

Monitoring the Employment Market as Part of Lapland’s Regional Foresight

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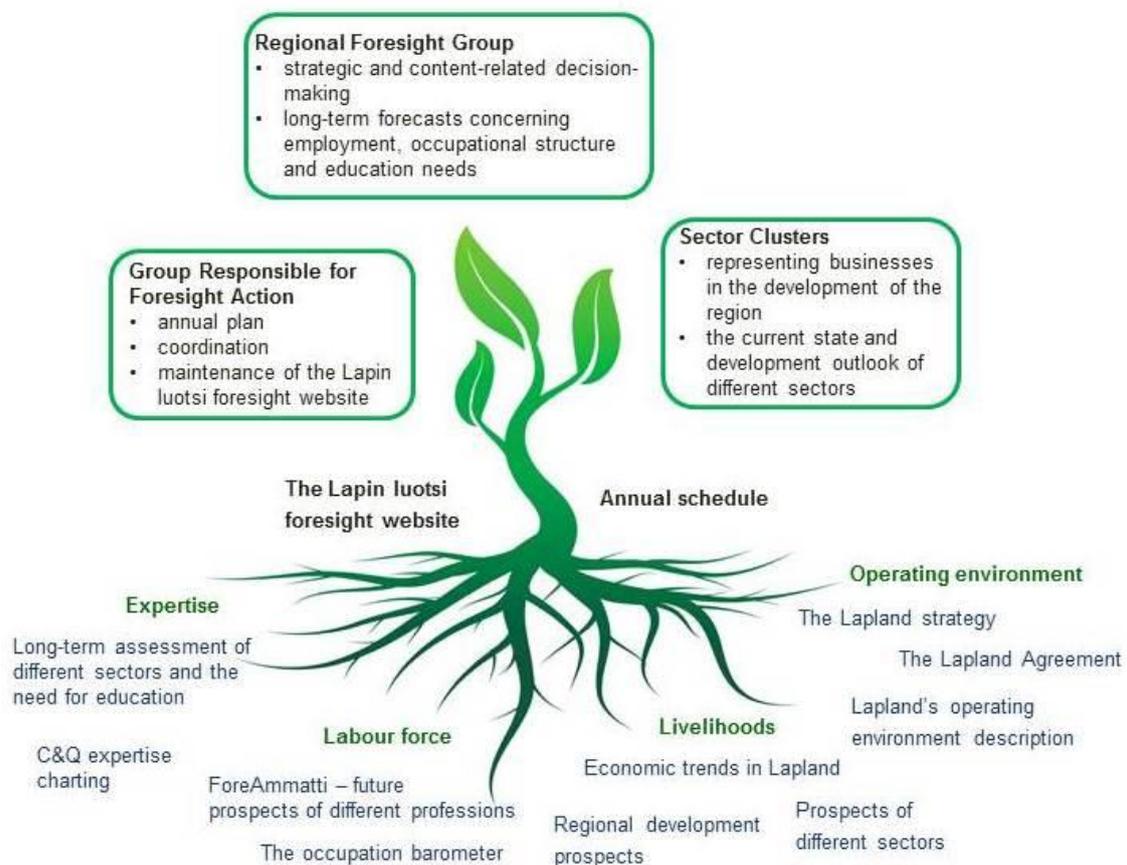
1. Foresight model based on regional co-operation

Lapland, a region in northern Finland, is engaged in versatile, systematic foresight co-operation with education providers, businesses and local authorities. Foresight plays an important role in Finland, and duties related to it are laid down in the Act on Regional Development (1651/2009). Regional foresight co-ordination is a statutory responsibility of regional councils. In Lapland, this task is performed by the Regional Council of Lapland.

Close co-operation between different foresight actors is important in order to create a shared understanding of Lapland’s future challenges, desired future and means to reach set targets. Lapland’s foresight is currently being developed in a project steered by the Regional Council of Lapland, with partial funding from the European Social Fund. Eventually the aim is to make foresight a part of the daily work of different actors in the area.

The focus of Lapland’s foresight work lies on monitoring the operating environment, sectors, labour force and expertise, and on future prospects. Lapland’s foresight model was completed in early 2014 and will be made part of permanent operations.

Figure 1 Lapland’s foresight model.



Regional foresight is supported by the Lapin luotsi foresight website (<http://luotsi.lappi.fi>) shared by different actors in Lapland. The website has been used to compile information that supports foresight into an easily accessible and practical form. The website aims to extensively support regional development and, for example, generate information about the development of different operating environments and sectors in Lapland. The information collected on the website is used by different organisations for planning their operations, and in regional development and decision-making. Information generated by foresight activities in Lapland will be used, for example, to plan timely and necessary education, to target the number of new students admitted and to support the development of livelihoods. Foresight information created by Lapland's foresight actors is available for everyone.

