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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE  
EUROPEAN PARLIAMENT, THE ECONOMIC AND SOCIAL COMMITTEE AND  
THE COMMITTEE OF THE REGIONS**

**Strengthening the local dimension of the European Employment Strategy**

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**1. INTRODUCTION**

In April 2000, the Commission called on European institutions, and on all those interested in local development, to reflect on the issues raised in its Communication on “Acting Locally for Employment - a Local Dimension for the European Employment Strategy<sup>1</sup>”. To this end, the Commission supported a series of European seminars and initiated a six-month consultation, ending with the Strasbourg Conference organised by the French Presidency in December 2000.

The consultation highlighted a broad political consensus as to the desirability of strengthening the local dimension of the European Employment Strategy (EES). While the local development of employment was once considered as marginal compared to macro-economic and structural strategies, it is now widely accepted that the mobilisation of local actors can considerably contribute to the success of employment policies.

This recognition is based on several considerations: employment policies are more often than not designed centrally but implemented locally; local actors from small and medium enterprises to municipalities, can significantly contribute to regional cohesion, innovation and entrepreneurship, and introduce new forms of employment creation; the promotion of social inclusion, equal opportunities and gender equality requires social support and democratic participation at the local level.

An important local dimension is also implied in areas with severe geographical or natural handicaps, i.e., mountain areas, peripheral areas and those with a very low population density. The Second Report on Economic and Social Cohesion highlighted the importance of these areas, where a strong local dimension focused on economic development and the promotion of employment must form a feature of cohesion policy in the future.

However, the consultation also confirmed that, while there is a general trend towards a greater consideration for the local dimension of employment, many obstacles identified in the past<sup>2</sup>, as well as in last year's consultation, persist (see annexes). The EES, and National Action Plans for employment (NAPs) in particular, can provide a useful framework to overcome these obstacles. Regional and local actors should be better informed and involved in the EES process, and better use should be made of existing policies and instruments at Community, national and sub-national level.

To this end, in line with suggestions made by the European Parliament<sup>3</sup>, Member States and Community institutions should play a supportive role, notably by: being more accessible to

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<sup>1</sup> "Acting Locally for Employment – A local Dimension for the European Employment Strategy", COM (2000) final 196, 7 April 2000

<sup>2</sup> See for ex. Commission communication on local employment initiatives - COM(95)273

<sup>3</sup> EP Resolution on the “Acting Locally” communication - C5-0597/2000

local actors; ensuring better information of local actors and a more coherent use of existing policies and instruments; promoting capitalisation, evaluation, and the exchange of best practices and experience.

The Commission's White Paper on European Governance recently stressed the need for a stronger interaction between European institutions, national governments, regional and local authorities and civil society, in line with the principles of openness, participation, accountability, effectiveness and coherence. The main responsibility for achieving this rests with Member States; however, the Commission should ensure that regional and local knowledge and conditions are taken into account when developing policy proposals, while fully respecting national constitutional and administrative arrangements<sup>4</sup>.

This Communication draws on past experience<sup>5</sup>, on the lessons of existing policies and initiatives including the White Paper on Governance, and on the results of the Acting Locally consultation process. The communication suggests ways to help local actors play their full part in the European Employment Strategy in cooperation with national authorities and Community institutions, pooling their resources, and establishing local employment strategies where appropriate, thus eventually increasing the employment rate in Europe and providing stable, quality jobs. Candidate countries should be fully involved in this process in view of enlargement.

## **2. TOWARDS A LOCAL DIMENSION OF THE EUROPEAN EMPLOYMENT STRATEGY**

European institutions took note of the potential of local development in the fight against unemployment as early as 1984<sup>6</sup>. However, local employment acquired an increasingly prominent role only after the Commission's White Paper on Growth, Competitiveness and Employment<sup>7</sup> was endorsed by the European Council in 1993<sup>8</sup>.

Since the Luxembourg process was initiated in 1997, the development of the local dimension of the EES has appeared as a complex process. This chapter analyses recent trends at the Community, national, regional and local levels.

### **2.1. The role of the local and regional level in the European Employment Strategy**

Title VIII of the Treaty lays down the principles and procedures of a co-ordinated European Employment Strategy (EES). Article 128 details the steps leading to the formulation of such strategy, including, on an annual basis: Guidelines for employment and national reports on their implementation; recommendations to the Member States; and a Joint Employment Report by Council and Commission to the European Council<sup>9</sup>.

While the EES has so far relied mainly on efforts at European and national level, there is a growing awareness that the objectives that the Union has set itself to improve performance in

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<sup>4</sup> Commission White Paper on European Governance, COM(2001)428, 27 July 2001

<sup>5</sup> See chapter 2.3, annex 2 and, among others, the 1998 Report on local development initiatives (SEC 98-25)

<sup>6</sup> Council Resolution of 7 June 1984 (84/C-161/01). For an inventory of Community initiatives up to 1994, see Commission staff working paper SEC(94) 2199

<sup>7</sup> OPOCE, supplement 6/93

<sup>8</sup> For an overview, see the Commission's Report on local development initiatives, 1998 (SEC 98-25)

<sup>9</sup> For information and documents on employment policy and the EES, see the following website: [http://europa.eu.int/comm/employment\\_social/index\\_en.htm](http://europa.eu.int/comm/employment_social/index_en.htm).

the area of employment cannot be achieved without greater participation of the regional and local levels.

In fact, since their inception, the Luxembourg process and the Employment Guidelines in particular have increasingly incorporated the local dimension, by inviting Member States to involve the regional and local levels. Starting with a focus on job creation at local level, the Guidelines underlined first *"the special role of local authorities and the social partners"* (1999), and then the need to support *"the special role and responsibility of (...) other partners at the regional and local levels, as well as the social partners"* (2000).

In March 2000, the Lisbon European Council created a strategy stressing the importance of interaction between economic, employment and social policies, of the mobilisation of all players, and established a reinforced open method of co-ordination, described as a *"fully decentralised approach, applied in line with the principle of subsidiarity in which the Union, the Member States, the regional and local levels, as well as the social partners and civil society will be actively involved, using variable forms of partnership"*.

Finally, a consistent, comprehensive approach was included in the Guidelines for 2001:

*"All actors at the regional and local levels, including the social partners, must be mobilised to implement the European Employment Strategy by identifying the potential of job creation at local level and strengthening partnerships to this end"*.

*11. Member States will (...) take into account, where appropriate, in their overall employment policy the regional development dimension(...); **encourage local and regional authorities to develop strategies for employment** in order to exploit fully the possibilities offered by job creation at local level and promote partnerships to this end with all the actors concerned, including the representatives of civil society(...)*<sup>10</sup>.

## **2.2. Trends in the Member States**

The implementation of the EES at the national level, notably through the National Action Plans for Employment (NAPs) for 2001, underscores a broad trend within the Member States towards decentralisation, as well as an increasing support for the social economy and for the establishment of partnerships.

### *An increasing role for regional and local actors*

National employment policies increasingly take into account the role that local and regional actors can play in the EES and national employment plans<sup>11</sup>. The Joint Employment Report (JER) for 2000 stated that *"Member States are continuing to develop the territorial dimension of their employment policies"*<sup>12</sup>, although NAPs only rarely referred to integrated employment plans promoted by local governments.

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<sup>10</sup> The National Action Plans for 2001, the Employment Guidelines for 2002, the Recommendations addressed to the individual Member States, and the Joint Employment Report for 2001, are available on the internet as of their adoption: [http://europa.eu.int/comm/employment\\_social/empl&esf/ees\\_en.htm](http://europa.eu.int/comm/employment_social/empl&esf/ees_en.htm).

<sup>11</sup> This trend will be examined in depth by the EES impact evaluation, in order to capitalise on its results: national evaluation projects will try to review the key initiatives for job creation at local level, the development and evolution of local partnerships, and their impact on employment.

