

## Equal Report 2. The Emerging Themes

### 1. Background.

1.1. The first set of reports which the Institute of Local Government Studies prepared for each of the 4 Equal Development Partnerships (DPs) – Bridges over Borders, Centenus; Equilibrium; and Wings;– focused on statistical information relevant to the subject area of each DP and specific EU policy and legislative material pertinent to the specific issues of life-long learning; refugees and asylum seekers; the reconciliation of work, family and social life; and women. These reports related all these matters to the labour market focus of the Equal programme and the targets agreed by the EU Council of Ministers in spring 2005 at their Economic Council. Thus, each report stood alone, although together, they made a set which highlighted a significant number of the topics facing those Europeans who are in some way particularly disadvantaged within the labour market.

1.2. In this second Report –four sets are proposed in total – it is our intention to produce a combined report which seeks to address as a whole a range of the issues that the 4 DPs are confronting. Birmingham and its surrounding area is the common thread to all four partnerships, which in total embrace seven countries and fourteen other major cities and regions. Drawn from the projects already underway; the material which each of the partnerships have already prepared; from the meetings we have attended; the study visits undertaken; and discussions in which we have participated, it is evident that there are a clutch of cross-cutting themes which these Equal programmes are addressing. Not every DP is tackling each of these topics. Similarly, this report does not cover by any means all of the issues which each individual DP is addressing. However, that was never the intention of these Birmingham University Inlogov policy reports. Rather, the clear intention has been the desire to highlight the innovative ways in which different Equal programmes are addressing disadvantage in the labour market and the policy issues which arise more generally from this.

1.3. Therefore, it is our intention to consider **eight topics which we see as emerging themes from the 4 DPs**. This report shall explain the policy significance of each theme in relation to the Lisbon agenda; give pen portrait examples of good practice from different partnerships across Europe; and suggest its wider policy implications. Our third set of reports will highlight in more detail how each of the four partnerships within which Birmingham-Solihull are involved are taking forward these topics within their own Equal programmes. Our final report will explore how the joint initiatives and pilot projects undertaken by each DP during autumn 2006 and winter/spring 2007 have responded to the challenges raised by these issues and the extent to which they suggest fruitful avenues for new policy approaches.

## **2. Lisbon Guidelines**

2.1. At the EU Council of Ministers meeting in Lisbon in March 2000 the European Union set itself the ambition of developing as the world's most successful and dynamic economic region within the decade. The period until 2005 proved extremely disappointing in meeting these aspirations. The Council of Ministers meeting in 2005 acknowledged the limited progress that had been made and tried to provide a tighter focus onto growth and jobs by outlining a set of Guidelines with 24 key tasks, the first sixteen relating to broad economic policy and the last eight relating to employment policies. The full guidelines are attached to this report as Appendix A.

2.2. The document as a whole has a strong supply-side emphasis seeking to draw more European citizens into the world of work. Thus the employment guidelines begin by setting as its Lisbon target an overall employment rate of 70% by 2010, with a specific target of a 60% rate for female employment to be achieved by that date. (Guideline 17) The following seven guidelines then outline a range of strategic direction and activities that Member States are expected to pursue in order to achieve these targets.

2.3. Bridges over Borders, Conventus, Equilibrium and Wings have each been tackling a range of issues highlighted by these Guidelines. They have also been conducting applied research into the conditions within their own local and regional labour markets to acquire a more accurate understanding of their diversity and changing character. This Report examines the best practices which the different partnerships have been developing in relation to these Guidelines. From these we have selected eight topics which emerge from a number of different Development Partnerships and where there are potential lessons for policy-makers across the EU. The report seeks to identify the policy lessons to be learnt and spread from these activities at this relatively early stage within these Programmes.

## **3. Tackling Lisbon's Employment Guidelines**

### **3.1. Utilising Information and Communication Technologies to Address Labour Market Disadvantage**

3.11. There is no doubt that the impact of the computer and technology revolution is changing the nature of work and the type, size and location of enterprises. To date, this has been viewed as a largely negative phenomena for those at the bottom end of the labour market. However, this picture is challenged by these Equal DPs. They are all developing initiatives which explore the potential value of ICT for those disadvantaged in the labour market. These activities viewed as a whole represent the most important and valuable policy trends to emerge to date from these programmes.

