

Baseline Study For JobTown

An **URBACT II Thematic Network**



Connecting cities
Building successes



October 2012, Ian Goldring, Lead Expert

ProjectWorks Association

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State of the Art

“For young Europeans, the situation is bleak.”

– László Andor, European Commissioner, 18 July 2012

“Bleak”, the Commissioner for Employment, Social Affairs and Inclusion certainly didn’t mince his words; so what is to be done?

Urbact is about cities, so, more specifically, what can *cities* do to provide more and better jobs and opportunities for our young people?

Where will new jobs come from? How well prepared are young people to get and keep these jobs? What are the challenges and opportunities?

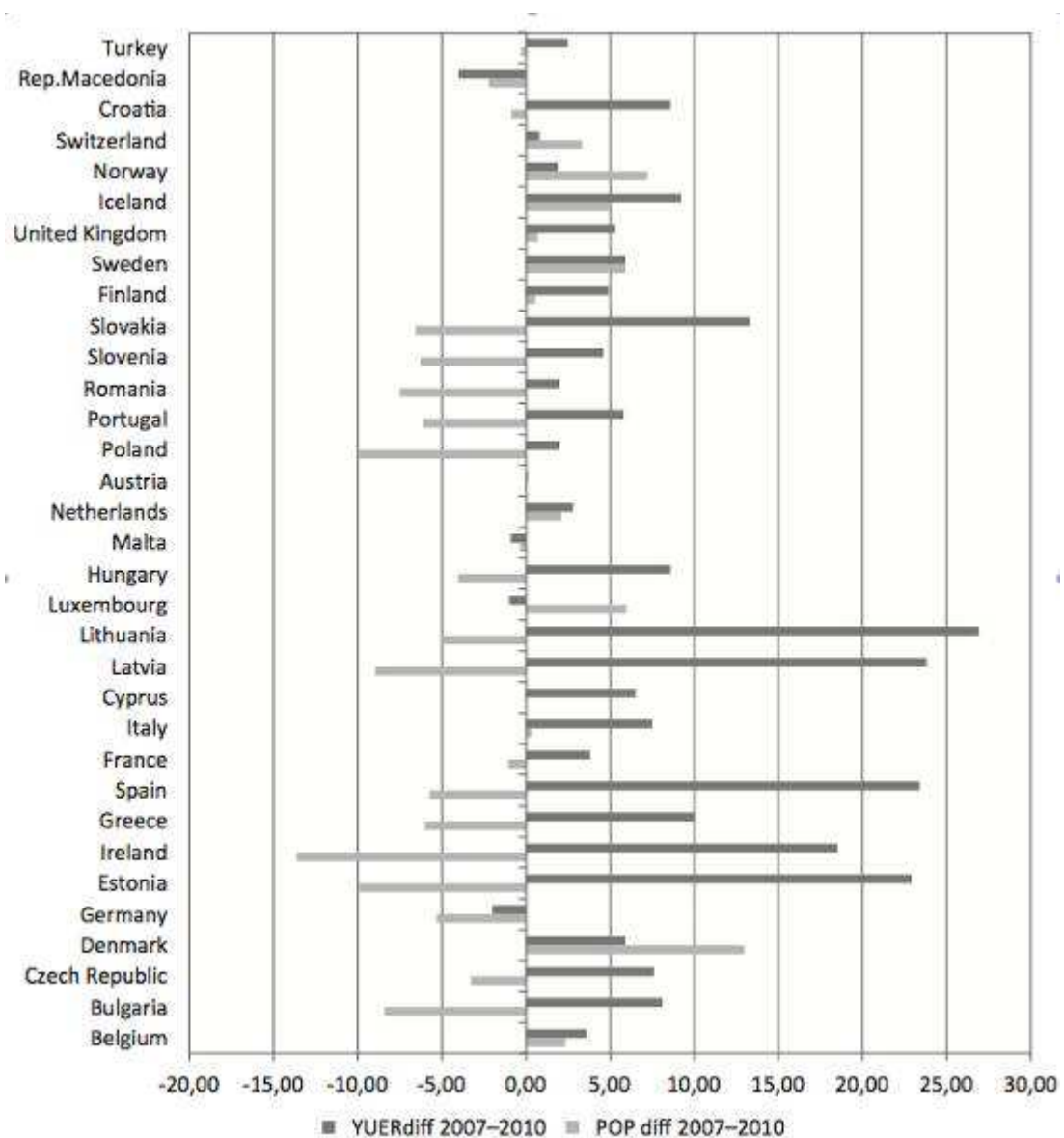
The JobTown Thematic Network will address these fundamental questions.

“Quality employment is at the heart of our macroeconomic policies. Jobs with labour rights, social security coverage and decent income contribute to more stable growth, enhance social inclusion and reduce poverty. We therefore endorse the recommendations of our Labour and Employment Ministers to urgently combat unemployment through appropriate labour market measures and fostering the creation of decent work and quality jobs, particularly for youth... who have been severely hit by the economic crisis. We **reaffirm our commitment to youth** to facilitate their access to quality jobs, which will boost their life prospects”

G20 Los Cabos Summit, Leaders Declaration (emphasis added),
19th June 2012

Youth Employment and Opportunities

Youth population & youth unemployment in European countries, change 2007-2010



Hans Dietrich, Youth Unemployment in Europe, Theoretical Considerations and Empirical Findings, based on Eurostat and author's calculations

- Note: in most cases youth unemployment is outgrowing youth population growth and in many cases population is decreasing while unemployment is increasing.

The current situation globally and in Europe:

“At 12.6% in 2011 and projected at 12.7% in 2012, the global youth unemployment rate remains at least a full percentage point above its level in 2007. Nearly 75 million youth are unemployed around the world, an increase of more than 4 million since 2007. Medium-term projections (2012–16) suggest little improvement in youth labour markets. **By 2016, the youth unemployment rate is projected to remain at the same high level... In the Developed economies & European union... little progress has been made in rolling back the impact of the global economic crisis... apart from the immediate negative economic and social effects of high youth unemployment, it is important to consider its detrimental effects on future employability and wages.**¹”

Youth unemployment matters.

Across developed and emerging economies, the young are being left behind as never before. And once a gap emerges, it tends to be persistent and difficult to close...

Many worry that the resulting policies are not enough to prevent a lost generation, given the scale of the crisis. And a slowing global economy could only add to the headwinds.

The statistics are alarming. In crisis-hit Europe, the rates of under-25 joblessness are the highest since the OECD began recording it.

– *The Financial Times*, July 2nd 2012

– International Labour Organisation

| Youth unemployment rates 2000 and 2007–2016, by region (%) (p = projection) | | | | | | | | | | | |
|--|------|------|------|------|------|------|-------|-------|-------|-------|-------|
| | 2000 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012p | 2013p | 2014p | 2015p | 2016p |
| WORLD | 12.7 | 11.6 | 11.7 | 12.6 | 12.7 | 12.6 | 12.7 | 12.7 | 12.7 | 12.7 | 12.7 |
| Developed Economies & European Union | 13.5 | 12.5 | 13.3 | 17.3 | 18.1 | 18.0 | 18.0 | 17.7 | 17.2 | 16.5 | 16.0 |

Source: ILO, Global Employment Trends for Youth 2012, May 2012

| Unemployment rates by educational level, 2000 and 2010 (%) | | | | | | | | | | |
|---|-------------------------|-----------|----------|-------------------------|-----------|----------|-------------------------------------|-----------|----------|--|
| Country (only JobTown participants included) | Unemployment rate, 2000 | | | Unemployment rate, 2010 | | | Change, 2000–10 (percentage points) | | | |
| | Primary or less | Secondary | Tertiary | Primary or less | Secondary | Tertiary | Primary or less | Secondary | Tertiary | |
| Cyprus | 6.3 | 5.4 | 2.9 | 7.2 | 6.3 | 5.6 | 0.9 | 0.9 | 2.7 | |
| France | 15.3 | 9.1 | 5.5 | 15.4 | 8.7 | 5.5 | 0.1 | -0.4 | 0.0 | |
| Germany | 12.6 | 7.9 | 4.3 | 14.9 | 6.9 | 3.1 | 2.3 | -1.0 | -1.2 | |
| Greece | 9.2 | 15.1 | 8.1 | 12.5 | 14.4 | 9.8 | 3.3 | -0.7 | 1.7 | |
| Hungary | 11.5 | 6.4 | 1.4 | 24.9 | 10.5 | 4.7 | 13.4 | 4.1 | 3.3 | |
| Italy | 12.1 | 10.6 | 6.1 | 10.3 | 7.9 | 5.7 | -1.8 | -2.7 | -0.4 | |
| Poland | 21.8 | 17.0 | 5.5 | 17.6 | 10.5 | 5.0 | -4.2 | -6.5 | -0.5 | |
| Portugal | 3.9 | 4.8 | 2.8 | 11.8 | 11.3 | 7.2 | 7.9 | 6.5 | 4.4 | |
| Spain | 15.2 | 13.8 | 10.9 | 27.3 | 19.2 | 11.3 | 12.1 | 5.4 | 0.4 | |
| United Kingdom | 8.8 | 5.0 | 2.5 | 13.7 | 8.2 | 4.1 | 4.9 | 3.2 | 1.6 | |

Source: ILO (2011), *Key Indicators of the Labour Market*, 7th edition

¹ ILO, Global Employment Trends for Youth 2012 (emphasis added)

“Temporary employment and part-time work: Transition or trap?”

... Many youth are trapped in low-productivity, temporary or other types of work that fall short of their aspirations and that often **do not open opportunities** to move to more permanent, higher-productivity and better-paid positions.

In developed economies, youth are increasingly employed in **non-standard** jobs and the transition to decent work continues to be postponed. The growth of temporary employment and part-time work in the past decade, in particular since the global economic crisis suggests that this work is increasingly taken up because it is the **only option** available... in the European union youth part-time employment as well as youth temporary employment has grown faster than adult part-time and temporary employment both **before and during** the economic crisis.

The trend towards an increasing incidence of temporary contracts has fuelled the debate over labour market flexibility in general, and labour market duality in particular. Although the evidence on the impact of employment protection legislation (EPL) on aggregate employment/unemployment levels is inconclusive, EPL could affect the position of particularly vulnerable labour market groups such as young people. A partial (dual-track) reform strategy of EPL – involving labour market reforms only at the margin and for new hires while leaving the employment security entitlements of incumbent workers unchanged – could have been felt **disproportionately by youth**. In addition, the trend towards shorter tenure among young workers in many European countries could be due to the combination of easing in the legislation governing dismissal costs and procedures of regular contracts (and not of temporary contracts) with the **weak individual bargaining power of young people.**”

– ILO, Global Employment Trends for Youth 2012 (emphasis added)

The EU agency, European Centre for Development of Training (CEDEFOP) on skills requirements in the European labour market:

- “The occupational structure of Europe is moving towards **knowledge and skill-intensive jobs**”.
- “There is a need to know more about what people really know and are able to do in particular jobs”. For that “greater use of **validation of non-formal and informal learning** as well as lifelong **guidance** could support a better match of skills and jobs”
- “**Upskilling** is not just something that allows people to get a better job: it is also what enables them to **shape the jobs of the future** and thus actively contribute to an innovative economy”.

– CEDEFOP, briefing note Jobs in Europe to become more knowledge-and-skills-intensive

The agency forecasts that:

- “High and medium qualified workers will still have relatively better chances of getting better jobs than those with low formal qualifications” because the demand is less than expected before the recession “there will be increased deployment of **higher and medium-qualified people in jobs that used to require lower skills level**”
- The overall number of **jobs employing highly-qualified** people is projected to **rise by almost 16 million** between 2010 and 2020, while the number of **jobs employing people with low** (or no) formal qualifications is expected to **decline rapidly by about 12 million**. Jobs requiring intermediate qualifications are expected to increase by almost four million.

– CEDEFOP report “Skills supply and demand in Europe- medium term forecast up to 2020”

Pre-crisis

Summary:

For a decade or so, young people's experiences of employment has been, characterised by **precariousness**, a **hollowing out** of opportunity for quality employment, a lengthening **yo-yo** trajectory in and out of short-term work, unemployment and training or education, and growing ranks of **NEETs** and Zero Status young people across Europe, not engaged in any kind of work or learning and without any significant personal project for the future.

Before the current crisis, youth unemployment in Europe was **already high**, and above the OECD average². Pre-crisis, youth unemployment was typically absorbed with **precarious**, short-term employment contracts. These jobs were usually the **easiest to eliminate** when the recession hit. Likewise, previous to the economic downturn, **low-skilled** young people already faced a significant risk of being either unemployed, or stuck in low-quality, low-paid work³.

The OECD⁴ calculates that, between 2005-07, at least one in five young people aged 15-29 in Europe were at risk of experiencing poor employment prospects, and breaks this group down roughly into 2 subgroups, who in the decade prior to the financial crisis (their numbers have only increased with the crisis) were already more "at risk of poor employment outcomes":

- **'Left behind youth'** - 55%: youth who **do not enter** the labour market. They often lack a diploma, come from an immigrant/minority background and/or live in disadvantaged/rural/remote areas.

"School-to-work or training-to-work transitions tend to take the form of a chain of temporary episodes of training, education, compulsory or voluntary military or civilian service, labour market schemes or other temporary activities, frequently within an institutional framework characterised by fixed entry dates, outside the market and **oblivious to its requirements**...

Young people undergoing such a trajectory accumulate **little experience** of job search and **do not develop a clear picture** of what kind of job and/or what income they should be aiming for...

Furthermore, young people tend to have fewer resources than older workers and in some countries a strong financial attachment to the family, which means that they are **less mobile**...

Data... reveals a pattern of **turbulence for youth unemployment rates over the past two decades**... To take some examples, the youth unemployment rate in Finland was about 9.3% in the early 1990s, peaked in 1994 (34%), oscillated around 21% in the early 2000s, improved to 16% before the recession and returned to 21% in 2010. A similar story may be told about Spain: the country entered the 1990s with a 45% youth unemployment rate, the rate fell to 22% in 2000 and reached 46% again by 2010. By contrast, Denmark entered the 1990s at around 13%, falling to 7% in 2000 and rising again to 13% in 2010."

– **Hans Dietrich**, Youth Unemployment in Europe, Theoretical Considerations and Empirical Findings (emphasis added)

² Lowrey, Europe's New Lost Generation. Young Europeans are facing the worst job market in years -- and that has some scary implications now and down the road, Foreign policy, (July 13, 2009). www.foreignpolicy.com

³ Froy, Giguere, *Putting in Place Jobs which Last, A Guide to Re-Building Sustainable Employment at the Local Level*, OECD LEED programme, OECD, http://www.oecd.org/document/23/0,3343,en_2649_33956792_44464727_1_1_1_1,00.html

⁴ OECD, Off to a good start? Jobs for Youth

- **'Poorly integrated new entrants'** – 45%: This group faces significant barriers to find **stable employment**. They often have qualifications, **but not the adequate skills** to secure a stable job and they frequently go back and forth between temporary jobs, unemployment and/or inactivity, even during periods of strong economic growth.

Young People's experiences of employment⁵

At the present time and throughout the last decade, youth workers have been operating in a labour market where – with differing intensities depending on where – young people's experiences of employment have been increasingly marked by the following characteristics:

- Young people's transition into the labour market is happening **later**; young people study longer or simply do not find steady jobs. They leave their parent's home later, compared to the 1950s and a few decades following, where "most young people would have attained most of the traditional markers of adulthood by their mid-twenties⁶".

"(UK) Joblessness among the young has been growing since 2004, which suggests a deeper problem. **'Structural youth unemployment is probably close to the 9-10%** rate observed prior to the recession and is likely to persist even when the demand for labour eventually picks up,' said John Philpott of the Chartered Institute of Personnel and Development.

Some blame immigration... Outside London, the **number of young people out of work tends to be highest where immigration is lowest.**

Academic studies in general have found **little impact on jobs as a result of the minimum wage.**

Employers and the government tend to emphasise a **lack of skills and preparedness for work among school leavers, coupled with rising demand for higher-skilled labour,** though it is not clear that this has worsened since 2004...

John Van Reenan of the London School Economics suggested it started rising in 2004 in large part because **job centres shifted their focus from young people...** (and) put fewer resources into making sure **under-25s had regular access to a careers adviser in a job centre."**

– *The Financial Times*, Nov. 16 2011 (emphasis added)

- **Young people outside classical target groups of inclusion policies are having difficulties** entering the labour market and problems leading to disadvantage arise at various points in their transitions. Thus, practitioners are having to address a broader scope of young people, and take into account a more complicated developmental trajectory towards adult autonomy, as there are a variety of points at which a process of exclusion can start.

- In deindustrialised labour markets, there is evidence that young people's experiences of employment are that of repeated and long-term engagement with **'poor work'**. A study drawing on the findings of qualitative research projects with young adults who grew up in

⁵ Goldring, Guidoum, Inclusion Through Employability, Youth Work Approaches to Unemployment

⁶ Iacovou, Aassve, Youth poverty in Europe

poor neighbourhoods in the North East of England but who do not describe themselves as excluded or disconnected from the labour market, highlights 3 characteristics:

- Though they had a lots of work experience it was in jobs which were insecure and with few decent opportunities.
- They experienced a succession of poor jobs, contributing to an experience of poverty and social exclusion.
- They saw few opportunities to “secure the sort of ‘respectable’ working class jobs undertaken by their parents and grand-parents⁷”.

This type of experience is all too common across Europe. In countries like Poland, manufacturing sector decline and the increasing demand from the service sector has generated a “hollowing out” of the youth labour market – by polarizing jobs into “professional and advanced technical sectors” at the top end, and unqualified jobs in the service sector at the lower⁸.

- Increasing numbers of young people are experiencing what is referred to as “**yo-yo**” trajectories – finding themselves alternating between autonomy and dependence, between training, education and employment without being able to secure a stable entry into the labour market⁹.
- Despite differences across the EU regarding factors leading to disadvantage in the transition into the labour market – e.g. incidence of early school leaving, rates of unemployment, of long-term unemployment, and so on – one common trend, identified in a survey across 13 member states, is the high precariousness of youth employment, where various forms of precarious work can serve to extend disadvantage after entry into the labour market. This precarious work takes the form of temporary contracts (Spain, Poland, Finland, Slovenia), part-time work (Denmark) and undeclared work (Greece, Italy)¹⁰.
- **NEETs** – young people not in education, training or employment, who may not be registered in employment agencies, often also referred to as the ‘status zero’ – are at particular risk of exclusion in most European countries¹¹. Statistics and means of measurement vary, but the EU calculates that more than one third of European young people aged 15-24 are NEETs. The UK calculates it has the highest proportion of NEETS in Europe, 1 in 10 of 16 years old followed by France with 1 in 14 and Germany with 1 in 23. In some parts of Europe, such as Hungary and Romania, being NEET may be linked with being Roma.

⁷ Shildrick, Poor Work and Social Exclusion

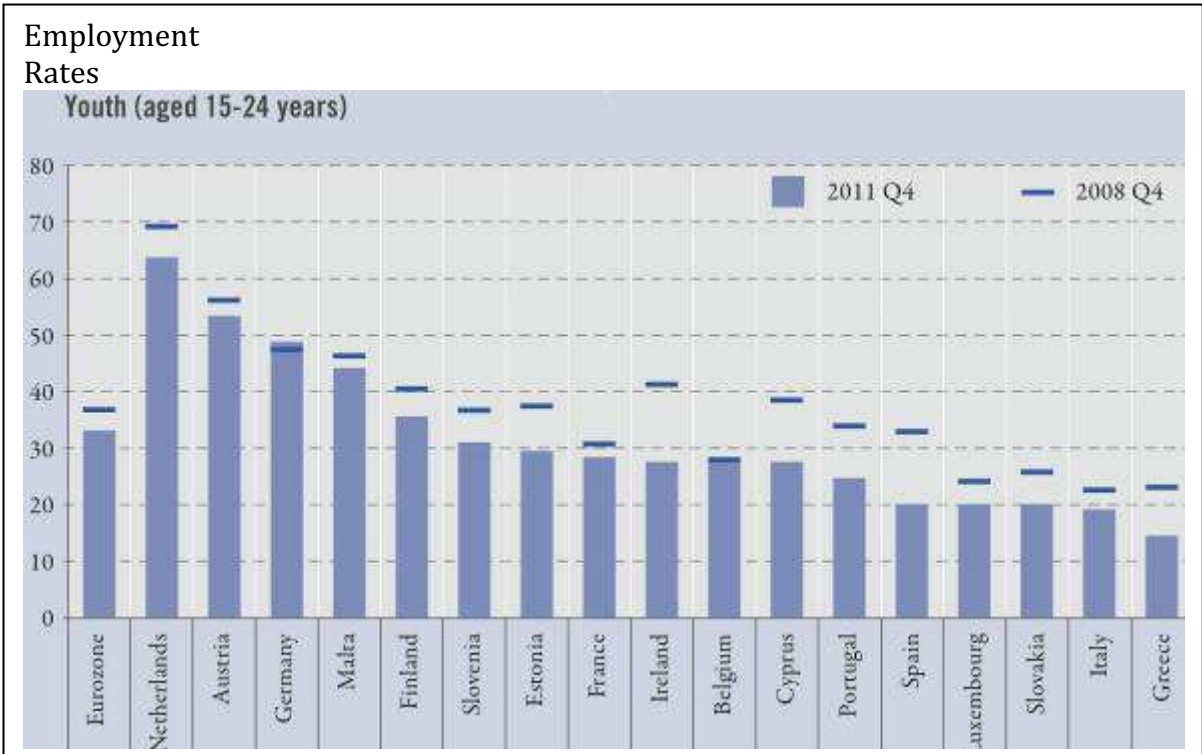
⁸ Musiala, Youth Employment – The Polish Regulations

⁹ Council of Europe, Disadvantage in youth transitions: constellations and policy dilemmas. Kovacheva and Pohl

¹⁰ Council of Europe, Disadvantage in youth transitions: constellations and policy dilemmas. Kovacheva and Pohl

¹¹ EU Youth Report, 2009

For instance, the Hungarian municipality of Nagykovács calculates about 70% of local NEETs to be Roma¹².



¹² InteGROW Baseline Study, Urbact

Crisis

Summary:

The current economic crisis has hit young people particularly, in some cases extremely, hard and deeply exacerbated already existing youth unemployment and poor employment, particularly for unskilled and excluded youth. An irony of the crisis is that it has served to highlight already existing problems – by pushing them to a glaring extreme.

For those dealing with young people, all this means that they will have to operate in circumstances where fewer jobs and resources are available – with differences of degree depending on where.

Also, it is increasingly likely they will have to address structural long-term unemployment and poor employment, with all the consequences of scarring and social fallout that entails.

“The recession is taking its heaviest toll on Europe’s young people, and some say that this amounts to a youth employment crisis... At 22.4%, the unemployment rate for people under 25 is more than twice the rate for adults... we have a staggering 5.5 million unemployed young people in the EU - and the long-term unemployment rate is rising.

And those young people who have managed to find jobs face other hardships.

They are over-represented among **temporary** workers - with 42% on temporary contracts, compared to a rate for all ages of 13.9%. Many young people work part-time - sometimes by choice, more often for lack of an alternative. 29% are part-time workers, compared with 18.5% for all ages...

(youth unemployment) is over 30% in eight Member States, and in Spain and Greece it is over 50%. That is **an alarming situation.**”

– **László Andor**, European Commissioner, 18 July 2012 (emphasis added)

Across Europe, **young people have been the hardest hit** by the present economic crisis; they have the highest unemployment rates and are the first to go when firings begin. In June 2012 Eurostat figures show **25,112 million** unemployed in the EU27, of whom **5.472 million** were young people (under 25 years old).

In some parts of Europe the impact has been enormous in scale – outstanding are Spain, at 52.7% in June 2012 and Greece, at 52.8% in April 2012. Youth unemployment has been increasing since the first quarter of 2008 at a faster pace than the overall unemployment rate reaching **22.6%** in June 2012¹³. In

In the first quarter of 2011, the unemployment rate for young people (aged 15 to 24) was 17.4% in the OECD area compared with 7% for adults (aged 25 and over).

– Angel Gurría OECD Secretary-General, Opening remarks, Sept. 15 2011

¹³ Eurostat

each EU country, youth unemployment rates are significantly higher than the total unemployment rate.

Key points, July 2012 International Labour Organisation report 'Eurozone job crisis: Trends and policy Responses':

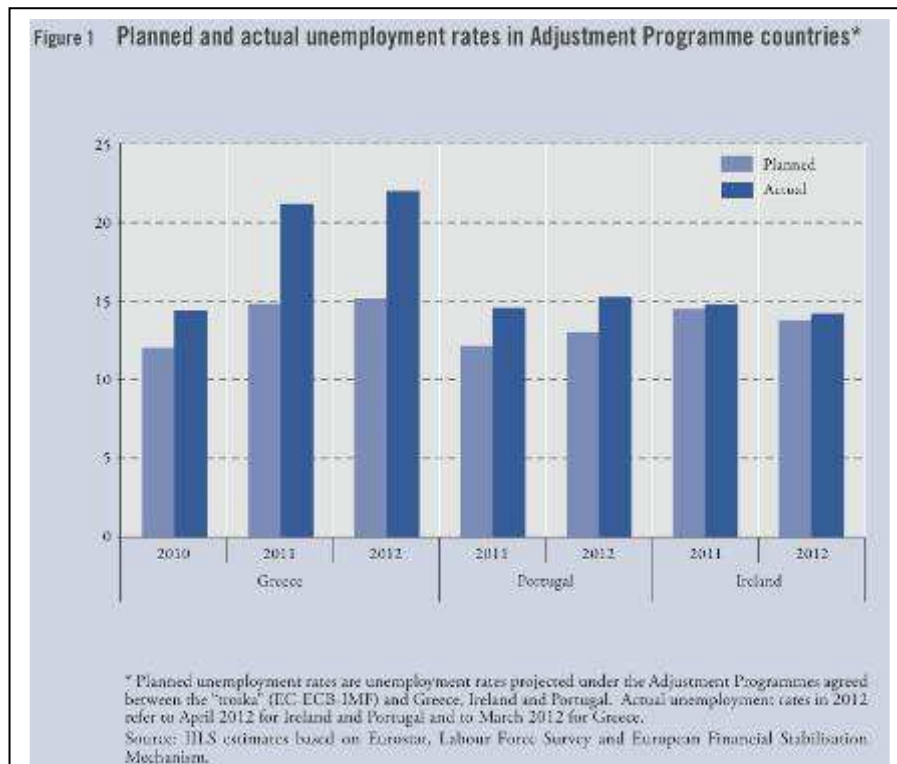
- “Employment remains depressed in the majority of Eurozone countries... and a further **4.5 million jobs may be lost**”
- April 2012, Eurozone youth unemployment rate was **over 22%**, over 30% in Italy, Portugal and Slovakia, and over 50% in Greece and Spain. “Youth unemployment rates also remained relatively high in successfully performing countries, such as Belgium and Malta.”
- “Labour markets in the Eurozone have **not yet recovered from the global crisis that hit the world economy in late 2008.**” Total employment is 3.5 million lower than pre-crisis. “**Employment has fallen since the start of 2012** in half of the Eurozone countries for which recent data are available.” April 2012, Eurozone unemployment reached 11% – about 17.4 million people. “Job losses were especially acute in southern Europe”
- “The **quality of jobs has deteriorated** as well, even in many of the relatively **successful** economies.”
- Things may be getting even worse; “mounting evidence points to the fact that a **prolonged labour market recession** may be in the making.” Long-term unemployment is rising; many workers are becoming excluded from the labour market. Early 2012: about 31.5% of Eurozone working-age population was unemployed or inactive –1.5 percentage points up from 2007. 44% of jobless were unemployed for over a year.
- “**Austerity** measures currently implemented in a wide range of developed economies bode ill for a quick recovery of youth labour markets.” Fiscal austerity means big cuts for public investment and pro-employment programmes, which directly affects domestic demand. Negative impact of austerity has outweighed positive effects on demand, creating an overall **recessionary** effect. Widespread austerity negates the potential for **exports** to compensate much (i.e. falling demand everywhere in Europe means export cannot pick up slack).
- **Labour market flexibility** reforms (typically easing dismissals) in 13 of 17 Eurozone countries, in a depressed macroeconomic context, are conducive to **more lay offs in the short-term** with any potential benefits mostly more long-term. Many young people are increasingly trapped in **non-standard and/or unstable** employment due to economic crisis and labour market reforms. “The effects of **employment protection legislation reforms** have been felt **disproportionally by young workers.**”
- **Credit crunch** reduces job creation: “banks have not resumed their normal role of providing loans to the real economy. In 2011, private investment as a percentage of GDP fell in all Eurozone countries except one, despite low interest rates and the ample liquid assets held by large

firms. The trend is especially problematic for **small firms**, which account for over two-thirds of employment in the Eurozone.”