<sup>12</sup> European Commission, Employment policies in the EU and in the Member States, Joint report 2000, Luxembourg 2001

The NAPs for 2001 highlight that Member States increasingly accept or actively promote closer co-operation of the regional and/or local authorities in the establishment and implementation of their plans. Several Member States have allowed their respective regional and local actors to join the EES process and, in some cases, have actively supported this development. Although the involvement of the regional level is higher than the local, nationwide programmes tend to be designed in a more flexible way that takes into account the territorial dimension. Programme implementation is being adapted to different circumstances, and increasingly complemented by specific regional or local programmes.

The forms of co-operation of regional and local authorities in the development of the NAPs are quite diverse; in some cases, it tends to become institutionalised. **Regional Action Plans (RAPs)** are emerging in several Member States (Finland, Portugal and the United Kingdom). Greece, France, Ireland and Sweden have developed **Local Action Plans (LAPs)**.

Regions themselves are often taking over the task of promoting involvement at the sub-regional level. Some procedural aspects of the open coordination method (definition of objectives, implementation, reporting, assessment) are also taken up and used in the relationship - in some cases contractual - between national governments and localities.

#### *Support for the Social economy and Partnerships*

Member States increasingly address the social economy as an important factor for local development along with enterprises and an appropriate institutional framework. However, the NAPs 2001 show widely differing understandings of the meaning of social economy. While all Member States include the main components of the social economy (co-operatives, mutuals, associations, foundations, voluntary and community organisations), the principle of treating these elements as a cohesive group is not common to all Member States.

Greece supports entrepreneurship in the social economy, in particular on remote islands and in the mountain regions. In France, the social economy is an integral part of the contractual relationship with regions and localities. Sweden will devote financial support to local co-operative development centres in 2002, to strengthen knowledge of the co-operative society. Austria gives financial support to "Sozialökonomische Betriebe" for special target groups working in market niches. In Belgium, a co-operative agreement exists between the Government and the Regions/German community for financial support to job creation in the social economy

The concept of partnership at the local level is not well defined in all Member states, particularly as concerns the role of local policy-makers and administrations in creating and managing partnerships. However, social partners and Public Employment Services (PES) are increasingly involved in local strategy development and implementation; they have acquired a specific and important role in the local and regional labour markets. In some cases, PES now play an active role in implementing and developing regional and local employment strategies and programmes (e.g. France).

These developments are driven by the political priorities of the European Employment Strategy. Territorial Employment Pacts, launched by the Commission in 1997 and supported by the Structural Funds, provide examples on how partnership-based, integrated strategies can be developed and implemented. (e.g. in Austria, France, Greece, Italy and the Netherlands)

The Commission recently underlined the role that local and regional actors can play in the development of new forms of governance in the Union. However, the level of involvement of

regional and local actors in the EES depends on the political and constitutional structures of each Member State, and must be determined in accordance with the principle of subsidiarity.

### *Encouraging entrepreneurship*

The local level is ideally suited for encouraging entrepreneurship, especially through the setting up and development of new, small and innovative enterprises, as underlined by the Lisbon and Feira European Councils<sup>13</sup>. The identified areas where substantial progress is needed include availability of finance for small enterprises, an adequate regulatory and administrative framework and a climate supportive to entrepreneurship and innovation.

### **2.3. The consultation of local actors - "Acting Locally for Employment"**

In order to highlight the regional and local dimension of the EES, and to obtain the views of local actors, the Commission launched in April 2000 a consultation and awareness-raising campaign.

Over several months, activities of two kinds were organised: a policy debate based on the Commission communication entitled "Acting Locally for Employment - a Local Dimension for the European Employment Strategy"<sup>14</sup>; and experimental activities launched as part of the "Preparatory Measures for a Local Commitment for Employment"<sup>15</sup>.

The consultation confirmed that, in the view of local actors, and as underlined by the European Parliament resolution on the Commission's communication<sup>16</sup>, the information and involvement of the local level in the NAP process and in the ESF implementation are largely insufficient. Reactions collected during the consultation pointed to the need for further action, along two axes:

- a horizontal one: the development of local employment strategies;
- and a vertical one: better integration of strategies and action between the local, regional, national and Community levels.

Throughout the consultation, local actors showed considerable experience in developing local employment initiatives, and a willingness to act more strategically. However, the shift from individual local employment initiatives to coherent, integrated strategies represents a major challenge for local actors; it requires commitment and support at the regional, national and Community level, in the framework of the overall Community's employment strategy.

This Communication draws on the European Employment Strategy process and on results of the consultation. A comprehensive report on the consultation can be found online at the following website: [http://europa.eu.int/comm/employment\\_social/](http://europa.eu.int/comm/employment_social/); a summary of the results is in **annex 2**.

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<sup>13</sup> See in that respect "European Charter for Small Enterprises" adopted by the General Affairs Council. 13 June 2000 and welcomed by the Feira European Council, 19/20 June 2000

<sup>14</sup> See reference on footnote 1.

<sup>15</sup> VP/2000/05, currently followed, for 2001, by VP/2001/15.

<sup>16</sup> See reference in footnote 3.

### **3. DEVELOPING LOCAL EMPLOYMENT STRATEGIES**

The Commission considers that the development of a local dimension in the EES can significantly contribute to the wider Community objectives of full employment, sustainable economic growth, and social cohesion, particularly in an enlarged Union.

This applies also in related processes such as the fight against poverty and social exclusion. The Commission's first analysis of the member States' National Action Plans for Social Inclusion (2001-2003) highlights that regional and local authorities can make a particularly significant contribution to the Union's combat against social exclusion, and to the objectives for policies in this domain endorsed by the Nice European Council.

The fight against poverty and social exclusion is a complex policy area, not limited to the issue of access to the labour market: it involves employment as well as housing, education or health, and requires the mobilisation of a wide range of policies and actors. However, social exclusion has become an essential element of the Lisbon process and of mainstream ESF<sup>17</sup>: special attention will be given to the link between the employment strategy and the inclusion process in terms of labour market participation for the most vulnerable at the local level.

The Commission seeks to increase the contribution of local actors to the success of all four thematic pillars of the EES: improving employability; developing entrepreneurship; encouraging adaptability in enterprises and workers; and gender equality.

To this end, in line with Employment Guideline 11 and with the recent trends in the Member States highlighted in Chapter 2.2. above, the Commission will encourage, on the one hand, the dissemination of best practices and experiences in the Member States. On the other hand, the development wherever possible of **local employment strategies**.

These strategies may be structured and formalised, in agreement between national and sub-national actors, into **Local Action Plans** (LAPs) within the framework of the existing National Action Plans established by Member States.

This can be achieved within the existing process and institutional mechanisms within Member States, and in full compliance with the principles of subsidiarity and proportionality:

- by strengthening the links between different territorial decision-making levels;
- by increasing the effectiveness and co-ordination of existing Community policies and instruments;
- by empowering local actors, especially women drawing on their views and experience, and developing the factors for success of a local employment strategy as outlined in the "Acting Locally" communication.

Local development is a cross-cutting policy area. It covers not only employment, but also, among others: gender equality, social inclusion, economic development, innovation, information society. Indeed, a number of policies and initiatives taken at Community, national and sub-national levels may have a more significant impact on local employment than those specifically targeted to local development. Therefore, evaluation in this area is essential for future policy development.

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<sup>17</sup> See Chapter 3.2.

### 3.1. Strengthening the links between local, regional, national and Community levels

The institutional and administrative structures of present and future EU Member States vary considerably. It would therefore be pointless - and beyond Community competence - to establish common, prescriptive rules for the articulation between different territorial levels.

Depending on the particular legal and administrative framework of different Member States, responsibility for different aspects of economic development policy and social policy may be allocated to the national, regional or local levels. It is therefore important to facilitate co-ordination between policy-makers at different levels in order to ensure that these policies contribute effectively to local employment strategies.