3.12. The importance of the ICT dimension is expressed succinctly by Elke Beneke, co-ordinator of the Austrian Bridges over Borders partnership. "The computer is like a knife and fork. Women need to know how to use a computer for almost all work except cleaning and caring." Their projects focus

on non-traditional female learners aged over 45 and living in the more isolated parts of Austria. This has led them to focus on mobile ICT workshops for training their users.

3.13. This is just one of countless examples across the 4 DPs that relate to ICT. They increasingly appear to be a key means by which the tasks set in **Guideline 19** can be met. This Guideline calls for active measures to ensure inclusive labour markets including “job search assistance, guidance and training as part of personalised action plans.” The Bridges over Borders DP has responded by developing a digital European CV which will showcase an individual’s skills, abilities, experience and qualifications through video clips and digital photographs, combined with references by tutors and employers. They are designing this for all the cities and regions in their partnership. However, in principle this initiative can be applied to all other disadvantaged segments of the labour market.

3.14. There are a number of DP initiatives which seek to use new technology for similar purposes. Bridges over Borders is creating a website called ‘Learning Voices’ which is designed to showcase good practice and use real life case studies which capture people’s experiences in learning. The Wings DP is developing a trans-national DVD to illustrate the experiences of women pursuing non-traditional forms of employment. The Equilibrium DP is looking to develop an interactive tool which will help small and medium sized companies to develop better and more flexible working styles.

3.15. There is also a new technology dimension to the call in **Guideline 19** for “the development of new sources of jobs in services for individuals and businesses, notably at the local level.” ICT initiatives are being used here by a number of DPs with examples of micro-businesses creating their own websites and using them to build up not only their local trade but also their exports. There are also examples where information and communication technologies themselves are being used as a business sector especially amongst young people trying to find their way into the labour market.

## **3.2. Outreach: Connecting with the most Excluded**

3.21. Guideline 19 also calls on member states to “ensure inclusive labour markets through... the provision of services to support the inclusion of those furthest away from the labour market.” This is an absolutely critical question for politicians, policy-makers and practitioners if the Lisbon goals of growth and jobs are to be achieved. After the advert this might be called the Heineken effect: how can we best reach those people at the bottom end of the labour market.

### **Example One.**

3.22. An outstanding example of good practice here comes from the Concentus DP with its Trellis project in Birmingham. Nobody knows the exact number of refugees that are currently living in Birmingham. What is definite is that more than 7,000 people have registered as refugees at the Government's Job Centres within the city. Experience over the last decade has shown that on their own these mainstream employment agencies are unable to cope with the specialist needs of refugees. That is where Trellis comes in. Its aim is to encourage mainstream employment agencies to be more effective and responsive to the needs of refugees, while also helping specialist refugee advice organisations to work more closely with the mainstream agencies. Trellis acts as the bridge between the two, handling individual referrals, making direct links with employers and embedding more flexibility within the Job Centres in their responses to refugees.

3.23. Their work is a classic outreach story, where a specific, focussed programme reaches those parts of the community which a mainstream agency finds hardest to access. It has got three key components. Firstly, and most importantly, Trellis has a capacity to reach the targeted user group i.e. refugees by employing former refugees themselves drawn from across Africa and the Middle East, with extensive relevant knowledge and expertise across a dozen languages. That means its front-line staff have a rapport with the client group; they can engage with users straight-away and understand a number of the dilemmas and difficulties which they may be facing. And this has clearly helped the clients to make good use of the project. It has also enabled the project to engage with refugee community organisations within the city.

3.24. Secondly, the project has been able to approach employers. Its specialised knowledge means that it can address the concerns and doubts amongst companies and their human resources staff; make the case for the value of refugees as good employees; and set up specific initiatives like work placement schemes, which allow employers to see for themselves the value of engaging refugees while also giving refugees themselves a valuable re-entry route into the labour market.