- “Given the significant slowdown in economic growth, job destruction has not been as severe as could have been feared... enterprises may have been **retaining staff in the hope that economic conditions will improve**. However, if these expectations do not materialize, job retention practices may become **unsustainable**, thereby leading to significant job losses and higher unemployment.”
- “**Discouraged** by high youth unemployment rates, many young people have given up the job search altogether, or decided to postpone it and continue their **stay in the education system**... Pressure on young job seekers will mount further when those young people that have been delaying their entry into the labour market will return to activity, and start searching for work”

Paolo, 28... graduated from university in Milan two years ago and has since had a succession of short-term jobs. *“Every time I start a new job I’m enthusiastic, but soon that peters out when you realise they won’t keep you for some reason that has nothing to do with you.”*

– The Financial Times, 2nd July 2012



Source: ILO *Eurozone job crisis: Trends and policy Responses*, July 2012

– Note: Real unemployment rates in all 3 intervened countries are consistently higher than those projected.

NEETs

“Even more worrying are the 7.5 million young people who are neither in employment, nor in education or training.”

– **László Andor**, European Commissioner, 18 July 2012

ILO on NEETs

- “Young people that are neither in employment nor in education have become a serious concern for policy-makers... This group, called “NEET” (not in education, employment or training), often constitutes **at least 10%** of the youth population, and **disproportionally includes youth with a low level of education in developed economies**. Many countries have introduced policies to tackle this phenomenon, targeting specific subgroups of the NEET such as school drop-outs or unemployed youth.”
- “Education still serves as a shield against unemployment for many youth. Therefore, those youth who are neither in education nor in employment **warrant special attention**. This so-called NEET group includes the unemployed as well as **discouraged** youth who have effectively disconnected from the labour market. The rise of NEET rates during the crisis in many developed economies is therefore a strong concern.”

– Global Employment Trends for Youth 2012, May 2012: (emphasis added)

OECD on NEETs

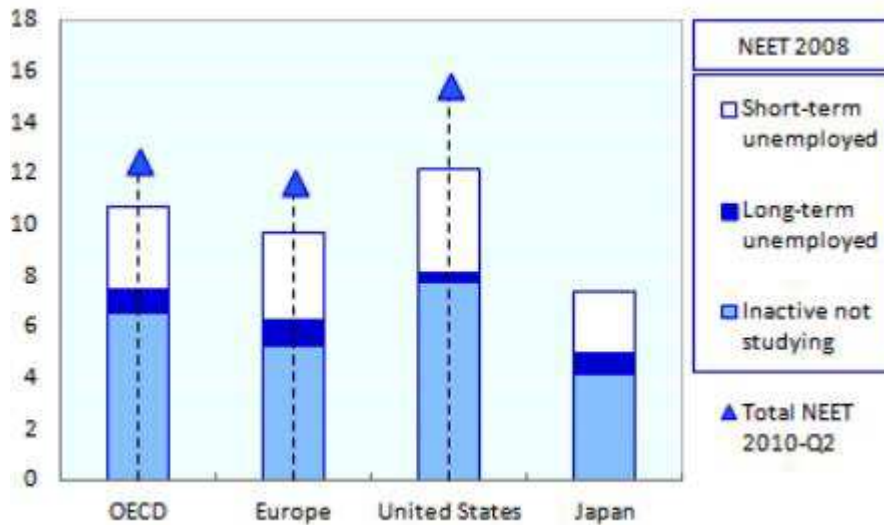
“Youth who are neither in employment nor in education or training are a group at **high risk of marginalisation and exclusion** from the labour market, especially the longer they remain outside the world of work. Investing in youth and giving them a better start in the world of work should be a key policy objective. Otherwise, there is a **high risk of persistence or growth** in the hard-core group of youth who are left behind, facing poor employment and earnings prospects.¹⁴” (emphasis added)

Youth who are not in employment or in education and training (the so-called NEETs) face a high risk of labour market and social exclusion. In the 4th quarter of 2010, this group accounted for 12.6% of all youth aged 15-24 in the 30 OECD countries for which data are available, up from 10.6% in 2008

– OECD, **Angel Gurría** *OECD Secretary-General*, 15 Sept. 2011

¹⁴ OECD Employment Outlook 2011, http://www.oecd.org/document/46/0,3746,en_2649_33729_40401454_1_1_1_1,00.html

The number of young people disconnected from education and the labour market is on the rise.



“By mid-2010 in the 26 countries for which data are available, 12.5% of youth aged 15-24 was neither in education nor in employment or training (so-called NEET), up from 10.8% in 2008. This represents 16.7 million young people, 6.7 million are seeking work and 10 million have given up looking.”

– OECD

<http://www.oecd.org/employment/employmentpoliciesanddata/offtoagoodstartjobsforyouth.htm>

FT on NEETs

The importance on NEETs numbers as unemployment indicator

“Youth unemployment statistics are so alarming that it is important to take a closer look at their composition, **writes Chris Giles** .

At its most basic, the unemployment rate is a ratio of the numbers out of work compared with a wider base group, so both the denominator and the numerator deserve scrutiny.

For adult unemployment rates, the numerator counts those out of work and seeking employment. The denominator represents the total number of people either working or seeking work. The sick, carers and housewives are excluded as they are “inactive” in the labour market. For young people, the “inactive” includes students and those in training – often a large group.

If few people under 25 are in work, the denominator in the youth unemployment rate can be much smaller than the total population. If all Spanish under-25s were in university, except for a few stragglers, the unemployment rate would be 100 per cent. If a different denominator – total (youth) population – is used, all calculated youth unemployment rates plummet. Greece’s unemployment rate drops from 49 to 13 per cent and, [according to Eurostat](#), the European average falls from 22 to 9 per cent.

Perhaps the best measure of youth unemployment is NEETs: the proportion of all under-25s who are not in education, employment or training. OECD data show that NEET rates are also much lower than the youth unemployment rates, because they use a larger denominator but the numerator is also bigger.

Even this does not tell the whole story. Those in work in some countries might be employed in jobs well below their level of skills and so might be compromising their future prospects even though they are employed.”

– Financial Times, *Soaring youth unemployment stokes fears*, July 2, 2012 (emphasis added)

Causes

The Council of Europe study “Disadvantage in youth transitions: constellations and policy dilemmas” identified as the **main causes** for entering the Status Zero/NEET category:

- Limited **access** to benefit entitlements.
- Low **trust** in the effectiveness and integrity of the public employment service, experience of bad treatment by institutional actors
- **Alternative** options such as informal work.

In the UK, the Association of Chief Executives of Voluntary Organisations (ACEVO) recently published the results of its Commission on Youth Unemployment (chaired by David Miliband), ‘*Youth unemployment: the crisis we cannot afford*’, in which it identified NEETs as an enormous problem with two fundamental causal factors:

1) “Low levels of **demand** for young people’s labour”

2) “Britain also has a **structural** youth unemployment problem, so that even when the economy was booming approximately 7-9% of all young people were headed for long-term worklessness from the age of 16”

The Commission added to this dilemma errors of approach: “support for young people that is too often **ad hoc, low quality and sometimes chaotic and wasteful of public money**” (emphasis added)

Impact

“Just think of the economic and psychological impact it has on their personal lives, their career and family plans.

Think of the economic and social repercussions for their families and the community.

Think of the vulnerability to future shocks and the long-term social instability it breeds through a deterioration in skills and the prospective employers' loss of confidence in young people, the scars it leaves on their careers and earnings.

What we risk is seeing a generation go to waste - an unmitigated economic and social disaster.

Unemployment, coupled with frustration at a lack of prospects, is an explosive mix.

It fuels unrest and political extremism - and carries a huge economic and social cost.”

- László Andor, European Commissioner, 18 July 2012

Estimates show that the burden on society of current youth unemployment levels is about **€2 billion each week**, or just over 1% of EU-27 GDP, the Commissioner added: "The current trend cannot continue"

- **László Andor**, European Commissioner, 20 Dec. 2011

“The human misery of youth unemployment is also a **time-bomb under the nation’s finances**. We have done new research on the cash costs of youth unemployment. Even we were surprised. At its current rates, in 2012 youth unemployment **will cost the exchequer £4.8 billion** (more than the budget for further education for 16- to- 19-year-olds in England) and **cost the economy £10.7 billion** in lost output. But the costs are not just temporary. The **scarring** effects of youth unemployment at its current levels will ratchet up further future costs of **£2.9 billion per year** for the exchequer (equivalent to the entire annual budget for Jobcentre Plus) and **£6.3 billion p.a.** for the economy in lost output. The net present value of the cost to the Treasury, even looking only a decade ahead, is approximately **£28 billion.**”

- 2012 (UK) ACEVO Commission on Youth Unemployment (emphasis added)

Hysteresis, scarring

The problem is not just the immediate impact of the present crisis; previous crises (generally less severe than the present one) have typically been followed by years of social fallout. The phenomenon is referred to by economists as **hysteresis** - a term used to describe a kind of memory within systems. The principle is that the impact of a significant experience - such as long-term

“There are “**hysteresis**” effects: a depressed economy is one in which... workers without employment are seeing their skills, their weak-tie networks they use to match themselves with vacancies in the labor market, and their morale decay.

All of these reduce potential output. In future periods production is supply determined, and equal to potential output. Thus in future periods potential and actual output... will be lower”

- **Brad DeLong & Larry Summers**, Fiscal Policy in a Depressed Economy, March 2012

“**Hysteresis** helps explain the long-run behavior of unemployment. The natural rate of unemployment is influenced by the path of actual unemployment.”

- **Laurence M. Ball**, Hysteresis In Unemployment: Old And New Evidence, March 2009

unemployment in a person's formative years – alters the future.

“What you don't want is your unemployed 18-year-old to be an unemployed 22-year-old”

– David Miliband, July 10th 2012, The Guardian

The term **scarring** is also used to describe this process, whereby people who go through extended unemployment early on in life more often experience problems of unemployment, social integration, depression, health and so forth – for the rest of their lives.

Aside from the scarring of these individuals' lives, the problem is one for society in general – which has to deal with an increase in **social problems**, demand for the **provision of benefits** (unemployment insurance claims, social counselling services, etc.) and a **deteriorated work force**¹⁵.

“If the right policies are not put into place there is a risk not only of a lost decade in terms of growth but also of a lost generation,”

– Nemat Shafik, deputy-managing director of the **International Monetary Fund**, *The Financial Times*. July 2. 2012.

Moreover, reducing the long-term labour market competitiveness of European youth is particularly unwelcome at the present juncture, conditioned as it is by the pressures of:

- **Demographic aging** of European society, whereby, simply put, more and more older people (and any other dependent people) will rely on fewer and fewer younger people to be productive enough to support them. Growing numbers of NEETs and poorly and irregularly employed young people, with long-term difficulties on the labour market, are poorly placed to support such a responsibility. This, in turn, threatens the European Social Model.
- **Globalisation** and an ongoing expansion in the scale and geography of **competition**. A structurally underperforming workforce will contribute to ongoing decline in European competitiveness.
- **Knowledge economy** and the fast pace of technological change. Poor, precarious employment is fundamentally incompatible with the high value added work, continual productivity improvements and investment in and accumulation of skills, that a knowledge economy is all about.

“In terms of enhancing employability, the capacity of Europe's education and training systems to ensure a supply of highly qualified people mastering the requirements of today's working world and contributing to innovation both as employees and entrepreneurs will be decisive, **if Europe is to maintain and improve its competitive position in the global economy.**”

– **Council of the European Union**, 2009 (emphasis added)

OECD:
“There is a high risk of persistence or growth in the hard-core group of youth who are left behind, facing poor employment and earnings prospects.”

– Employment Outlook 2011

“there is a high risk of increasing the hard-core group of youth left behind who would be likely to suffer long-term ‘scarring’ in terms of their future employment and earnings prospects. In a context of **ageing populations, OECD economies and societies cannot afford the large economic and social costs that such outcome would entail.**”

– Off to a good start? Jobs for Youth, 2010 (emphasis added)

The OECD¹⁶, in a recently published study *Rising youth unemployment during the crisis*:

¹⁵ Goldring, Guidoum, Inclusion Through Employability, Youth Work Approaches to Unemployment,

how to prevent negative long-term consequences on a generation, recommends the following to **minimise long-term damage** from the present crisis (emphasis added):

- “Maintain those who are **hard-to-place** connected to the labour market.”
 - Put those with most difficulties in finding a job into **training** when there are fewer job opportunities available (i.e. during the recession) as “*the opportunity cost of time spent on a training programme or in education is lower*”.
 - Make **on-the-job learning** part of education and training.
 - Give excluded young people **temporary public-sector jobs** as a way of entering the labour force and acquiring work skills they can subsequently use in private-sector jobs¹⁷
- **Begin working while still in school**; it is a more effective approach to the school-to-work transition than the traditional model of finishing school and then beginning to work.
- Make **prevention of early school leaving** the top priority.
- Youth at risk of dropping out and low achievers in school need a “*second chance through **apprenticeship** to acquire skills needed on the labour market.*”
- Use **financial incentives**: for example, study grants which require the student to combine work and study, to ensure the school-to-work transition is easier and practical workplace skills are obtained.¹⁸

There are contextual variables that come into play when discussing the impact of hysteresis. For instance, there are statistics showing the rates of hysteresis among unemployed **French youths** to be often less long lasting and severe, at least in certain cases, than in other comparable circumstances in other societies.

The available explanation offered by researchers on the apparent French anomaly is that – it being relatively common to take a long time to enter the labour market in France – such a period of inactivity or precariousness on the labour market is less stigmatising (i.e. people have become so used to it) and that initial remunerative conditions of entry on the labour market are relatively poor, hence economic catch up is less challenging for those who get in a bit later:

“Potential explanations for those differences are twofold: first, in France a large share of young entrants are paid at the minimum wage and, second, young people unemployment is structurally high in France, so that

¹⁶ In the 2010 study ‘Rising youth unemployment during the crisis: how to prevent negative long-term consequences on a generation?’, by Scarpetta *et al*

¹⁷ Rising youth unemployment during the crisis: how to prevent negative long-term consequences on a generation?

¹⁸ Rising youth unemployment during the crisis: how to prevent negative long-term consequences on a generation?

unemployment at entry on the labour market could be less often used as a screening device by employers.¹⁹

While it is important to be aware of how, when discussing inherently complex issues like employment, multiple variables come into play, such a solution to hysteresis – i.e. pervasive poor employment conditions for all – would seem to be a solution not worth having.

“€100 billion - the cost of youth exclusion”

“Research by Eurofound (an EU agency) estimates the costs of the exclusion of young people to have been over €100 billion across 21 Member States in 2009...”

The issue of young people (aged between 16 and 24 years) who are not in education, employment or training (the so-called ‘NEETs’) has been extensively debated. However, recent Eurofound calculations, looking just at the costs of social welfare payments and the contributions to gross national product (GNP) that these young people are unable to make, puts a preliminary figure of the cost to society of **€14,000 per NEET**, of which €11,000 represents unpaid contributions and €3,000 represents benefits payments.”

– Eurofound Newsletter, July 2011. (emphasis added)

ILO on Impact

The International Labour Organisation’s May 2012 ‘Global Employment Trends for Youth 2012’ identifies the following longer-term consequences of the youth jobs crisis **on currently young people**:

- Higher risk of **future unemployment**
- Prolonged period of **unstable jobs**
- Potentially **depressed income growth**.

“If the current policy course does not change quickly, however, it is possible that a further **4.5 million jobs will be lost over the next four years**. This would risk **further feeding social unrest and eroding citizen’s confidence** in national governments, the financial system and European institutions.”

“Young people are increasingly **at risk of a scarring first experience in the world of work, which could affect them for the rest of their life**.”

– ILO, *Eurozone job crisis: Trends and policy Responses*, July 2012 (emphasis added)

Main causes:

- **Deterioration** of skills
- Prospective employers’ negative **perceptions** of youth who have been out of work for prolonged periods.

The ILO reports these effects as likely to be **more severe** for youth entering the workforce with an education level **below the tertiary** level.

Aside from detrimental effects on future wages and employability, youth unemployment can **damage** later:

- Happiness
- Job satisfaction
- Health.

¹⁹ Mathilde Gaini, Aude Leduc and Augustin Vicard, A scarred generation? French evidence on young people entering into tough labour market

Increased vulnerability to future shocks:

ILO, May 2012 'Global Employment Trends for Youth 2012':

"The jobs crisis has forced many households to sell their assets and borrow money, which has increased the vulnerability of youth, in particular, to ongoing or future shocks. In order to meet consumption needs during periods of unemployment or reduced or erratic wages, many households have drawn down savings and sold possessions, or turned to friends, relatives, membership-based clubs, community groups and banks, where possible, for financial help."

Wage scars:

ILO, May 2012 'Global Employment Trends for Youth 2012':

"Unemployment produces **permanent scars rather than temporary blemishes** (emphasis added)", especially on youth populations. "Being unemployed while young results in lower future earnings by a magnitude of 8.4 and 13.0% for males".

"A study... estimated that a 1 percentage point increase in unemployment in the United States results in a 6 to 7% decrease in the wages of college graduates... The cost in terms of foregone wages... still remains significant 15 years later. In the **United Kingdom**, Burgess et al. (2003) found that youth unemployment raises the probability of unemployment later on; Gregg and Tominey (2005) estimated an **earnings loss of up to 21% at age 41** for workers who experience unemployment in early adulthood; and Bell and Blanchflower (2010) showed that unemployment in a person's **early twenties** negatively affects employment and earnings prospects, as well as health and job satisfaction, up to **two decades later** (emphasis added)"

Social instability and exclusion:

ILO, May 2012 'Global Employment Trends for Youth 2012':

"The jobs crisis further threatens the well-being of households and young workers through rising levels of **social discontent** and instability. In this respect, the ILO's social unrest index indicates a significant aggravation of social unrest in 45 of the 118 countries surveyed... One of the most obvious manifestations of these findings is the increasing number of **street demonstrations and protests**... since 2010... linked to... European sovereign debt crises."

"Youth unemployment has been shown to be tightly linked to **social exclusion**, as the inability to find employment creates a **sense of uselessness and idleness** among young people... Idle youth are **not contributing** to the economic welfare of their country. The loss of income among the younger generation translates into a lack of savings as well as a loss of aggregate demand. Many youth who are unable to earn their own income have to be **financially supported by the**

family. Governments fail to receive **contributions to social security systems and are forced to increase spending** on remedial services. A lack of decent work, if experienced at an early age, also threatens a person's future employment prospects and frequently leads to undesirable labour market outcomes over longer periods. All this is a **threat to the growth potential** of economies" (emphasis added).

Lost development

ILO, May 2012 'Global Employment Trends for Youth 2012':

"Though young people might lack experience they tend to be highly motivated and capable of offering new ideas or insights. They are the **drivers of economic development** in a country, and forgoing this potential is an economic **waste.**" (emphasis added).

Employability

Employers do not hire uniquely on the basis of **formal** qualifications (either vocational or academic), but also consider other **generic (or transversal, or core) skills**: flexibility, organisation, communication, analysis, sense of responsibility, risk management, problem solving, and so on.

As such, skills profiles and strategies for increasing employability need to include both specific job skills and more transversal or generic skills.

Early intervention is key to helping youth at risk of being left behind:

- Begin with pre-school education
- Follow up with sustained support throughout compulsory education and after
- Encourage youths to obtain an **upper secondary** qualification – which is the **minimum** requirement for:
 - Finding and keeping a job
 - Accessing on-the-job learning.

Labour markets should become more inclusive, by:

- Offering job opportunities to school leavers
- Ensuring that short-term entry jobs are a real **path to more stable jobs** and not as a dead-end for young workers.
 - This is a particular challenge in countries –e.g. **France, Italy and Spain** – where labour markets **segmentation** is perpetuated through rigid regulations on permanent contracts.

Job-search assistance programmes are the most **cost effective** for young people who are ready to work.

For the most disadvantaged youth – who often combine multiple social risk factors – more in-depth strategies are needed:

- Do not wait until a school-to-work transition problem occurs; tackle as **early as possible** the handicaps some children may face in the education system.
- School drop-outs need remedial help:
 - Focus should be on **acquiring skills job markets** need, e.g. computer proficiency, basic technical qualifications, etc.
 - Where back-to-the-classroom strategies may prove counterproductive, **training programmes taught outside traditional schools**, combined with **regular exposure to work experience** and **adult mentoring**, are often better strategies for disconnected young people.

OECD, Off to a good start? Jobs for Youth, 2010

“To increase the employability of young people, particularly with regards to excluded and low skilled young people... this report recommends that any such effort take fully into account four broad principles that have been identified by researchers, youth workers and policy makers as **key factors of success**:

- **Involvement and participation** of excluded or at risk young people in the identification of their own needs and in the design, implementation and evaluation of all actions and programmes targeting them. Achieving such participation involves a range of considerations, but it is clear that the actions proposed must be meaningful and credible for young people, should be attractive to them, and any barriers to access need to be resolved.
- **Holistic coordination and governance** has to be practiced; actions, services and diagnoses have to be joined up and talk to each other, not just about general coordination, but about specific young people, and thus be taking place at a local level. Such an approach must be interdisciplinary and it must be **long-term**.
- **Non-formal learning** will be essential to successfully equipping young people with the skills that will increase their employability. Such skills include various work-related, social and behavioural abilities, which can be broadly grouped as ‘generic skills’ – non-formal learning approaches are the most effective means of teaching such skills. The challenges to non-formal approaches are: correctly identifying the key competences to focus on and when, validation of learning and acceptance of non-formally obtained qualifications within hiring processes.
- **Entrepreneurship** needs to be nurtured among the young, as they are the business creators and innovators of our not too distant future. Programmes and structures working with young people can do a lot to develop entrepreneurial interests and attitudes, and to furnish young people with experiences and skills that will facilitate a path into business initiative. However, broader issues concerning the general business environment, business creation and barriers to entry need to be recognised and addressed if cultivating entrepreneurship is a real goal.”

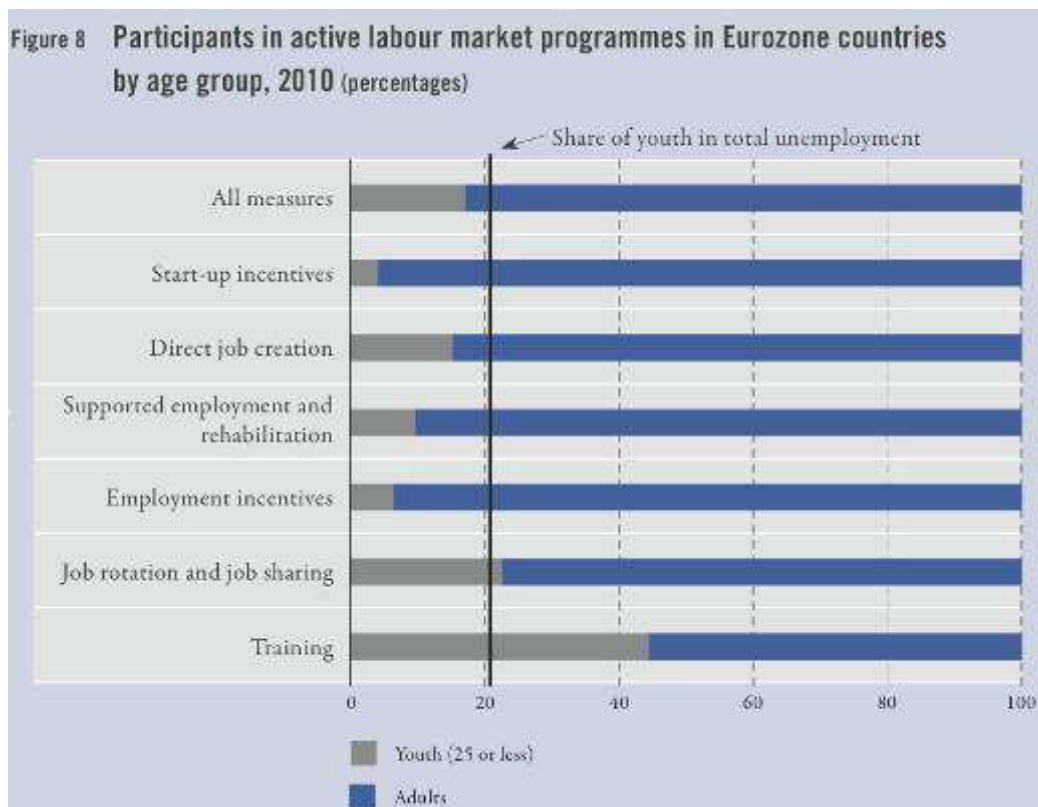
– **Goldring, Guidoum**, Inclusion Through Employability, Youth Work Approaches to Unemployment, SALTO Inclusion Resource Centre, January 2012

Policy and Programmes

“These initiatives and measures demonstrate the determination of the EU, the European Commission and the Member States to continue working together to improve the employment situation of young people.”

– Lázló Andor, European Commissioner, July 18th 2012

“To make matters worse, youth are under-represented in the vast majority of active labour market programmes”



ILO Eurozone job crisis: Trends and policy Responses, July 2012, based on OECD figures and Eurostat

| Inventory of current country measures to address the youth employment crisis | | | | | |
|--|--|---|---|--|--------------------|
| | Addressing barriers to job Growth | Addressing skill mismatches | Promoting young entrepreneurs | Expanding social protection | Building consensus |
| Cyprus * | | | | | |
| France | | Launch of the 'Emergency Plan for Youth Employment' which consisted of a combination of measures addressing apprenticeships, training programmes and subsidized contracts | | | |
| Germany | | Creation of job search clubs for unemployed young people and provision of training and apprenticeship placements | | | |
| Greece * | | | | | |
| Hungary | Introduction of 'START' and provision of subsidies to companies that employed young labour market entrants | | | Expansion of safety nets for young people and reduction in eligibility requirements for social protection benefits | |
| Italy * | | | | | |
| Poland | Introduction of an internship programme for unemployed youth and financial support equivalent of 120 per cent of the unemployment benefit for up to a year | | | | |
| Portugal | | | Provision of low-interest credit and technical advice for first-time jobseekers | | |
| Spain | | | | Expansion of safety nets for young people and reduction in eligibility requirements for social | |

| | | | | | |
|--|--|--|--|---------------------|-----------------|
| | | | | protection benefits | |
| United Kingdom | | Launch of the 'Future Jobs Fund' and creation of 100,000 jobs for long-term unemployed youth | | | |
| Source: ILO, Global Employment Trends for Youth 2012, May 2012 | | | | | * = unavailable |

EU Youth Report and Youth Strategy

The **EU Youth Strategy** (2010-2018) was adopted by the Council on 27 November 2009. Its objectives are:

- To create more and better opportunities for young people
- To promote active citizenship, social inclusion and solidarity.

The EU Youth Strategy – which is meant to be complementary to the **Youth on the Move** flagship initiative of the **Europe 2020** strategy for growth and jobs – tries to address young people's needs and opportunities in 8 fields of action:

- Education & training
- Employment & entrepreneurship
- Social inclusion
- Health & well-being
- Volunteering
- Participation
- Culture & creativity
- Youth & the world

The 9-year strategy is divided into 3 cycles. Towards the end of each cycle, an **EU Youth Report** is published by the European Commission, assessing results and proposing new priorities for the next three-year cycle. If adopted by the Council, the new priorities will apply from 2013-2015.

The latest edition of the report came out this **September 10th 2012**, in draft form. The report will be submitted to the Council and is scheduled to be adopted as a Joint Council-Commission Report in November.