The development of a local dimension of the EES requires political will at Community, national, regional and local level, as well as awareness-raising, experimentation and exchange of good practices. Local authorities and actors are often confined to implementing measures decided at national or regional level. The EES, National Action Plans and NAPs for Social Inclusion, as well as Structural Funds programmes, are not sufficiently well-known at regional and local levels. That said, projects supported under the Community Initiatives and Innovative Actions often have a higher visibility at local level and this must be built on in the future.

Local actors should be fully informed of EU and national policies and, taking these fully into account, be encouraged whenever possible to design local employment strategies as opposed to isolated initiatives and projects.

A local employment strategy should aim at developing employment on a given territory through an integrated set of measures and action plan. The strategy should consist in: **targeting a local area**; establishing a **local diagnosis** of strengths and weaknesses; **identifying potential actors** and developing mechanisms to co-ordinate their inputs; **analysing opportunities** and threats regarding employment in the targeted territory; and **involving regional and national authorities**, drawing from the relevant National Action Plan for employment.

In order to increase their potential for a sustained impact on employment, local strategies should: be consistent with the objectives and priorities of NAPs; be agreed between the various levels of competent authorities and local actors, on the basis of a shared diagnosis of problems and assets; and be translated into a specific action plan. While local authorities and actors must build on the employment Guidelines and NAPs when drawing up their strategies, **the process should be two-way**: Community, national and regional actors should in turn inform and involve local players in the NAP process.

In this respect, it is particularly important to promote the exchanges of information between all public and private actors involved in the EES (administrations, social partners, public employment services, NGOs). Better consistency can also be ensured through direct involvement in local partnerships of representatives of head offices and organisations operating at regional and national level.

In order to contribute to this process while taking into account the member States' diverse legal and administrative structures, the Commission will propose that Member States include the issue of local employment in their national information policy priorities, including through the work programme of the European Social Fund's Informal Network of Information Officers.

The Commission will also propose to hold, at the beginning of 2003, a **Local Development Forum**, in which the parties concerned - local and regional actors, Member States and candidate countries, European institutions - could meet and exchange experiences and information.

### 3.2. Building on experience and making better use of existing instruments

At the EU level, a number of initiatives have highlighted the potential of the local level in promoting employment. As early as 1993, with the publication of the "White Paper on Growth, Competitiveness and Employment", the Commission emphasised the importance of job creation and new sources of employment, particularly in the area of services supplied at local level<sup>18</sup>. The 89 Territorial Employment Pacts (TEPs) launched as pilot projects in 1997 reflected this orientation<sup>19</sup>. The Commission has launched a thematic evaluation of the Territorial Employment Pacts which will be available by mid 2003. This evaluation will provide valuable learning on the local dimension to employment promotion which can feed into the strengthening of this dimension of the European Employment Strategy. Local employment development has further been explored through various programmes at the Community<sup>20</sup> and Member State level.

The EU EURES service, designed to facilitate the exercising of the right of EU and EEA citizens to work in another Member State, provides information, advice and placement assistance based on a network of experts, a large number of contact points in partner organisations and a free-access service on the Internet. **Cross-border EURES** makes a special contribution to local development on the basis of local partnerships, and to the social dialogue on employment policy in cross border areas<sup>21</sup>.

Significant lessons can be extracted from several EU programmes and initiatives conducted in policy areas other than employment<sup>22</sup>. The Leonardo da Vinci programme has contributed to local employment development, in particular by maintaining traditional skills and professions as well as developing new ones. It has moreover promoted guidance at local level. »

In the case of the URBAN Community Initiative, an ex post evaluation of its operation between 1994 and 1999 will be launched by the Commission in 2002. URBAN focuses explicitly on local areas, in recognition of the fact that national or regional responses are sometimes too generalised to tackle the particular needs of a locality and that those who live and work there are often best placed to develop appropriate measures. URBAN has followed this area based approach, with an emphasis on capacity building, greater local autonomy and enhanced targeting of action, as well as a greater ability to concentrate on areas of particular need. It covers a wide range of projects combining renewal of obsolete infrastructure with

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<sup>18</sup> Commission Communication on A European strategy for encouraging local development and employment initiative O J COM (95) 273, Brussels, 13 June 1995

<sup>19</sup> On TEPs, see the Commission services' document (November 1999) at the TEP website: <http://info regio.cec.eu.int/pacts>.

<sup>20</sup> Article 6 of the European Social Fund (New Job Sources and Local Social Capital), the Incentive measure programme under Article 129 of the Treaty, the ADAPT and EMPLOYMENT Community Initiatives, the pilot projects for long term unemployed (B5-502) and the Third system and Employment pilot action programme

<sup>21</sup> See Eures website: [http://europa.eu.int/comm/employment\\_social/elm/eures/en/index.htm](http://europa.eu.int/comm/employment_social/elm/eures/en/index.htm)

<sup>22</sup> e.g. LEADER on rural development, URBAN on urban development, Article 10 of ERDF on new sources of jobs, innovation and information and communication technology, Fourth Programme of Targeted Socio-Economic Research and the projects funded under the Preparatory Actions to combat and prevent social exclusion

measures designed to stimulate the economy and employment. The ex post evaluation will identify the lessons to be learnt from the 1994 to 1999 period. It will feed into the implementation of the Initiative in the 2000-2006 period and also into the distillation of learning on best practice in relation to local employment development.

### *The role of the Structural Funds mainstream*

The emphasis from isolated local employment initiatives to integrated strategies is already being reflected in mainstream Community policies and programmes.

The new Regulations governing the Structural Funds for the 2000-2006 period state that the Funds should play a particular role in favour of local economic development, by promoting, among others, TEPs (now included in the Regional Fund Regulation) and new sources of employment, and by measures to encourage and support local development and employment initiatives.<sup>23</sup>

The creation of a broad partnership, encompassing a wider range of institutional, private and associative actors at regional and local level is a key feature of the new round of Structural Funds programmes. There is clear trend in the Member States towards greater involvement of regional and local authorities in the whole programming cycle, which should contribute to foster regional and local actors' empowerment with respect to the assistance supported by the Funds. There is a particularly strong emphasis on this aspect in the Structural Fund programmes of Italy, Spain and France, where the experience gained under the Territorial Employment Pacts is reflected in local development priorities in mainstream programmes for 2000-2006.

In the context of a decentralised programming exercise, local authorities have increased their participation in implementing operations co-financed by the Structural Funds, especially in those Member States where local partners play a key role in the delivery of policies selected for support from the Funds. Moreover, their involvement in the formulation of the main policy priorities for assistance from the Funds has enabled local-tailored needs to be taken into account in the strategies and priorities set out in the programmes. The fundamental objective of the greater involvement of regional and local authorities in the programming cycle is enhanced relevance and therefore effectiveness and impact of the interventions implemented with the support of the Structural Funds.

Local development will be thus supported by through a dual approach: as a cross-cutting theme to be mainstreamed throughout the planned priorities, and as a specific measure for promoting local employment initiatives and the social economy.

A first analysis of how the European Social Fund (ESF) in particular will support the EES<sup>24</sup> in the 2000-2006 programming period highlights improvements in the regional and local dimension of the implementation of the Fund. The new ESF Regulation contains a specific provision aimed at facilitating the participation local partners and NGOs in ESF supported programmes in the form of small grant schemes<sup>25</sup>. The appointment of local organisations as

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<sup>23</sup> Regulation (EC) No 1784/1999 of 12 July 1999 on the ESFund, O.J. 13.8.1999, p L213/6, Article 2.2 (a)

<sup>24</sup> Communication on European Social Fund support for the EES COM(2001) 16 final/2, 23.01.2001

<sup>25</sup> Article 4.2. of Regulation (EC) 1784/1999 on the ESF provides that Member States will allocate a reasonable amount of Objectives 1 and 3 appropriations for global grants, managed by intermediary

intermediate structures responsible for allocating small grants to micro projects, should make easier for local actors to benefit from ESF co-financing to implement projects stemming from their own initiative.