3.25. Thirdly, a project of this kind can act as the catalyst to transform the mainstream agency. Trellis has raised awareness amongst Job Centre staff; encouraged new flexibilities with the refugee champions in local offices; and thereby made the agency more effective overall. This complementary role – neither subordinate to the mainstream, nor standing separate and apart from it – but rather as an autonomous initiative with its own characteristics but designed to work with and help to adjust the mainstream body has wider lessons for labour market agencies across Europe.

3.26. There are some wider lessons here which policy-makers need to apply across their mainstream programmes and activities.

3.27. This outreach work overlaps with **Guidelines 23** on improving human capital with its stress on enhancing participation in continuous and workplace training throughout the life cycle, especially for the low-skilled and older workers. Within Bridges over Borders both the Learners' Forums project and the Austrian work with older women addresses these issues.

### **3.3. Employers and corporate social responsibility**

3.31. An increasing emphasis in EU thinking has been placed on voluntary codes and the sharing of good practice rather than efforts to achieve legislative agreement and new EU Directives. One prominent example of this relates to Corporate Social Responsibility where the Commission published its most recent Communication on 22nd March 2006.<sup>1</sup> The Communication defines corporate social responsibility (CSR) as a concept where “companies integrate social and environmental concerns in their business operations on a voluntary basis.” Yet the Communication stresses very firmly that “an approach involving additional obligations and administrative requirements for business risks being counter-productive and would be contrary to the principles of better regulation.” Hence, the very firm emphasis that “CSR is fundamentally about voluntary business behaviour.”<sup>2</sup>

3.32. In the Integrated Guidelines for Growth and Jobs 2005-2008 the European Council recommended that Member States should “encourage enterprises in developing their corporate social responsibility.” **Guideline 21** makes the case for “innovative and adaptable forms of work organisation with a view to improving quality and productivity at work.” This is the hard-edged business case for corporate social responsibility.

3.33. There is widespread scepticism about the effectiveness of this approach. One participant at an Adjust the Balance (Equilibrium) seminar expressed the problem clearly. “When I go to a meeting of the Federation of Small Businesses and raise these issues, they just laugh at me.” However, that has not discouraged the Birmingham Adjust the Balance partnership which following discussions with its trans-national partners in Equilibrium has broadened its policy agenda to embrace the corporate social responsibility theme. They have some real practical examples to work with notably from Spain.

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<sup>1</sup> Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility. Communication from the European Commission COM(2006) 136. 22<sup>nd</sup> March 2006

<sup>2</sup> *ibid.* All quotations drawn from Introduction, page 2.

### Example Two.

3.34. Here the Province of Barcelona's work within Equilibrium has already highlighted the value of a systematic approach. Gemma Cortada, the Project Manager for the Provincial Authority of Barcelona, which brings together 311 local authorities with a population of 5 million people has adopted an integrated approach. "We are very pragmatic. We are pursuing this not for ethical reasons but to show companies that it is good business practice for them." Their integrated approach looks at specific areas of company practice – its recruitment and training policy, working time, governance arrangements, relations with suppliers, environmental measures, links to the surrounding community. The aim is that by suggesting practical actions to change the daily operating practices of a company, the SME improves both its economic situation and the working experiences of its staff.

3.35. The project is still at an early stage but an example of employer good practice from the family textile business Avet-Set in Mataro shows the potential. Both the company owners, the Vilseca family, and the staff representatives believe that a social responsibility approach has given them a competitive advantage and enabled them to find niches in the competitive textile market. The company has 95% of its staff on permanent contracts, an extremely high figure for Spain; it pursue a policy of job rotation; has an Innovation committee on which any person in the company can participate; and has set up a local Foundation to support a city Knitwear Museum. These and other responsible practices mean that Avet-Set has very low rates of staff leaving the company for employment elsewhere and has survived in harsh trading conditions being able to export 15% of its output.

3.36. The engagement of a wider number of companies in this study will be particularly important to gauge whether this experience can be generalised. Or indeed, whether it is most effective within certain types and sizes of companies engaged in particular kinds of manufacturing production. In other words, can this CSR approach be applied generally or is it most productive within companies which have distinctive and rich industrial traditions?