The report argues that youth employment, social inclusion, health and the well-being of young people must be **top priorities** and that the EU and Member States must **do more** to support young people, who have been the most affected by the economic crisis.

The Commission finds that nearly all Member States have been implementing the **EU Youth Strategy**, which aims to create more and better **opportunities** for young people and to promote active citizenship, social inclusion and solidarity.

Youth in Action

The EU Youth Strategy establishes priorities and recommendations, which in turn are supported by the **Youth in Action** programme, which funds learning opportunities abroad for young people, youth workers and youth organisations; it tries to help young people gain skills through youth work, volunteering and civic participation. Furthermore, the programme seeks to promote citizenship and solidarity among young people and It benefitted around 185 000 participants in 2011, compared to 111 000 individuals when it was established in 2007.

The programme is currently being revised and it is reported that it will be rejigged in tandem with Lifelong Learning.

Lifelong Learning

Efforts to boost the employability, learning mobility and participation of young people are supported through the current **Lifelong Learning** programme, including **Erasmus** and **Leonardo da Vinci**. In 2012-2013, the Commission will provide funding support for 280 000 **job placements** through these programmes for vocational and higher education students as part of its 'We Mean Business' campaign.

Erasmus for All, volunteering

The European Commission's proposed new education, training and youth programme for 2014-2020, **Erasmus for All**, envisages a significant increase in funding which would enable up to 5 million people to receive EU grants to study, train or volunteer abroad - nearly twice as many compared with today under the 2007-2013 programmes.

The Commission is also endeavouring to lift obstacles that EU citizens face, notably their right to free **movement** within the EU, including for **volunteering**, study or work – Gondomar is particularly interested in benefitting from this.

2020

“Our Europe 2020 Strategy... puts young people at the centre and has a special agenda for improving education and employment for young people.”

– **László Andor**, European Commissioner, 18th July 2012

Europe 2020²⁰ is the EU's current growth strategy and the successor of the failed Lisbon Agenda. It sets a series of related targets to reach by 2020; the idea being to become ‘a smart, sustainable and inclusive economy’ providing ‘high levels of employment, productivity and social cohesion’.

The five fundamental objectives for the year 2020²¹:

- **Employment**
 - 75% of the 20-64 year-olds to be employed
- **R&D**
 - 3% of the EU's GDP to be invested in R&D
- **Climate change / energy**
 - **Greenhouse gas emissions 20%** (or even **30%**, if the conditions are right)**lower than 1990**
 - **20% of energy from renewables**
 - **20% increase in energy efficiency**
- **Education**
 - **Reducing school drop-out rates below 10%**
 - **At least 40% of 30-34-year-olds completing third level education**
- **Poverty / social exclusion**
 - **At least 20 million fewer people in or at risk of poverty and social exclusion**

Concurrently, each Member State adopts its own national targets in each of these areas.

Europe 2020's Growth Agenda guides EU programmes and policy concerning Youth Employment and the Urban dimension of the 2014-20 EU Cohesion Policy – ‘Investing in Growth and Jobs’.

Europe 2020 is supported by 7 ‘Flagship Initiatives’, in 3 categories:

Smart growth

²⁰ http://ec.europa.eu/europe2020/index_en.htm

²¹ http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/targets/index_en.htm

1. Digital agenda for Europe
2. Innovation Union
3. Youth on the move

Sustainable growth

1. Resource efficient Europe
2. An industrial policy for the globalisation era

Inclusive growth

1. An agenda for new skills and jobs
2. European platform against poverty

‘Youth on the move’ and ‘Agenda for new skills and jobs’ are of particular relevance to JobTown.

Agenda for new skills and jobs

The Agenda is based on the rationale that²²:

- Current levels of unemployment and inactivity call for action.
- For the EU economy to grow and remain competitive, it needs more and better jobs.
- From 2012 onwards EU working age population is shrinking; to maintain welfare systems, more people need to work.

The initiative’s key aims for 2020:

- 75% of the working-age population (20-64 years) in work
- Early school-leaving rate below 10%
- At least 40% of young people in higher education or equivalent vocational education
- 20 million fewer people in or at risk of poverty and social exclusion.

It proposes to achieve this via:

- Reforms to improve flexibility and security in the labour market ('flexicurity')
- Equipping people with the right skills for current and future labour market needs
- Improving the quality of jobs and working conditions
- Improving the conditions for job creation

Youth on the Move

“In 2010, we launched Youth on the Move - an initiative that is part of the Europe 2020 Strategy to help more than 400 000 young people to work, train and study abroad every year.”

– **László Andor**, European Commissioner, 18th July 2012

²² <http://ec.europa.eu/social/main.jsp?langId=en&catId=958>

Current EU policy frameworks affecting youth employment revolve around talk of preparing for 2020, 'New Skills for New Jobs' and 'Smart Growth'.

Established in September 2010, Youth on the Move is the most recent major youth policy initiative from the European Commission. It is one of the seven 'flagship projects' of Europe 2020, the EU's growth strategy for the next decade.

The approach revolves around three strands of action:

- Improving youth education and training, so as to improve the job prospects of those starting out on the job market
- Facilitating mobility for study and work
- Providing a new framework for dealing with youth unemployment

In particular, the programme promotes:

- Non-formal learning
- Awareness of opportunities for study abroad
- Entrepreneurship: as part of this drive, a micro-finance facility will provide support to help young entrepreneurs – this is the only new funding being made available, the rest of the programme being more a framework or approach.

Youth on the Move advocates member countries adopting a 'youth guarantee scheme', to ensure young people are offered some sort of job, work experience or training within six months of leaving school.

Youth Opportunities Initiative

“In May this year, the Commission adopted an Employment Package to show how employment policy can be a driver of growth.

A key component of the Employment Package is the Youth Opportunities Initiative.

It was announced last December when European Commission President Barroso called on business, the social partners and the national authorities to work together on the idea.

The Youth Opportunities Initiative will enable smoother transitions between education and work as well as to facilitate access to work for young unemployed. The aim is to help youngsters that are neither in education nor work to find a job, or return to training and to help those with a third level education find a first job. And this programme is backed by a considerable amount of EU funding.”

– **László Andor**, European Commissioner, 18th July 2012

The new 'Youth Opportunities Initiative', announced by the Commission December 2011, seeks to work with Member State on the following **objectives**:

- Preventing early **school leaving**
- Helping youngsters develop **skills relevant** to the labour market
- Ensuring **work experience** and on-the-job training
- Helping young people find a **first good job**.

“Take part in European society.
This starts with having a job.

Long-term reforms of labour markets are clearly needed, but they take time to produce the expected results. With today's (Youth Opportunities) Initiative we are developing more immediate action that will help drive down youth unemployment.”

– **José Manuel Barroso**, President of the European Commission, Dec. 2011

The 'Youth Opportunities initiative' directly finances the following **actions**:

- €4 million to help Member States set up '**youth guarantee**' schemes to ensure young people are either in employment, education or training within four months of leaving school.
- €1.3 million for setting up **apprenticeships** via the **European Social Fund**. An increase of 10% by the end of 2013 is predicted to add a total of 370,000 new apprenticeships.
- €3 million of the **European Social Fund Technical Assistance** to support Member States in the setting up of support schemes for young business starters and social **entrepreneurs**.
- Adapting funds as much as possible towards **in-company placements** and targeting at least 130,000 placements in 2012 under ERASMUS and Leonardo da Vinci.

- Financial assistance in 2012-2013 to 5,000 young people to find a job in another Member State through the '**Your first EURES job**' initiative
- Reinforcing the European **Voluntary Service** budget, to provide at least 10,000 volunteering opportunities in 2012.
- Presenting in 2012 framework for high **quality traineeships**.
- Some 600 further exchanges under **Erasmus for entrepreneurs** in 2012.

These actions are meant to be a springboard from which Member States develop further youth-related measures, under the next generation of **ESF** programmes and as part of the EU budget **2014-2020**.

Youth Guarantees and consultation

Before the end of 2012, the Commission plans to present a proposal for a Council recommendation on '**youth guarantees**'. The aim is to ensure that all young people are in employment, education or training within four months of leaving school. In tandem, the Commission will launch a **consultation** with employers and unions on a quality framework for traineeships.

European Employment Strategy

The European Employment Strategy focuses on the demand-side of job creation:

- Encouraging hiring by reducing taxes on work
- Supporting business creation

And identifies areas with the biggest future job potential:

- Green economy
- Health services
- ICT.

It argues for a stronger employment and social dimension to EU governance and for involving employers' and workers' representatives more in setting EU priorities.

To reach its objectives, the EES encourages measures to meet three headline targets by 2020:

- 75% of people aged 20-64 in **work**
- School drop-out rates below 10%, and at least 40% of 30-34-year-olds completing third level education

Sources contributing to the development of the EES:

- [European Employment Observatory](#) (EEO): a network of independent Labour Market experts

- [Mutual Learning Programme](#) (MLP) to encourage mutual learning at all levels and to enhance the transferability of the most effective policies within key areas of the EES

- At least 20 million fewer people in or at risk of **poverty** and social exclusion.

The EES works through a system of monitoring progress, coordinating and reporting; it provides a framework (the "open method of coordination") for EU countries to share information, discuss and coordinate their employment policies.

Every year, these national governments (through the [Employment Committee](#)) and the European institutions produce the "**employment package**".

The Employment package

The Commission's April 2012 **Employment Package** emphasises the need for Member States to focus on job creation and growth, not just austerity. To support this by facilitating labour mobility, the Commission intends to develop its **EURES** job portal, which will match job-seekers with vacancies across borders.

The package produces:

- **Employment Guidelines:** agreed guidelines for national employment policies
- **National Reform Programmes (NRPs):** reports delivered by the national governments and describing their employment policies, analysed for compliance with Europe 2020 and flagship initiatives
- **Joint Employment Report (JER):** Commission report based on the employment situation in Europe, implementation of the Employment Guidelines, and the results of country examination of the draft National Reform Programmes by the Employment Committee.
- **Country Specific Recommendations (CSRs):** Commission recommendations to national governments, accompanying Joint Employment Report
- **Employment and Social Developments in Europe (ESDE)** (replacing the Employment in Europe report): produced annually, providing basic analytical and statistical background to underpin the Joint Employment Report and the European Employment Strategy.

The April 2012 Package is medium-term policy, meant to to make European labour markets **more open, more dynamic and more inclusive**. It urges Member States to:

- Strengthen their national employment policies, by:
- Tax labour less, hiring subsidies, supporting self-employment, exploit growth sectors (e.g. green jobs, health, ICT) and improve the capacity of public employment services to prepare and match job seekers to these growth sectors. Due to technical and ICT skills gap, education in science, technology, engineering and mathematics needs to be strengthened and the career image of these fields improved, in particular for women.
- Make labour markets more dynamic, inclusive and resilient to change:

- Drawing lessons from the crisis, improve **job quality and opportunities for young people**, reduce labour segmentation and develop lifelong learning, investment in skills – avoiding **mismatch** and improving **forecasting** of skills needs. The package describes the **involvement of all relevant stakeholders** in the design and implementation of policies as a precondition for reforms.
- Create a genuine EU labour market:
- Improve mobility and use Eures to match jobs and people across Europe.
- Improve coordination and **monitoring** of employment policies:
- Including better linking of policy and EU financial instruments – particularly **ESF** – in supporting employment priorities and reforms

The package will be further discussed at a conference 6-7 September meant to mobilise partners.

Youth Package

September 12th 2012, Commission President Barroso announced the Commission would launch a '**Youth Package**' before the end of 2012, to combat joblessness and facilitate vocational training²³.

Brussels Seminar

On the 5th of October 2012, JobTown organised a seminar in Brussels: “Facing Youth Unemployment – What can the EU and the local-regional level do together?”, hosted by the Emilia-Romagna Region EU office. The keynote speaker was Nicola De Michelis, Deputy Head of Cabinet, for Commissioner for Regional policies J.Hahn, who spoke on the direction of Cohesion Funding. To see the video of the speech see: <http://urbact.eu/en/projects/active-inclusion/jobtown/news/?newsid=876>

The keynote was followed by two panel discussions involving elected politicians from Cesena, Thurrock and Enfield and a panel, moderated by the JobTown Lead Expert, of Commission officials invited to explain the direction of EU programmes concerning youth and employment working with the JobTown related policy issues:

- Robert Strauss Head of Unit , Employment analysis, DG EMPL
- Marko Curavic , Head of Unit , Entrepreneurship, DG ENTER
- Felix Rohn, Policy officer, Policy Officer, Vocational training; Leonardo da Vinci, DG EAC
- Giorgio Guazzugli-Marini, Programme Manager - EU policies - Youth in Action , DG EAC

For more information on the Seminar:

http://urbact.eu/fileadmin/Projects/JOBTOWN/events_media/Programme_Facing_Youth_Unemployment_1.pdf

²³ http://www.euractiv.com/priorities/barroso-seeks-public-space-launc-news-514761?utm_source=EurActiv+Newsletter&utm_campaign=cd53da4f42-EurActiv_Alert_%232_%23SOTEU&utm_medium=email

The Seminar was well attended, and led to an invitation from the Committee of the Regions, who had a representative in attendance, to have JobTown participate with a stand in Committee of the Regions conference on Supporting Europe 2020 and the Youth on the Move flagship. For more information see: <http://cor.europa.eu/en/news/events/Documents/youth-on-the-move-leaflet.pdf>

ESF

December 2011 – to fight youth unemployment, the Commission urged Member States to make better use of the European Social Fund which still had **€30 billion** of funding uncommitted to projects.

The Commission is also encouraging Member States to make better use of the European Social Fund to support job creation and Commission **technical assistance** in the form of action teams are assisting 8 Member States (Greece, Ireland, Italy, Latvia, Lithuania, Portugal, Slovakia and Spain) where youth unemployment rates are highest. These countries have been helped to reallocate EU structural funds thus far totalling some €7.3 billion, which the Commission calculates will benefit over 460, 000 young people.

More generally, the European Social Fund (ESF) is meant to provide support to people in finding a job or progressing in their current job; some 10 million persons people participate in ESF measures across Europe annually. The European Commission's proposal for ESF Regulation **2014-2020**, is part of an overall legislative package for the Union's future cohesion policy and should have a budget of at least €84bn. The proposals are under examination by the European Council and Parliament, to be adopted by the end of 2012.

Member states will have to concentrate ESF funding on a restricted set of goals (all within the framework of Europe 2020 and its employment, education and poverty reduction targets), among which that of **combating youth unemployment** and **modernising labour markets**. 20% of funding is planned to go to social inclusion actions (up from 13% currently) and the ESF will attempt to simplify management especially for small grants.

Partnership Contracts are to be agreed between the Commission and Member States, setting out national commitments to delivering Europe 2020 objectives.

The **Common Strategic Framework** containing the EU's top priorities will apply to all funds, and Member States will be allowed to combine ERDF, ESF and Cohesion Funds in 'multi-fund' programmes, for better coordination and more integrated development.

Investment, competitiveness

Summary: To create significant employment and opportunities for young people, training and guidance is not enough. Administrations, of all levels, need to work on making their localities/regions/countries more economically competitive and more attractive to investment, using whatever tools they have.

ILO on investment – why and on what

ILO Eurozone job crisis: Trends and policy Responses, July 2012:

“Promoting investment would go a long way towards improving job prospects in countries hit by the crisis, restoring competitiveness and reducing internal Eurozone imbalances.”

“Addressing competitiveness problems... will require measures that boost productivity”

“Promoting productive investment, reinforcing effective employment programmes, maintaining social protection, fostering social dialogue and undertaking job-friendly fiscal plans would bring the Eurozone out of the austerity trap and pave the way for a sustainable recovery with social cohesion.”

“Youth employment is a rising priority in national policy agendas but often it is **not sufficiently translated into scaled’ up programmes, funding is often limited and resources underestimated.**”

Important areas for interventions include:

- **Active labour market policies and programmes**, such as:
 - **Development of public employment services**
 - Wage and training subsidies and tax cuts – which can motivate employers to hire young people and counteract the excess supply of young workers in times of crisis.
 - **Programmes to offset mismatch** of technical skills among youth, such as:
 - Vocational training programmes
 - Re-training of unemployed or discouraged youth
 - Workplace training schemes
 - Creation or improvement of **apprenticeship** systems
 - **Entrepreneurship** training programmes
 - **Soft and life skills** training, particularly for disadvantaged youth.
- **Social dialogue and partnerships for youth employment**:
 - Establishment of **broad-based partnerships** – among governments, employers’ organizations, trade unions and other organizations – to:
 - Turn commitment in principle into action
 - Determine the **most appropriate action** to be taken
- **Labour market information and analysis** systems to monitor labour market needs and trends – e.g.: data collection, tabulation, analysis and dissemination of labour market information. Strengthening institutional relationships between producers and users of information and analysis provides a solid basis to monitor labour markets, and design and implement effective policies.
- Economic **diversification** and **sectoral** strategies
- **Understand and adapt actions to the specific situation and needs of young people in labour markets** and **specific barriers** e.g.:

- The **inexperience trap** – employers prefer experienced workers, and youth thus do not get an opportunity to gain experience.
- Having fewer **contacts** in the world of work.
- Being the **first to be dismissed** on the basis of the last-in first-out principle.
- **Labour exchanges or employment services – e.g. job brokerage and counselling offices, linking employers with educational institutions**
- **Skills development programmes.**
- **Entrepreneurship** promotion – enabling access to start-up capital and quality **mentoring**.

Job Centres – major approaches

²⁴In **France**, Pôle Emploi supports young people by trying to:
 Direct them to more suitable services
 Coach them into self-employment

Approach:

- Clients are divided by profile.
- Some can get refresher courses.
- [Cucs](#) – Contrat urbain de cohésion sociale/urban contract of social cohesion – is a programme whereby youths in identified problem areas get special support. Since 2008, 45,000 have received a "contract of autonomy", providing a small income and a personalised follow-up during job search and continuing into employment.
- Unqualified youths are encouraged to go back to school to get qualified for more promising job sectors; this may include apprenticeships.
- Some go through the Civis, a civil service meant to support transitions to work.
- Youths under the more general programme receive the same support as older workers – e.g. CV workshops, support in relocating or getting a driver's licence, and childcare.

In the **UK**, unemployment services are heavily privatised; in practice jobcentres police the benefits recipient for a year while he/she looks for work. If public services can find the client no job, then he/she is directed to private companies to support them into work.

At the end of the year, if still unemployed, the jobseeker is given 6 months of compulsory work in the community.

When the current government came into power it cancelled the previously existing youth jobs programme and cut staff in jobcentres from 45,000 to 35,000.

Some 2 years later (with youth unemployment and NEETs rates still spiralling) government brought out the 'Youth Contract' scheme – main points:

²⁴ The Guardian, Europe's jobcentres: are they failing the unemployed?

- Private companies are paid £2,275 for every job created for a young person who has been on unemployment benefits for 9 months or longer.
- Support for work experience. There has been controversy around this programme, with accusations of that it: fails to lead to work, in some cases is counter-productive, and provides companies with workers for nothing.
- Budget for (re)hiring 4,000 new advisors, such that young jobseekers can see an employment adviser weekly (about twice as often as prior).

In **Spain**, job services essentially oversee benefits claims and documentation, only finding work for some 3% of its clients (some argue the figure is in fact lower due to seasonal and temporary work and other data issues). Spain has

Europe's highest general unemployment - general unemployment is 24.8% and youth unemployment is 52.7% (Eurostat, June 2012) - and the services for them are overstretched; at these job centres queues stretching out into the street have become a common image. Relative budgets have always been low for these services; prior to the crisis Spain spent 0.16% of GDP on training unemployed people, and 0.13% on attending them. As a reaction to crisis overload, these figures have been raised to 0.19% and 0.16% respectively - e.g. in countries like Austria, Denmark and Germany such spending reaches around 0.7%.



Source: <http://www.rtve.es/noticias/resumen-2009/fotos/>

Cutbacks are now scheduled for these services.

In **Germany**, reforms previously undertaken of its employment agencies are widely accredited with contributing to the present strong job situation there (over 41 million employed - more than at any time since reunification).

Some 10 years ago Germany began the [Hartz reforms](#), which - among other things (e.g. limiting welfare benefits to encourage work) - modernised the Federal Employment Office, the idea being to:

- 'Support and challenge': the unemployed should try to work or at least get further qualifications, to improve employability (variations of this policy have been adopted in the Netherlands and Denmark).
- Reorganise it along the lines of a company.
- Jobseekers are treated as clients, and have appointments to avoid queuing.

- Employment offices become agencies, which monitored job seekers in terms of how quickly they get back into work.
- Mediators and case managers support the jobseekers in this.
- Attention is quite individualised, with extensive case-by-case profiling.
- Case managers follow up on those who are most difficult to place.

Since the Hartz reforms began:

- 1) About two million less people are unemployed
- 2) Over half a million long-term unemployed have got into work.
- 3) Low-skilled workers have less difficulty finding work than previously.
- 4) The proportion of low paid, dead end and precarious jobs has increased.

At the same time, wages have generally been kept down (though this has recently seen some moderate change, partially with a view to correcting internal Eurozone imbalances). Also a significant element in German labour policy is cooperation among different parties; this has been evidenced in efforts like the 'Kurzarbeit scheme' to hold onto trained and qualified staff during temporary downturns, through shared wage and work reductions.

In **Italy**, reforms of the 1990s and 2003 (the [Biagi law](#)) have greatly reduced the role of public services in supporting jobseekers. Now, Jobcentres (formerly employment exchanges):

- 1) Are now run by local government
- 2) Similarly to Spain, fill only some 3% of vacancies.
- 3) Post job applications and offers of employment, which must be briefly posted there to be valid.
- 4) Provide information
- 5) Help 'protected categories', e.g. disabled jobseekers.
- 6) Have over 3 million people registered – 90% claim to be 'immediately available'.
- 7) Vary greatly in quality and capacity by geography (North to South)

In **Poland**, labour offices:

- Help the unemployed find work
- Organise free training on career planning and job interviews.
- Offer the employed free (EU-funded) courses on to: IT, languages, communication skills, etc.
- Offer incentives to employers for hiring recent university graduates within the first year after finishing their studies: for 1 year, employers receive the equivalent of an unemployment benefit – up to zł.600 (~€136) a month – towards paying a new hiring's salary. This is accompanied by the government paying the required monthly medical and social insurance payments during the same period.
- Give a grant of zł.20,496 (~€4646) to a graduate, who has been registered in the labour office for at least three months and whose business plan has been approved, to open his/her own business²⁵.

²⁵ The Guardian, Europe's jobcentres: are they failing the unemployed

VET, Apprenticeships and Traineeships

Youth unemployment: studies show apprenticeships and traineeships useful but need to be improved

European Commission, Press Release, July 2012

“In a number of Eurozone countries, such as Austria, Belgium and the Netherlands, new training programmes have facilitated school-to-work transition and ensure that young women and men remain connected to the labour market. Here, **the successful delivery of these programmes will hinge on the availability of well-resourced public employment services.**”

– ILO, Eurozone job crisis: Trends and policy Responses, July 2012 (emphasis added)

Two recent studies undertaken for the European Commission on apprenticeships and traineeships in the EU recommend that these schemes should²⁶:

1. Be more **responsive to labour market** requirements and better adapted to business needs.
2. Offer more **guarantees** in terms of quality and perspectives for young people.

The studies will feed into:

- A **Council Recommendation on Youth Guarantees**, to ensure that young people are either in employment, education or training within four months of leaving school
- A **Quality Framework for Traineeships**.

The **study on traineeships** finds:

- A clear **definition** of traineeships is needed at EU level.
- Traineeships should preferably take place as a **part of the study curriculum** rather than after students leave education.
- Serious effort should be made, at EU and national level, to **increase supply of traineeships**, especially in SMEs.
- Trainees, especially those from less privileged backgrounds, need **financial support**.
- Recruitment processes for traineeships steps should be made more open and transparent.

The traineeship study complements the [public consultation on the quality of traineeships](#) launched as part of the Commission's April 2012 Employment Package.

²⁶ European Commission, Youth unemployment: studies show apprenticeships and traineeships useful but need to be improved

The **study on apprenticeships** recommendations:

- **Homogeneous quality standards** for apprenticeship-type studies
- Balance between **specific** occupational skills and **general** skills and competences
- **Involvement of social partners** in design and organisation of apprenticeships, as this is an essential factor for their success
- The **image** and perception of the vocational education system should be improved (This was consistently corroborated anecdotally by this Baseline Study)

“VET can contribute significantly to combat drop outs, improve educational equity and promote upward social mobility of groups at risk”
“As called for in the Europe 2020 Strategy, social partners at European level should develop their own initiatives to contribute to the **attractiveness** of VET”

– **EU Commission**, ‘A new impetus for European cooperation in Vocational Education and Training to support the Europe 2020 strategy’ 2010

May 2012, Eurochambres, a platform representing European Chambers of Commerce, sent an open letter to EU leaders, asking for the implementation of more “effective vocational education and training (VET) strategies, citing the strong correlation between effective VET and low youth unemployment ²⁷”. Likewise, BusinessEurope, the biggest business lobby at EU-level, advocates the widespread establishment of dual learning schemes (i.e. as practiced in Germany). The organisation’s president argues that:

“Businesses, especially smaller ones, will drive Europe’s growth and employment, but they need access to suitably skilled workers”
– *Alessandro Barberis, President, Eurochambres, The Parliament.com*

“Europe must educate for employment,”
– *Jürgen Thumann, President, BusinessEurope, Euractiv*

There are over four million EU jobs vacant because jobseekers don’t have the right skills to fill them
Skills are increasingly disconnected from market needs and mismatch is growing
ESF funds should be used to establish dual learning systems²⁸.

In line with such concerns, the Commission is to present, by the end of 2012, a Communication on Rethinking skills in the context of Europe 2020.

“To ensure that people are fit for occupational mobility and further learning, education and training policies should provide **occupational skills combined with key competences and transversal skills** in initial, as well as continuing training. Sound **labour market information** and less linear approaches to learning and work combined with effective **guidance** and **recognition of non-formally and informally acquired skills** could help people to adapt more quickly to structural changes.”

The European Centre for the Development of Vocational Training (CEDEFOP), “Skills supply and demand in Europe: medium-term forecast up to 2020”

²⁷ TheParliament.com, EU leaders urged to address skills shortage at summit,

²⁸ Euractiv, EU to push dual education to bridge skills mismatch

The German example

Nearly two-thirds of young Germans go into work via apprenticeships when they leave full-time education.

In this 'dual system', the apprentice gets structured training at the employers place of work, in parallel with in class general and vocational education.

Training plans are developed via consultation between future employers, educators and the government (who funds the programmes), and accordingly vary according to the contexts of the different industries.

The apprentice might typically be assigned a personal training overseer (an experienced worker in the company). The training will equip the learner to work in different parts of the industry, consequently providing a lot of job opportunities to the individual. Importantly, the apprenticeship also serves to acquire or reinforce key social and communication skills, as the apprentice has to work with a range of people and customers²⁹.

As a result of this growing interest in and admiration of the German apprenticeship system, in July 2012 the Spanish and German Education Ministers (Jose Ignacio Wert and Annette Schavan respectively) signed an agreement to establish a German-style apprenticeship system in Spain, transferring German best practice and enlisting the support not only of German public authorities but also companies with a presence in Spain³⁰.

Limits

There is a tendency nowadays in Europe to look to Germany and its model of apprenticeships; unsurprisingly given the how well this model seems to have served Germany (as well as countries like Austria and the Netherlands) and how well current German circumstances compare with many of its European partners, however there are legitimate questions about how and in what ways the German model may be transferable to other countries.

It is apparent that the German apprenticeship

Example: a company like Daimler (owner of Mercedes-Benz) hires around 2,000 apprentices a year; approximately 20% are women, 90% get permanent jobs and still more get some kind of short-term contract to start.

Source: *BBC, German apprenticeships: A model for Europe?*, Dec. 2011

"Mr Wert (Spanish Education Minister) said Spain must learn from German best practice to improve skills.

"We want Germany to be our Sherpa on this job training adventure,"...

"We have 1.5 million university students and only 270,000 trade school students." He added that students were getting far more theory than practical experience, and that many lacked foreign language skills."