Within the new round of programmes under objectives 1,2 and 3, the European Social Fund embraces an integrated strategy the fight against exclusion in the labour market. Reducing unemployment is not often possible if other forms of exclusion are not also tackled. This comprehensive approach in promoting social inclusion in the labour market calls for a greater participation of all relevant actors, notably those at the core of exclusion problems, in the design, implementation and monitoring of ESF monies. It represents a new challenge for the ESF to build on the existing capacities at local level, by promoting wider access of local actors such as social partners, NGOs and other small local organisations, as full beneficiaries of the ESF.

Over the next seven years the ESF will devote around 9 Billion € to promote social inclusion activities in the Member States, through measures aiming to improve the employability and education of the most disadvantaged groups and measures addressing discrimination and inequality in the access to labour market.

### *The role of EQUAL*

The EQUAL programme provides 2.8 billion Euro over the period 2000-2006. Building on the lessons from the previous Community Initiatives - especially EMPLOYMENT -, it aims to test out new approaches to meet the needs of those who are excluded or discriminated against in the labour market. It has therefore the potential to provide an essential contribution to local employment development<sup>26</sup>.

The Commission intends to use EQUAL to develop partnerships, notably at the regional and local level, and build on the two key success factors identified through evaluation: a high degree of local/regional networking, and collaboration in disseminating and transferring the results.

### *The role of innovative actions under ESF Article 6*

Among the various Community financial instruments which can support local employment, the Innovative Actions under Art.6 of the ESF Regulation<sup>27</sup> play an important role in testing new approaches and identifying good practices which may subsequently improve the implementation and outcome of operations supported by the Structural Funds.

During the 1994-1999 programming period, ESF Article 6 supported a range of projects in the field of employment creation and vocational training, most of which had a local focus. In its January 2001 Communication on the implementation of Article 6, the Commission emphasised the importance of close co-operation between European institutions and national, regional and local governments, as well as the social partners and Third System organisations; the Communication also stated that, in 2001-2002, innovative measures would concentrate on a defined number of priority themes, one of which is "Local employment strategies and innovation".

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bodies that will in turn offer support in the form of small grants to NGOs and local partnerships. Most Member States' programmes have allocated 0.5% to 1 % of the appropriations to this form of support.

<sup>26</sup> See EQUAL website at: [http://www.europa.eu.int/comm/employment\\_social/equal/equal.cfm](http://www.europa.eu.int/comm/employment_social/equal/equal.cfm)

<sup>27</sup> Regulation N°1262/1999 of 21 June 1999, OJ 26.6.1999, L 161/48

The Commission wishes to ensure that local development continues to be a priority, so that that Art. 6 fulfils its role as a test-bed of new ideas and processes that can influence the mainstream ESF. Greater attention will be paid to ongoing monitoring and evaluation of projects and networking between project promoters, the Commission, Member States and experts.

#### *Piloting the implementation of the EES at the local level*

For the years 2000 and 2001, the budgetary authority made available a budgetary allocation to support preparatory actions for local commitment for employment (budget line B5-503). Considering that the EES offers the framework within which to develop integrated local employment policies, the purpose of this budget line is to:

Pilot the application of the European Employment Guidelines as a framework for the development of local employment strategies that may lead to Local Action Plans for employment (LAPs);

Raise awareness of the potential for employment creation of action at local level, develop transnational co-operation; and promote the identification and exchanges of good practice.

The actions envisaged may, at a later stage, be complemented through European Social Fund (ESF) Article 6 projects, in order to promote the role of the Third System/social economy in the creation of local employment and to gain experience in the implementation of local employment strategies.

The evaluation of Third System pilot projects underlines that the Third System has the potential to make valuable contributions to the creation and maintenance of employment in Europe, and at the same time to meet market failures in the provision of goods and services in a wide variety of social, environmental and cultural situations.

#### *A global evaluation of local development*

The evaluations of ESF interventions during the period 1994-1999 did not specifically consider the local dimension as a thematic priority, mainly because it was not considered as such in the related Community Regulations. However, a number of on-going or planned evaluations are of direct interest to local development: the thematic evaluation of the Territorial Employment Pacts, the ex post evaluation of the URBAN Initiative and an evaluation of the year-2000 Preparatory measures for a local commitment on employment. In the context of a recently launched evaluation of the EES, national evaluation projects will examine developments in the area of local employment. Results will be available in the spring of 2002.

The Commission intends to build on the experiences acquired with local networking. Several evaluations of ESF interventions relevant for local development are to be conducted, covering a significant sample of territories.

In order to make better use of existing policies and instruments, the Commission will consider local development as a priority in its evaluation activities for the present programming period. It will conduct **an overall evaluation of local development**. Such comprehensive evaluation and synthesis on local employment development would provide an overview and ideas for the future on its impact, including programmes such as social exclusion or equal opportunities that have an important local element.

Such strategic thematic evaluation on local development will be designed to complement and build on evaluations currently planned or underway. It will focus on the Structural Funds but extend to other Community policy areas, concentrating mainly on the following issues:

- How have EU policies and programmes taken into account local development and contributed to a supportive environment for local employment;
- How EU activities and programmes have been co-ordinated in this field; what means have been developed to ensure the participation of local actors into EU policy-making; what is the degree of local actors' information and awareness of EU programmes and policies; how co-operation between the various local and regional partnerships (employment, innovation, information society) could be enhanced.
- How the results and innovations of EU activities and programmes on local development have been included in the mainstreaming process.

### **3.3. Gender equality in local employment strategies**

The EES establishes that Member States should adopt the gender mainstreaming approach in implementing the Guidelines. A number of existing projects, serving as examples for Territorial Employment Pacts, aim at achieving equal opportunities. However, it is the Commission's view that gender equality has received insufficient attention in the past, and that it is at the local level that gender equality measures can be most effective.

In the last programming period (1994-99), a number of projects financed by the ESF mainstream and by Community initiatives have contributed to gender equality in local employment, e.g. by supporting education in future-oriented professional fields or business start-ups in rural areas. For the period 2000-2006, Structural Fund regulations make gender mainstreaming a requirement of all programmes and actions.

A key element of the EES, now at the heart of the ESF, is the promotion of gender equality. Taking into account Employment Guideline 11, the ESF and local employment strategies therefore now include gender mainstreaming as well as specific gender equality measures<sup>28</sup>.

Since local employment is also a horizontal priority in the new ESF regulation, measures to promote women's access and participation in the labour market must also include support for local initiatives.

When developing a local employment strategy<sup>29</sup>, the gender dimension should be integrated into the diagnosis of the territory. In setting the objectives of a strategy, attention should be paid to new job opportunities for women to enter or re-enter the labour market (information society, environment, leisure, tourism, culture, local products, welfare and personal services).

Women should be actors as well as target groups in local employment strategies. This implies: the involvement of equal opportunities bodies in local authorities; gender balance in committees; increased participation of women in local social partner organisations; the use of the skills and experience of women in the social economy and the voluntary sector, where

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<sup>28</sup> Although it is difficult to put a precise figure on overall investment, specific actions to promote gender equality supported under the ESF in 2000-2006 will provide nearly 4Billion € between 2000-2006. Funds supporting mainstreaming actions would increase this amount significantly.

<sup>29</sup> see annex, chapter 1.

women play a major role; and the involvement of women's NGO's in local and regional partnerships and Territorial Employment Pacts.

#### *Involving local actors in the promotion of gender equality*

Local actors themselves should play the most significant role in the establishment of local employment strategies with a gender equality component. In particular :

- Local authorities, as main or "model" employers, should promote women's/Employment and quality in the administration and public services, notably by measures to reconcile work and family life and to promote women in management positions. They should support entrepreneurial activities of women, and improve infrastructures that are important for women in rural areas;
- Local enterprises as employers should enhance women's career prospects (for instance, by acting as mentors for smaller firms set up by women);
- The 3<sup>rd</sup> system/social economy organisations can improve women's access to the labour market, by offering services that women deliver in the domestic sphere, and jobs for women re-entering the labour market;
- Social partners can promote women's career opportunities and the reconciliation of work and family life, both at enterprise level (e.g. flexible working time arrangements), and at territorial level, e.g. by speeding up implementation of directives and social-partner agreements in this field;
- Local public employment services can act as model employers, e.g. by gender mainstreaming and by offering gender training to their staff.
- Education and training institutions can help women improve their career prospects, and provide gender training for local actors.