### 3.4. Encouraging Women into Business

3.41. **Guideline 17** sets the overall average employment rate for women across Europe for 2010 at 60%. Currently, it stands at 56.3%. **Guideline 18** wants "to promote a life-cycle approach to work ...with resolute action to increase female participation" while ensuring "a better reconciliation of work and private life."

3.42. This is a prominent aspect of several Development Partnerships and is illustrated in other elements of this report. However, with most of the new jobs in the European economy being created in small companies in the service sector it is important to note that at least two DPs have taken initiatives focussed on women into self-employment. Here **Guideline 21** complements the points in Guidelines 17 and 18 when it speaks of "support for transitions in occupational status including to self-employment..."

### Example Three.

3.43. Within the Adjust the Balance (Equilibrium) programme Anne Simper and Anabela Ferreira run The Balancing Act. This project is designed for women who want to set up their own business but have time constraints, primarily arising from child-care responsibilities. Therefore, they generally have time to develop their business activities only in school hours. What The Balancing Act has uncovered is a huge demand in the South Warkwickshire-North Worcestershire area. The Balancing Act offers: an e mail service to subscribers; weekly workshops in school hours on topics such as marketing; time-management; promotion. On average around 40 come to the workshops; and 1:1 sessions in homes or at community venues to develop the woman's business ideas. In nine months 140 women had registered with them and within a year 23 of these women had set up new businesses employing themselves and on occasion other women.

3.44. Thus, this project offers a route into the enterprise market for a specific segment of women. There is a huge untapped resource here. Women who don't have much to lose; are not desperate for the money but who value the self-worth that comes from being involved in economic activity. Generally, The Balancing Act gives new openings to women and enables them to be economically active in a way that fits their life pattern.

3.45. The ISI Initiative in Berlin tackles a radically different segment of the labour market, women migrants and refugees who would like to set up their own business. This is a much more intensive and inevitably more expensive project. As a European Social Fund project it focussed just on women migrants but under the Equal Programme and Concentus Development Partnership it has now taken on a female refugee dimension. The programme provides for a year-long training course improving the German language skills of participants and equipping them in the necessary generic skills vital to the successful development of a business.

3.46. The social character of these two categories of women is completely different. They are at different poles of the European labour market. The catchment area of The Balancing Act is affluent suburbia in contrast to the foreign newcomers to the poorest districts of Berlin. What unites them is that both categories of women need distinct and specific support to enable them to enter or re-enter the labour market as self-employed or business owners. What clearly distinguishes the two categories is the scale, time and intensity of support required.

### **3.5. Challenging the Barriers to Women**

3.51. **Guideline 18** is explicit in calling for "resolute action to increase female participation and reduce gender gaps in employment..." Another dimension to this issue is the diversification of female employment, so that women are able to access jobs across the whole employment spectrum. This is a question of both breadth and depth, women being able to reach outwards into non-traditional areas of employment and to reach upwards into senior positions and thereby break the glass ceiling.

3.52. This has been a key theme of the Wings DP. The different partners have drawn on examples from their own experiences to create a trans-national

DVD. For example, the Birmingham Agender programme shows women engaged in gardening and film-making.

3.53. A major example of a concerted effort to help women into new areas of employment comes from colleagues in Emscher-Lippe, Germany.

#### **Example Four.**

There are two growth sectors within this region: 'New Energy' and 'New Chemistry'. Within the New Energy sector, there are no women employed and the aim of the project is to a) convince employers via incentives to employ women and sustain them and b) develop special qualifications for women in this sector. Therefore, a qualification 'New Energy' has been developed. Training modules for women returning to their jobs have also been developed. In the 'New Chemistry' sector, there are currently many females employed but all in low-level jobs. The aim of the project is to develop a system of qualifications that allows women who are taking time out of working life to raise families to update continually their knowledge or get more/further qualifications during this time in order to promote their return back. The region has therefore set up competence centres and if necessary, learning can be taken to the people (learners), e.g. e-learning. The project at the Hans-Bockler-Berufskollege in Marl is currently centred on developing and testing self-learning units for the (re) integration of women as skilled workers in the above mentioned chemical industry after absences (e.g. maternity leave). Another important aspect is to implement and foster scientific thinking at an early age by e-training nursery school teacher apprentices.