Source: *BBC, Germany to help Spain give skills to jobless youths*, July 2012

"Looking at the performance of Germany or Austria, you cannot create a dual system in a couple of years as you don't only need the readiness of business to take on the cost of such system, but you also need to develop societal and cultural acceptance,"

– *Jan Trzczyński, European Commission director general for education and culture, Euractiv*

²⁹ BBC News, German apprenticeships: A model for Europe?

³⁰ BBC News, Germany to help Spain give skills to jobless youths

model cannot simply be copied blindly.

Aspects of what seems to make the German apprenticeship model work:

A school system which supports it

A flexible system able to react quickly to local market needs

An export driven focus on high-tech and high quality products, which couldn't compete without an extensive base of medium and high-skilled workers – i.e. there is labour market demand

Successful companies committed to a long-term strategy requiring investment in a quality workforce – i.e. private sector conviction and capability

Supported and seen as needed by politicians, social opinion and companies (directly and through Chambers of Commerce)

Good technical universities, designed to equip the country's future labour force

A tradition of worker-company loyalty

A very long tradition, of which the current model is a modern continuation³¹

The Apprenticeship model is at best one prong in a multi-pronged approach; there has to be **demand** for the skills of the young people graduating from the system and the **employers** themselves must have the inclination and the *know how* to use those skills in a long-term value added approach to business strategy. There also needs to be adequate **governance** for the system as a whole.

Moreover, in many European societies vocational training is perceived negatively³²; it lacks prestige and attractiveness as a career path. As such, resolving the issue of image and aspiration (young people, their peers and families think it is a poor choice and want 'better') is one of the fundamental barriers to the more extensive deployment of VET and apprenticeships – this was corroborated anecdotally on many of the study visits to JobTown partners made for this Baseline Study.

“There is a strong link between educational attainment and employment outcomes...

However, more human capital development and higher levels of education **do not automatically translate** into improved labour market outcomes and more jobs... **proper labour market information is necessary** to facilitate both the role of education in meeting current labour demand and in facilitating change.”

– ILO, Global Employment Trends for Youth 2012 (emphasis added)

“Because it is so **decentralised**, vocational training has proved very **flexible**, allowing it to **meet the demand of industry very quickly**,” says Ekkehard Ernst, chief of the employment trends unit at the International Labour Organization in Geneva. “It’s quicker and closer to the market than other training systems in more centralised countries, where you might find a national employment ministry calling the shots.”...

But Mr Ernst notes that it is **not easily replicated, in part due to its organisational complexity**. Companies give their view of the job market to local chambers of commerce, which then send those ideas to the national decision-making bodies. “A flexible training system is a simple idea – but one which isn’t easy to copy,” he says.

– Financial Times, Germany sets gold standard for training, July 9th 2012 (emphasis added)

³¹ BBC News, German apprenticeships: A model for Europe?

³² Euractiv, EU to push dual education to bridge skills mismatch

Partnership Practices

Summary: Partnership is key to: *Identifying real needs – Designing effective intervention, programmes and policies – Obtaining support for effective successful and substantive impact.*

These principles match the Urbact methodology well enough and, in the current European context, are relatively uncontroversial as abstract statements. Rather, the challenge is one of putting these generally accepted principles into practice, among actual people in the specific context of concrete localities.

The fundamental need is to find effective models of cooperation, to put the principle of partnership into practice.

*“Social dialogue and partnerships for youth employment: equally important is the establishment of broad-based partnerships to turn commitment to youth employment into reality. **Partnerships among governments, employers’ organizations, trade unions and other organizations can be instrumental in determining the most appropriate action** to be taken at national and local levels for the promotion of decent work for young people. To bring high youth unemployment rates down, it is essential that employers, unions and governments not only dialogue together about how to achieve a socio-economic recovery, but **mobilize to develop specific projects and interventions**, including in partnership with young people.*

Social pacts can be an effective strategy to articulate labour market policies that can create positive **synergies between economic and social development.**”

– **International Labour Organisation**, Global Employment Trends for Youth 2012

European Council conclusions on “**enhancing partnerships** between education and training institutions and social partnerships, in particular employers in the context of lifelong learning” invites member states to “**promote close cooperation with employers and other relevant stakeholders at the systemic level**, especially with regard to:

- a) The **recognition** of learning outcomes in formal, non-formal and informal learning environments
- b) The development and improvement of economic and labour market **forecasts**, which focus particularly on trends in skills and human resources requirements at national and regional levels
- c) The implementation of **Common European tools** (key competences, EQF...) and
- d) The development of target-specific **models of cooperation** between adult education and training institutions and employers aiming at helping the low-skilled into sustainable employment through lifelong learning.

– **Conclusions of the EU Council and the Representatives of Member State Governments**, May 2009 (emphasis added)

The **report by the Expert Group on New Skills for New jobs**¹ issued a series of recommendations, essentially arguing for the worlds of education, training and work to be brought closer together – by, among other things, an emphasis on partnerships, participation and cooperation:

- Make education and training more **flexible** and more **open** for innovation
- Enhance **relationships** and encouraging greater **collaboration** between skill, education and training providers, employers and professional bodies – more effectively **identifying training needs**, improve the **relevance** of education and training, and facilitating access to further education and training – via:
 - **Partnerships** between national or regional bodies and multi-stakeholder arrangements
 - Ensure the responsiveness of education and training systems via **legal frameworks, institutional structures** and financing mechanisms that facilitate openness, co-funding and stakeholders' involvement.
 - Participation and co-investment of employers in the activities of education and training institutions – e.g. in professional or governance and advisory board roles.
- Develop criteria to measure, monitor and **evaluate** progress.
- Develop a **common language** between education/ training and the world of work
- Communicate the potential of **European Qualifications Framework** and national qualification frameworks, and ensuring the involvement of **all actors**.
- Break down barriers and widen access to education for a **variety of audiences**, via accreditation of prior learning and flexible pathways

– European Commission, New Skills for New Jobs: Action Now, 4th February 2010

Sector Councils

In many countries partnership takes the form of Sector Councils, which focus on a given sector (e.g. construction, Horeca, ICT etc.) and are involved in monitoring labour markets, development of skills profiles, curricula, certification and so forth, with the aim of assisting policy making within or for this sector. Transversal councils are similar, but cover two or more sectors. A study by Ecorys³³ for the European Commission recommends that the Commission:

- Proceed with promoting EU level Sector Councils for Employment and Skills
- Initially focusing on information exchange
- Accompanied by a more limited support line for policy development

The UK has a variant. Putting somewhat more emphasis on skills building and supply, called '**Sector Skills Councils**'³⁴, which are state-sponsored, employer-

³³ Ecorys, Sector Councils on Employment and Skills at EU level, 2010

³⁴ <http://www.ukces.org.uk/ourwork/sector-skills-councils>

led organisations covering specific economic sectors, seeking to improve competitiveness and productivity in these sectors largely by promoting effective skills investment and learning processes.

LLP

The Lifelong Learning Programme addresses many of the issues JobTown is concerned with and will be monitored throughout the life of the network for capitalisation opportunities. An example of such a project would be the '**New skills network 2010-2013**', which is based on the rationale that future jobs will require higher education levels and a different mix of skills and qualification. Essentially it is about supporting and disseminating skills upgrading and skills matching practices and related policy development – in particular, it supports **networking** between project promoters.

One of the key impacts it is pursuing is awareness raising among different stakeholders on their role in ensuring the **participation of all** in skills upgrading and skills matching systems.

Urbact

The 'More Jobs, Better Cities' workstream of the current URBACT Capitalisation process aims to learn lessons on what cities can do for jobs and growth. In particular, it seeks to inform the urban dimension of the 2014-20 European Union Cohesion Policy (Investing in Growth and Jobs) within the framework of the Europe 2020 Growth agenda, and to help cities prepare for relevant new regulations and financial instruments.

Initial findings coming out of the workstream will be presented at the URBACT Annual conference in Copenhagen 3-4 December and published early in 2013; JobTown seeks to both feed into this process and benefit from its findings.

Previous and current Urbact networks are a source of capitalisation for the network; likewise liaising with related ongoing projects is a means to avoid duplication. In particular the project ESIMEC and its work on a tool for detecting labour market needs, and the current My Generation at Work project, with its shared concern for youth employment, stand out as opportunities for capitalisation and cooperation. Likewise there is some potential for capitalisation from EUniverCities, regarding universities and local development strategies and partnerships; this will be facilitated by Aveiro, which is also a partner of that project and will be able to serve as bridge, flagging any interesting practices or learnings. PREVENT, which is concerned with early school leaving might offer some useful learnings, given the links between poor employability and early school leaving. E4C is concerned with digital skills and employability, so it might also have some results that may be capitalised on or vice versa may wish to capitalise on JobTown work.

Conclusions

Summary:

Youth unemployment, poor employment and lack of opportunity are **structural** problems.

Actions must address both the **long and short-term**.

Just **throwing money** at the problem **won't work**.

There is little or **no money** to throw.

Solving the problem is **worth a lot of money**.

So there is a clear need to **act, but well**.

The **cheaper** the better.

Circumstances vary widely and should be addressed.

Youth unemployment, poor employment and lack of opportunity are structural problems clearly pre-dating the economic crisis, not just conjunctural. However, the intensity of the current crisis conjuncture is inflicting long-term impacts, which are adding to the already accumulated burden of long-term structural problems.

In sum, to prevent the emergence of a “**lost generation**”, it is important that **youth employment is prioritized** on national policy agendas, and countries establish or **develop integrated strategies** aimed to ensure **long-term**, sustained and concerted action for the promotion of decent work for young people. Assigning priority to youth employment requires a **coherent policy framework**, with **measurable targets** and achievable outcomes that addresses youth employment in national development strategies and employment policies.

ILO, May 2012 ‘Global Employment Trends for Youth 2012’ (emphasis added)

Actions must address both the long and short-term. Current circumstances generate an intensity of pressure that simply cannot be ignored. Furthermore, democratic legitimacy requires administrations to address, and to be seen to be addressing, the immediate concerns and problems of society.

The damage currently being done to people, societies and economies – to our future – must obviously be fought and minimised as much as possible.

However, it is inevitable that significant portions of Europe’s young population will be affected in long-term ways – i.e. ‘scarred’. No doubt many must already be, given unemployment rates of over 50% in Spain, or over a million unemployed young people and experiences of contagious large-scale rioting in the UK – just to name some of the more egregious indicators.

Thus it will be necessary to attend to the effects of hysteresis/scarring (hopefully as few cases as possible); this will be a long-term phenomenon and the adaptation required for treating it will be presumably rolled out over an extended period of time and should start now.

“The new approaches must be **long-term, structural**, sensitive to inequalities of skills and education, aligned with the need for more sustainable technologies and “smarter” infrastructure (empowered by information technology) and congruent with long-term demographic trends.”

– **Jeffrey Sachs**, The Financial Times, July 12th, 2012 (emphasis added)

Likewise, the long-term nature of the fundamentals causing the problem, of youth unemployment, poor employment and disengagement, require structural and systemic efforts that cannot be achieved overnight.

Just throwing money at the problem clearly won't work. The current dynamic of precarious youth employment – yo-yo job trajectories, lengthening transitions into autonomy, 2-tier job markets/'INs and OUTs', NEETs and so forth – well predates the economic crisis, and it is difficult to escape the realisation that years of youth and employment policy at various levels of governance have broadly yielded far from satisfactory results. Studies like the ACEVO Commission find “provision in terms of opportunities and support for young people that is too often ad hoc, low quality and sometimes chaotic and wasteful of public money”³⁵.

“In a search for factors influencing productivity, investments in research and development as well as a high skill level of employees are shown to be beneficial whereas regulations constitute a burden. Consequently, euro area countries should engage in **structural reforms** where necessary to provide a **more competitive environment, eventually facilitating economic convergence.**”

– European Central Bank, April 2012 (emphasis added)

Moreover, given the particularly straightened circumstances of public finances in most EU countries, particularly in those pursuing strong austerity policies, approaches based on anything remotely resembling profligacy are decidedly unlikely.

Solving the problem is worth a lot of money – given the various impacts on public expenses, economic competitiveness, and so forth, caused by youth unemployment and poor employment.

Given the current state of affairs across Europe, the argument that something must be done about youth unemployment and lack of opportunity is one that can expect to meet little or no effort at

“Results indicate individual avoidance strategies such as reducing labour market participation (prolonging of or returning to education) or interregional mobility...”

There are no clear and universal solutions for the prevention or reduction of youth unemployment...

Individual and familial guidance and counselling on both educational and occupational choices can help young people in their school-to-work transitions and in the labour market. Workers' associations and unions can also help young people entering the labour market.”

– **Hans Dietrich**, Youth Unemployment in Europe, Theoretical Considerations and Empirical Findings

³⁵ ACEVO Commission on Youth Unemployment, 2012

refutation. Rather, serious debate runs along the lines of *what* to do, what *can* be done?

There can be enormous differences between one locality and another; as such it is necessary to work on the basis of territorial diagnoses. Likewise, given the multiplicity and interaction of causal factors, there is a need for integrated approaches to youth unemployment.

There is likely no one sweeping answer as to what path should be followed to address what is by its nature a multi-faceted issue – employment and opportunity.

However, it would seem clear enough, in the current environment of resource and budgetary restrictions, that actions and programmes must be cost effective to be viable in practice. As such, cost effectiveness has to be a key selection criterion in the identification of good practice.

Transnational peer-to-peer learning among administrations can serve to minimise redundant trial and error, through the articulate transmission of experiences of practice.

To make peer exchange effective, there should be a recognition of the different profiles and governance challenges of different peers – politicians, technical people and civil servants, Managing Authorities of European structural funds, regional or municipal administrations, civil society, and so forth – and thus of their differing concerns and priorities. This calls for parallel but coordinated streams of communication.

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Partner Profiles

Cesena Profile

Key Points:

- **Lead Partner**
- Cesena used to have economic and employment performance better than the Italian average; this advantage has been eroded.
- Solid consensus on the importance of youth employment and opportunity to the future of the community as a whole, hence the instigation of the project.
- Significant business activity is still found in the region – this and other strategic opportunities provide meaningful assets on which to build.
- Regional government is committed to supporting and participating; JobTown fits with its priorities for reforming training and regional competitiveness. The Region intends to mainstream successful practice into Emilia-Romagna as a whole.
- Strong support from the university, particularly the ICT faculty.

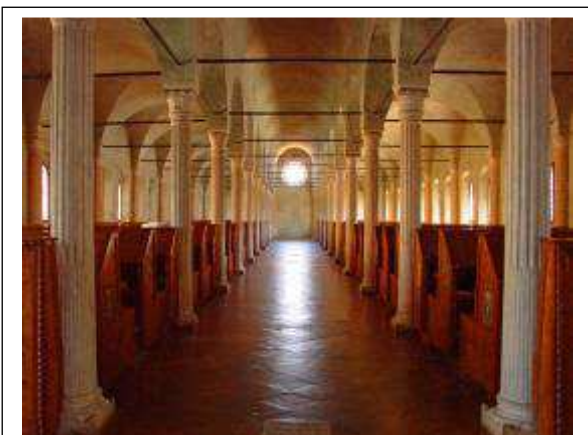


Aerial overview, Comune di Cesena

1) Cesena Situation

General

Lead Partner of the JobTown Thematic Network, Cesena – population 97,484 (2011) – forms part of the province of Forlì-Cesena, within the Emilia-Romagna region of northern Italy.



Malatestiana Library, UNESCO Heritage Site

Cesena is a physically attractive city, with a well-maintained appearance throughout and a large intact historical centre, dense in architectural qualities, UNESCO recognised heritage sites, and so forth.

The city had traditionally been well off, with economic performance and employment conditions above the Italian average; more recently, the city's relative

circumstances have deteriorated and Cesena now finds itself more in line with the economic and labour market indicators and difficulties which mark Italy as a whole.

Amongst the younger population, there is a generalised sense of there being a mobility problem – in the sense of blocked career paths and of being unable to ‘go up in the system’.

The University of Bologna’s Cesena campus – predominately oriented towards sciences and engineering – contributes to a significant student population; its 4800 students (2011 figure), plus graduates who stay on, make for a fairly large population of educated young people in the city.



Employment

The severity of the figures makes it clear that something must be done; youth (ages 15-24) unemployment figures for the province have been steadily climbing since January 2004 (see graphic) – with the trend accelerating from 2008 on – reaching **34.2%**³⁶ in 2011. Provisional data for 2012 indicates that during the first quarter of 2012 unemployment (15-24 age group) rose by 9.2%.

Cesena, once somewhat advantaged, now finds itself in line with a national average of 36.2% (as of May 2012, ages 15-24), which in turn is one of the highest national figures in Europe.

The situation becomes even starker if one considers the quality of work; many of those listed as employed are in jobs that are low paying, dead end occupations, leading to little or no opportunity for the future.

Locally young people are increasingly **interiorising** these limitations on their perspectives; when meeting people in Cesena to prepare this report, one young lady with a degree in computer science told me *“I’m working part-time in a call centre, and I’m one of the lucky ones”*.

Unemployment rates, ages 15-24, Province of Forlì-Cesena, 2008-2011:

2004 – 11.0%

2005 – 9.5%

2006 – 13.9%

2007 – 12.9%

2008 – 11.2%

2009 – 18.6%

2010 – 22.0%

2011 – 34.2%

Sources: Istat and Provincial Administration of Forlì-Cesena

³⁶ Figure provided by local officials

Labour Market shortages:

The local labour market is marked by a bitter paradox; many young people are without work, yet companies are often **unable to find people qualified** to take jobs that are available in various professional sectors. Local authorities believe this stems largely from the decline in attendance of Professional Schools.

This decline is viewed as a consequence of the 'socio-educational model' of the last three decades or so, whereby young people and their families eschew Professional Training programmes, in favour of what are seen as more 'elevated' studies – which are in fact often less useful in actually finding a job.

Discussions with local stakeholders – in particular Dr Alberto Zambianchi, President of the Forlì-Cesena Chamber of Commerce – emphasised that a key part of the problem is **perception**; certain jobs suffer a lack of prestige. As a result, families aspire to more white-collar jobs for their children, discourage the pursuit of professional training, and so forth.

Another issue, concerning labour market shortages, is that of the aging population; many of the local entrepreneurs are currently approaching **retirement** age. Many businesses are at risk of closure if people capable of taking them over cannot be found.

Business Environment

Businesspeople contacted while researching this report generally characterised the business environment in Cesena favourably, as compared to the rest of Italy; they describe the local culture as 'business friendly' and the administration as supportive and accessible.

Local business activity³⁷, though troubled by current decline and business closures, is reasonably diversified by sector, and predominately made up of small and medium enterprises.

The territory immediately around the municipal borders supports a lot of business activity – such as the CERCAL R&D centre and its surrounding industrial and design cluster specialised in high value added shoe production.

At the end of 2010 there were 44,791 companies registered at the Chamber of Commerce of Forlì-



Amadori



Apofruit



Orogel, source: Comune di Cesena

³⁷ According to 'Movimprese' (a set of quarterly statistics), produced by the Infocamere database (an ICT platform for the Italian Chambers of Commerce)

Cesena (40,538 of them active). Among the most significant sectors, trade is 27.1% of active businesses; construction 20.9%, and manufacturing (a shrinking sector) 12.5%. Other sectors listed were 'Accommodation and food' (8.3%), 'Property Activity' (7.8%), 'Other Service Activities' (5.4%), and 'Transport and Storage' (5.1%, also in decline, in part due to the decline in production and this less goods needing to be shipped).

Largely due to aging of the population, the care sector has strong potential for growth; however much of the employment this might generate is of relatively low quality (domestic care providers etc.).

Cold chain technology and food processing is important locally; there are 4 large frozen food companies in Cesena. The food sector provides a wide range of jobs, from high to low skilled; a summer job in the food production sector is a common experience for Cesena's students. The municipality is confident about involving these companies in the actions and consultations of the Thematic Network.



Technogym, source: Comune di Cesena

Technogym is the largest company in the city, employing more than 2000 people; it is a world leader in sports and fitness equipment (e.g. it was a major supplier of the 2012 London Olympics). The profile of its employees is highly international and the types of skills employed highly varied; the globally competitive position of the company as a manufacturer sets an excellent example, in a context currently challenging to entrepreneurial morale – hence their involvement would be valued.



Trevi equipment in use – image from 'Ground Zero' in New York. source: Comune di Cesena

Another key local private sector actor is *Trevi*, an important manufacturer of excavation machines (bulldozers and so forth), which has strong links with *Cassa di Risparmio di Cesena* (Cesena savings bank), which in turn is a key supporter of new businesses and entrepreneurship locally and thus a key potential ally to the city in its efforts to support business creation and young entrepreneurs.

Crisis

The already difficult structural situation, of declining competitiveness and labour market opportunity, was accentuated by the severe financial and economic crisis erupting in 2008 and still ongoing. A lack of liquidity has become generalised; customers are slow in paying and access to credit is drying up, leading to widespread cash flow problems.

In this complicated period, enterprises in the Province have lost turnover, profitability and competitiveness. The severe downturn has led to an excess of production capacity, which will hinder the return to work of the unemployed. Companies adapt by scaling down production rates, making extensive layoffs, using short-term contracts and avoiding new hires.

2) What's being done now

Regional policy and support

In terms of addressing supply problems of people lacking technical skills required by employers, the Region of Emilia Romagna is currently undergoing a major **reform of Vocational Education and Training**, led by Patrizio Bianchi, Regional Minister of Education, Vocational Education, University, Research & Labour. It is a major overhaul of VET in the region (http://www.scuolaer.it/scuola_cifre/iefp/default.aspx), seeking to make VET more effective and responsive to the needs of the region's labour market. As such the region is interested in supporting JobTown and accessing other experiences in reform of skills supply.

Cesena is taking advantage of this regional policy framework, by linking its local efforts and objectives to this larger policy momentum.

The region has in fact committed formally to supporting the JobTown Thematic Network through direct participation in the LSG, dissemination of results throughout the region and the European networks it participates in.

As part of this support and commitment, the region's Brussels representation has been mobilised in support of the project, and organised on October 5th 2012 a **seminar in Brussels**, instigated by the JobTown project, on current and developing EU policy and instruments in support of youth employment (see State of the Art for more information, or: <http://urbact.eu/en/projects/active-inclusion/jobtown/news/?newsid=876>).

City priorities:

The city administration's priorities have a clear relevance to the problems and challenges the project deals with. Within the current mandate, the city administration has been prioritising young people, in terms of being an alarming immediate problem (due to the now extreme levels of youth unemployment and underemployment) as well as in terms of it being a challenge to long-term structural developmental and economic competitiveness.

Memorandum of Understanding

In 2010, to limit the effects of the economic crisis, a Memorandum of Understanding was adopted and signed by the Municipality of Cesena, Forlì-Cesena Province, the Provincial Labour Ministry and all the economic and trade union representatives of Cesena. The Memorandum seeks to foster job opportunities for unemployed, young people in vulnerable circumstances and elderly people with low incomes. It proposes to do so through a system of interventions for improving the social and working situation of people in difficulty due to the crisis, with particular attention to young people who are in conditions of severe disadvantage with respect to inclusion in the labour market.

Entrepreneur Fund and other 2012 priorities

For 2012, the Municipal Administration of Cesena has adopted the aim of addressing structural barriers to youth employment. The municipality is trying to find ways to:

- Promote innovation and entrepreneurship – as part of this effort, Cesena is currently setting up a Fund for New Entrepreneurship. This fund will play an important role in the actions carried out in the **Implementation Phase**.
- Create new employment for young people
- Make a better match between local labour supply and demand
- Better integrate the network of services addressing youth employment issues, reducing excessive compartmentalisation of municipal services (i.e. not work in 'silos'), with more effective partnership with local stakeholders and the Social Sector present in the city.

New Department

As part of this policy direction, Cesena has created a new municipal 'Department of Labour, Youth, Business, Land Development, whose mission is to create new employment opportunities, foster convergence between labour supply and demand, enhance existing tools, and encourage innovation and entrepreneurship.

Cesena's **Local Coordinator** for JobTown – Roberto Branchetti – is the Head Administrative Officer of this department.

The Municipality's Department for Sustainable Development is also focussing its attention on young people.

The new Department's principal tasks are:

Creating new **employment** opportunities

Promoting convergence between labour **supply and demand**

Promoting **innovation and entrepreneurship**

Creating an **integrated network** of services in partnership and synergy with all the active forces of Cesena city. The LSG will be a direct means to pursue this goal.

Complementary Policies and Projects:

- Over the past two years, Cesena has embraced a policy of orienting itself more towards Europe; consequently, the city currently has six active EU Projects and has joined the "Eurocities" network. ☒
- July 2011 the Council of Cesena joined a Lifelong Learning Project 'Moving Generation' in which the role of the City is to promote and support business initiative. ☒
- Cesena is currently in a European Integration Fund project – REALISE. Like JobTown it addresses Labour Market inefficiencies and barriers, but from another point of view – the poor use migrant skills and qualifications (i.e. migrants who are disproportionately working in jobs for which they are overqualified). Through these different projects, the administration is consciously seeking to improve its understanding of Labour Market dynamics and needs, so as to institute more effective reform measures. ☒

Town Centre

The municipality has almost completed a plan for managing and adapting transport flows in the old town centre, which is a compact spatial fabric, clearly demarcated from the newer town, and dense in structures of aesthetic and historical value (UNESCO world heritage sites and so forth).

The plan seeks to adapt commercial distribution and traffic, using vehicles more suited to the tight spaces (i.e. smaller trucks, buses, cleaning vehicles etc.) and promoting cycling (bicycle use is predominant to a degree unusual for Italy and more similar to that of the Netherlands).

The administration has established a specific group of businesses established in the old centre to focus on their needs, with a view to maintaining an active commercial environment (i.e. resisting the drift



Short bus adapted to tighter spaces

towards an 'open air museum' type centre, common in similar historical Italian towns). Closures have increased recently and the municipality is working hard to avoid closed spaces staying closed.

Territorial Plan

The Emilia-Romagna Region is currently developing a Territorial Plan to modernise productive activity (more 'green growth' and so on). The plan is overseen by Counsellor Mozarelli who contributed to the research of this report; he hopes to use Cesena's initiative to facilitate this broader plan and has committed to supporting and participating in the Network in the Implementation Phase.

Logistics

Regional transport projects are currently being developed which would make Cesena, for its placement in relation to the traffic flows generated from Ravenna to Rome, a natural logistical centre for this *de facto* transport region. This development has the potential to create a range of logistical and transport related jobs locally.

Business Support – Associations, Chamber

Local employers associations are a main source of business support and research, carrying out market forecasting, market prospecting, support in getting financing from banks and entrepreneurial networking on a regional level.

The functions and services these associations provide make them an essential platform on which the Implementation Phase will build.

The provincial Chamber of Commerce (its president, Alberto Zambianchi, contributed to, and participated in, the research for this report) provides:

- Regularly updated data on employment, business activity and skills requirements in the province
- The identification and dissemination of examples of successful business best practice
- Business advisory services
- Facilitation of networking and business contacts

Training

The provincial administration is responsible for professional training and ensuring training adapts to labour supply and demand, as such the province needs to be represented in the LSG and kept involved in the development of the Implementation Phase. Accordingly a representative from the province (Denis Merloni, the province's Labour Market and Training Advisor) has participated in the research for this report and has committed to support the project.

ICT Faculty Business Outreach

The Bologna University Campus located in Cesena has a well-respected Computer Sciences faculty, with which the municipality enjoys a strong working relationship (the Dean, Luciano Margara participated closely in the research for this report). The campus also has a policy of actively involving business people with the university³⁸ and the ICT courses already bring employers into the university as teachers.