#### **4. OPERATIONAL CONCLUSIONS**

The European Employment Strategy has introduced a new dimension in the promotion of more and better jobs. **At the Community level**, through the employment guidelines, annual examination and peer review of Member States' performance, and recommendations to individual countries, the EES is providing an integrated framework to meet the Union's objectives in the field of employment and labour market reforms. At the **Member States level**, through the NAPs and both community and national financial support, the employment Guidelines are translated into a coherent employment strategy.

At the **regional and local levels**, actors should be given the opportunity to work increasingly together, to interact with national and European institutions and policies, and to develop partnerships in support of the European Employment Strategy. Local actors also have a key role to play in promoting gender equality and developing integrated approaches to social inclusion.

While respecting the existing distribution of competencies within the Community and Member States, the Commission will:

- In line with the principles of the White Paper on European Governance promote the **information of local actors** on the EES and NAPs, as well as the exchange of best practices, benchmarking and peer review in the implementation of NAPs in the area of local development. In particular, the Commission will:
  - attach a priority to local employment in its own information activities. It will facilitate access of local actors to Community programmes and initiatives by setting up a **local development website** and coordination between the different Commission services involved;
  - propose the inclusion of local employment among **the priorities of Member States' information policies**, notably through the existing institutional bodies such as the Social Fund Committee, the Employment Committee and the Informal Network of ESF Information Officers (INIO);
- **monitor and support the development of local employment strategies** in order to promote an integrated approach to local development in the Member States, notably through National Action Plans and the Employment Committee (EMCO); through NAPs for Social Inclusion; and through the implementation of the ESF Regulation's provisions aimed at facilitating the participation of local partners and NGOs in ESF-supported programmes;
- ensure that the experiences gained in the development of local employment strategies, including as concerns the promotion of gender equality, are disseminated within Member States and candidate countries, and integrated in the EES. For this purpose, the Commission **proposes to hold, at the beginning of 2003, a Local Development Forum** where the parties concerned - local and regional actors, national governments, the European Parliament, the Committee of the Regions and the Economic and Social Committee - could meet, exchange experiences and information, and contribute to the development of the EES. **Candidate countries** will fully participate in the forum;
- **assist local actors** who wish to engage in a more strategic approach to local development, including local employment strategies and Local Action Plans established in the institutional framework of the Member States' National Action Plans. The Commission will provide support through the available financial instruments, and in particular the ESF Art. 6 programme on innovative actions. Financial support required to implement local programmes for employment, human resources development, and social inclusion, will have to be included in mainstream operational programmes such as the ESF.
- undertake **an overall strategic evaluation** of actions for local development supported under the various Community policies and financial instruments. Taking into account the prospect of EU enlargement, results of the evaluation should allow in particular to: ensure that the experience gained in local actions for employment is brought to bear in developing the local dimension of other processes and programmes, especially NAPs for Social Inclusion and EQUAL; improve the overall framework for local action for employment on the basis of the experience gained from individual actions and programmes, including Territorial Employment Pacts and URBAN;
- intensify **co-operation with other international organisations** active in this field, in particular the OECD and ILO, in order to draw on their experience and to widen the dissemination of the lessons learnt at European level to candidate countries and other non-EU countries.

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## ANNEX

### **ANNEX 1: ORIENTATIONS FOR LOCAL EMPLOYMENT STRATEGIES**

This annex develops the criteria and requirements for success of local employment strategies outlined in the April 2000 Communication on "Acting Locally for Employment", and tentatively identifies action that might be taken at local, regional, national and Community level to facilitate the approach described in the present Communication.

Employment strategies, established at the initiative of local authorities and actors, may be transformed into Local Action Plans (LAPs) when they are integrated by Member States into their National Action Plans.

#### **1. DEVELOPMENT OF LOCAL EMPLOYMENT STRATEGIES**

In the light of past experience and of the results of the consultation described in chapter 2.2 of the present Communication, six **priority areas** might be considered in order to facilitate the development of local employment strategies: creating a favourable environment, experimentation, evaluation, benchmarking, training, and co-operation/exchanges.

##### **1.1. Creating a favourable environment**

The Member State's legislative, legal, institutional, financial and administrative framework could be made more conducive to the local development of employment. In particular, there is ample scope to: clarify the distribution of responsibility between and across levels; simplify rules and procedures and limit administrative requirements; provide logistical and methodological support to local players who adopt a strategic approach.

Examples drawn from the Acting Locally for Employment consultation

While a key aspect of an efficient Public Employment Services is the centralised exchange of information about job opportunities across regions, the decentralisation of service delivery may allow PES agencies to become real partners in local employment strategies. Decentralised units should be given more autonomy in the management of funds and the adaptation of the mix of employment policy tools to local labour markets.

Third System Organisations perceive that some of their financial difficulties lie in regulatory issues : banking regulations impede the development of funding instruments adjusted to their needs, and competition rules prevent local authorities from adding so-called social clauses in public procurement.

*The Euroméditerranée project in Marseille and the Provence Alpes Côte d'Azur Region*

The "Euroméditerranée" idea was born in 1989, but it was only in 1995 that the *Etablissement public d'aménagement Euroméditerranée* (EPAEM) was established as a scheme of national interest with a budget of 1.7 billion FRF for 1995-2001, increased to 2.5 billion FRF in 1999. Euroméditerranée is State-run in partnership with local authorities (city of Marseille, PAVCA Region, Département des Bouches-du-Rhône, Marseille Provence Métropole urban community). Its task is to "ensure economic development, cultural influence, urban development and measures for inhabitants" in 311 hectares housing 30 000 inhabitants. "We are urban negotiators", says Jean-Michel Guenod, the Director-General.

The five sites are: the Zac Joliette, where the docks have already been restructured (80 000 m<sup>2</sup> of commercial property) ; the rue de la République, with 4 000 dwellings to be renovated; the Saint-Charmes-Porte d'Aix quarter with the TGV station; the Belle de mai, where tobacco factories are being restructured (120 000 m<sup>3</sup>) into a centre for the culture and communication industries, with audiovisual studios; and finally the Cité de la Méditerranée (110 hectares), with 2.7 km of seafront, with plans for the restructuring of the port area, a museum, etc.

1 500 businesses and 6 000 jobs have been created on these sites. Public investment, including European funds, is estimated at 6 000 million FRF, with total investment, including private investment, totalling over 20 000 million FRF for 1996-2010.

This project has already received assistance from the Structural Funds in the 1997-99 SPD, and under the 2000-06 SPD will receive 22.9 million euro, or 150 million FRF.

In Sweden, Growth Agreements were introduced at county level in 1998. They consist of development programmes to make use of the potential for growth in the business sector that has been identified locally and regionally. The programme is worked out in partnership. The objective is to stimulate a sustainable economic growth and thus increased employment for both women and men. Labour market policy has an important ecological dimension. The support for local investment programmes is one way of combining measures for environment and employment. The programmes are also a way of linking together national and local policy. Municipalities can apply for financial support to local investment programmes that comply both with environmental criteria and requirements to create employment.

*Swedish NAP 2001, p. 4.*

Within the framework of "Preparatory measures for a Local Commitment for Employment"<sup>30</sup>, a call for proposals has been issued by the Commission in 2001. Projects that will be selected for support under Measure 1 (Capacity building) will explore ways to create an enabling environment.

The Commission has also funded preparatory measures in support of actions to combat and prevent social exclusion. While these have clearly been focussed on objectives in that particular sphere, they may also provide lessons regarding approaches to locally based partnership which are of interest in the sphere of employment.

## **1.2. Experimentation**

Further experimentation will be needed in order to refine the strategic approach to local employment development, and to establish how the different categories of local players can act locally for employment.

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<sup>30</sup> OJ C 130 of 01.05.2001, p. 10.