### **3.6. The Value of Flexibility**

3.61. It is a truism amongst analysts and commentators that in an increasingly globalised world, there is a need for greater flexibility within European labour markets. **Guideline 18** speaks of promoting a life-cycle approach to work and achieving better reconciliation of work and private life while **Guideline 21** focuses on promoting flexibility.

3.62. There are indications that each DP is addressing elements of this thinking in their work. The need for flexibility on working hours especially in relation to school timetables and holidays is a theme in a number of projects. The importance of ensuring that people with disabilities are able to undertake economic activity comes out strongly in the Bridges over Borders DP. Integrating citizens whose mother tongue is different from that of the country they are living in is a strong feature of the Concentus DP, while a wider questioning of the modern pace of life and a sense of social time is evident in the work of the Italian and Spanish colleagues in Equilibrium.

### **3.7. Developing Skills for the European Single Market**

3.71. **Guideline 20** has the stated goal to "improve matching of labour market needs through ...removing obstacles to mobility for workers across Europe." The Equal programme is revealing a number of unforeseen or unexpected consequences arising from the rapid development of such an economically and social diverse Single Market.

3.72. Thus, for example, there is the Bridges over Borders project in Northern Hungary cited below.

**Example Five.**

The ERAK training centre is in Miskolc – Northern Hungary and trains unemployed and young people in vocational and related skills. The area has a population of 184 129 – the third largest in Hungary and the unemployment rate stands at 21%. Settlements are scattered and the main industries are mining, wine growing and manufacturing – though the latter is in decline. The centre provides education/training in IT and administration – mostly to mature women. Engineering, welding, carpentry and woodwork training is also offered, alongside a facility for training people with disabilities. They train 2,000 people per year within vocational training programmes and a significant proportion (possibly as much as 30% *and* young males) make their way overseas for improved job prospects.

3.73. This is one example of a wider trend which presents real dilemmas for public agencies. Their role is to develop skills and promote training amongst people in their localities. Yet, if a significant proportion of those trained then disappear from the local or even national labour market, the whole purpose of this activity can be brought into question. The main trend in labour supply flows from East to West. But there are flows the other way. Thus, for the Bridges over Borders project with an entrepreneurial centre in Eastern Bavaria, the issue is the successful trainees who go to set up business over the border in the Czech Republic because it is cheaper.

3.74. On a more disturbing note, the Concentus programme encountered difficulties when it took partners on a study visit to Poland. While the bulk of the partners were waived through passport control, two foreign-born citizens with EU passports – one from a Balkan state, the other of African origin – were initially refused entry at Warsaw airport. Only after four hours delay and payments for additional, time-limited visas were they permitted entry. This was a clear example of a complaint which is frequently raised by people of non-EU origin: that whatever passports and papers they hold, they face persistent harassment and discrimination at borders. This type of behaviour undermines the clearly stated commitments to the free movement across Europe for citizens with EU passports or passports of EU member states.

3.75. We are living in an era of unprecedented global movement. This presents new dilemmas to policy-makers seeking to address weaknesses in their local educational and training infrastructure. Significant differentials in wage, salary and social costs between different parts of the EU mean that initiatives designed to meet a local skill shortage can succeed in addressing that skill shortage but merely contribute to those newly trained workers moving long distances to meet those skill shortages in another Member State. Furthermore, the huge increases in migration within the Single Market - as well as from beyond it – augment the relatively large supplies of labour easily available to employers. This significantly reduces the economic pressure on employers to ensure a stable labour force. In consequence, for those employers focussing on the short-term, the economic case for promoting corporate social responsibility is correspondingly weakened.

### **3.8. Role of Support Frameworks**

3.81. What is already clear from the policy work undertaken to date is that most of those European citizens at the wrong end of the labour market will not succeed if left on their own. They lack the money, connections, contacts and resources to break through unaided. They need support networks. What these DPs have shown is how the creation and development of these networks helps make the European labour market function more effectively. There are two key aspects to this. Firstly, bringing together people and intermediary organisations has helped strengthen their joint capacity to promote their particular client or interest group. Secondly, the self-organisation of people themselves has also had a profound impact.