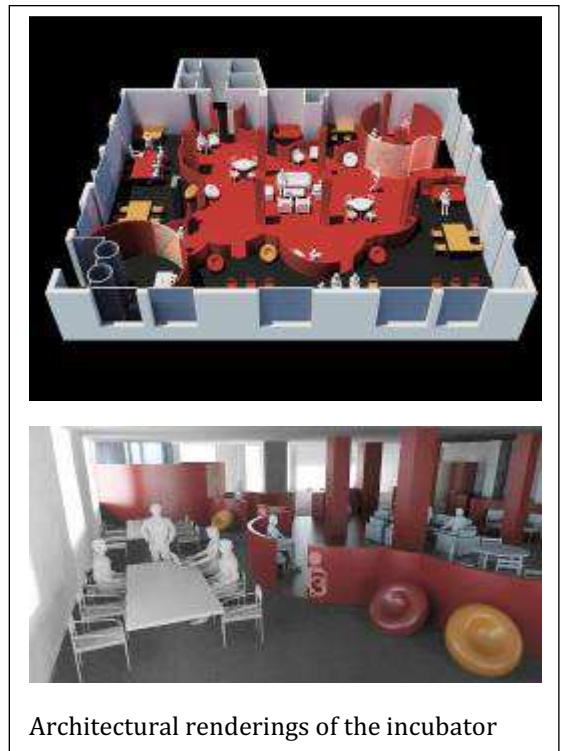
The computer sciences programme ends with a Career Day (now in its 2nd edition), which is well attended by students and targeted employers. The faculty wants to deepen its ties and partnership with local employers and sees Job Town an opportunity to do so. There is much opportunity to do so, as many of the key local employers are themselves former students of the faculty, hence amenable.

Incubator

Cesena is currently engaged in setting up an ICT business incubator, which will start before the end of 2012. Part of the Local Action Plan will address how to involve key stakeholders in supporting the endeavour and making it a success in creating viable businesses.

How it will work:

- Participants won't pay rent and will be selected on the basis of proposing the best business plans. Appraisal of said plans will be based on technological viability (which the faculty participants are well qualified to evaluate) and on the viability of the business plan (which will be evaluated with the support of executives from successful international tech companies who have agreed to play this role).
- The incubator will provide, in addition to the usual start up facilities, training in management and business creation.
- The local administration will provide support with administrative requirements and other such bureaucratic issues.
- The Cesena Savings Bank and the Municipality will support the propositions – by providing a common fund for business start up.
- Companies must be based in Cesena to get the money and support.



Architectural renderings of the incubator

³⁸ “The activity at the campus is distinguished by a the quality of teaching, the support for research development, strong incentives for relations between the University and Business, and for the facilitation of implementing its graduates into the working world.” <http://www.eng.unibo.it/PortaleEn/University/Multicampus/Cesana+Campus.htm>

- The incubator will be located in which has been vacated by a tax agency; a warehouse building is currently being renovated and will eventually be used for technological activities more suited to that kind of space.
- The organisers will use their already existing contacts with local ICT companies – who are interested in identifying new business opportunities – to get support for the incubated ideas. This will culminate in joint ventures being set up, between the new companies being created and established ones.

Study of Local Economy already done

Legacoop , a large local cooperative with some 4000 employees (whose head, Monica Fantini, contributed to the research for this report), has conducted a study called ‘una sola voce per l’economia’ (one voice for the economy), which is apparently the only one of its kind in Italy; it identifies key needs for the local economy and was developed through an interactive method with local stakeholders.

The study will be capitalised upon and makes for a promising a departure point for discussion in the LSG.

3) LSG

Local Support Group – confirmed

| Name and Surname | Body | Role | Expectation from the project | Contributes to the project |
|-------------------------|---|---|---|--|
| Francesca Bergamini | REGION EMILIA ROMAGNA – Labour Service | Head of programming , evaluation and regional interventions in the policies of training and employment Service | To mainstream the results of JobTown project in further regional priorities regarding economic competiveness, employment, education and training | Facilitate relationship with other important key actors; participate in implementing local and transnational dissemination strategies. |
| Roberto Sanulli | CNA - Cesena National Confederation for Crafts and SMEs - | Head of Cesena Body base | To elaborate and support the implementation of an economic, social model of | Providing information and integration of information |

| | | | | |
|-------------------|---|--|--|--|
| | Body of Cesena | | development | tools |
| Chiara Ricci | Confartigianato Cesena General Confederation of Italian Crafts. Body of Cesena | Head of Young Entrepreneurs Sector | To improve the value and competitiveness of Crafts and small and medium enterprises. Facilitate the consolidation of new companies | Sharing resources to facilitate an improved environment and support for launching new businesses |
| Maria Luisa Pieri | Confesercenti Cesenate Italian confederation of traders and hotel owners. Body of Cesena | Head of Trade Union Area | To access to European funds and support for projects to enhance the tourism and hospitality sector | Sharing information and supporting research |
| Cristina Borghesi | Confcommercio Cesena General Confederation of Italian Commerce and Tourism. Body of Cesena | Head of Training Area | To ease job placement through post-diploma and post-graduation courses, starting internships and, in case of a first job, providing contract writing support. | Carrying out research , studies and information sharing initiatives and resource sharing |
| Luciano Margara | University of Bologna | Dean of ICT under graduate degree in Cesena. | Create a system of actions aimed at facilitating young graduates access the labour market | Provide technical support for the implementation of the municipal portal addressed to youth employment; participate in the creation |

| | | | | |
|--------------------|--|----------------------------------|--|--|
| | | | | of the incubator for new businesses |
| Alberto Zambianchi | Chamber of Commerce, Industry, Crafts, Agriculture Province of Forlì-Cesena | Chairman | To forge a project to increase the locality's overall competitiveness , via participation in a European network | Provision of all complete data monitoring of the province's economy, including database of all statistical indicators |
| Denis Merloni | Province of Forlì-Cesena | City Councillor of Labour | Capacity building for networking projects and other areas of governance and dissemination of best practices | Involve the JobTown network with the set of active labour policies being applied by the Province, which has jurisdiction on this issue |
| Pier Paolo Baroni | Confcooperative Forlì-Cesena Confederation of Cooperatives Province of Forlì-Cesena | Head of Labour Area | Capacity building for actions for developing and increasing employment opportunities | Provide the experience of the cooperative movement, which, within the process of creating cooperative enterprises, prioritises creating new job opportunities (e.g. identifying companies that are closing, which |

| | | | | |
|---------------------|--|------------------------------------|--|--|
| | | | | can be revived by employees and run as cooperatives) |
| Monica Fantini | Legacoop Forlì-Cesena League of Cooperatives Province of Forlì-Cesena | Chief Executive | Promote the development of new cooperative enterprises and the dissemination of principles that underlie the cooperative model | Sharing information resources |
| Valter Rusticali | AGCI - Associazione Generale Cooperative Italiane - Forlì-Cesena-Rimini General Association of Cooperatives Province of Forlì-Cesena-Rimini | Chairman | Implementation of active policies to support employment and the consolidation, integration and development of the cooperative movement | Information, exchange, political coordination and organizational support |
| Maddalena Forlivesi | Unindustria Provincia Forlì-Cesena Industry Association Province of Forlì-Cesena | Director of Services Agency | Support job creation and internationalization , benefitting from European peer exchange. Encourage knowledge exchange and cooperation among companies involved in the project. | Quantity and quality of the business system represented can provide concrete starting points both in terms of knowledge of current requirements and needs in businesses in terms of employability |

| | | | | |
|--|--|--|--|--|
| | | | | of young people, and future needs projection. Provide knowledge gained from experience in the vocational training sector |
|--|--|--|--|--|

Occasional participants (as per subject of interest)

| Name and Surname | Body |
|-------------------------|---|
| Barbara Ferrai | CGIL (Trade Union) |
| Filippo Pieri | CISL (Trade Union) |
| Giuliano Zignani | UIL (Trade Union) |
| Giorgia Antonellini | University Student Associations |
| Lia Benvenuti | TECHNE' (training company owned by Forlì-Cesena) |
| Paola Cicognani | Region Emilia Romagna – Labour Service |
| Maria Luisa Biondi | 'Direzione Territoriale del Lavoro' – branch office of the Ministry of Labour |

Given the scope and diversity of matters arising in a holistic and inclusive approach, like the one Cesena is taking, some divergence of priorities will need to be accommodated by breaking LSG activity down into areas or forums of concern – e.g. many of the businesses represented by the Association of small enterprises and artisans have little interest in ICT start ups, students might have little to say about certain business taxes and regulations, etc. It would be more respectful of participants' time (particularly private sector people who can be difficult to keep engaged in the best of times) not to expect them to attend meetings about concerns alien to their own. The local coordinator will explore the most useful ways of structuring meetings and attendance, in this regard. If

operable the LSG work may be partly broken down into sub-working groups, by subject matter, which will report back into a larger ensemble. If numbers and scale do not justify this, a more flexible attendance pattern may be accommodated as a simpler route.

4) NEEDS

Cesena has initially identified the following as areas it wants to use the JobTown thematic network to work on, through developing the Local Action Plan and peer learning with other cities:

- Enable an effective **transmission of good practices** developed in other European contexts and aimed at resolving youth unemployment.☐
- Come into **contact with cities** experiencing comparable challenges, so as to support peer exchange with other cities about youth unemployment problems, and dynamics, and methodologies and approaches to solutions.
- Develop a **method of survey, analysis** and understanding of the local labour market, in terms of both supply and demand factors.
- Develop more effective methods for **tackling the problem of youth unemployment and economic competitiveness locally**.
- Establish a relationship with the **managing authorities** of structural funds.
- Identify opportunities in the territory regarding **European youth employment policies and programmes** – particularly in terms of accessing ESF funding and participating in actions supported by the Youth Opportunities Initiative, so as to support and accelerate the creation of job opportunities for young people. ☐

Fostering **linkages** among manufacturers, universities, and the research and knowledge-based sector.

Creating an efficient **network** among local stakeholders and, as a consequence, an integration of Cesena Council's services and those services provided by other local stakeholders.

Avoid **duplication** of activities and efforts of other actors and administrations; the opportunity for improving cooperation with the region will be helpful in this regard.

Involving local economic and social stakeholders in the planning of new strategies, with the aim of increasing job opportunities and improving existing services.

Better valuing the range of organisations operating in the Cesena area and facilitating a greater **complementarity** between the educational sector and the needs of the local productive system.

Creating favourable conditions aimed at promoting **investment**.

Facilitating the **internationalisation** of the local economic system.

- Supporting **innovation** by local enterprises.
- Better **connecting the skills** of local young people and the needs of the local labour market.

Areas of need

The following goes into greater depth about the areas of need the network will seek to address through its work in Cesena.

Link with World of Work, answer needs

As part of the efforts to better link young people, and the structures young people may depend on (schools, job centres, etc.), with the world of work, Cesena needs to explore how to better use Job Fairs, and other means of generating liaisons with the companies and for creating opportunities for young people to meet employers. In this regard there is much scope for peer learning and from the identification of best practice by thematic expertise.

Likewise, in the **Region of Emilia Romagna** (the Region is participating in the LSG), current reforms of Vocational Training systems – with an emphasis on more in company training and bringing training closer to needs of work place – will provide a framework within which to explore improving linkages with the world of work. This change in approach, currently emerging locally and regionally, to acquiring employability qualifications also has the potential of finding synergies with approaches supported by the **ESF** programme (the Province is currently applying for ESF funding for Artisan Training, which may be an opportunity for JobTown).

In practice, reforming the **responsiveness**, and foresight, of education and training in relation to the labour market involves many levels of governance and a complexity of actors, which makes such reform potentially a rather heavy task. In contrast to the hard going of such reform is the acute pressure that has built up to improve competitiveness and employment in Italy.

An example of emerging needs locally is how Cesena is becoming situated as an ideal hub location for logistics of a large macro-region of Italian transport; training and advisory will have to adapt locally in response to this emerging role. This development of logistical functions and jobs has potential synergies with cities like Thurrock, Enfield and

For there to be any improvement in suitability of training and other paths to work, there needs to be – in tandem – an improvement in the systems and **methods for identifying the needs** (current and emerging) of employers.

The difficulty of developing effective systems of detection and forecasting of labour market needs is compounded by the fact that local (and across Italy in general) companies too often have a **lack of understanding of their own needs**. This is thus a requirement for capacity building in companies, which has to move in step with the improvements described above (improved responsiveness to needs). In practice, the role of participating entrepreneurial associations will be important in addressing address this issue of company self-awareness.

The multi-pronged nature of the reforms needed, makes the emphasis on coordinated multiple stakeholder involvement, proper to an Urbact Thematic Network, a highly suitable approach.

Private Sector Cooperation

There are precedents of local cooperation with the private sector, but also problems; cooperation is often *ad hoc*, and different professional bodies are often competitive in attitude towards each other and thus resist cooperating collectively and do not speak with one voice.

Hence, JobTown is an opportunity to work on improving the nature of cooperation with the private sector.

Business environment

The local administration understands the nature of employment and opportunity available to young people in Cesena, though a distinct concern, is inseparable from the nature and circumstances of the local business environment; for the administration to do something meaningful about youth opportunity, it needs to improve the quality and nature of the business environment.



Leisure ambience is generally good

Locally, bureaucracy can be reduced and made more homogeneous among municipalities. Communication between business and administration can be improved; though quite regular now it is of a somewhat *ad hoc* nature and a more stable channel of communication could be set up as an ongoing platform.

In the context of the current recession, more long-term structural problems and the need for economic growth, Cesena needs to **understand how to become more suitable and attractive as a place for companies to do business and create employment**. Among other things, this requires a suitable workforce (in terms of capacities and disposition) and effective training and educational structures, as well as a clear and identified path of local development and a demonstrable capacity for partnership among key local actors in support of said development path.

Cesena needs to become more able to compete internationally and export focused; SMEs and large cooperatives often only think of internationalisation in terms of delocalisation and do little exporting. Entrepreneurial spirit needs to be stimulated with regards to internationalisation and the young workforce needs to be capacitated to perform to the requirements of internationalised business and productive activities.

JobTown can be part of a process for generating the right business environment for Cesena.

University/incubator

The University staff – in general but also quite particularly the ICT Department – recognises a need for a better connectivity with world of work: better support transition from university to working life (the incubator – see below – is part of this), get business people into the university, get young people out of the university to meet business people and get work experience, and so on.

Likewise the student representatives explain the student body also wants more contact with the private sector and support in making this happen.

For its part, the ICT faculty specifically wants to deepen its ties and partnership with local employers and sees JobTown an opportunity to do so.

In this line, the faculty-led ICT incubator will be starting before the end of 2012 – and offers some promising synergies with Aveiro. Part of the **Local Action Plan** will be linked with supporting this project and in involving key stakeholders in supporting it.

However, while the ICT Department has been particularly active in discussions so far, they have made it quite clear that the university as a whole must be involved and that other departments (Agronomy, Engineering, Architecture, etc.) have plenty to offer. The area has a lot of food and agricultural activity and the university is able to contribute to quality Research and



Aula Magna, University

Development in this field; likewise there is some important nautical manufacturing (yachts and other similar scale ships, often highly specialised with high added value production, etc.) in the province and the university is able to support good R&D for that sector as well.

Orientation and Advisory

Cesena currently has an information service for young people – Informagiovani – which it wants to reorient towards matters of employment, training, company contacts and entrepreneurship. As part of this reorientation, from October 2012 on, Informagiovani will be managed by Techne', a training company owned by Cesena and Forli' municipalities. The Local Action Plan will address this reorientation, benefitting it with stakeholder input.

The Implementation Phase will also need to work on identifying and pursuing other ways of improving job advisory and orientation for young people.

Image aware aspire

As has come out consistently among the partners in the process of carrying out the Baseline Study, part of the problem of matching young people to existing career opportunities lies in the image – often inaccurate or outdated (not appreciating the more 'high tech' practices of these sectors as opposed to a generation or two ago, and so on) – of some professions or sectors. Many of the jobs requiring a more technical qualification are often seen as lacking prestige and thus unattractive to young people and their parents.

To become more attractive to young people many of the more technical jobs and trades, which do have the capacity to generate employment, need to acquire more 'dignity' in the eyes of potential candidates to these jobs and their peers and other people who influence them (family, teachers, media, etc.).

Training and Labour Market – Supply/Demand

Fundamental challenge: in Cesena there is a lack of **complementarity between training and the labour market**.

Consequence: despite there being lots of unemployed people (of various ages), companies in some economic sectors have difficulty finding qualified workers to fill vacancies. Clearly, there is a need to better harmonize labour supply and demand.

Even if the crisis ends soon, it will be difficult to improve the current condition of the labour market; Italy continues to suffer a structural impairment in economic performance compared to other European countries. There is no foreseeable expansion of employment in the short-term and the labour market is likely to further deteriorate.

Added to these disturbing negatives are the significant difficulties relating to the creation of new companies (administrative burdens, charges, and so forth). Accordingly, there is a need to provide better support mechanisms for **business creation**, particularly in technological and innovative sectors.

Generational Transfer

Due to the aging population; many of the local entrepreneurs are currently approaching retirement age.

There is therefore a need for a **generational transfer** of skills and capacities, to allow these enterprises to continue functioning rather than close down, and a need to raise awareness of the opportunities this generational transfer represents.

In general, there is a need to raise **awareness** of:

- How a multi-generational workforce and the sustainability of companies are linked.
- How the approach of large-scale retirement is both a risk and an opportunity.



Aveiro Profile

Key Points:

- National telecoms cluster.
- Close cooperation with local university.
- Wants to develop social enterprises as a means to provide new employment and to mitigate resource limitations in provision of social services.
- Wants to improve entrepreneurial education, from the primary school level up.
- Wants to establish a comprehensive local employment network.
- Video summary presentation:
<http://www.youtube.com/watch?v=lLaiavwLFhI&feature=youtu.be>



Photos courtesy Aveiro Town Council

1) Aveiro Situation

General

Aveiro is a city in central Portugal; its municipal population is 78000, however it is also the capital of the Baixo Vouga sub-region (a 'NUTS 3' territory), with a population of about 400 000, and functions as the centre of that larger integrated territory.

The old city centre is large and mostly well maintained, endowed with attractive modern and historical architecture, well functioning public spaces and waterways. Its aesthetic qualities, and proximity to the coast, attract a regular flow of tourists and leisure seekers. However, the periphery is of a much poorer quality in terms of urban fabric; it is mostly 80s and 90s architecture, put up with relative disregard for urban planning and even includes some agricultural spaces within the city limits.

Aveiro is an experienced participant in Urbact networks and has been identified by Urbact as an example of Best Practice; capitalising on this background has led them to JobTown with a clear focus on three main priorities:

1 - Building a complete local employment network

2 - Social Innovation

3 - entrepreneurial education

The approach Aveiro wishes to use to address these 3 priorities is based on the following 3 premises about how youth (un)employment should be addressed:

- In terms of **structural** issues, i.e. going beyond current 'crisis' concerns.
- Not only in terms of quantitative job creation, but also in terms of the **quality of the employment opportunities**.
- From a **holistic** socio-economic perspective, i.e. one cannot talk of the effectiveness of communities' economic strategies and productive models as separate issues from the state of employment and opportunity in those communities.



Photo courtesy Aveiro Town Council

Education and Qualifications

Aveiro has been experiencing an increasing unemployment rates among graduates, undermining incentive for additional education and qualification among youngsters.

University

The **University** of Aveiro has some 12-15000 students, at post and undergraduate levels. It is now offers an extensive range of courses in sciences, humanities and social sciences, but began as a technical university with a specialisation in communications technology, with strong links to **Portugal Telecom**; Portugal Telecom's Innovation Centre was established there in the 70s, and was a primary reason the university was set up in Aveiro. The university has long functioned as a driver of the local **ICT cluster**, the most important of its kind in the country.



University of Aveiro, Photo courtesy Aveiro Town Council

There are polytechnic schools outside Aveiro, which are part of the University; they are more specialised and technical.

The university is concerned with outreach to business, and currently runs an Open Days programme, which brings companies into the university (somewhat like in Cesena). Such an event is held for each department, on different days, and has been going on for almost 2 years. The university is also exploring how better to work with its alumni organisation.

Some 2 ½ years ago, the current **Dean** entered office, and he has been pursuing a new focus on entrepreneurial matters and social innovation. This is a somewhat newer dimension for the university and has been accompanied by the development of a new incubator and science park and a more recent interest in developing **social innovation** projects.

Observatory

Aveiro University now has a functioning observatory, which monitors what happens to its students after graduation; it does not yet cover graduates of all departments yet, as it is still being rolled out. The Observatory talks to companies in the follow up and works to make sure internships are quality and effective.

Training

The local Training Centre offers a fairly static curriculum and does not adequately adapt to changing needs.

At present, the local Industry Association and the Local Training centre do not cooperate and do **not share information** on the training needs of companies, though they have expressed a willingness, in principle, to correct this; however habits are ingrained and work needs to be done. A driver of change is the very recent merging, by the central government, of Employment and Economy into the same ministry; this is expected to create a new impetus for cooperation locally, as the merger is addressing the general problem of connecting up different agencies, services and levels of administration.

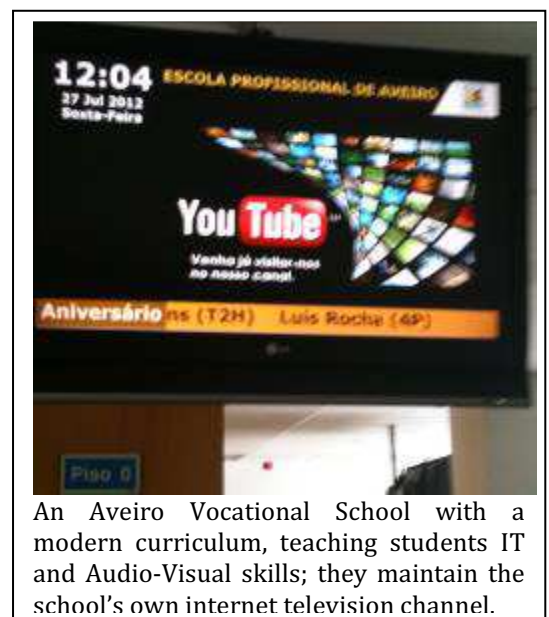


Photos courtesy Aveiro Town Council

The creation of a strong **employment network**, to which both the Training Centre and the Industry Association would belong, is seen as a potential solution to this current lack of cooperation – between these two key actors, and among other relevant social and business agents.

Teacher training and curriculum

Teacher learning has emerged as a transversal theme across most of the partnership. Teaching staff in most of Aveiro's schools (non-university) have traditionally been more concerned with **contents not competences**. There is a recognised need to change this, but it is still early days and much needs to be done to advance such an agenda. Except in privately owned schools, curriculum is set by the Central Administration, making change to better reflect local needs and realities difficult.



An Aveiro Vocational School with a modern curriculum, teaching students IT and Audio-Visual skills; they maintain the school's own internet television channel.

Employment and economy

The city needs to create jobs for people with skills (other than ICT) and no job.

Aveiro has lots of people with some **education**, but who are often nonetheless **unemployable**.

Aveiro also has, as throughout Portugal, lots of people with **low level** of education.

The City of Aveiro calculates the city's unemployment rate at 12.5%. For those under 24 it is 21%, and for those 25 to 34 years old it is 16%.

University graduates are generally not finding their prospects greatly improved (at least in the immediate timeframe) due to their having completed higher studies. Quite simply, higher education, as it is being provided, is not synching with the needs of the labour market.

ICT

However, jobs related with **ICT** *are* being generated and graduate ICT engineers are still finding work in their field of study. This ties in with Aveiro being a strong tech and ICT centre for Portugal.

Within Portugal, Aveiro is a centre for innovative SMEs, however businesses and entrepreneurs cite as a major barrier to business initiative – and by extension, job creation – the current lack of available, or the so-called 'credit crunch'.

Low education

About a quarter of the people registered as unemployed, have **only primary** school education. Low education is a generalised problem in Portugal.

Work conditions

For those young people in work, conditions are often poor; many of the jobs available are temporary, often tied to peak seasons (i.e. summer and Christmas). Much of the self-employment is fake, these being people working for one employer under fixed conditions but registered as self-employed so as to minimise the employers obligations vis-à-vis taxes, social charges, severance notification and compensation, and so on.

Strategic sectors and the university

The key areas of excellence that are emerging as strategic for Aveiro are:

- Materials science and engineering
- Various other branches of engineering
- Electronics and telecommunications
- Medical and paramedical sciences
- Chemical processes

To take advantage of these emerging strengths, the University of Aveiro has created specialization courses, both at polytechnic and university education levels, in programmes of 1, 3 or 5 years, meant to supply these regional growth sectors with suitably qualified people. The University has introduced flexible timetables, including night classes for a broad range of Master's programmes – allowing students to work and study.

The University has also introduced new forms of access to higher education (e.g. special entrance competitions for mature students) and recognition of prior learning, so as to allow people alternative, and later in life, routes to entering a university programme. A special support Unit for Lifelong Learning was set up to provide guidance and practical assistance to such candidates seeking entry but in need of counselling re. the right choice of educational pathway.

Crisis

Unemployment has been steadily rising year after year.

Unemployment rates among university graduates have been steadily rising – discouraging young people from further studies.

Austerity has led to budget cuts and governance changes, such as the amalgamation of national ministries – putting on growing pressure for reform.

Local companies and entrepreneurs are stymied by the lack of access to credit – i.e. the 'Credit Crunch'.

People describe a generalised sense of 'not knowing what will happen'.

The city of Aveiro is facing the impact of the economic crisis in different ways, and believes that it must foster local synergies among different sectors in order to promote the local development, as a recovery strategy.

2) What's being done now

Incubators and start-ups

Aveiro has an ICT **incubator** (much like the one Cesena wants to create), and a **science park** and, with ERDF funding, a new incubator is being built for 2013.

The old incubator will move to a new bigger space and amplify its activities to include **Social Sector** start-ups.

Progress been frankly disappointing; despite the existing local programmes to revitalize the economy and support local investors and investments, by providing economic support to business creation (Support Programme for Start-Ups, Portuguese acronym: FICA), less than 10 applications were presented and **only 3 approved** by the bank and mutual guarantee society.

European projects

Aveiro has been partner in many transnational projects and has years of experience.

Urbact

Aveiro has been highly successful in benefitting from Urbact participation, and, in terms of bringing this know how and past and present practice to the table, is an asset to the JobTown network.

Fin-Urb-Act

Aveiro was part of the Urbact network 'FIN-URB-ACT'. Though it is now completed, the LSG still meets and works together. After two years working with Local and European partners, on a strategy to support and promote SME's in Aveiro, the network led to a Local Action Plan (LAP) defined as 'Aveiro Entrepreneurial'. The LAP of the City of Aveiro includes actions and activities covering a wide range of aspects related to the creation and development of SME's and the promotion of entrepreneurship in the region. These actions were developed in accordance with five strategic axes:

1. Support to SMEs
2. Business Incubation
3. Fostering Entrepreneurship in Schools
4. Fostering an Entrepreneurial Culture
5. Communication.



Congress Centre and Municipal offices (renovated factory), Photo courtesy Aveiro Town Council



During the FIN-URB-ACT network duration, the Aveiro Local Support Group (LSG) established that the main objective was not only to design an integrated approach, but

also to obtain funding for its implementation – resulting in the direct collaboration with the Managing Authority. In October of 2010 six partners of the Local Support Group (AIDA, AGIR, University of Aveiro, InvictAngels, IPAM and Inova-Ria) had the opportunity to present a proposal under the specific call “Support System for Collective Actions”. The actions presented under the LAP from May 2011 to April 2013 were approved by the managing authority in June of 2011. **The investment approved was 901,622.15 €** with an ERDF rate of 70% (631.135,50€).

Since 2011 Aveiro has been implementing and monitoring this Local Action Plan. The results are positive, and working directly with unemployed people as well as with local and regional institutions that are working on the field, has given the administration a better understanding of their needs.

As part of this initiative, Aveiro has:

- Created workshops for unemployed people that have an idea and want to gain new competences to transform that idea into a business.
- Established the promotion of entrepreneurial skills in its schools (directed at ages 8 to 18). In the first year over 1180 students and over 53 teachers participated.
- Created the [FINICIA](#) program (Support Program for start-ups), aiming to support SMEs and the creation of new companies.
- Organized several “Contests” mainly related with ICT and Art in order to provide confidence to our university students to further develop their ideas.
- Organized Enterprise Missions to foreign markets in order to promote the internationalization of our local industry.

Aveiro believes JobTown can build on these actions already underway; the administration is thus keeping a focus on promoting entrepreneurship and creating financial and non-financial support instruments for local enterprise and unemployed young people.