The Cities of Barcelona and The Hague have experimented how local authorities can use ICTs in a multi-purpose way to improve the working conditions of their staff and the quality of the services they provide, to promote life long learning and help the local population bridge the digital gap.

A number of local financial instruments that could match Third System organisations' needs have been found to require further testing : social-risk or venture capital, guarantee funds, low interest rates repayable loan funds, micro-finance, incentives for commercial financial institutions to invest in social economy organisations, public financial guarantees based on the accounts of the organisation and approved project finances. Experimentation could also be conducted in the field of social audit and accounting.

13 projects selected under the Commission's call for proposals launched in 2000 within the framework of "Preparatory Measures for a Local Commitment for Employment" are experimenting the preparation of Local Action Plans in 76 local areas in 2001. Conclusions from this experiment will be available by mid-2002.

Further experimentation of the whole local employment strategy approach will be supported under Article 6 of the ESF<sup>31</sup>. The Commission has issued a call for proposals in 2001 and will select projects at the beginning of 2002.

The lessons drawn from all these experiments will be taken on board before the approach is mainstreamed, with the possible support of the ESF, during the second part of the 2000-2006 programming period.

### **1.3. Evaluation**

Since the launch of the European Employment Strategy in 1997, much progress has been achieved at EU and Member States level to evaluate the employment performance. Instruments have been developed that include indicators relating to employment, unemployment, the economic situation and the implementation of the employment guidelines<sup>32</sup>. Further indicators are being defined in relation to quality of work and life<sup>33</sup>.

This know-how needs to be disseminated within Member States down to the local level. As local development strategies help to improve the quality of social policy, the Commission intends to integrate this dimension in the "quality reviews" proposed under the Communication on "Investing in quality"<sup>34</sup>.

The Commission will review the way in which ESF programming for the period 2000-2006 has taken account of the provisions of the ESF Regulation concerning local development measures, and the degree of involvement of the local level in the application of the principle of partnership in the management of the Fund.

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<sup>31</sup> Communication on the implementation of Innovative Measures under Article 6 of the European Social Fund Regulation for the programming period 2000-2006, COM (2000) 894 final, 12.01.2001

<sup>32</sup> JO L 22 of 24.1.2001, p. 18.

<sup>33</sup> Communication Social and Labour Market Policies – Investing in Quality

<sup>34</sup> Communication Social and Labour Market Policies – Investing in Quality

Within the framework of "Preparatory measures for a Local Commitment for Employment"<sup>35</sup>, Measure 2 of the call for proposals issued in 2001 focuses on monitoring and evaluation.

Ex post evaluation will be commissioned to measure the long term impact of local employment initiatives. The first of these evaluations will be conducted in 2003 and will examine local partnerships involved in EU Programmes in the mid-nineties. An attempt will be made to identify what results they have harvested since then and what changes they have undergone. Findings from the external evaluation of Territorial Employment Pacts to be published in 2002 will feed into the general conclusions.

#### **1.4. Benchmarking**

Since 1997, benchmarking has played a key role in the development of the EES. The method consists in identifying the best labour market performances in the EU, and to draw attention to best practice in each dimension of the EES. Benchmarking should be applied to the individual local employment initiatives and to the local employment strategies process itself.

To organise the benchmarking at EU level, inspiration will be found in the peer review programme<sup>36</sup>, an innovative process that was initiated in 1999 between the EU countries as an instrument to support the European Employment Strategy. The aim is to identify, evaluate and disseminate good practice across the EU in the field of employment and labour market policy.

A peer review exercise on best practices in developing local strategies for employment could be organised on a trial basis at EU level in the second semester of 2003. International associations and networks associations could also bring in a very useful contribution to such an exercise.

The benchmarking exercise will also be applied to regional and national environments to compare to what extent they facilitate or hamper the emergence of strategic bottom-up initiatives and projects.

Within the framework of "Preparatory measures for a Local Commitment for Employment"<sup>37</sup>, Measure 2 of the call for proposals issued in 2001 focuses on benchmarking. Support will go to projects that develop tools for benchmarking local employment strategies, initiatives and frameworks.

#### **1.5. Training**

If the local level is to play a more strategic approach in the promotion of employment, local actors should be equipped with the relevant skills necessary to play that role effectively. This includes both technical skills (management by objectives, project and financial management, legal frameworks, policy evaluation, etc) and social or inter-personal skills.

The aim should not be to train local people to become full-time experts in local development, but rather to target people acting in different fields of activity who can integrate local employment development concerns in their usual work.

Given their potential role in empowering local actors and establishing many aspects of the legal, administrative and financial frameworks in which local action takes place, organisations

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<sup>35</sup> OJ C 130 of 01.05.2001, p.10.

<sup>36</sup> [http:// peerreview.almp.org/en/](http://peerreview.almp.org/en/)

<sup>37</sup> OJ C 130 of 01.05.2001, p. 10.

at regional and national level should also have the relevant knowledge and know-how to facilitate work at local level and relay it to the other decision-making levels.

Authorities and bodies at regional, national and EU levels should seek to learn from successful local initiatives to scale them up and mainstream them. Most of the funding for the training will have to be provided by the national and regional levels, and their education and training systems, by making the best use of the ESF support mechanisms.

Within the framework of "Preparatory measures for a Local Commitment for Employment"<sup>38</sup>, Measure 1 of the call for proposals published in 2001 is devoted to capacity building. Support will go to projects that design and pilot skills development programmes with the aim of enhancing the capacity of local players to promote employment, and the capacity of regional and national actors to facilitate such initiatives.

## **1.6. Exchanges and co-operation**

In order to strengthen cohesion, exchanges of good practices, and co-operation can be organised and information flows increased within Member States, making full use of information and communication technologies (ICTs).

Meetings and exchanges between officials, local employment development agents, local mediators, people who act as go-between agents between local and upper decision making levels, conferences for the dissemination of good practices, and comparative studies or permanent electronic discussion forums, might be organised at national and regional levels. Staff rotation could be organised between the public and the private sectors, across sectors of activities and between local branches and central head offices, headquarters or mother organisations. At local level, players can be encouraged to set up local project banks in order to promote the exchange of ideas and pool energies and resources. Representative networks and associations are invited to consider how they can facilitate such exchanges.

Within the framework of "Preparatory measures for a Local Commitment for Employment"<sup>39</sup>, Measure 3 of the call for proposals issued in 2001 is devoted to disseminating information on good practices of projects, programmes and instruments at different levels to support local action for employment and establish structured and continuous co-operation between territories.

The applicant countries should gradually be brought into these mechanisms. As they prepare to apply the EES, they can be encouraged to promote local employment strategies with the possible support of the Phare programme.

Transnational co-operation in the area of local employment development will also receive a major impetus from the EQUAL Community initiative<sup>40</sup>. Its overall purpose is to combat discrimination and inequalities in connection with the labour market<sup>41</sup>.

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<sup>38</sup> OJ C 130 of 01.05.2001, p. 10.

<sup>39</sup> OJ 2001 C 130 of 01.05.2001, p. 10.

<sup>40</sup> Communication from the Commission to the Member States establishing the guidelines for the Community initiative Equal concerning transnational co-operation to promote new means of combating all forms of discrimination and inequalities in connection with the labour market O.J. C 127 of 5.5.2000, p. 2.

<sup>41</sup> Regulation (EC) No 1784/1999 of the European Parliament and of the Council of 12 July 1999 on the European Social Fund, O.J. L213 of 13.8.1999, p. 7.

## **2. IMPLEMENTATION OF LOCAL EMPLOYMENT STRATEGIES**

The implementation of a local development strategy or Local Action Plan (LAP) depends above all on specific institutional, administrative and socio-economic characteristics that vary considerably within Member States. Drawing on the results of the Acting Locally consultation, the indicative orientations outlined in this chapter are intended as policy support to be adapted by local authorities and actors on the ground.

