Output Factsheet

Output title: Transnational benchmark analysis of labour market conditions incl. identification of qualification and support demand

Summary of the output (max. 2500 characters)

Benchmarking mainly addresses sector-specific indicators of digital transformation maturity and qualification gaps/company demand in target industries and related deficits in regional labour markets, situation of start-ups and entrepreneurs in digitalized business fields as well as capacity building needs at LSO/BSO level. The data collected from the project PPs is analyzed across the following chapters: Country overview, Detailed investigation of country labour market characteristic, Support schemes and programs, Main projects and Main Support Organization. The qualitative analysis of the country background is used to understand the challenges of digital transformation regarding labour force demand and supply, entrepreneurial spirit, maturity of business digital transformation and of labour force digital skills, support demand, qualification gaps/company demand in target industries of the project relevant industries (metal industry, machine building, engineering, electro industry, automation/robotics, ICT). Furthermore, answer scale, open-ended questions and standard descriptive statistics were used in the transnational benchmark. Comparative analysis of the general economic situation, with emphasis on the labour market, for the states included in the study was performed on three levels: first, the analysis of the main macro-economic indicators for the year 2019; then the ranking of the states according to the selected indicators already described; and finally, a cluster analysis was used to build groups of similar countries in terms of economic and labour market performance. We have performed a cross-institutional overview of already existing funding schemes, non-financial support instruments and post COVID19 support measures and implemented projects targeted at strengthening digital transformation of country industries, upskilling of qualified workers. In order to be able to do any analysis on the available data, we have developed a ranking system for each measure based on its characteristics, like type of finance, the diversity of financial instruments, the objective of intervention, type of beneficiary and we used cluster analyses and content analysis (text mining). For the identification of capacity building needed in each country, we analyse BSOs and LSOs according to type of organization and level of centralization. Based on the transnational benchmark analyses were identified labor market potential regarding the involved industry sectors, relevant regional players and stakeholders as well as existing support instruments to develop labor market in digitalization field and the capacity building and support demand.

Contribution to EUSDR actions and/or targets (max. 1500 characters)

DanubePeerChains addresses the European strategy for the Danube Region EUSDR mainly with reference to Priority Areas 8 and 9. PA8 addresses the need to support upskilling of regional companies and their employees for their integration in new forms of transnational value-chain oriented collaboration in its strategic goal VII: to improve business support in particular to

strengthen the competitiveness of SMEs for international cooperation and trade. Combining PA 8 ambition with the strategic goal V of PA 9: to contribute to a closed cooperation between educational, training, labour market and research institutions in particular on transnational, regional and bilateral levels, provides the strategic basis on which the DanubePeerChains project will address the demand of Danube partner regions for improved support services of labour market and business support organisations to qualify regional companies for cooperation within transnational digital value chains.

This benchmark analysis is one of the prerequisites for the development of the capacity building and qualification measures as well as for strategic project work and thus contributes to all three specific objectives. The transnational labour market analyses will be used as basis for tailoring the support and qualification measures, planned in WPs T2+T3, and lead there to further transferable outputs. Also, can be used in further funded projects, related to digital transformation, and also in the development of regional action plans and hence be transferable at policy level.

Performed testing, if applicable (max. 1000 characters)

-

Integration and use of the output by the target group (max. 2000 characters)

The Danube area presents heterogeneity across the main economic indicators, but also some common trends. Regarding the achievement of digital maturity, we can see that the sectors that have reached this maturity to a large and very large extent in most states are the ICT, Electronics / Robotics and Engineering sectors. The digital skills and competences of the population have followed different evolutions and they are at different points, with the most improvement seen in the above-mentioned sectors which makes them front runners for the fields that could support GVC.

While some countries are improving faster than others, almost all the countries are still facing the mismatch between labor supply and demand due to the lack of digital and power skills. The percentage of manufacturing firms that provided training for the development of their personnel's ICT skills of the total manufacturing firms, varies in the 9 countries from 35% to 5%.

While we have seen that the LSOs in almost all countries offer consulting, information, financial support, various training offers, placement of employees, qualification and skills development, especially digital skills, but their involvement on the labor market varies in very high degree across different countries. Furthermore, the industries that require the most support from LSOs are metal industry, engineering and machine building, which seems consistent across 8 of the 9 considered countries. The intensity of collaboration BSOs with LSOs varies between countries. As a result, we have seen that in the countries where there is closer collaboration these cooperate mostly to provide start-ups with needed support in the area of human resources (free movement of workers across the labour market and reduce the unemployment rate), internationalization, R&D and policies that can enhance competitive advantage on the market, institution building, cross-border cooperation (joint projects; joint funding initiatives).

While the COVID pandemic has affected the world economy to a degree that is still hard to comprehend, we have observed that in all countries the ICT sector has been the most positively affected.

Geographical coverage and transferability (max. 1500 characters)

The geographical coverage of regional analyses includes 9 countries (6 ERDF and 3 IPA counties): Austria, Bosnia and Herzegovina, Croatia, Germany, Hungary, Montenegro, Romania, Serbia, Slovenia. Labour market analysis was widened towards IPA partner regions which are currently under represented to create basic evidence for envisaged transnational and cross-regional integration of value-chain collaboration.

The TRANSNATIONAL BENCHMARK ANALYSIS is the main result of A.T1.1 and was discussed at partnership level in monthly telco and SC meeting 1 as a main reference for further project work.

Durability (max. 1500 characters)

The DanubePeerChains Project contributes to sustainable economic and social development in the Danube macro-region and thus environmental development: * by developing and piloting an innovative Approach for the transnational Integration of value chains based on digital transformation of regional companies across the Danube regions the companies receive the know-how to optimize the efficiency of manufacturing processes and thus less energy and material resources are needed.

The performed analysis of labour markets will be made available to the public via the projects website and communications in targeted actions to the RIS3 responsible institutions in the project partner regions/countries. The applied template for collecting the data and data analysis methodologies and methods likes multicriterial statistical analysis, cluster and data mining analyses can be replicated for analyzing other regions/countries outside the project area.

Synergies with other projects/ initiatives and / or alignment with current EU policies/ directives/ regulations, if applicable (max. 1500 characters)

In regional analyses, DanubePeerChains will strongly capitalize on available results from finalized or ongoing Interreg projects, mainly Digitrans (DTP) "Transnational Digital Readiness Report", Smart Factory Hub (DTP) "Regional Mapping Reports" and InnoPeer AVM (CE) "Regional Profiles" and "Benchmarking Study". Preliminary assessment of these materials revealed several deficits in existing regional analysis evidence which need to be elaborated on as a basis for DanubePeerChains: * Widely missing evidence about IPA partner countries * Lack of evidence about regional specifics of labour market characteristics * Missing overview of public support instruments and services provided by LSOs and BSOs Additionally, planned post-COVID-19 measures will be assessed. Following a preliminary gap analysis of available studies from synergetic projects, initial labour market analysis will focus: 1) on integration of analysis of IPA partner countries which are currently under represented and 2) on detailed investigation of regional labour market characteristics (available digital skilled labour force, employment situation in target sectors, etc.).

Output integration in the current political/ economic/ social/ technological/ environmental/ legal/ regulatory framework (max. 2000 characters)

The output of this deliverable is meant to benchmark information about labor market potential regarding the involved sectors, identifying relevant regional players and stakeholders as well as existing support instruments to develop labor market in digitalization fields. The results in the output will be used by the following deliverable which will aim at designing policies in accordance to the project. As a result, this question is not straight applicable to this output.