Unic

Aveiro also participated in UNIC (Innovation in the Ceramic Cluster) Urbact network.



Example of Aveiro Art Nouveau

EUniverCities

Aveiro is currently participating in another Urbact project concerning Universities – EUniverCities – and so has agreed to serve as liaison between the two networks, helping to funnel any useful learnings worth sharing between the two networks, thus supporting maximum capitalisation among Urbact networks and value for money.

Interreg

Financed by INTERREG III Aveiro was a partner in the Salt Cluster and in INTERREG IV-C was part of the MISRAR project (protecting people, environment and property against the destructive impact of natural and technological hazards).

Others

Under the IEE (Intelligent Energy – Europe) program Aveiro participated in Active Access.

Within Culture 2007-2013, Aveiro was part of the ‘Art Nouveau et Ecologie’ Project and is a partner in the recently approval of the “CREART” project.

3) LSG

In the case of Aveiro, the fact that they already have a Local Support Group formed and working together is a key enabler for success.

The LSG has identified the need to structure its work on **2 basic Axes:**

1. Actions aimed at **individuals**/actions aimed at **organisations**
2. Actions addressing the **short and long-term**

Examples of JOBTOWN actions in terms of these 2 axes:

| | | | |
|----------------|----------------------|--|---|
| TARGETS | Organizations | Actions to improve the visibility of current local actors' competences, resources and opportunities for youth employment (eg. job opportunities platform). | Develop tools to monitor and preview local job market dynamics in order to provide adequate training responses (e.g. develop data sharing/analysis tools to monitor and preview job needs). |
| | Individuals | Provide technical training and support for new venture creation (e.g. access to funds, development of sustainable business plans...). | Provide education for entrepreneurship in young children. Improve local literacy/awareness about traditional/technical jobs (e.g. company visits for school children etc.). |
| | | Short | Long |
| | | TIME SPAN | |

3 basic objectives have been established:

1. **Building a local complete employment network** – its purpose being to correct inadequacies of present systems of cooperation which are missing key actors, (e.g. public bodies active locally but under the jurisdiction of the central government) and wherein communication among actors is incomplete.
2. Fomenting **Social Innovation**, as a means to generate employment and at the same time address problems in the community; Aveiro has less money to provide services, a lot of unemployed people with a need to create their own job – and *not just in ICT*. The idea is to answer social needs creatively, such as language learning childcare, infant care for parents who work shifts, services for the elderly, and so forth.

3. **Teaching Entrepreneurial skills** and values in education, from primary school up.

The initial **URBACT Local Support Group** is:

| DOMAIN | SUBDOMAIN | STAKEHOLDER | REPRESENTATIVE PERSON |
|---------------------------------------|---------------------------------------|--|-----------------------|
| DGOTDU³⁹ | CCDR-C (Managing Authority) | Coordination and Regional Development Commission | Lídia Martins |
| | Regional management of Center | Employment Institute of Aveiro | António Marques |
| Vocational Training Center of Aveiro | | José Batalim | |
| Education | University | University of Aveiro; | Marlene Amorim |
| | | Technology Transfer Unit of the University of Aveiro; | José Rainho |
| | | IEUA – Business Incubator | Celso Carvalho |
| | | AAAUA _v | Carlos Ferreira |
| | Vocational and Professional Education | Professional Tourism School of Aveiro | Manuel Torrão |
| Vocational and Professional Education | Professional School of Aveiro | Ana Ribeiro | |
| | University | IPAM, Marketing School | José Machado |
| | Companies | Private sub domain | PT Inovação |
| Other Institutions | Association | Industrial Association of the District of Aveiro | Elisabete Rita |
| | Association | Inova-Ria - Association of Companies for an Innovation Network in Aveiro | Marlos Silva |
| | Public Institute | Support to SME's and Innovation Institute | Osoria Miranda |
| | Public Body | Regional Department for Economy in the Center Region | Rosa Oliveira |

³⁹ General Board for Spatial Planning and Urban Development, national public body responsible for pursuing the policy of spatial planning and integrated urbanism in the structure of the Ministry of Agriculture, Sea, Environment and Spatial Planning.

⁴⁰ Institute of Employment and Vocational Training, the public body under the Ministry of Economy and Employment.

| | | |
|-----------------------------------|---|-------------------|
| Association | Commercial Association of Jorge Silva Aveiro | |
| Public Institute | Sport and Youth Portuguese Institute | José Cardoso |
| Association | AHRESP | Óscar Damaya |
| Public Association | CEFOSAP – Training and Professional Improvement Center (to be confirmed) | Ana Neves |
| Partner of Jobtown Project | Municipality of Aveiro | André Costa |
| Bank | Millennium BCP | Vera Carneiro |
| Bank | BPI | José Ferraz Alves |
| Business Angels | Invicta Angels | Ricardo Luz |
| Financial support | Norgarante | Hugo Marques |
| Association | AGIR | Carla Luis |
| News Dissemination - Radio | Terra Nova | Vasco Lagarto |
| Association | National Association for the Credit Right | Edgar Oliveira |

The local Employment Centre is a national service and not involved yet, obtaining its involvement is a key objective for the LSG.

In Portugal, the ESF Managing Authority is centralised in Lisbon, covering the entire country. Aveiro will thus work with Gondomar, the other Portuguese partner (from a different region, ‘the North’, Aveiro is ‘the Centre’), to engage the ERDF MA.

Portugal Telecom is supportive of the network and has participated directly in the study visit and the initial LSG meeting; its exact role has not yet been defined, but it wishes to support the network. Portugal Telecom is a big driver of development locally, having been largely behind the creation of university and the local ICT cluster; it has lots of young employees and carries out lots of training activities. Its potential for contribution and support is obviously extensive.



Inovaria has also been involved in the study visit research; it is an innovation company created by Portugal Telecom, which carries out Human Resource scouting functions and has considerable practical insight about employability, qualifications and job candidates.

Pedro Ferreira is the **city councilor** responsible for Economic Development, Education and Youth; he will participate in the project, taking part in some of the project meetings and in the activities foreseen for politicians.



4) NEEDS

3 main priorities:

1) – Local Employment Network

Which would provide a needed platform of cooperation for the local Industry Association and the Local Training centre regarding the training needs of companies, and for cooperation among other social and economic actors.

2) – Social Innovation

Addressing problems in the community. Aveiro has less money for this, as well as a lot of people unemployed who need to create their own job – and *not* just in ICT, i.e. they need employment options for people with different levels and types of qualifications. Care is an important issue due to the aging population, and the city needs help with the elderly, there are also needs regarding child care, infant care for parents who work shifts, language learning and so on.

- The main interest of the **university** is to contribute to social innovation: i.e. social innovation as a dimension of entrepreneurship.
- More specifically, regarding Social Innovation in Aveiro, there is a need to:
 - Develop **evaluative skills** for Social Innovation projects – re. sustainability.
 - Respond to the general problem of limited municipal **resources**.
 - Better **detect** needs – often undetected needs, *not* necessarily traditional needs (i.e. go beyond obvious social services such as elderly care, AIDS, domestic abuse etc.), but previously unidentified needs and new solutions to needs and resource limitations. Innovation could address issues like retaining population and talent, integrating migrants, mobility, any social issues that can be identified as holding back **growth** (a key idea, e.g. language learning).

- Youth employment in new pockets of employment/self-employment and support for youth employability, helping them to become employed elsewhere.

3) – Entrepreneurial Education

This involves changing and developing teacher training, more entrepreneurial skills development, and cross-disciplinary and generic skills. Local **education** provision needs to be adapted to the needs of local enterprises and companies – i.e. articulate with all educational institutions, to create new and quite specific courses and training plans, with better elegance to the skills needed in companies.

A more extended list of supplementary needs:

- Balance **short-term** and **long-term** approach.
- Identify **low cost or free** actions (the need for low or no cost measures is a transversal theme in JobTown).
- Better identify **demand**, current and coming, in the labour market (particularly more mid and long-term prediction) and for social and educational services.
- Overcome legislative and bureaucratic **barriers** to creating new certificated courses.
- Increase the **awareness in local business** of the potential of young people.
- Support and organize **job fairs** and other sector-specific initiatives.
- Address the decline of **traditional** commerce and sectors. – i.e. Bring **ICT to more traditional** sectors, by doing that we will promote R&D, promote the creation of ICT related jobs and maintain or increase the number of jobs in the traditional sectors (e.g. ceramics, metallurgy, electronics and other communication technologies).
- Encourage companies to develop socially responsible practices involving workers and to become more aware of the necessity to invest in human capital.
- Better understand the needs and priorities of the **young** people of Aveiro.
- Retain young people and university students.
- Develop/strengthen the **connection** between local training providers and employees.
- Strengthen the **entrepreneurial** competencies in the young.
- To address unemployment and lack of opportunity for the young by turning the target group into **entrepreneurs**, people that can independently create their self-employment and boost local economy and resources.
- Increase visibility and mapping of entrepreneurship resources available to students – opening up to larger participation in the incubators and more networking around the incubators.
- Develop a **mindset** for ‘social innovation’ solutions/approaches to address societal challenges.
- Articulate a strategy to come out stronger from the **crisis** (i.e. not stayin a purely reactive posture).

- Promote Economic **Development** through job creation.
- Make the relationship between **companies** and **employment services** more 2-way – i.e. companies come to employment services, but services don't go to companies, and this needs to change.
- **Dignify** jobs that are needed – i.e. many of the technical jobs or vocational career paths are rejected by young people, despite being a promising employment strategy. This is a transversal issue.



Photo courtesy Aveiro Town Council

Avilés Profile

Key Points:

- Convergence city, with traditional heavy industry background
- City Rebranding itself as a place suitable for tourism, cultural and leisure activities.
- Strong background in stakeholder involvement and partnership.
- Need to increase entrepreneurial capacities and proclivities.
- Need for greater internationalisation – with implication for skills requirements, mindsets and job and business strategies.
- Poor or inappropriate skills and ineffective systems and approaches for acquiring skills and qualification are an impediment to growth.
- Orientation and other job-related services need to be better coordinated and adapted to the needs and characteristics of young beneficiaries.
- Measures and practices need to be affordable.



1) Avilés Situation

General

Avilés (aprox. 90000) is part of an interdependent triangle of cities – Oviedo, Gijón, Avilés – which are the essential structure of the Spanish region of Asturias. The region's industrial base is situated roughly in the middle of this triangle and 80% of the Asturian population lives within a 25km radius. Avilés has long been somewhat in the shadow of the other two cities – Oviedo, Gijón – which are better known outside the region.

The compact and intertwined nature of the territory has long necessitated that planning and initiatives of any significance tend to be pursued via cooperative approaches.

The city is ethnically fairly homogeneous, having received relatively low levels of immigration (in part stemming from its somewhat low brand recognition in terms of place marketing).

Though a less well known to tourists than many other Spanish cities, Avilés is nonetheless a rather attractive place, made up of a mix of industrial heritage (which has



become increasingly appreciated aesthetically in recent years), some showpiece modern architectural developments and well preserved historic centre, plus areas characterised by more contemporary industrial and business activity and infrastructure. The town centre is walkable, with a good offer of restaurants, public spaces, cafes and suchlike, making it appealing for pursuits of leisure and sociability.



Pre-crisis Avilés had been concerned about its shrinking demographic, due to population aging – i.e. not enough young people. Now, the ravages of pervasive youth unemployment, and a lack of opportunity for what youth there is, have shifted that concern to anxiety about whether the current generation of young people is going to live worse than their parents, and if anything can be done about it.

Education and Qualifications

As an area traditionally less dependent on tourism than other parts of Spain, Avilés has historically been characterised by a greater emphasis on educational attainment. Moreover, its young people are on average much more educated than a generation ago.

Nonetheless, employers widely report that young workers **lack suitable training**. They often complain that people coming out of training and education are not really prepared to do the jobs that on paper they are qualified for – i.e. where a person, despite being specifically trained to do ‘X’, is unable to do ‘X’.

Training too often does not correspond to demand and education is largely theoretical in approach.

Conversely, teachers and trainers lament that too many employers, participating in potentially valuable on-the-job learning schemes, do not let young people in such schemes do enough that is worthwhile, so they do not learn as much as they should.

The lack of **appropriately qualified people is a strategic impediment to growth**.

Tangentially, in the sectors where safety is more of a concern, **accidents** are consistently caused by a lack of proper preparation.

At the same time, the local labour market manifests something of an inflationary tendency in terms of **qualification requirements**.

Young people going through or choosing education and training suffer from **misperceptions and a lack of knowledge** and understanding of what the local world of work and different jobs are like in practice.

Vocational training also has an **image** problem, having traditionally been somewhat stigmatised as for ‘dummies’, unable to pursue ‘better’ educational paths.

The University of Oviedo, which serves the Avilés population, has programmes for students to learn about **entrepreneurship**, but there is a lack of entrepreneurial education at lower levels and in vocational training programmes.

Increasing **internationalisation** is a challenge. Language education is inadequate for need; companies needing personnel with language skills have to make up for the local lack, by bringing in people from outside – from the rest of Spain and abroad. I.e. despite the large numbers of local jobseekers, companies need to recruit from elsewhere.

In the past, local people typically found work in the area, so the received mentality is one less than ideally equipped to go outside in the search of opportunity. The lack of language skills is also a barrier for mobility.

Understanding is starting to sink in of the need for globalisation friendly capacities (e.g. language skills and logistics) and of a **less traditional and linear career path** – i.e. whereby one is more likely to change jobs throughout one’s career, to need the flexibility to perform various roles, and so forth.

Traditional **apprenticeships** disappeared some decades ago, though there are still older workers and companies directors who entered the workforce in this way. However the practice is coming back, in an updated version; its re-establishment is a work in progress and there will be significant steps for implementation taking place during the span of the JobTown network. Local employers, educators and trainers are acutely concerned with the issue as, while the nature of the impact of this change is still emerging, it is expected to affect them quite directly.



Local star chef, and young entrepreneur

Employment and economy

The following tables show some key official statistics for youth activity and unemployment rates in Asturias – equivalent data at the Avilés’ local level is not available, though the integrated nature of the region and all anecdotal impressions would seem to indicate that the regional and municipal trends are in keeping with each other.

Essentially, the reader will find that all indicators get **worse** up to 2011; 2012 has continued the negative spiral, and when the year is closed, statistics will most likely display a continued worsening. Most forecasts for 2013 predict continued economic contraction (e.g. 25/09/2012 Standard & Poor’s forecast economic contraction of 1.4% for Spain in 2013, as opposed to 1.8% for 2012⁴¹).

| Evolution of activity and unemployment rates in Asturias 2000-2011 | | | | | | |
|--|---------------|-------------------|----------------|-------------------|----------------|-------------------|
| Annual average | TOTAL | | 16 to 19 years | | 20 to 24 years | |
| | Activity rate | Unemployment rate | Activity rate | Unemployment rate | Activity rate | Unemployment rate |
| 2000 | 45,39 | 16,98 | 14,49 | 38,90 | 53,81 | 37,67 |
| 2001 | 42,21 | 7,74 | 12,60 | 31,41 | 38,19 | 16,69 |
| 2002 | 44,01 | 9,73 | 12,03 | 23,00 | 47,62 | 22,71 |
| 2003 | 46,22 | 11,16 | 12,90 | 45,46 | 53,16 | 24,07 |
| 2004 | 46,44 | 10,36 | 13,14 | 38,81 | 50,48 | 25,37 |
| 2005 | 48,17 | 10,28 | 11,92 | 33,57 | 58,95 | 23,47 |
| 2006 | 49,86 | 9,31 | 13,51 | 30,49 | 60,48 | 21,62 |
| 2007 | 50,53 | 8,48 | 13,80 | 27,25 | 59,38 | 17,77 |
| 2008 | 52,68 | 8,45 | 19,37 | 36,78 | 61,51 | 18,92 |
| 2009 | 51,96 | 13,43 | 15,26 | 60,54 | 63,10 | 31,42 |
| 2010 | 51,65 | 15,98 | 13,12 | 53,39 | 50,05 | 34,57 |
| 2011 | 51,78 | 17,86 | 11,84 | 61,08 | 49,55 | 47,47 |

Source: Active Population Survey (SADEI / Public Employment Service) elaborated by Avilés Socioeconomic Observatory.

| Evolution of youth activity and unemployment rates in Asturias broken down by gender. 2000-2011 | | | | | | | | |
|---|--------------------|-------|-------------------|-------|--------------------|-------|-------------------|-------|
| Annual Average | 16 to 19 years-old | | | | 20 to 24 years-old | | | |
| | Activity rate | | Unemployment rate | | Activity rate | | Unemployment rate | |
| | Men | Women | Men | Women | Men | Women | Men | Women |
| 2000 | 17,06 | 11,81 | 31,67 | 49,8 | 57,67 | 49,79 | 28,74 | 48,72 |
| 2001 | 14,43 | 10,68 | 26,04 | 37,85 | 45,56 | 30,54 | 9,63 | 27,47 |
| 2002 | 15,62 | 8,25 | 17,52 | 35,59 | 54,99 | 39,99 | 19,51 | 27,08 |
| 2003 | 13,21 | 12,57 | 45,37 | 45,23 | 59,07 | 47,05 | 17,93 | 32,03 |
| 2004 | 15,68 | 10,44 | 30,1 | 57,01 | 56,8 | 43,93 | 22,21 | 29,6 |
| 2005 | 16,27 | 7,31 | 26,71 | 46,39 | 65,8 | 51,85 | 20,57 | 27,29 |
| 2006 | 15,65 | 11,26 | 26,61 | 35,05 | 69,73 | 50,84 | 22,41 | 20,31 |
| 2007 | 19,86 | 7,48 | 25,31 | 29,41 | 63,43 | 55,19 | 14,52 | 21,63 |

⁴¹ <http://business.inquirer.net/83898/sp-lowers-eurozone-growth-forecasts> ‘S&P lowers eurozone growth forecasts’

| | | | | | | | | |
|------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2008 | 23,99 | 14,55 | 34,34 | 39,59 | 62,1 | 60,9 | 17,58 | 20,3 |
| 2009 | 19,38 | 10,97 | 61,21 | 59,79 | 62,18 | 64,06 | 31,19 | 31,61 |
| 2010 | 16,45 | 9,64 | 52,28 | 53,94 | 54,6 | 45,34 | 37,57 | 30,92 |
| 2011 | 14,53 | 9,04 | 59,02 | 64,93 | 49,4 | 49,71 | 50,08 | 44,71 |

Source: Active Population Survey (SADEI / Public Employment Service) elaborated by Avilés Socioeconomic Observatory.

| Labour contracts for young people in Asturias 2005-2011 | | | | | | |
|---|-----------------------------------|-------------|------------|-------|------------------------------------|-----------------------------------|
| Year | % of contracts for under-25 youth | | | | Total labour contracts in Asturias | % of contracts for under-25 youth |
| | % permanent | % temporary | % practice | Total | | |
| 2005 | 6,1 | 89,7 | 4,2 | 5.386 | 22.209 | 24,3 |
| 2007 | 7,1 | 89,8 | 3,1 | 5.676 | 21.442 | 26,5 |
| 2011 | 4,9 | 92,8 | 2,3 | 2.857 | 18.644 | 15,3 |

Source: Active Population Survey (SADEI / Public Employment Service) elaborated by Avilés Socioeconomic Observatory.

| Registered unemployed youth in Asturias by educational level. 2000-2011 | | | |
|---|-------|-------|-------|
| | 2010 | 2007 | 2004 |
| No studies | 314 | 280 | 29 |
| Primary education | 460 | 299 | 275 |
| Secondary education (non completed) | 1.955 | 1.810 | 2.558 |
| Secondary education (completed) | 4.552 | 6.026 | 9.568 |
| Upper secondary education | 5.595 | 2.466 | 4.658 |
| Professional Education / Vocational Education - Lower level | 1.474 | 938 | 229 |
| Professional Education / Vocational Education - Upper level | 2.221 | 2.242 | 710 |
| University graduates - Bachelor | 773 | 1.490 | 2.591 |
| University graduates - Master | 1.661 | 1.231 | 2.323 |
| Other degrees (PhD...) (*) | 12 | 40 | 3.524 |
| Not available | 30 | 7 | 0 |

Source: State Public Employment Service. Annual report of the provincial labour market
 (*) Categories are not equivalent in 2004 statistics

Age is clearly one of the main factors for unemployment. Youth unemployment rates have been systematically more than twice those of the general population: 16.98% vs. 37.67% in 2000; 8.48% vs. 17.77% at its lowest level in 2008; and 17.86% vs. 47.47% (almost triple) in 2011. Even in the most favourable economic climate, youth unemployment was hardly below 20% of the active population. So, **despite the obvious gravity of the current crisis, we are seeing a major structural problem, which predates it.**

The youth **activity rate** in Asturias has traditionally been lower than the general rate, but varies considerably by specific age bracket. Early in the decade of 2000 the activity rate was as low as 14.49% for youth aged between 16 and 19, but 53.81% for those between 20 to 24 years, 8 percentage points over the general population rate. The activity rate increased in the boom years, to decrease rapidly again since 2008. By 2010 activity rate for youth aged 20 to 24 went for the first time below the overall population activity rate.

Access to the labour market is disproportionately difficult for young **women**. Activity rate is usually lower among young women and unemployment is usually

higher than among young men: in 2000 half of the young women in Asturias were unemployed.

Economic downturn has affected young **men more than women**; male activity rate has come closer to that of young women (i.e. who usually had worse rates of employment than males).

Difficulties faced by young people in finding a job are aggravated by other factors, such as low **qualification** or lack of labour **experience**. **The bulk of young people seeking a job have just compulsory education**. 75% of the unemployed youth have only secondary education or lower vocational training. University graduates have lower unemployment rates.



Entrepreneurial and business school for women

Job **precariousness** is a negative feature of the whole Spanish labour market and affects all age groups. When young people access the labour market labour, opportunities are typically temporary and precarious jobs. Permanent labour contracts are just a fraction (between 5% and 7%) of the labour contracts awarded to young people. Most employment contracts are temporary jobs, either seasonal jobs or used by the companies to replace permanent employment in low qualified jobs (tourism and leisure, retail, non-qualified manufacture personnel, cleaning and maintenance, logistics, and suchlike). Most contracts are under three months in duration (81% in 2005, 78.5% in 2007 and 58% in 2011).

Mobility is low; young people do not want to, or are unable to, leave home and work somewhere else in Spain or farther afield.

Legal limits to having interns and other formulae for temporary/learning positions – meant to avoid hidden hiring and abuse – place restrictions that often result in having to fire people if they cannot be taken on permanently. This often leads to a protracted and demoralising ‘yo-yo’ cycle, in and out of work for young people, where they are continually fired for no fault of their own.

Industry and business creation

Avilés has traditionally been known for heavy industry.

Essentially, the current local development model is to hold onto a good amount of industrial activity, modernise it, and combine



it with the more recent trend of growing the service sector.

The industrial sector is attempting to move from raw less sophisticated industry (i.e. steel, and related activities which were of great importance in the 1970s) to more added value-based industrial/production strategies. There is some significant specialised metalwork production going on stemming from the growing **Green Energy** sector: e.g. wind energy turbines and blades, and hydro-energy propellers.

Importantly, there is some **Research and Development** going on locally (particularly in specialised metal and material processes and technologies) which needs to be maintained and multiplied if this transition is going to succeed.

There are several large **multinationals** (e.g. DuPont and Mittal) established in the area, with significant networks of subcontracting rippling around them.

Challenges to industry and entrepreneurship:

- Lack of suitable **land** for industry to build on.
- A lack of **infrastructure** to support business initiative.
- **Aging** demographics means retirement of key qualified workers (e.g. certain highly specialised metalwork technicians) and entrepreneurs is approaching. The issue of **Generational Transfer** and filling those Human Resource gaps is another key challenge, but also an opportunity.
- A local vision of the economy, **lacking awareness of the outside world**.
- Entrepreneurship is **unattractive**. The traditional local prevalence of working in large semi-public companies, still affects the expectations of =young people; the want to be employed (preferably by such large traditional organisations) and not self-employed.
- The job market is not rewarding having studies, with stories of engineers making less than waiters.

Tourism, culture and hospitality

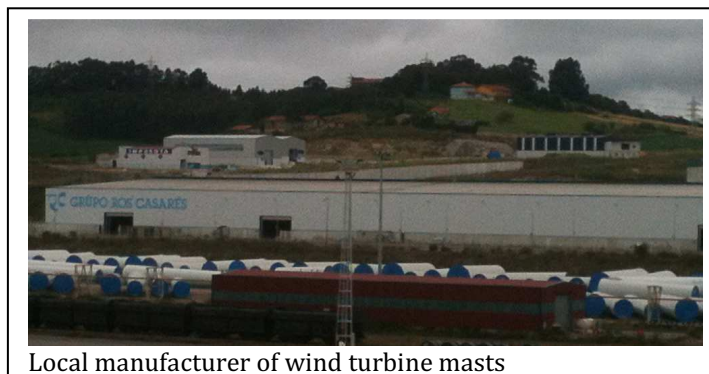
Conversely, there is a clear potential for growing **tourism** and related support sectors, as this has traditionally been underexploited. Avilés has the attractions – heritage assets, cultural events and infrastructure, *haute cuisine*, and so forth – to build on, while improving connectivity (e.g. cheap and daily direct flights from London) makes the strategy increasingly feasible.

Despite high levels of unemployment, the county in which Avilés finds itself, had in July 2012 some **400 posts unfilled** in the hotel, restaurant and catering sector (Horeca).



Crisis

The crisis comes on the back of a long-term shift from traditional industry and jobs, and the challenges of cutting open new competitive niches and strategies. The impact of the crisis in this context of transformation has contributed to a rather generalised feeling of not knowing where things are going and of being unable to predict what will happen.



Local manufacturer of wind turbine masts

The crisis has directly affected demand in sectors like services, construction, and metalwork. This assault on fundamental demand is difficult to address through improved training and suchlike supply-based approaches, at least in the immediate term.

Strong job creation until 2008 was interrupted by the economic crisis: between 2007 and 2010 Aviles shed 9.3% of its jobs, and unemployment increased. Although job losses and unemployment affect all groups of people, **low qualified people, youth, women and the long-term unemployed are the most affected.**

According to the International Labour Organisation (ILO) those under-25 account for **40%** of the job losses in Spain in the last few years. Most of them are low qualified youths that left school for a job in fast growing labour intensive sectors – particularly construction. They now need a dramatic improvement of their personal and professional competences to adapt to the new requirements of a more demanding labour market.

Young people have been traditionally one of the population groups facing more difficulties in finding a job in Aviles. The current crisis has clearly increased the difficulties and has exacerbated an already problematic situation.

Youth have been the age group most severely hit by the economic crisis, but unemployment was **already high** by the beginning of the 2000s, with unemployment rates around 40%. The economic downturn has aggravated that situation and by 2011 youth unemployment rates peaked at **61.1%** (16 to 19 years old) and 47.5% (for the 24 to 29 years-old).

One of the main reasons explaining the growth of the **male unemployment rates** is the impact of the economic downturn on the building sector that employs mainly men.

The current situation also affects young people with **good skill levels** who are forced to seek opportunities in other labour markets.

2) What's being done now

Avilés has a tradition of advancing major policy drives based on 'Pacts': participatory consensus building processes, bringing together diverse stakeholders and coordinating policy across different departments and services – it is now developing a new generation of the Pact – **Avilés Avanza 2** – as a policy framework and strategic direction, in response to the current challenges. In the context of the current economic downturn, employment has become a primary local policy priority; all political parties and trade unions align themselves, and want to be clearly seen as aligned, with the struggle against job losses and unemployment. Policy measures aim to promote economic activity and active employment measures to help young people and other disadvantaged groups in finding a job.

General policy framework: Aviles is following the EU 2020 Strategy to promote a smarter, sustainable and socially responsible growth, and wants to turn knowledge into the foundation of new growth. Education is thus a key element for adding value to the productive system; an innovative approach to training is thus required, and such innovation is a priority for the active employment policies.

The generation of job opportunities for the groups more severely affected by the economic situation is a top priority.