### **2.1. Targeting a territory and establishing a diagnosis**

A local strategy applies to a local area defined in accordance with national circumstances prevailing in each Member State and considered relevant in socio-economic terms to promote employment. However, two essential criteria are to be considered to appreciate the relevance: the territory has to be large enough to give the action for employment a **sufficient critical mass**; it has to be sufficiently small to use the **assets of proximity**, and it has to be coherent and compatible with existing administrative structures.

A strategy can thus coincide with zones of economic activity, travel-to-work areas, territorial divisions of social partner organisations, areas retained for the implementation of the Structural Funds or other European or national programmes such as the Territorial Employment Pacts.

An important step in the development of a local employment strategy is the establishment of a diagnosis of strengths and weaknesses, opportunities and threats (SWOT) of a territory regarding employment. The EU employment guidelines and the corresponding indicators<sup>42</sup> offer useful guidance on what type of data to collect.

The analysis should make the best use of existing relevant information, and studies. In particular, there is a need to exploit local statistical tools as effectively as possible. The diagnosis can draw on analyses underpinning policies in other fields (social protection, economic development, urban renewal, rural development, gender equality, transport, environment protection etc) and at other territorial levels.

Based on the diagnosis, local players may define a local employment strategy that sets objectives for a determined period, spells the measures for achieving these objectives, allocates human and financial resources for their implementation, identifies responsibilities and makes provision for monitoring progress and evaluating the impact. The EU employment Guidelines can offer a valuable guide for local players in the definition of the content of a strategy.

In setting the objectives, particular attention should be paid to new sources of jobs that can have a positive impact on gender equality by enabling people to reconcile work and private life throughout their lives: the information society, environment, leisure, tourism, local products, welfare and personal services. The strategy has to take into account the policies defined at other levels of decision making than the local level and it should be cast in the context of the National Action Plan for Employment.

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<sup>42</sup> European Commission, Employment policies in the EU and in the Member States, Joint report 2000, Luxembourg 2001, pp. 77-87

Attention should also be granted to the potential to interact at local level with actions under the National Action Plans for Social Inclusion<sup>43</sup>.

## 2.2. The role of local actors in the implementation

The Acting Locally for Employment consultation has given useful indications on how different local players can contribute to local employment strategies.

### A) Local authorities

Local authorities can

- act as **model employers** e.g. through offering their staff further training for instance in ICTs and through organising work so as to make it easier for the personnel to reconcile working and personal lives;
- **help other players** contribute positively to employment e.g. through setting up friendly environments for entrepreneurial activities in sectors where additional jobs can be created, and through simplifying procedures;
- promote **integrated approaches** to employment development through incorporating the employment dimension into all their policies, through instigating or facilitating the setting up and management of partnerships and through using ICTs to promote consultation and active citizenship.
- Ensure that local services are supportive to employment, e.g by providing transport to new industrial centres, transport at flexi-time hours, full day-time child care, etc.

The municipality of Gijón is located in Asturias in the North of Spain. It has a population of 271,320 inhabitants. After experiencing industrial decline it now seeks to become a city of information and knowledge. In 1999, the municipality brought together political parties, trade unions and businessmen in order to apply the European Employment guidelines at local level. Under the leadership of the local government, policies have been combined in order to modernise traditional sectors, to make the public sector more flexible and dynamic, to help the unemployed back into work, and to offer financial and other support to the private sector so that they can invest, grow and generate more and better employment.

### B) Enterprises

- In their capacity **as employers**, they can contribute to all **four pillars** of the EES e.g. they can offer unemployed people temporary on-the-job training and work experience under the employability pillar, they can mentor smaller firms under the entrepreneurship pillar, organise work so as to combine flexibility and security under the adaptability pillar, enhance women's career prospects under the equal opportunities pillar.

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<sup>43</sup> Experience to date under the sequence of EU-funded preparatory actions to combat and prevent social exclusion shows that there is likely to be considerable overlap between the two policy areas, both in terms of the target groups identified and in terms of the actors which participate.

- In their capacity **as partners**, they can help other players improve their own contribution to employment development e.g. through informing training organisations of what skills they will need in the future, they will help them to develop adequate training programmes.
- Their skills in planning, and management can be a valuable contribution to the smooth, efficient running of **partnerships**.

The Berlin-Neukölln Territorial Employment Pact is build on the co-operation between the Local Authorities (Mayor and parts of the administration), politicians at the levels of the district and the Land Berlin, large enterprises and SME`s, retailer organisations, the local employment office, third sector institutions, a big housing company, training institutions and job creation scheme providers. Under the auspices of the Pact, large companies award initial orders to young small business founders, sponsor a new business and growth funds, sponsor special events like the "Start up your own business award" and the "Neukölln Trades and SMEs days" and second employees for the Pact activities. Networking of SMEs is an additional permanent pact activity.

### C) Third system/social economy organisations and NGOs

NGOs can potentially play two different roles in local employment strategies:

- As promoters of third system activities, they can contribute to all four pillars of the EES : e.g. they enhance the employability of disadvantaged people through giving them work experience combined with training, they provide new goods and services to meet unsatisfied needs and create jobs as a result, they tend to involve their staff in the management and they make it easier for women to access the labour market because they offer services that women had formerly to deliver in the domestic sphere;
- As representatives and advocacy organisations on behalf of citizens and groups, NGOs help the **partnership** to be more participatory. Because they pursue a multiplicity of economic and social objectives, they voice the concerns of different groups of citizens, and they are usually close to groups targeted by programmes.

In the Local motion project, the FMI organisation in Denmark organised sports and leisure activities for disadvantaged and elderly people in six localities. The idea was to use sports facilities that are not used by the working population during the daytime. This led to the creation of jobs and a new profession of sports animators.

In underprivileged areas in four major cities : Brussels, Paris, London and Rotterdam, a project led by the Marcel Hicter Foundation demonstrated how artists who start valorising an area, create trends that attract ancillary professions such as printers, carpenters who offer their services to the artists. Cafes, restaurants, delivery services, banks and the press follow, public transport is reorganised, all of which contribute to direct and indirect employment creation and to the revival of a formerly underprivileged area.

*From Third System and Employment pilot action*

[http://europa.eu.int/comm/employment\\_social/empl&esf/3syst/index\\_en.htm](http://europa.eu.int/comm/employment_social/empl&esf/3syst/index_en.htm)

#### D) Social partners

- **at enterprise level**, social partners can contribute to the adaptability and equal opportunities pillars of the EES : e.g. they can promote agreements to achieve the required balance between flexibility and security, and they can improve the quality of jobs
- **at territorial level**, they can contribute to all **four pillars** of the EES : e.g. they can influence the services provided by public employment services and training organisations in particular if they are involved in their management. They can offer organisational back-up for small businesses and valuable local assistance in crisis situations. To promote female career opportunities and to ease the reconciliation of work and family life, they can speed up the implementation of the various directives and social-partner agreements in this field, and see that high quality care services for children and other dependants are provided.

#### E) Public employment services (PES)

- Public Employment Services can act as **model employers** e.g. through offering training to their staff and promoting equal opportunities. In fulfilling their task of matching labour market supply and demand, they can identify local employment opportunities in a proactive way, offer customised and easy-to-access services to users, and use ICTs to improve their service provision and help to reduce the digital gap in the local area;
- **in the local employment strategy process**, they have a key role to play in producing detailed intelligence of the local labour market and business needs. They should experiment new solutions and promote integrated approaches linking unemployment to broader social needs, such as housing, health, culture and education. They can act as interfaces between enterprises and training organisations, and develop links with schools, training institutions, universities, research bodies and with private employment agencies.

#### F) Education and training providers

- contribute in a decisive way to **all four pillars of the EES** : they help the unemployed improve their competencies and all citizens to subscribe to life long education and training, they enhance the entrepreneurial skills of those seeking to set up an enterprise and they give all local players and citizens the necessary skills to act as civic entrepreneurs and active citizens, they help workers upgrade their skills and women improve their career prospects;
- play a vital role through equipping all the players with the necessary competencies to promote local employment in a strategic way.
- The Memorandum on lifelong learning, which launched a wide debate on developing education and training in Europe, had, among its six key messages, that of « bringing learning and learners together » and aimed to improve learning provision at local level. The development of eLearning is one step towards making learning more accessible at local level.

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## **ANNEX 2: SYNTHESIS OF THE CONSULTATION OF LOCAL ACTORS**

In its April 2000 Communication entitled "Acting Locally for Employment - A local dimension for the European Employment Strategy"<sup>44</sup>, the Commission initiated a consultation on how local actors can better contribute to job creation at local level and how the regional, national and European levels can support that process, particularly within the framework of the European Employment Strategy.

The Communication was addressed to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions. Furthermore, in order to encourage all actors concerned to express their views, the Commission directly organised or supported six thematic seminars on the various issues raised by the Communication, thus enabling a large number of actors to be involved in the debate.

The consultation, which was completed in December 2000, was a wide exercise of awareness-raising and brainstorming on the possibilities of local action for employment, and the obstacles hindering that potential. The fact that the debate has run in parallel to the programming phase of the 2000-2006 programming period of the Structural Funds, was an additional element stirring debate.

Moreover, through an open written consultation, a wide variety of players expressed their views: associations of local authorities, individuals, regional and local governments, Third Sector organisations and networks, social partners.

Most participants considered, on the one hand, that the April 2000 Communication was a useful framework for debate, mapping the actors involved and relevant issues. On the other hand, that the Communication was a supportive tool for local actors, and a recognition of the role they play in developing employment, particularly as concerns local authorities.

Main themes:

- The need to respect **the principle of subsidiarity** was underlined, particularly as concerns the introduction of local action plans for employment and ensuring that local action is compatible and consistent with national guidelines and priorities. The possible conflicts between local action and national objectives of labour market policies were also mentioned.
- The consultation procedure and benchmarking of **the Luxembourg process** was generally considered to be a suitable tool, although some actors would have preferred a stronger reference to the regional dimension of the European Employment Strategy (EES). One of the assumptions of the Communication was that the EES provided an appropriate policy framework for local players to integrate the employment dimension in all their actions. It was also assumed that the employment guidelines provided a framework that could be adapted to the local level. Most of the comments agreed with this view, but considered that the specific local employment development guideline was not yet a sufficient basis for local action on employment.

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<sup>44</sup> COM(2000) 196

- **The Committee of the Regions and the European Parliament**<sup>45</sup>, as well as many other actors, consider that both local and regional government organisations should be involved in **drawing up and implementing the NAPs**. In as far as the preparation of the NAPs is concerned, it was suggested that formal consultation processes, briefing sessions and seminars on policy changes should be organised to enable local level involvement and the development of local plans supporting the EES objectives. Some think this involvement should be extended to TSOs.
- **The European Parliament** draft resolution called for **the NAPs to clearly indicate the degree of participation of the local and regional authorities**, as well as the distribution of competencies and responsibilities between the different levels. Some requested further reflection and more clarity as to the respective roles and competencies of the different levels. Risks of fragmentation of the labour markets should be avoided. .
- Most participants in the consultation stressed that local actors should not remain as a mere delivery level. Throughout the consultation, a good number of experiences in developing local employment plans emerged, showing that there is a change from a project - based approach to a more strategic mindset. The regional level can contribute to building the capacity of local authorities and other local actors to develop strategies adapted to their communities' needs. Through all the consultation, there was a general plea from all sides in favour of **co-operation between all decision-making levels**. Further use of "contractualisation" of the relations between the various levels of action was suggested.
- Many reactions underlined that employment policy instruments should not be considered in isolation, and that **employment strategies should be placed within broader strategies for sustainable development**. The consultation has recognised the importance of European-level support for the implementation of the European Employment Strategy at the local level. A useful contribution from the European Union would be to provide the elements that enable the benchmarking, i.e. the comparison against good practices, of local action for employment. Finally, according to some participants, the Structural Funds' administrative procedures should be made more flexible and friendly towards Third System organisations.
- Most comments emphasised **the need for integrated approaches** and for working in partnership. Multidimensional approaches were felt to be particularly needed to tackle social exclusion, which is not caused simply by economic but also by other factors (e.g. cultural, generational, technological, etc.).
- Several contributors also identified **the absence of a gender dimension** in the Communication, and suggested that gender mainstreaming should be built into local development initiatives.
- The consultation stressed **the key role of local authorities** in the area of employment. Responses underlined that local authorities may represent a real driving force in shaping territorial projects, and the partnership approach was particularly mentioned as the institutional framework for such action.
- Many Third System Organisations (TSOs), and some local authorities, mentioned the possibility of introducing **social clauses in public tendering** and contracting out of

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<sup>45</sup> European Parliament resolution A5-0341/2000 of 30.11.2000

services, in order to promote employment, socially responsible firm behaviour and the promotion of TSOs service provision. Many comments addressed the issue of the financing sources of Third System organisations (TSO), since the instability of funding is a major problem for the third sector. Some comments stressed that the third sector requires the same level of assistance and support as SME's, including business planning, financial management, systems development and access to traditional financial instruments.

- As pointed out by the **Committee of the Regions**<sup>46</sup>, **appropriate skills and structures** are a prerequisite for local employment development. In order to perform a strategic role local authorities need a cultural as well as a management and organisational change, to overcome policy fragmentation, foster co-ordination between different areas of competence, co-operate with other players, and adopt more beneficiary oriented approaches.
- Several comments focussed on the key role local authorities can play in promoting **the use of ICT and new modes of learning**, in developing strategies, in providing a clear vision for local players as drivers of local economic growth, and in setting up the conditions for new activities in high tech industries and services.
- Within the context of the knowledge-based economy, **the Economic and Social Committee**<sup>47</sup> suggested that the encouragement of "**territorial training initiatives and agreements**" should aim to enhance cultural awareness, disseminate know-how, introduce the technologies of the information society, encourage innovation in manufacturing and services, and promote professionalism and employability.
- There was a large consensus on **the importance of SMEs** for the development of local employment. However, some participants made the point that the role of large or global enterprises should not be neglected, as they largely structure local employment through subcontracting and supply-chain linkages.
- There was a wide acknowledgement that local strategies should start by creating **an adequate regulatory and support framework for business**. It was also recognised that important regulatory areas are, in general, not within the competence of local or regional authorities (e.g. taxation and social security, labour, company law).
- The issues raised in the Communication on **the Third System** were extensively debated. Many reactions stressed on the need for a common definition and reliable statistics.
- Comments generally confirmed that **the social economy** plays a role in meeting unsatisfied needs in fields such as sport, environment or biological farming. However, it was noted that social economy organisations are involved in all four pillars of the European Employment Strategy and not only in the specific local employment development guideline.
- It was recognised that **the voluntary sector** can play a key role in local employment partnerships, if it is accorded an equal place in decision-making, if its independence is respected, and if the sector itself accepts the responsibility of delivering mutually agreed policy priorities.

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<sup>46</sup> Opinion of the Committee of the Regions of 21.01.2000, CdR 187/2000 final

<sup>47</sup> Opinion of the Economic and Social Committee, CES 1186/2000, Brussels, 18/19.10.2000

- The necessity of **the participation of social partners** in the different networks and instruments of strategic co-ordination at local level was widely acknowledged. Some comments have pointed out that the consultation structures and inter-professional negotiations at the territorial level are weak, and that social dialogue could be more realistic and effective at regional level than local. Difficulties in the co-ordination between the different levels (European, national, regional, local) within the social partners were mentioned.
- Many comments stressed **local public employment services** (PES) should be more proactive and market better their services. On the one hand, they should bring their services closer to those who need them while integrating job search with responses to broader social needs (housing, health, culture, education). On the other hand, they should better respond to the needs of enterprises. Their role as intermediaries in the labour market should not be limited to matching labour supply and demand: PES should also become intermediaries between enterprises and training centres, thus developing further links with schools, training institutions, universities, research bodies and private employment agencies.