2. Foresight groups compile views and plan and execute foresight

Foresight activities in Lapland are strongly founded on the operations of three distinct groups: the Regional Foresight Group, the Group Responsible for Foresight Action and Sector Clusters. Each group has representatives of education providers (secondary level, higher education institutions), regional authorities (Regional Council of Lapland, Centre for Economic Development, Transport and the Environment for Lapland, Regional State Administrative Authority of Lapland) and businesses (e.g. Lapland Chamber of Commerce, Regional Organisation of Enterprises in Lapland, representatives of companies in different sectors).

Foresight activities in Lapland are steered by the Regional Foresight Group whose operations focus on steering foresight from strategy and content perspectives, coordinating foresight activities and follow-up of the development of the region. The group also prepares the region's long-term employment, occupational structure and training need forecasts at regular intervals and propose how education in the region should be tailored. Furthermore, the group also acts as an expert group in regional plan and programme preparation work.

Meanwhile, the Group Responsible for Foresight Action sees to the development and implementation of foresight activities. The group plans Lapland's annual foresight schedule, listing operations, events and publications related to regional foresight activities in Lapland. The group has also the task to coordinate the maintenance of the Lapin luotsi foresight website. It also coordinates the operations of Lapland's Sector Clusters and the updating of Lapland's operating environment description.

Businesses are represented by nine Sector Clusters from Lapland's key and developing sectors, such as the mining, tourism and culture, natural resources and welfare sectors. These clusters highlight businesses' needs and region's development outlooks (e.g. labour force and expertise needs). The Sector Clusters aim to form insight about the present state and development outlooks of different sectors, and about their future in Lapland. They also discuss employment prospects and future fields of expertise. The clusters set out to forecast the labour force, education and training needs of businesses and other employers, and the preconditions for successful business operations.

In the clusters' operations, key importance is on business representatives' insight into their respective fields, into the availability of labour force and into the development measures needed. The Sector Clusters make proposals and agree on measures that will be taken to develop employment and business services, for example. Cluster operations also support expertise in different sectors, improve co-operation between businesses, regional authorities and education providers and improve information exchange.

3. Long- and short-term evaluation of businesses' development and labour force and expertise needs

Several processes by various organisations monitor and anticipate the labour market and anticipate its development in line with Lapland's foresight model, with special focus on the development of the industry and on anticipating labour force and expertise needs. Foresight has both a long- and a short-term focus. Long-term foresight aims to create a strong supply of expertise for the region's businesses also in the future, while short-term foresight aims to deal with changes in the demand for expertise in a shorter time-

frame. Lapland's problem is poor availability of skilled workforce due to demographic changes, changes in workers' competence requirements and shifts in occupational structures.

Long-term sector and education foresight is performed every four years as part of Finland's national Development Plan for Education and Research. Long-term foresight activities monitor the development outlooks of different sectors and the occupational structure, the need for labour force and population projections (working-age labour force, workforce attrition). Calculations assessing the demands for new labour force also take account of recruitment needs caused by retirements. With a time span of 15 years, long-term foresight is the responsibility of the Regional Council of Lapland. The currently ongoing process will estimate the development of employment figures in 28 sectors and 60 professional groups by 2030, and set targets. Long-term foresight into different sectors draws from data and calculations prepared by the Government Institute for Economic Research and conducted in close cooperation with Lapland's regional authorities, education providers, labour organisations and entrepreneurs. The process is steered by the Regional Foresight Group. The Sector Clusters play an important role as they highlight the development outlooks of different sectors.

Short-term foresight into the industry's labour force and expertise needs is first and foremost made by the Centre for Economic Development, Transport and the Environment for Lapland. It combines and analyses data on changes in sectors, professional and expertise needs etc. The aim is to promote employment and functioning labour markets, to develop and coordinate employment services and to prevent social exclusion and discrimination.

The ForeAmmatti service provides information about the employment outlooks of different professions at the moment and three to four years into the future. It also contains information about the skills and knowledge valued by employers and about vacant positions. The service provides answers to questions like: How many vacant positions are there in each field? Where are the vacancies located? What expertise is sought after by employers? How hard is competition for vacancies now and in the near future? The information is based on statistics, analysis of job announcements and forecasts made by the experts of the service provider, Foredata Oy. The members of the foresight network can use the service to find more extensive and detailed information about labour force demand (increasing demand, attrition, transitions) and supply (incl. graduates).

Lapland's Outlook for Regional Development report assesses the development of the availability of the economy, employment and labour force for the next six and twelve months. Prepared by the Centre for Economic Development, Transport and the Environment together with regional expert networks, the report constitutes a vision of the development prospects of Lapland's regions and the entire Lapland in the coming twelve months. The Outlook for Regional Development report is a key part of short-term foresight, published twice a year. It is a qualitative assessment that focuses on the views of regional developers, particularly those working in business development. Regional development outlooks cover the following topics: industry and businesses, unemployment rate and structure and the availability of skilled labour force.

The occupational barometer assesses the recruitment needs and the market situation (supply–demand ratio) of some 200 key occupations in the area in the coming six months. Prepared three times a year, the occupational barometer is based on the Employment and Economic Development Office's professional estimate of the employment outlooks in the area.

The monitoring and anticipation of the operating environment, sectors and employment markets draws from nationally produced data (ministries, industry organisations, Statistics Finland), research, studies and barometers. The Centre for Economic Development, Transport and the Environment publishes a monthly employment review based on the Employment Service Statistics of the Ministry of Employment and the Economy. The review examines the development of employment rates from different viewpoints. The Regional Council of Lapland compiles summaries of Statistics Finland's statistics on Lapland's population development and employment rates, for example. The development of different livelihoods and

employments are assessed in an annual economic forecast for Lapland that looks at the development of turnover and employment in key sectors and regions.

The labour force, competence and training needs of businesses and organisations in Lapland are also performed using the Competences & Qualifications (C&Q) information system. Personnel and company competence surveys generate information and insight into the personnel of a company. This makes it possible to assess the level and quality of the competence of each employee and the company as a whole from different perspectives. The most important areas that need charting are the company's need for new competences now and in three to five years, and the knowledge and skills the employees need to perform current operations. Education providers and the Centre for Economic Development, Transport and the Environment closely cooperate to compile and use this data. Thanks to the information system, the collection of data is regular, uniform and transparent. The system also harmonises the assessment methods of labour force, competence and training needs in and between different education providers. Information crated through C&Q surveys not only facilitate the planning of education but also the operations of the Sector Clusters.

All short- and long-term foresight materials described above are used by the Sector Clusters and discussed in their meetings. Comprehensive background data and the clusters' expertise make it possible to form a comprehensive, realistic image of the employment market and its development from the viewpoint of each cluster.

4. Assessment of the operating environment and the outlooks of different sectors in Lapland support regional development

The description of the operating environment in Lapland provides a comprehensively picture of the current situation and future outlooks. The description includes livelihoods and the regional economy, Lapland's international status, land use, population and welfare, public services, expertise and research, physical and data traffic, the environment and natural resources and culture. Produced cooperatively by all regional authorities, the operating environment description is published electronically for everyone to use.

Analysing the development of the operating environment helps recognise key development targets in Lapland and define measures to be taken. From the viewpoint of regional development, it is important to assess Lapland's situation, strengths and weaknesses as a whole. The description aims to present a coherent, comprehensive assessment of Lapland as an operating environment. Analyses describe its current state and its long-term future, currently until 2020. The description is updated annually. The operating environment summary can be summarised in the following expert insights into Lapland's short-term development.

Figure 2 The development of the operating environment in Lapland until 2020 (Lapland's Operating Environment Description 2014).

LAPLAND AS AN OPERATING ENVIRONMENT – DEVELOPMENT OUTLOOK UNTIL 2020

Economic structure and economic development	↑	Public service structure	↔	Telecommunications	↔
Business structure and the competitiveness of companies	↔	Availability and quality of basic municipal services	↔	Sustainable use of natural resources.	↑
Employment	↑	Integration of immigrants	↑	Renewable energy and energy efficiency	↑
Functioning labour markets and the availability of skilled workforce	↔	Safety and security	↑	State of the living environment and recreational use of nature	↔
Municipal economy	↓	Legal protection	↔	Clean food and water	↑
Internationality	↑	Availability of education and the development of expertise	↓	Waste management	↑
Land use planning	↑	Innovation environments and development capabilities of educational institutions	↔	Cultural life in Lapland	↔
Population development and structure	↔	Research and development	↔	Sami culture	↔
Level of education	↑	Functioning transport system	↔	* The arrows depict the anticipated development as follows: - two arrows up: excellent outlook - one arrow up: good outlook - horizontal arrow: no changes expected - one arrow down: weak outlook - two arrows down: poor outlook	
Health and social welfare	↔	Traffic safety	↔		

Source: Lapin toimintaympäristökuvaus 2014 <http://luotsi.lappi.fi/lapin-toimintaymparisto>

Lapland's regional development is steered by the Lapland Agreement that lays down a long-term strategy until 2040 and the development measures to be taken during the next four-year period. The agreement highlights the most critical factors behind Lapland's success, with emphasis on comprehensive foresight that enables proactive and agile operations. The future is built in a rapidly changing operating environment, taking account of the growing international importance of Nordic regions. Lapland's development aims to increase competitiveness and welfare in the region Lapland's vision for 2040: Lapland will be an international, developing and inspiring centre of Arctic business, education and research, and the best-known tourism destination of all Arctic regions. Lapland will be a good place to visit and live in.

5. Summary

Labour market monitoring and foresight in Lapland is part of broader foresight activities. Different experts in the region use comprehensive background data (quantitative and qualitative) and short- and long-term foresight to form a mutual understanding of current and future labour markets. The industry's insight into and analyses of the development, future opportunities and challenges of different sectors are also increasingly important. Lapland's foresight activities are currently focusing on developing and strengthening the Sector Cluster operations and on international co-operation.