In general there is **inadequate take up**, on the part of youths, of the support and guidance services that exist at present – they don't use these services and the municipality has recognised it needs to redress this. Participating in **JobTown** is part of the efforts being made to pursue such improvement.

The administration feels young people are too often talked about as a homogeneous group; targeting needs to make **distinctions**, e.g. between the low skilled and the disengaged. Moreover, the definition itself of 'young' is somewhat elastic and contextual.

Apprenticeships

Once considered an obsolete practice, apprenticeships are being reinstated as a practice across Spain, and the period of JobTown will cover a significant part of the rolling out of this new scheme in Avilés. The return of the practice is argued to be an opportunity to improve competitiveness and the capacity for quality work; local industrialists consulted in the Study Visit declared themselves highly in favour. However, there are, unsurprisingly, a lot of practical and technical elements that need to be ironed out so as to implement this entirely new system effectively; so while the change is promising its implementation is still a work in progress and much remains to be resolved. While the general framework of the initiative is national, much of the design, implementation and support will be determined at regional and local level and by local actors (e.g. the specific companies adopting the practice and taking on the people).

Teaching the teachers

In 2011, the municipality, working with vocational teachers to help them have a better and more reliable understanding of the world of work, began a new initiative of taking trainers into places of work. The teachers responded extremely well and want more; they reported increased confidence in how and what to teach their students because of this direct contact with how companies really work – e.g. how they hire, HR criteria, or the practical role of formal and generic competences (ability to work on a team, resolve conflicts etc.). This practice is going to be continued and expanded, given its promise.

Culture and attraction

The administration has been developing the local cultural sector, as a hitherto underexploited motor of development and job creation. Schools and centres for musical education, audio-visual services and technologies, restoration and various other fields have been created or strengthened. Important new cultural centres have been created, cultural events and fairs have been launched to help put the locality on the map culturally in a way it has not been in the past.



Likewise, the administration is working with the hospitality sector (restaurant, hotel, bars and suchlike) and related training and support services to strengthen the offer and viability of the sector locally.

As the general attraction of the city has been strengthened, tourism has become important, whereas in the past it was underdeveloped. The plan is to continue in this direction and better situate Avilés as a destination for a suitable type of tourism – i.e. largely on the basis of cultural, culinary and entertainment pursuits, rather than say a beach-centric product.

Avilés Avanza

The administration has lots of experience and know how regarding in **participatory approaches** (dealing with difficult communities and sensitive issues, holistic approaches, coordinating among a variety of actors, and so forth). More specifically, Avilés has a history of using a 'Pact' approach on strategic and challenging issues.

A consensus has been reached by the Town Council and local social agents to develop a set of policies, which are included in an agreement called "Avilés Avanza". The agreement is structured in five lines of work:

1. Coaching in **vocational** and occupational training

- a. Design of personal itineraries for training, based on analysis of unemployment's capacities
 - b. Professional Guidance Service
 - c. Design and implementation of a wide offer of courses directed at young people.
 - d. A "Training Committee" where Social Agents and Town Hall are represented. This Committee has just signed a Training Agreement
2. Coaching to gain work **experience**
 - a. Recruitment of long-term unemployed and young people by the Training, Employment and Business Promotion Service, in collaboration with the Public Employment Service. In 2011 this programme led to a first employment for 160 young people.
 - b. Training and Coaching of recruited people in several capacities related to access to employment.
 3. Coaching in transitioning to professional life via a **protected**/sheltered workshop
 - a. Promotion of Social Insertion Companies
 - b. Inclusion of social clauses in municipal works, supply and service contracts, to favour social enterprises and companies that hire people suffering social exclusion.
 4. Coaching in transitioning to professional life into the **normalized** labour market
 - a. Inclusion of social clauses in municipal works, supply and service contracts to favour the hiring of people who have taken part in Municipal Training Programs.
 5. Coaching and counselling in **self-employment** and business projects
 - a. Support and coaching at different stages of a business project.
 - b. Hub for new business projects.
 - c. Training of entrepreneurship in vocational education.
 - d. Awareness programs of entrepreneurship in High Schools.
 - e. Awareness programs of CSR.

These policies are especially concerned with people at risk of social exclusion, and groups showing high unemployment rates (such as young people). All the measures are based on the design and implementation of individual itineraries for social and labour insertion, and in networking with other organizations. Avilés has developed an **integrated system to monitor** the individual path of the users of the Social Welfare Area services, including social services, employment, education, and equal opportunities. The system, called GUIAS (GUIDES), allows a comprehensive monitoring of and a more personalised care for its users; it defines individual itineraries to tackle social exclusion risks, to improve personal and labour skills and to access job opportunities.

Local Training and Employment Programme

The Avilés City Council is currently promoting, in the framework of the local pact "**Avilés Avanza 2**", the Local Training and Employment Programme, which means to reinforce social cohesion through employment. Under this programme,

unemployed people, with particular attention given to youth, are to be provided with **individualised ongoing professional support**, through local guidance, training and employment support services. Within the framework of this programme:

- Youth employment support programmes that help young unemployed people to acquire some working experience are considered key, and are implemented in cooperation with the **regional government**.
- A Training **Roundtable** has been set up; to discuss the training needs of local unemployed people and to promote the coordination of local occupational training measures.
- **Occupational training and employment qualification support** for unemployed youth, involving the acquisition of generic and specific skills enhancing employability. The City Council has been developing training workshops and other training and employment programmes, with special emphasis on low qualified youth.
- **Labour guidance and job placement.** A so-called Unified Coordination Programme for Job Coaching is being implemented by the Training and Employment Service. The Job Coaches provide individual support to unemployed young people throughout a complete process: analysis of their starting situation to the design of a personalized itinerary and job seeking strategy towards employment. A key feature of the approach is that it teams up social workers, educators, psychologists and job coaches, to provide personal and **integrated** support for each unemployed youth.
- **Promoting equal opportunities and job quality:** promotion of equal access to training and employment opportunities and the quality of employment, balanced participation of men and women, diversity, lifelong learning, work safety, and inclusive labour markets.
- **Promoting local development.** Improvement of the local productive model, moving towards a more sustainable economic model, via collaboration and consensus among business, social partners and governments.
- **Cohesion.** Aviles is a member of the Retos Network (Network of Socially Responsible Territories) and is developing different local partnerships in order to achieve a cohesive and socially responsible territory.
- **Support for entrepreneurship**, through the services provided by Business Promotion Department and the “La Curtidora” Business **Incubator**. Entrepreneurs access training, coaching and advisory services, office space and funding to carry out business ideas.



Local industrialists and business leaders, at a meeting to discuss JobTown with the Mayor, Pilar Varela – seated to the right of the Lead Expert in the upper photo.

Coordinating different functions

In 2008, the administration consolidated the work of social workers, work orientation providers, and its functions for liaising with companies; all 3 lines of work were brought together and physically put in the same office. Now a client has only one point of contact and coherency has been established among the functions (i.e. no mixed messages to users).

Youth Information Office

The City of Aviles has a specific department aimed at young people, the **Youth Information Office**. The department promotes youth participation in local social life, and thus their personal development and social integration. This is pursued through initiatives such as Info Points in Educational Centres, the Edible Forest project, the Skating Family project, Our Patio, Radiator, the Home-Made Festival, the Sex Guidance Centre, and others, often conceived and implemented by youths themselves and corresponding to the diversity of their interests and concerns.

This Department works in close coordination with the Employment Service and the Business Promotion Department.

Aviles Welfare area and JobTown

The city administration is organized in several general areas. The Welfare Area is a broad area, which encompasses different services: Education, Social Services, Youth Service, Women Service, Citizen Participation, Healthiness and, a **Training, Employment and Business Promotion Service**. This last service will be linked to JobTown Project and is also in charge of developing **Municipal Active Employment Policies** aiming at improving the employability of the unemployed people.

European projects and networks

Avilés is quite experienced in European projects. Training and human resources programmes funded by the **ESF** have been implemented in Avilés since the 1980's, such as the Now, Horizon, Adapt, Youthstart, and Integra initiatives. Avilés has also participated in several projects under **EQUAL, Leonardo** and other programmes. Some of these initiatives had the goal to promote and support young entrepreneurs during the period 2005-2007 (eg. "Ciudades del Acero-Espacio emprendedor/Steel Cities-Entrepreneurial space, and an "Excellence Network for the Creation of Enterprises"). In 2010 the ESF funded a pilot programme (Constru-RED) for the welcoming and integration of immigrants.

With EU funding from **Grundtvig**, the City Council participates in a self-training program targeted at immigrants, together with partners from France, Belgium, Italy and Slovenia. Other EU initiatives have supported business incubators,

vocational training centres and other training tools to complement the formal education boosted by the Avilés City Council in the last two decades.

Aviles has been quite active in transnational cooperation through the **Interreg** and **European Territorial Cooperation Operational Programmes**. In 2004 and 2005 the City of Avilés participated as partner in the REVITA project (Revitalisation of Industrial Areas); between 2003-2005 in the Cultur-AT (Culture and heritage as development factors in the Atlantic Arc Cities). Currently, Avilés City Council is actively involved in two projects of this kind: KNOWCITIES (Cities of Knowledge in the Atlantic Arc, together with 16 partners from Portugal, France, UK, Ireland and Spain) and INNOVATE: a project for territorial innovation and cultural industries led by Avilés Municipal Culture Foundation, in cooperation with partners from Spain (Seville), Portugal (Porto, Lisbon), France (Pau), Ireland and the UK.

The City Council has been involved in an **URBACT** project called “Information Society Network” led by the City of Manchester and involving Bari, The Hague, Helsinki, Valencia and Warsaw among other cities. The involvement in URBACT was something of a follow-up of the participation in the **URBAN** initiative that funded urban improvements in certain neighbourhoods, as well as several training, employment and business support programmes and actions, such as the establishment of Europa Employment Centre.

Since the 1980s, Aviles has led and developed projects related to youth employment and job precariousness. The problem has been approached from different perspectives and combining different methodologies.

At present, the departments and programmes related to young people (youth, employment, health, business development) are **integrated** within the same municipal department. The problems and needs of the youth population, and especially those related to job access, are addressed in a comprehensive manner, teaming up the experts dealing with training, job exploration, guidance, job placement and entrepreneurship support. This linked up approach could be of interest to others.

In recent years the City of Aviles has been striving to **involve local social partners**, companies and organizations in different partnerships to respond to local key issues. The main outcomes of this effort are the “**More Sustainable Aviles**” partnership and the “**Aviles Avanza**”.

This experience of developing local partnerships and the variety of programmes and tools developed over the last 25 years should allow for a fruitful exchange of experiences and knowledge with transnational partners.

Avilés is looking to benefit from outside peer assessments of its efforts in the field of youth employment and by adapting the experiences of others to Avilés own circumstances.

3) LSG

The essential objective is to set up a local partnership on youth employment composed by representatives of the business community, the city council through the Economic Development, Training and Employment departments, and the Youth department, as well as the youth contact points and the youth associations, and the Trade Unions.

LSG work will build on a strong local tradition of working through **pacts** and cooperation among different stakeholders, and of cross-party cooperation and consensus for major initiatives on the city council.

The Local Support Group will build on the constituents of the first 'Avilés Avanza' Agreement (Avilés Advances), which was operational between 2008 and 2011; the 'Avilés Avanza2' (2012-2015) is about to be published. This agreement (which was signed by all locally active trade unions and business associations) is the strategy framework for local development and policy – encompassing economic development, employment, environmental sustainability and social welfare policies. The LSG won't be the same grouping of stakeholders under a different name, but will try, for efficiency's sake, to capitalise on pre-existing consultation structures.



Meeting with representatives of trade unions, an employers association, ESF Managing Authority, the regional government, the municipality and the Lead Expert

This existing partnership benefits from:

- Being a stable partnership that has been working since 2008 to develop, among others, the programmes related to job insertion and poor job quality.
- Bringing together companies (Asturian Federation of Entrepreneurs), trade unions (UGT and CCOO) and the local administration. All of the participants develop, in some form or other, training programmes for young people (e.g. workshops, vocational training courses), business training activities and labour exploration, integration and mediation activities. Trade unions have a lot of influence on vocational training, and as such are essential partners in its reform.

The initial **Local Support Group**:

| DOMAIN | SUBDOMAIN | STAKEHOLDER | REPRESENTATIVE PERSON |
|---|------------------------------|--|--|
| Principality of Asturias – Regional Government | Public Employment Service | Head of European Programmes Service, Training and Employment | Encarnación Rodríguez Cañas |
| Avilés City Council | Social Welfare Area | Councillor for Social Welfare Area | Yolanda Alonso Fernández |
| | Youth | Youth technical | María García González |
| | Enterprise Promotion Section | Project Coordinator and Local Development Agent | Víctor Manuel Fernández Martín |
| Enterprises | SATEC | Responsible for Institutional Relations and SATEC Group CSR | María Suárez Martínez |
| | | ICT Cluster Asturias Vice MTIC Counsellor. | |
| | | Spokesperson of the Asturian Federation of Employers. | |
| | JOSE’S | Jose’s Restaurant Manager. Spokesperson of the Hospitality Section of the Chamber of Commerce of Avilés Member of the Union of Merchants and county Avilés | José Antonio Alonso Gonzalez To be confirmed To be confirmed |
| Education | Integrated Training Centre | Director | Gerardo García-Roves Rios |
| | Pravia Hotel Trade School | Director | Enrique Valdés de Diego |
| Youth | “It’s all get” | Spokesperson | Zulema Cadenas |
| Associations | “Under construction” | Chairwoman | Vanesa Moreno |
| Others | Gipsy Foundation Secretariat | Director | Víctor García Ordás |

The above **youth associations** are very active and dynamic and contributed directly to the study visit and research process. Their cooperation will help involve the voice of youth directly.

The local partnership will start with an **analytical process** to support an eventual Local Action Plan:

1. SWOT analysis of the youth employment situation in Aviles
2. Assessment of these policy measures:
 - a. Fostering networking between **retired and unemployed** people to promote employment opportunities
 - b. Setting up **creative spaces** to generate business ideas and projects
 - c. Creation of a **network of companies** committed to the labour insertion of the beneficiaries of sheltered employment programmes.
 - d. Avilés INSERTA (INSERTS) Project to improve the adjustment of labour market supply and demand.
 - e. Professional **Training Local Round Table**
 - f. Programme to develop the **entrepreneurship skills** of young people
 - g. Fostering **entrepreneurship attitude** among the participants in occupational training activities



Lead Expert in meeting with representatives of local youth associations

4) NEEDS

General needs:

- Train and enhance the **qualifications** of low-qualified youth, to meet the requirements of the contemporary labour market and local companies better.
- Increase the youth **activity** rate, and achieve better **gender** balance in activity rates.
- Reduce high youth **unemployment** rates.
- Reduce the rate of **temporary** contracts, fostering quality and permanent employment.
- Foster youth **entrepreneurship** and new ventures, contributing to a younger business tissue.
- Seek instruments to facilitate the **access to finance** for young self-employed people (a common problem across the partnership).
- Foster and consolidate cooperative **networks with key local stakeholders**, to increase the effectiveness and efficiency of the policy measures.

At present there are no **job programmes specifically for young people**; young people just have access to the general employment services – this is an obvious gap, which needs to be addressed.

Young people's use, attraction to and awareness of services available to them needs to be improved. Typically they:

- Are **not aware** of the public services available
- Are not registered in job centres
- Do not make use of career guidance and coaching services.

Guidance and orientation services are ripe for improvement; duplication can be reduced and communication among different services and their liaison with companies can be improved (there is a local post called 'tutor de empresa' which performs this liaison role and which could be strengthened, capitalising on existing figures rather than creating something new from scratch, is likely to be more efficient).

There has been some work locally with '**tasters**', where young people get to have an exploratory experience of what different jobs are like; what has been done in this regard has shown promise and the practice needs to be expanded.

There is a need (found throughout the JobTown partnership) to change the **perceptions** of certain jobs and sectors, and the world of work and entrepreneurship more generally. Vocational training needs to be improved and become more attractive and effective as an option for some.

The more **disadvantaged** elements of the youth population need specific help to become active on the labour market.

Key specialised industrial technicians and a wave of entrepreneurs are swiftly approaching retirement, and a **Generational Transfer** needs to be organised, whereby replacements are suitably qualified in time to fill the void to be created.

There is a clear need to increase **entrepreneurial** capacity – local start-ups are somewhat rare. The support for entrepreneurial values and skills (initiative, creativity, problem solving, etc.) needs to begin in primary school; the municipality is currently wrestling with how to equip teachers to do this

Training needs to become more flexible and thus able to respond to changing needs. In particular, there needs to be more in-company training of students. Generally there needs to be more connection between training and work – the idea being to form a sort of tandem between teacher and employer.

Material support for young people undergoing training, internships and similar pursuits need to be sufficient to make it possible for them to dedicate their time in that way (i.e. so they can continue to eat, etc.).

There needs to be some sort of bridge course or preparation, for graduates to equip them as **job seekers** (rather than just the formal knowledge of whatever area of study they were pursuing).

Preparation must go beyond formal qualifications and address more **generic** skills needs – e.g. university graduates who also know how to suitably address clients, set an appropriate image for the company, and so forth.

Conversely, the mentality and expectations of **employers** also need to be examined and sometimes questioned, in terms of how they view young people. In particular a greater belief in investing in skills development needs to be inculcated.

Likewise, what **parents** think, do and need has to be considered as part of the story – i.e. a holistic view to the circumstances of youth.

Low cost, affordable actions need to be prioritised; any other approach is unrealistic in the present circumstances.

The use of conditionality in **public procurement contracts** can be expanded as a tool to further local policy – i.e. conditions regarding hiring and training young people for companies supplying the municipality.

Conversely, the administration needs to better **understand the present and foreseeable needs of companies**, and correspondingly adapt and design **training**, i.e. since the **tourism and hospitality** sector has potential for growth and job creation, this has to be supported in training and other supply-centric actions. Another issue is employers' need flexibility with employment, so the authorities need to explore formulas for responding to this, e.g. 'employee sharing'. Sector-based discussions, particular structured through the tool of 'Sector Councils', need to be strengthened and established.

Likewise, the administration has to become better at identifying **what young people need**, what motivates them and what attracts them to a sector or activity.

Avilés youth need **spaces** where they can come together, as active citizens, to generate ideas and initiatives – of a social, cultural and/or entrepreneurial nature.

Mobility needs to be supported; young people need to be as well equipped as possible, if they are going to leave for work, to do so as successfully as possible – European volunteering options and Eures need to be better utilised.

The unemployed need to be more **motivated** to look for work differently or to improve their qualifications, rather than 'wait'.

Locally a lot of work is already being done with **non-formal learning**, and this can be expanded on, to give it a more explicit link with employability. The link with employment will also help make such programmes sustainable, as their financing would be easier to justify in a period of budget cuts. One very interesting idea locally, is to work with young people to revise how services are done and delivered to young people – the idea being something of a role reversal, whereby young people become trainers of trainers and civil servants.

A capacity for creativity and for working in partnership is clearly present in Avilés; now these traits need to be focused on jobs and opportunities, and JobTown is a means of doing so.



Enfield Profile

Key Points:

- Borough of Greater London
- Spatial polarisation of advantaged and disadvantaged population
- Large young population
- Large immigrant population
- Large body of people living on benefits and/or at high risk of exclusion
- Video summary presentation: <http://www.youtube.com/watch?v=cl7WDuibrKY&feature=youtu.be>

1) Enfield Situation

General

Enfield – population 294,900 (2010) – is an **outer borough of Greater London** – part of, though somewhat on the periphery of, the larger metropolitan territory. This positioning within a larger sub-regional dynamic is fundamental to understanding its *de facto* labour market and the local authorities' strategies, policies and challenges.

The administration is concerned with adapting to changes, in the community itself (ethnic, social, economic and demographic shifts) and in the policy and economic framework conditioning it (particularly nationally set rules concerning access to social benefits). This increasing pressure to adapt to change and resource cut backs means Enfield's administration has to be all the more creative in finding ways to achieve greater effectiveness and value for money.



Forty Hall Manor House, a listed heritage site in Enfield http://www.fortyhallestate.co.uk/about_forty_hall_estate



Leafier area of the Borough and the A10 road, which effectively divides the borough in terms of type of community http://www.luphen.org.uk/walks/london_loop/london-loop18.htm

The territory of Enfield contains stately homes and people living in rather marginal conditions; the **A10 road** cuts through the Borough and effectively divides it in two – much like the railway tracks that divide some communities into the ‘wrong’ and ‘right’ sides. To the west one finds a fairly well off population living in nice homes in attractive and pleasant neighbourhoods. The Eastern side had traditionally been home to factories and the working classes. The factories are now pretty much closed and the area is largely populated by immigrants, ethnic minorities and the disadvantaged. In many of the schools in the Eastern area the white population is now in the minority; the **non-white:white ratio being roughly 60:40**.

This **contrasts starkly with Thurrock**, which is populated by an essentially ‘indigenous’ British working class, has no equivalent ‘posh’ population, and is a self-contained community outside London and part of the ‘East England’ region.

Key characteristics and facts:

- Enfield has the largest population of **young** people in total numbers of any London borough.
- The Borough’s population is made up of high proportions of **young** people and **older** people – i.e. surges in both ends of the scale.
- Enfield has high rate of **teenage pregnancy** – which is, in turn, a major driver of unemployment.
- Much of the youth population of eastern Enfield can be characterised as **disengaged** and lacking in **aspiration** and **self-esteem**, manifesting a mix of inertia and mental barriers; they assume they are going to end up, or stay on, society’s lower rungs, sometimes actively seeking low-level jobs, following lines of reasoning such as ‘no one else wants it so maybe I can get it’.
- Portions of the young population lack basic **social and life skills** – e.g. they may not understand generalised expectations of behaviour in public spaces, social codes for communicating with older people, etc.
- Much of the immigrant population is handicapped by a poor command of the English language.
- **Family** structures are often weak or to some degree dysfunctional, with parents lacking authority and trying to win their children’s approval.
- A large part of the community is **transient**, with a high turnover of coming and going to and from the Borough.
- **Low rents**
 - Relatively **low rents**, compared to the rest of London, have long attracted people on **benefits** to reside in Enfield.

Area: 82.2sq km
 Green belt land: 40%
 Dwellings: 120,998 (Valuation Office 2011)
 Wards: 21
 Councillors: 63

Age & Gender

- Aged 0-15: 64,800
- Aged 16-24: 32,200
- Aged 25-49: 112,000
- Aged over 50: 39,900
- Aged over 65: 46,000

Ethnicity

- % of BAME (Black, Asian and Minority Ethnic) population (2012): 33.5%
- Largest migrant population: Turkey
- Overseas nationals entering UK in 2010/11: 6,770
- Highest proportion of **Greek Cypriot** population in London – hence a declared interest in working with Latsia.
- Lowest BAME employment group/rate (Sept 2010): Bangladeshis/Pakistanis

Source: Enfield Council

- The housing benefit cap put in place by law (April 2013) has led to **increasing** numbers of people moving to Enfield from Central London in search of cheaper rents.
- The local authority currently pays the rents of people on benefits for them (as throughout the UK). This arrangement is being changed and, instead, these people will directly receive money from the government, with which they will have to **pay their own rent**. Much of the population on social benefits may not be prepared for this and the change in arrangements may cause problems the local administration will have to contend with.
- 1 in 5 households are **single parent** households.
 - There are concentrations of single parent families (83-89% of households) living in poverty in Edmonton Green, Lower Edmonton and Enfield Lock, the 3 most deprived wards of the eastern side of the borough.
- **Transport problems** are a key local issue: Roads are clogged. The buses don't run reliably or quickly and the disadvantaged don't have cars; hence their employment options are hampered by their poor transport mobility.
- There is a lack of free or affordable **things to do** for young people, and no natural hub of social activity, not even McDonalds or similar.
- Knowledge of what is available in terms of services and cultural offer is poor, with the Council website being underused
- Young people **do not travel** to other areas in borough, and the two sides of it lead largely separate lives. Often there is some fear of or resistance to travelling into London to seek opportunity.
- **Gangs** are a problem in Enfield:
 - Gangs are typically formed along the line of ethnic origin.
 - Gang dynamics create barriers within Enfield; areas are established where a given group isn't supposed to go. Often these zones are defined via postal codes.
 - Gang life involves some serious gender issues; females are often in a subordinate position and sexually exploited.
 - Gang life involves much inactivity. Local gangs do not seem to pursue much in the way of illicit business concerns (e.g. the drug trade); members seem to mostly just 'hang around' where they can and display hostile behaviour to other gangs.
 - Once they have entered into gang life, young people become very hard to reach in terms of employment.
 - People leaving gang life face significant challenges; if they have a criminal record much of the job market is effectively closed to them. Often their skills are alarmingly low, with difficulties in basic literacy and numeracy.



Southgate, Enfield's Art Deco London Underground station,

<http://www.flickr.com/photos/rogersg/7281589666/sizes/l/in/photostream/>

Riots:

Enfield was a key focal point for the wave of violent riots that overtook the UK in August 2011; images of rioting youth and destruction taking place in Enfield were briefly splashed across the world media.

Violence reached Enfield on the second and third day of the outbreak. Shopping areas were particularly hard hit by **destruction and looting**. Local politicians narrowly averted community confrontation and violence – i.e. groups amassing in significant numbers to retaliate against rioters, were convinced by the mayor to disband and not escalate the situation.

An enormous **fire** – by some accounts the largest or costliest taking place in the UK since World War II – was set, with an important Sony distribution centre being, not only looted, but burnt down⁴².

Enfield's young '**Olympic Ambassador**' was caught on camera throwing a brick at an occupied police car.

The Council, shop keepers and other community leaders reacted by trying to find ways to address youth problems in the community, holding large, public community **meetings** to debate the issue and so forth. While these debates were rather intense and the issue is still sensitive locally, it is unclear how much has ultimately been resolved or improved by these public exercises and efforts.

While the debate in UK as to the causes and meaning of the riots has yet to be adequately settled, for the purposes of this report it is enough to point out that said **riots did rather a lot to concentrate minds on youth issues in Enfield**.

⁴² <http://www.bbc.co.uk/news/uk-14454359>



Rioting in Enfield and the burning Sony distribution centre, <http://www.bbc.co.uk/>



Images of the rioting in Enfield, <http://www.dailymail.co.uk/news/article-2023554/Tottenham-riot-2011-London-lockdown-David-Cameron-flies-home.html>

Education and Qualifications

Local education services have been delivering employment programmes for the last 30 years, for youths mainly 16-18 with **poor educational backgrounds** and achievements. Their focus has been shifting to one on **ability rather than diplomas** – i.e. that students can function effectively, do sums, use computers etc. Their approach uses a lot of one to one sessions, goal setting and focuses on real problems and developing relations with the community.

Education and Qualifications

- Proportion working age with no qualifications (2009): 13.8%
- Proportion working age with level 4+ qualifications (2009): 34.8%
- Proportion of workless population with no Qualifications (2009): 25.4%
- % achieving 5+ A*-C grades who are eligible for free school meals: 34.4%
- Total % achieving 5+ A*-C grades: 55.0%

Source: Enfield Council

The local **Academy** school, catering to students in the Eastern part of Enfield, liaises with other schools and youth centres and has its own youth centre. The school has students ages 5-19; it pays particular attention to key school leaving points – i.e. ages 16 and 18-19 – as these are particularly vulnerable moments. Students at the school typically **struggle with academic** work, and have special needs. The school works on this with its 'behaviour unit'. Graduates of the school typically go on to acquire vocational and work skills, rather than pursuing academic paths.

Apprenticeships:

University graduates can't join government funded apprenticeship programmes.

A local apprenticeship programme has been revamped to include **horticulture**; there are local centres of expertise that can train people and there is demand in the marketplace. The programme is 12 to 18 months (e.g. horticulture is 18 months) and is followed by an initial 3-month probationary period. Subjects include surveying, tree surgery, office admin, IT, catering, culture and arts (e.g. heritage site maintenance), and care work. The programme includes a lot of generic employability skills training for the young people (e.g. team building) and training for the managers who take on the young people.

Users are mostly aged 19-24; many have disabilities (there being additional support funding in those cases).

At the end of the first period (12-18 months), the apprentices can apply for vacancies or go to a higher level of apprenticeships or move into academic qualifications and eventually university.

In the first year of the programme, employment was subsidized it and now it isn't, as employers have seen the value of it – the **success rate is 98-99%** (i.e. apprenticeship leading to stable employment in the field).

The Council holds an **Awareness Event** on the apprenticeship programme, in which it fills in local business on the programme. They find smaller businesses need more support to engage in the programme.

There is also a **pre-apprenticeship**, which runs for those about age 16.

In conjunction, the Council has begun experimenting with **voluntary** projects as a means to get experience, and wishes to pursue this further. Participants are roughly 58% aged 16-19, 39% 19-24, and 16% 25 and up.

40% of participants are 'BME' (Black Minority Ethnic), against 55% of the population in the Borough.

Problems:

- All local needs are not met by training, often because there isn't a trainer available to impart the specific training required.
- Schools get points for sending people to university, which effectively disincentivises vocational and training.
- Generic employability skills are found to be a real issue. This includes a lack of understanding of language and tone register for communicating with employers and people outside a youth's peer group.
- Young people needing a special focus often get lost in larger institutions.
- 19-20 year olds are often found to be too old for school, but too young for adult programmes.

Employment and economy

Main challenges:

- High unemployment among young people
- High unemployment rate among women, particularly lone parents, with concentrations in the south and east of the borough
- The low level of employment among disabled people

21% of Enfield's residents are under 15 years of age and unemployment among young people is growing - thus, finding suitable routes to training and employment is essential.

Child Poverty indicators rank Enfield as the 11th worst in the UK and 8th worst in London. The Child Poverty Strategy for Enfield states that 27,525 (36%) of children aged 0-15 years live in poverty, 39.3% of all children in Enfield compared with 20.9% in the UK.

There are high levels of **working poor** in Enfield with 3,510 of the 27,525 children living in poverty in a household with working adults earning less than £15,000. Low-income households are concentrated on the eastern and south side of the borough. These locations also reflect the high concentration of **low skills** and **unemployment** in Enfield.

2009 Enfield figures show a higher percentage of **lower skilled** occupations: sales, plant operatives and elementary occupations among working age people compared to London average.

There is a marked difference in employment rates across **ethnic groups**; employment among residents classed as 'White' fell by 8%, from 71% to 63%. The employment rate among non-White ethnic groups improved by 2-6%, albeit from a lower starting point; non-White groups have much lower rates of employment (48-63% in 2009) and Black African, Black Caribbean and 'White Other' groups are twice as likely to be unemployed as White groups.

The employment rate of working age residents is **lower than the London average**. In 2006, it was around 62% but fell to 57% in 2007 and then rose again to 64% in 2010. Despite this overall improvement, Enfield's employment rate is still lower than London (68%) and England (70%). The relative slow growth in Enfield's overall employment rate is linked to immigration trends and the impact of the recession.

The **male** employment rate has been noticeably higher than the **female**. The 2001 male employment rate was 74%, versus 66.8% for women. By 2010, this rate improved for both groups: 75.6% for men, 68.4% for women. However, the same rate, for young people aged 16-17, fell 2% to 27.6%.

2001 and 2010, saw a **decline** in employment among **young** people aged 16-24 years of 4.3% for young men and 2.4% for young women.

Enfield was once a very important industrial centre (the world's first solid-state circuitry colour televisions were manufactured there, as were the Lee-Enfield rifle and the Sten gun, to cite some of its more recognisable industrial production), which has now largely disappeared.

Enfield has seen a shift to **logistics**, with old factory sites being converted and lots of storage and distribution depots being established for covering Southeast England.

There are lots of big company name established locally, but which only hire limited staff numbers (i.e. 150-200 people).

Now the Borough produces a lot of **low wage** activity and is looking for emerging economic drivers it can become involved with.

Employment

Jobseeker's Allowance claimants:

- 18-24: 2,465
- 25-44: 4,790
- 45-64: 2,765

Total: 10,020

% in employment:

- 63.1% (Sep 2010)
- 66.5% (Sep 2008)

Economically **inactive**: 54,500

NEET rate (16-18 Not in Education, Employment & Training): 5.3% (Mar 2011)

Economic Prosperity

- VAT/PAYE registered businesses 2009: 10,150
- Average weekly earnings 2011: £424.90
- 12th Lowest median income of 33 London Authorities

Source: Enfield Council

A promising **green** low carbon economy is emerging, coming from a background of scrapyards and **recycling**. The last 5 years or so have seen significant improvements and sophistication of the procedures involved; Enfield recycling companies have become quite profitable by working to a high technical standard and boast a state of the art practice.

The next stage is **waste energy**, waste processing, and a decentralised energy/heat network – i.e. whereby an electric generator emits heat, which is captured and used for heating homes, industrial applications and so forth.

There is some clustering of **food and drink** manufacturing, catering to the market in London and run by large, ethnic food specialist operations, built on the communities established in Enfield (e.g. Jewish bread).

Enfield lacks high value **office** space, which is still found more towards the centre of London.

Essentially, there are **job** opportunities in Enfield, but the question is whether the locals **access** them.

Of particular importance for youth, some 90% of employers check out the **Facebook and Twitter** accounts of perspective applicants, and 69% are reported to have rejected candidates on that basis – jobs advisory services now have to take this into account when guiding beneficiaries.

Enfield has a high, above average, business failure rate.

Crisis

Enfield has seen a large jump in youth unemployment and NEET (Not in Education, Employment or Training) rates. 5.3% of 16-18 year olds were classified as NEET in Enfield in March 2011, versus 5.1% for London and 6.1% for England.

Enfield has not fully benefited from London's jobs growth during the last decade, but suffered disproportionately from the economic downturn. In 2010, it had the 5th highest population in London, with the 9th largest working age population and 17th largest number of jobs – i.e. a large population and relatively poor job market performance. Enfield working age population grew by 1.5% from 2005 to 2010 to 189,700, compared to a growth of 8% for London as a whole.



Enfield has a long history of 'firsts', the challenge is to keep this up today, <http://londonist.com/2012/08/top-10-things-to-do-in-the-borough-of-enfield.php>

2011-12 produced a 152% rise in the number of young people out of work for over six months in Enfield. January 2012 unemployment figures, released March 2012, show 235,177 people looking for work in London and 10,551 in Enfield. This is an increase of 9.5% and 12.8% respectively in the last year alone.

Of 10,551 unemployed people looking for work, 2,670 are under 24 and 870 have been out of work for more than six months.

2) What's being done now

The Council has a background in working through **partnership** over the last ten years, which has led on a series of initiatives meant to create opportunities for young people.

The Council has been experimenting with using **volunteering** to get young people experience and build their confidence – they find **confidence**, or lack thereof, to be a key issue with local youth.

Jobs Net, connects skills training with local labour market. It was started in 2006, with support from the **European Social Fund**, on the basis of the Local Strategic Partnership (now defunct), which established local priorities. Jobs Net did well, **exceeding** its goal of getting 450-650 youths into employment; rather, it got about 725 into work.

Jobcentre Plus: The Centre caters to youth ages 18-24 and participation in it is **voluntary** (unlike the Work Programme, see below), but large numbers of people are coming in. The Centre addresses skills gaps in workers – though it can no longer send them to training providers, as the Work Programme now does that – and the needs of people furthest from the labour market (e.g. lacking in fundamental generic skills), for which there is currently a lack of funding.

Job Brokerage Service: including a youth broker who works on outreach sites, and provides a holistic support to young people, e.g. CV support, job search support, mentoring and interview practice.

Apprenticeship programme, working with local SMEs to guide them through the bureaucracy of apprenticeship engagement.

Pre-Apprenticeship programme, aimed at ages 14-19, who have fallen out of mainstream education, orienting them towards **vocational** training.

Future Jobs Fund: a programme of the previous UK government, which paid for work experience for 18-24s, and created 118 jobs locally.

Enfield work-out: programme aimed at NEETs, providing 4 weeks paid work experience; it has run over 3 years, putting 209 young people on work placements, with over 50% of them entering work or education. The programme featured a high intake of Youth Offenders. Unit cost per participant in 2011/2012: £900.

The **Work Programme** is UK-wide, and has consolidated all previous programmes. It is being rolled out now, and, based on discussions with practitioners and the press, seems to be achieving mixed results. In the programme, its deliverers are **paid by results**; getting a beneficiary into employment for a year results in the staff being paid. The idea is to incentivise the programme's staff to move people **into work** as promptly as they possibly can.

NGOs: Enfield has a wide range of NGOs and the Council regularly works with them. These are non-profits, with qualified personnel, doing:

- Mentoring and buddying (some of the more effective interventions are carried out by people with a background in the same milieu as the target group, and who combine this understanding with a knowledge of how the relevant services and administrations function).
- Working with youths with problems and tailoring actions to tackle specific behaviours, e.g. gangs or sexual health matters.
- Work with parents.
- Courses, workshops, one-to-one programmes.
- Arts based approaches.
- Support in getting basic qualifications and succeeding in school.
- Non-formal learning.

Interestingly, the Council has also been working with the **military**, in job programme for ex-offenders (i.e. people with a criminal and prison record); it finds that the military people are effective in working with these groups, as they are not intimidated by them.

Sub-regional cooperation: Following the rationale that *“if we don't rise above political boundaries we will not solve employment problems”*, Enfield works with other communities along the '**London-Cambridge Corridor**', to support development and address shared issues.

The local authority is interested in horizontal cooperation and access to a network of practices. To this end it has joined the **North London Strategic Alliance**, a group of 6 authorities in North



Councillor Del Goddard represented Enfield personally at the September 2012 Development Phase closing conference, in Gondomar Portugal, and is giving the network his personal and direct support.



Forogh Rahmani, from the Greater London Authority and Enfield's **ESF Managing Authority** representative, taking part in the parallel meeting for Managing Authorities in the September closing conference. Enfield's Managing Authority supports the project and hopes to use it as a **policy community** around the issue of youth and employment.

London, which are in turn a subset of the larger **London Anglia Growth Partnership**.

Job Brokerage Board: the Board brings together Jobcentre Plus, Colleges, and other local training providers; it meets quarterly and is in fact a remnant of the 2006 Local Strategic Partnership. Its current **priority is youth employment**; essentially it is trying to identify how it can usefully tackle the issue.

Community consultation, partnership and participation: Enfield Council carries out extensive public consultation efforts, working with police, people affected by deprivation, violent crime and various youth issues. There were 150 respondents in 2008, and the tactics of consultation were modified in 2011-12. The 2012 exercise received 14100 responses – indicating a clear increase in interest and the viability of the approach as a way to talk to people and pursue involvement.

Active Youth Support Service: offering generic youth club activities and award schemes.

Youth Parliament: for ages 15-17.

Nationally the UK is now rolling out the **Troubled Families' Programme**, which aims to tackle the problems of dysfunctional families. The jury is still out as to how effective the programme will be, but the Enfield Council is exploring how it can most usefully work within this programme.

European projects: Enfield has considerable experience of developing transnational partnership bids, e.g. Grundtvig, Comenius, Leonardo, EQUAL; it is also currently involved with at least two **ESF** programmes as well as awaiting the outcome of an ERDF application.

3) LSG

The initial **Local Support Group**:

| DOMAIN | SUB DOMAIN | STAKEHOLDER | REPRESENTATIVE PERSON |
|---|---------------------------------|--|-----------------------------|
| Managing Authority ⁴³ | Greater London Authority (GLA) | European Programme Management Unit | Ms Forogh Rahmani |
| Public sector agencies ⁴⁴ | LB Enfield | Head of Business and Economic Development | Judy Flight |
| | | Cabinet member for Business and Regeneration | CLlr Del Goddard |
| | | European Projects Coordinator | |
| | | Youth Job Broker | Anna Loughlin |
| | | Manager Enfield Training Services | Williamz Omope |
| | | Apprenticeship Lead | John Burke Jo Clemente |
| | Job Centre Plus | JCP Enfield Borough | Leon Ranson Robert Barry |
| | National Apprenticeship Service | Engagement Manager | Helen Pickering |
| Education | Enfield Council LEA | 14-19 Strategy Group Representative | Andy Johnson |
| | Further Education | Barnet and Southgate College | David Byrne |
| | | College of Haringey and North East London | Jane O'Neill |
| | Higher Education | | |
| Companies | | Johnson Matthey (chemicals company) | Barry Connolly |
| Other Institutions | Community and Voluntary Sector | Volunteer Centre Enfield | Helen Price |
| | Business Support Agencies | North London Chamber of Commerce | Huw Jones |

⁴³ General Board for Spatial Planning and Urban Development, national public body responsible for pursuing the policy of spatial planning and integrated urbanism in the structure of the Ministry of Agriculture, Sea, Environment and Spatial Planning.

⁴⁴ Institute of Employment and Vocational Training, the public body under the Ministry of Economy and Employment.

4) NEEDS

Enfield needs to:

- Learn from others about **guidance** and orientation.
- Focus on the whole **family** – within the framework of the new ‘Troubled Families’ initiative. This is about developing a holistic approach, i.e. look at youths’ family and peers.
- Involve more local **employers** in the apprenticeship programme and provide more and better support to employers regarding apprenticeships.
- Ensure new businesses coming into the borough are offering **apprenticeships**, training opportunities and other work-related opportunities to local young people.
- Use **volunteering**, through the Enfield Volunteer Service, to develop a pathway to work.
- Develop better info gathering as to **what vacancies** are available and the specific requirements of these vacancies.
- Break down information on **benefit receivers into more specific groups**, in terms of employability profile, so as to send employers the right people for the right jobs (when employers receive the wrong people for their needs they end up dropping out of cooperation with the Council’s initiatives), and better identify training and educational needs of the target group.
- Establish a **data sharing** protocol with other bodies and administrations.
- Continually improve **liaising** with other actors, such as NGOs, neighbouring administrations, other levels of administration, employers, etc. (This has to some degree been impaired by staff turnover.). Essentially, there are too many people trying to tackle the problems of deprivation, disadvantage and employment in isolation; people don’t know each other as well as they should and their actions are not as joined up as they should be.
- Better inform youths about **where jobs are**, and more generally support better access to, and knowledge of, the world of work – particularly to young people still in full-time education. This includes better support to schoolteachers.
- Create a model to include a number of options to enable young people to access **work experience** in a safe environment.
- Equip and encourage young people to **work for themselves** and establish their own enterprises.
- **Identify** people and their needs better and earlier, so as to intervene better and earlier – e.g. learn how to better identify signs.
- Prepare for **generational transition** in municipal departments – i.e. replace retiring staff with qualified younger people.



Gondomar Profile

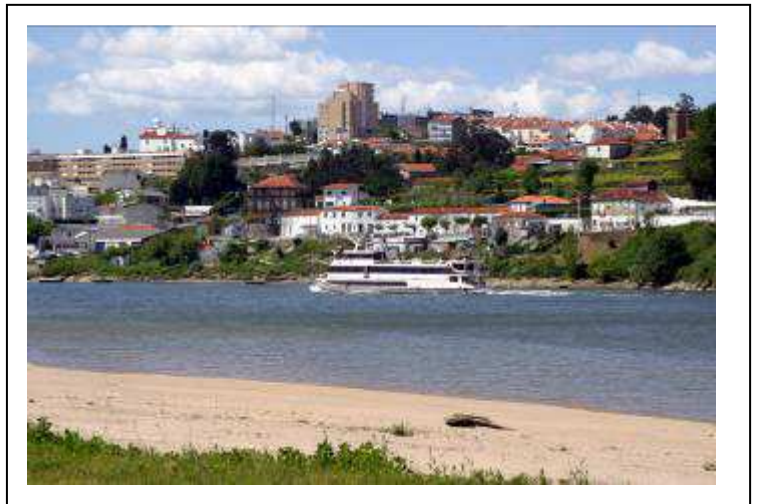
Key Points:

- A planned **merger** of local parish administrations means the Parish of Gondomar will soon become bigger – with a larger territory and administration, and new competences and governance challenges.
- Gondomar wants to support an existing but threatened **goldsmith cluster**, which is emblematic of the city's identity.
- It wants to support **entrepreneurship** (self-employment, social and inclusive) and entrepreneurial education/training.
- It wants to strengthen **vocational** training and better liaise it with market needs.
- It wants to develop and create opportunities for youths in the growing green **economy** – particularly agriculture and recycling.

1) Gondomar Situation

General

The Parish of Gondomar (S. Cosme) is, for the moment, one of 12 parishes ('freguesias') within the municipality of Gondomar, which in turn is one of the 16 municipalities of the Greater Metropolitan Area of Porto, in the North of Portugal. The Parish officially has a population of 27,047 habitants (preliminary data from the 2011 census) in an area of 11.5 Km² – a **merger**, planned for



2013, with bordering parishes will change the territory, population and competences and challenges of the parish during the timeframe of the JobTown network.

Ethnically homogeneous and limited in terms of job opportunities, Gondomar is something of a satellite city where people who work or study in Porto can live affordably; **21.2% to 30.2%** of the population departs daily to study or work (2001 figure, anecdotally the trend is viewed by the administration as unchanged).

The over-25 age group is growing as the **youth population is shrinking**.

| <i>Groups, by age, in years 2001 and 2007</i> | | | | | | | |
|---|------|-------------------|------|-------------------|-------|------------------|------|
| 0-14 years | | 15-24 years | | 25-65 years | | 65 -... years | |
| 2001 | 2007 | 2001 | 2007 | 2001 | 2007 | 2001 | 2007 |
| 4931 | 3668 | 4024 | 3223 | 11897 | 13040 | 3915 | 3842 |
| Difference (-1263) | | Difference (-801) | | Difference (1143) | | Difference (-73) | |
| Source: National Institute of Statistics | | | | | | | |

Gondomar is a weak attractor of **migrants**; the foreign population is low, at about 1% of residents.

Main Demographics Indicators

| NUTS and Counties | Area (2010) | Resident Population (31-XII-2010) | Population Density (2010) | Population Growth | | Gross Rate of Birth (2010) | Gross Mortality Rate (2010) | young's (0-14 years) (2010) | > 64 years (2010) | Ageing index (2010) | Balance Migration 2010 |
|-----------------------|-----------------|-----------------------------------|---------------------------|-------------------|------------|----------------------------|-----------------------------|-----------------------------|-------------------|---------------------|------------------------|
| | | | | 1991-2001 | 2001-2010 | | | | | | |
| | km ² | individuals | hab./km2 | % | % | ‰ | ‰ | % | % | n ^o | n ^o |
| Portugal | 92.212,0 | 10.636.979,0 | 115,4 | 3,7 | 2,7 | 9,5 | 10,0 | 15,1 | 18,2 | 120,1 | 3.815 |
| North Region | 21.285,9 | 3.741.092,0 | 175,8 | 4,4 | 1,5 | 8,8 | 8,6 | 15,1 | 16,1 | 106,6 | -5.215 |
| Greater Oporto | 814,7 | 1.286.111,0 | 1.578,6 | 2,0 | 2,0 | 9,7 | 8,3 | 15,3 | 16,2 | 105,6 | -1.029 |
| Gondomar | 131,9 | 175.625,0 | 1.331,9 | 12,9 | 7,0 | 8,5 | 7,1 | 15,1 | 15,1 | 99,7 | 504 |

Source: National Institute of Statistics (NIS)

Education and Qualifications

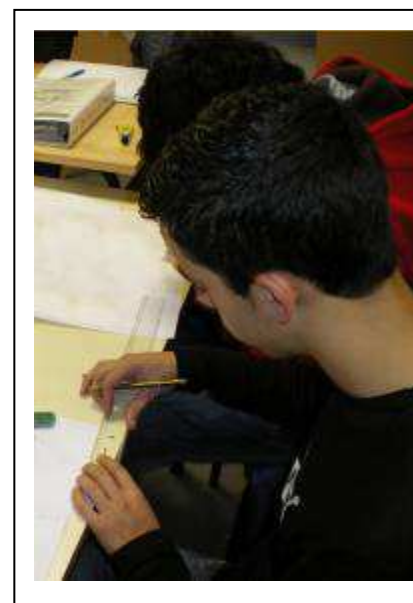
Gondomar's denizens mostly have low educational levels, but those with high levels have poor perspectives as well.

School failure is a significant problem. The rates of occurrence:

- Just over 20% in primary school (first 9 year period of schooling)
- About **32%** in secondary education (period of 9-12 years of education).
- 11.9% of the population has **no schooling** at all.

The use of evening classes has been largely unsuccessful in offering youth out of school an option to return.

As with many localities, there is an issue of **(mis)perception** and lack of knowledge related to choices of career field. Youths don't know enough about their options and what different jobs are actually like, or what running your own business is like.



Levels of education in populace

| No Education | 4 Years of School | 6 Years of School | 9 Years of School | 12 Years of School | 15 Years of School | 17 Years of School |
|--------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| 11.9% | 35.6% | 13% | 11.8% | 17.6% | 0.6% | 9.5% |

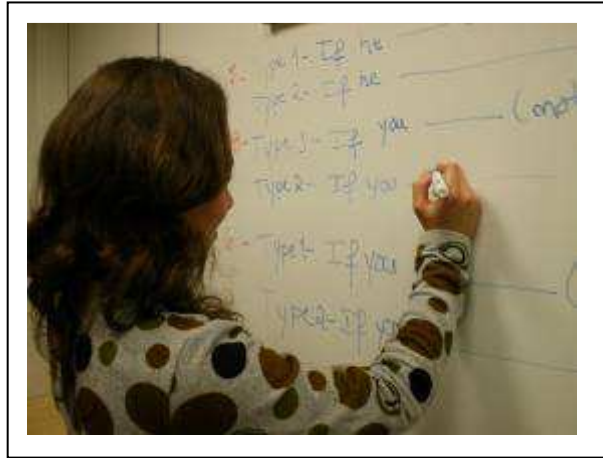
Source: SOCIAL DIAGNOSIS OF GONDOMAR CITY (June 2009)

As with Cesena, there are jobs available that go unfilled because qualified candidates are unavailable.

Employment and economy

Porto has for some years prior to the crisis been suffering from structural problems; it is experiencing relative economic decline with a trend of **delocalisation** of its major companies and economic activities to outside of the country.

However, North Porto still concentrates Portuguese audio-visual sector, though TV stations concentrated in Lisbon.



For many of its residents, Gondomar is a housing base from which to access Porto; **21.2% to 30.2%** of the population departs daily to study or work (2001 figures, Source: Social Diagnosis Of Gondomar City, June 2009). In practice, the labour market concerning Gondomar residents is not Gondomar, but the entire area of Greater Porto (this is roughly similar to the partner Enfield, which is a borough in Greater London).

The Gondomar labour market is dominated by service sector jobs; there is no significant local industry. The Social Economy, or Third sector, is one of the main employers in Gondomar – e.g. elderly care, social assistance, day-care.

Before the crisis, of all the 16 municipalities of Porto (metropolitan area of Porto), Gondomar already had the **third highest rate of unemployed** – at 13.4% – for individuals under 25 years of age (data for 2008). Females are disproportionately represented among the unemployed (based on anecdotal observation by local social workers, current local statistics being patchily available). Some 37% of unemployed young people have 4 years or less of education (, Source: Social Diagnosis Of Gondomar City, June 2009).

In the current context of crisis, locally, regionally and nationally, qualified Portuguese youths are finding they have no job perspectives. Increasing numbers of such youths are emigrating to other countries of Europe, Brazil or Angola for work.

Gold crafts sector

For centuries, Gondomar has been a centre of gold crafts and workmanship, and local identity is somewhat linked to industry.

The sector is **declining** due to lack of competitiveness and innovation. The products are always the same and the business model is outdated; locally the sector is too fragmented and disconnected to form an effective cluster.

CINDOR – a Gondomar trade school, teaching goldsmith and jeweller skills and 1 of only 2 of its kind in Portugal – is a crucial partner for the sector. The school wants to change and modernise (more focus on innovation and entrepreneurial skills), but decision-making is limited as the region has competences over its curriculum.

However, the local level can work on providing **better local labour market information**; specifically, on the rates and quality of employment of graduates, which would guide **fact-based** improvement of the school's programmes and practices. The local administration can also work with partners to improve sector networking and cluster dynamics.

The school is transitioning towards providing a double qualification; students will soon leave with both a jeweller's diploma and a finished secondary school level of general education. For older students there is a different programme, more focussed on working in companies and in class (i.e. a variation of a '**dual system**', which could be strengthened and modernised).

The **ESF Managing Authority likes the idea** of strengthening the sector and supports the idea of building labour market knowledge tools to support gold sector modernisation and competitiveness.

It is precisely the MA who is in a position to use a fact-based argument to convince the region of the need to adapt.

Such research into local labour market dynamics and development of tools, and methodologies to do so, could be **capitalised** on for other sectors.



Local monument to Goldsmiths and their tools



Students in Cindor

Crisis

Pre-crisis, Gondomar was the third worst for employment rates, out of the 16 municipalities of Porto, at 13.4% in 2008.

The current situation of unemployment and evolution is outlined in the following table.

Registered unemployment

| NUTS and Counties | Unit: n. of individuals | | | | | | | |
|-----------------------|-------------------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|-----------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Portugal (Mainland) | 451.155 | 466.113 | 447.978 | 397.872 | 382.195 | 478.387 | 534.734 | 526.811 |
| North Region | 200.099 | 214.675 | 208.265 | 184.140 | 175.999 | 217.725 | 242.063 | 237.488 |
| Greater Oporto | 84.173 | 86.986 | 81.649 | 72.214 | 68.854 | 84.319 | 94.087 | 93.323 |
| Gondomar | 10.791,0 | 11.326,0 | 10.865,0 | 9.730,0 | 9.118,0 | 10.912,0 | 12.037,0 | 12.252,0 |

Source: Institute for Employment and Professional Training

Note: Number of registered unemployed in Job Centres, by county of residence (average annual values of month-end)

The general economy was already stagnant – with the Porto region faring badly in comparison to national averages – and seems to have stayed relatively stable in the face of the crisis; whether this is due to some form of relative shelter from the crisis' impacts, or to a mere delay in those impacts arriving in full force is not clear. The current environment of pessimism, austerity and Troika oversight is deepening the general malaise and sapping confidence.

Local Gondomar authorities report that a worsening trend in unemployment for people aged below 25 years is evident:

- Gondomar's February 2010 unemployment rate for those under 25 was 12.31% – **above the regional average** of 11%, in a region of Portugal which in turn is known for a higher incidence of unemployment among young people under the age of 25.
- According to the Portuguese Institute of Employment and Vocational Training and the Ministry of Labour and Social Solidarity, the rate of unemployment for those aged 25 and under in Portugal in 2011 was 11.5%.
- Gondomar has the **lowest rates of activity of Porto** and has the second lowest **purchasing power** of the Metropolitan Area of Porto (National

Purchasing Power

| NUTS and Counties | Indicator per capita Purchasing Power | Percentage of Purchasing Power |
|-----------------------|---------------------------------------|--------------------------------|
| Portugal | 100 | 100 |
| North Region | 87,6 | 30,86 |
| Greater Oporto | 115,0 | 13,90 |
| Espinho | 105,1 | 0,29 |
| Gondomar | 81,7 | 1,34 |
| Maia | 119,1 | 1,61 |
| Matosinhos | 130,6 | 2,08 |
| Porto | 178,8 | 3,54 |
| Póvoa de Varzim | 89,1 | 0,56 |
| Valongo | 86,8 | 0,80 |
| Vila do Conde | 94,7 | 0,69 |
| Vila Nova de Gaia | 101,0 | 3,00 |

Source: NIS, Study About Local Purchasing Power 2009 (2011 edition)

Institute of Statistics - NIS).

- Over **23% of the population lives on Social Security** benefits.

Many local Portuguese workers, who were in Spain to work in construction, have come back, as these jobs dried up in Spain.



2) What's being done now

The locality has extensive **experience** with organising learning and social programmes, and with organising participatory processes.

The parish Council of Gondomar (St. Cosme) as a Local Authority is regularly involved in projects concerning Education (for children, adults and seniors), Social Inclusion, Combating Poverty and Green Economy/Environmentalism. E.g.:

- **Senior University of Gondomar** (340 students coming from middle classes, 48 disciplines and 46 volunteer teachers);
- **Junior Academy** for kids in the summer, offering learning activities about the Environment, