Skills Barometer is a monitoring system, which 3s has built up for the Austrian Public Employment Service. In order to introduce transparency into the transformation process, green pages were introduced. To start with, the green pages contain an overview on green jobs. Furthermore, it provides detailed description of sectors, part-sectors and professions and also the trends for their development. Moreover, the expected scope of the demand is specified and VET offers and programmes are listed. This information is complemented with a multitude of qualitative information ([Maria Kargl](#)).

### *3.2.6 Enhancing individual employability of long-term unemployed in Scotland*

In regard to the unemployed, sustainable employment means that measures for entering the labour market are not sufficient on their own (Work First Programme). Instead, employment can only be sustainable if the long-term unemployed can stay in employment, enabling them to go through work-related development, acquire new competences and achieve a higher income. Finding an alternate routing of the programme from Work First to Career First is necessary for that. Career First would rely on qualifications, placement and long-term supervision ([Prof Ronald McQuaid](#)).

### *3.2.7 Sustainable economy and sustainable employment through targeted migration in Austria*

Cross-border monitoring enables the compilation of motives and retention factors, which lead to a sustainable employment in the receiving country ([Marc Bittner](#)).

### *3.2.8 Context determinants for sustainable employment (inclusion) of youths in the Polish regions*

The Regional Youth Monitor has been developed by the observatories of the Polish labour administration. It shows which context determinants facilitate or hinder the insertion to





work or the sustainable employment of single age groups of youths. The results of the regional youth monitor are communicated to the multipliers in the regions and discussed in the network of Public Employment Service. They are used for developing and adjusting programmes and strategies ([Marta Sosnowska](#)).

### *3.2.9 Regional monitoring's support for regions in the field of sustainable employment in Germany and the Greater Region*

Regions can create important framework conditions for retaining skilled labour in the region. This can ensure the supply of skilled labour especially in rural regions despite the ramifications of demographic change. Observatories in Hesse and the cross-border cooperation in the greater region support these regions with their regional monitoring approaches ([Oliver Nüchter and Hilke van den Elsen](#), [Vera Neisen and Prof Alfons Schmid](#)).

The good practice examples exemplify how crucial it is to incorporate different context factors in the monitoring approach. If abstracted from single cases, however, the context factors deliver important hints for creating transparency in the transformation processes and illustrate the impacts on regions and localities.

## ***4. Functions and relevance of the regional and local labour market observatories for the support of the transformation process***

Regional and local labour market observatories create the necessary transparency, so that regional and local decision-makers can operate as efficiently as possible. Furthermore, on that basis permanent and sustainable structures can be built up in regions and localities. This enables them to stimulate the transformation process in a targeted and systematic manner as well as anticipate and influence the resulting effects. Assuming this is possible, the observatories/the regional and local labour market monitoring can take on the **control function**. This means that the monitoring shows if the expected effects take place as anticipated and planned or whether divergences need to be counted with. This is absolutely necessary in terms of a resource-efficient course of action. Moreover, the monitoring fulfils a further function: through depicting the interdependencies, the inclusion of qualitative information **raises the awareness** of all involved parties for the complexity of the impacts and their directions. The third far-reaching function relates to the support of regional and local observatories for politicians and stakeholders in developing strategies and following their implementation. Meanwhile, many representatives of regional and local observatories are involved in these processes, acting as **change agents** in a context-specific complex transformation process.

These functions are important, since they are part of a bottom-up approach to regional labour market and economic development. The representatives of more than 570 European



observatories are organised in the EN RLMM as well as in the Initiative on Networking Regional and Local Labour Market Observatories.

### **5. The role of the EN RLMM and its members as well as the representatives of European and international organisations**

The EN RLMM offers a platform for the exchange of experiences, concepts and good practice examples. The participating researchers bring many innovative approaches into the Network in regard to concepts, methods and data, which can be taken up by the representatives of the observatories and applied in a contextualised manner. Furthermore, the representatives of the observatories build strategic alliances with other observatories, in order to shape together the development processes and achieve synergies through the pooling of resources. For example, there is an exchange between the observatories in Poland and the Czech Republic. The project within the Network “Initiative for Networking Regional and Local Labour Market Observatories” supports the building of such relationships by annually organising the European Day almost, which serves as a platform for exchange and networking. A database within this project supports the search for partners with similar questions and line of work.

Furthermore, the EN RLMM constitutes an interface between the observatories and the European and international organisations. The representatives of the latter take part in the annual conferences, conveying the representatives of the observatories new strategies and insights and engaging in a discussion with them. So far, the topics are strongly shaped by the Western-European observatories with which have more resources at their disposal. So far, many regions in the new accession countries in Central and Eastern Europe (CEE) are not well represented in these exchange processes with the exception of the Polish observatories. In the future it has to be explored if it made sense to open a representation of the EN RLMM in a CEE country – possibly in Poland. So far, single members of the EN RLMM have financed the Network’s activities. However, for the expansion to take place, external resources and targeted political support is necessary on the part of the EU. Possibly also the European Network of Public Employment Services, the trade unions or the networks of the European Economic and Social Committee could provide important support hereby.

So far, nine Annual Meetings have been organised by the Network. Each one of them focused on topics which were of high relevance to the praxis of the observatories and/or resulted from labour market research which were to be made accessible for the practitioners. At the tenth Annual Meeting in 2015 the focus will be on Big Data.



## **6. Outlook for 2015 and the topic of Big Data**

In general, big hopes are connected with the use of Big Data. The expectations are even higher on the side of the regional and local labour market observatories. Due to scarce resources they cannot carry out their own surveys, so that they have only very limited resources available for acquiring information on the skill demand of companies. Until now, many of them have used qualitative information which they gain through expert interviews. The systematic use of Big Data, however, could generate real time data for depicting the demand-side, which can be produced for every spatial unit. Even though the first explorations of EN RLMM members have been promising, fundamental questions of technical prerequisites (e.g. crawling software), data quality, legal framework conditions for generating and utilising such information as well as the systematisation have not been clarified yet. In 2015, the EN RLMM members will dedicate their attention to these issues. To start with, the network members will contribute to the EN RLMM Anthology, which seeks to offer an overview of the state-of-the art in the field. On 15-16 October 2015, the 10<sup>th</sup> Annual Meeting of the EN RLMM will take place in Milan. There, the results of the stock-taking exercise will be presented and the above-mentioned questions will be discussed further. The goal is to explore which data stocks could be used by the observatories and where further development of the approaches is necessary.

### **SAVE THE DATE**

#### **December 2014**

Call for Papers for the EN RLMM Anthology

#### **15-16 October 2015 – Milan, Italy**

10<sup>th</sup> Annual Meeting and 5<sup>th</sup> European Day of the EN RLMM on the topic of Big Data

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