#### **Example Six.**

3.82. A good example of the importance of bringing agencies together is provided by Perdita Wingerter, the Managing Director of the Bridges into Work Equal project in Passau, Bavaria. Her company (GMBH) was specially created by this programme bringing together the city of Passau, four other neighbouring districts (Kreise), and four technical high schools (Volkshochschule) into a single organisation. It needed the stimulation and prospect of the resources of this Equal programme to overcome institutional and district borders.” We have begun to do this and to get the technical colleges and the semi-private providers of nurse training to work together. It’s a question of economies of scale. We don’t need expensive research. But we need to get the key players together.”

3.83. In Berlin, Ulrich Raiser from the City administration tells a similar story. It was only through the creation of an Equal programme that fourteen separate associations and interest groups dealing with migrants and asylum seekers including the Berlin Senate actually managed to club together. What they are finding as a result is that they can develop common initiatives and projects which help each other and improve the overall situation for their users in the city.

3.84. Getting particular sectors or segments of the labour market to self-organise is also an important element. Within different DPs there are instances of women, people with disabilities, older people and migrants working together to help overcome their difficulties and to develop confidence and esteem together. One particularly interesting example is with refugee community organisations.(RCOs)

#### **Example Seven.**

Abdirahman Ali chairs the Birmingham Aspire project and also runs Afro-British Support Services (ABSS). “There are 180 RCOs in Birmingham: from those with an office to those with a briefcase.” Some are generic such as the ABSS which originally was formed by Somalian refugees in the city. We are an RCO but it is no longer a Somalian defined one.” RCOs are “very variable in their effectiveness and their existence. We are trying to bring RCOs together on the important issues but they have an important local role, for instance with mother tongue teaching and interpreting; Therefore, the RCO movement needs to grow

from below.”

Neither he nor his colleagues are naive about RCOs. There are continual difficulties with their development and often sharp originating from political disputes in the mother country intervene. Yet, as the experience in Para. 3.2. shows they are vital in helping to reach into the furthest recesses and corners of the labour market.

#### **4. Interim Policy Observations**

4.1. The fulfilment of a successful Lisbon strategy is a long-term task for the European Union. The creation of a Single Market of this size, composed of 27 member states with very diverse social and cultural traditions, educational standards, technological proficiency and welfare systems inevitably means that the establishment of fully functioning, optimal labour markets will take decades.

4.2. The purpose of trans-national programmes such as Equal is gain greater understanding of the realities of the contemporary European labour market; to allow experimentation to occur; and test out potential new developments that if applied more widely will help the EU to meet the goals set in its Lisbon guidelines. These sets of policy papers are designed to contribute to that process. Already a number of pointers are clear as to the directions in which policy makers need to go. These are all underpinned by a recognition of the diverse nature of contemporary European society, which means that policy-makers need to be flexible in their approaches.

4.3. Firstly, it is striking that the **importance of information and communication technologies** is a feature of the initiatives being taken across these 14 cities and regions working on four different Equal themes. Too much current thinking about ICT focuses on the top end of the labour market. What this work is showing is that ICT is as important for those at the bottom end too. Initiatives to equip citizens with modern technology, for example via mobile ICT workshops; to feel comfortable with new ICT tools – wi-fi and websites; indeed as in one Equal partnership to enable users to have a personalised, digitalised CV. The work of these Equal DPs suggest that there is a real appetite and potential for ICT initiatives to reach across gender and generations. However, the digital divide will not disappear on its own account. There is a need for a concerted effort by policy-makers to maximise its potential amongst disadvantaged sections of the labour market.

4.4. Secondly, a common strand across the different programmes is the **attention and initiatives being addressed to women**. The growing participation of women in the world of work is probably the most distinctive

change in the European labour market over the last two generations. Our first set of reports touched on this. The pace of change varies across the EU but the overall trend is clear. As EU Communications and Directives have made clear this has major implications for the world of reproduction as well as the world of production and there have been significant proposals on the reconciliation of the two. These four Equal DPs show the variety of ways in which different cities and regions are seeking to adapt their labour markets and economic activity to enable a continued and fuller participation of women in the world of work, employment and business. (see especially Paras.3.4. and 3.5.) Again, this is an area where policy-makers and practitioners have to recognise that one size does not fit all and that they need to develop specific programmes that fit the particular needs of women at different stages of their life as well as initiatives that can develop female potential.

4.5. Thirdly, 21<sup>st</sup> Century Europe is an increasingly networked society. The well-off and the well-educated generate these connections spontaneously: the disadvantaged do not. Therefore, it is all the more important that they have organising frameworks within which they are able to operate. Herein lies the **importance of intermediary organisations which can give voice and opportunities to disadvantaged communities**. A significant number of the organising partnerships within these Equal programmes have given shape and coherence to their specific subject area where none previously existed. Several project co-ordinators have stressed how this is one of the most important and innovative aspects of the Development Partnerships. (see paras.3.82. and 3.83.) This relates to the diverse reality of contemporary European society. For policy to be effective in responding to modern realities, it has to take account of different interest groups and geographies and allow and indeed encourage flexible responses to those realities.

4.6. Fourthly, this study emphasises the need to support one specific component of this - **self-organisation**. In modern society one size does not fit all. Young people, migrant communities, women, people with disabilities, refugees and others: all need the opportunity to be able to organise themselves, develop self-confidence and make progress. This policy approach will be controversial in some parts of Europe, especially France but it is not a policy of separate development. Rather self-organisation helps these disadvantaged groups to engage more effectively within society as a whole.<sup>3</sup> Policy-makers and practitioners should endorse this approach wholeheartedly and agencies should embed it in their policy and funding strategies.

4.7. Taking the approach outlined in 4.5 and 4.6 together can help engage those groups that normal mechanisms are unable reach. It can significantly increase, those undertaking learning and those wanting to access the labour market. This will help in three ways. For the groups concerned it will increase their activity rates: for the cities and regions it will increase economic activity

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<sup>3</sup> For an example of the shift in German thinking see *Zuwanderer in der Stadt. Immigrants in the City: Recommendations for Urban Integration Policy* Schader Stiftung, Darmstadt 2005. especially Summary pp.62-66.

where they live; and for the EU and member states it helps to maximise the overall productivity and economic engagement of its citizens.

4.8. There are other indications of the potential to be unearthed within Europe's labour markets if specific and focussed initiatives are undertaken. These Equal programmes show the potential and the next series of reports will explore these in greater depth for each of the four subject areas.

4.9. It is clear that the EU needs to consolidate on these valuable initiatives so that the policy lessons arising out of these Equal programme are sustained in the on-going European Social Fund programmes for the period 2007-2013. There are already worrying signs that the innovative and experimental capacity of Equal is being submerged as it is mainstreamed into these ESF programmes and that the wider policy lessons are not being effectively incorporated. **The points above form a check-list against which to monitor national and regional ESF programmes for the 2007-2013 period.** These dimensions should feature strongly in all these ESF programmes which should also include exchange of experience programmes so that disadvantaged groups can continue to learn good practice by linking to counterparts in other parts of the Single Market.

4.10. This point about drawing on the innovation and experimentation of Equal and its wider policy significance applies as much, if not more so, to the **mainstream Member State agencies** with responsibilities for training, skills and employment. This is where the most substantial budgets lie. These agencies need to take on board the main findings of studies such as this one.

4.11. These Equal Development Partnerships are revealing a rich mixture of initiatives designed to tackle the difficulties faced by many people in Europe at the lower end of the labour market. The next set of reports will explore these initiatives in more detail while the final cross-cutting report will pull the threads together and indicate the overall policy steps which local, regional, national and EU policy-makers and practitioners could take to ensure that the EU Employment Guidelines are achieved.

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## Appendix A

### Broad Guidelines for the Economic Policies of the Member States and The Community (2005-08)

#### Guideline No 17

*Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion.* Policies should contribute to achieving an average employment rate for the European Union of 70 % overall, of at least 60 % for women and of 50 % for older workers (55 to 64) by 2010, and to reduce unemployment and inactivity. Member States should consider setting national employment rate targets.

#### Guideline No 18

*Promote a life-cycle approach to work, through:*

- a renewed endeavour to build employment pathways for young people and reduce youth unemployment, as called for in the European Youth Pact;
- resolute action to increase female participation and reduce gender gaps in employment, unemployment and pay;
- better reconciliation of work and private life and the provision of accessible and affordable childcare facilities and care for other dependants;
- support for active ageing, including appropriate working conditions, improved (occupational) health status and adequate incentives to work and discouragement of early retirement;
- modern social protection systems, including pensions and healthcare, ensuring their social adequacy, financial sustainability and responsiveness to changing needs, so as to support participation and better retention in employment and longer working lives.

*See also integrated guideline 'To safeguard economic and fiscal sustainability' (No 2).*

## Guideline No 19

***Ensure inclusive labour markets, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people, and the inactive, through:***

- active and preventive labour market measures including early identification of needs, job search assistance, guidance and training as part of personalised action plans, provision of necessary social services to support the inclusion of those furthest away from the labour market and contribute to the eradication of poverty;
- continual review of the incentives and disincentives resulting from the tax and benefit systems, including the management and conditionality of benefits and a significant reduction of high marginal effective tax rates, notably for those with low incomes, whilst ensuring adequate levels of social protection;
- development of new sources of jobs in services for individuals and businesses, notably at local level.

## Guideline No 20

***Improve matching of labour market needs, through:***

- the modernisation and strengthening of labour market institutions, notably employment services, also with a view to ensuring greater transparency of employment and training opportunities at national and European level;
- removing obstacles to mobility for workers across Europe within the framework of the Treaties;
- better anticipation of skill needs, labour market shortages and bottlenecks;
- appropriate management of economic migration.

## Guideline No 21

***Promote flexibility combined with employment security and reduce labour market segmentation, having due regard to the role of the social partners, through:***

- the adaptation of employment legislation, reviewing where necessary the different contractual and working time arrangements;
- addressing the issue of undeclared work;
- better anticipation and positive management of change, including economic restructuring, notably changes linked to trade opening, so as to minimise their social costs and facilitate adaptation;
- the promotion and dissemination of innovative and adaptable forms of work organisation, with a view to improving quality and productivity at work, including health and safety;
- support for transitions in occupational status, including training, self-employment, business creation and geographic mobility.

*See also integrated guideline 'To promote greater coherence between macroeconomic, structural and employment policies' (No 5).*

## Guideline No 22

### ***Ensure employment-friendly labour cost developments and wage-setting mechanisms, by:***

- encouraging social partners within their own areas of responsibility to set the right framework for wage bargaining in order to reflect productivity and labour market challenges at all relevant levels and to avoid gender pay gaps;
- reviewing the impact on employment of non-wage labour costs and where appropriate adjust their structure and level, especially to reduce the tax burden on the low-paid.

*See also integrated guideline 'To ensure that wage developments contribute to macroeconomic stability and growth' (No 4).*

## Guideline No 23

### ***Expand and improve investment in human capital, through:***

- inclusive education and training policies and action to facilitate significantly access to initial vocational, secondary and higher education, including apprenticeships and entrepreneurship training;
- significantly reducing the number of early school leavers;
- efficient lifelong learning strategies open to all in schools, businesses, public authorities and households according to European agreements, including appropriate incentives and cost-sharing mechanisms, with a view to enhancing participation in continuous and workplace training throughout the life cycle, especially for the low-skilled and older workers.

*See also integrated guideline 'To increase and improve investment in R & D, in particular by private business' (No 7).*

## Guideline No 24

### ***Adapt education and training systems in response to new competence requirements, by:***

- raising and ensuring the attractiveness, openness and quality standards of education and training, broadening the supply of education and training opportunities and ensuring flexible learning pathways, and enlarging possibilities for mobility for students and trainees;
- easing and diversifying access for all to education and training and to knowledge by means of working time organisation, family support services, vocational guidance and, if appropriate, new forms of cost-sharing;
- responding to new occupational needs, key competences and future skill requirements by improving the definition and transparency of qualifications, their effective recognition and the validation of non-formal and informal learning.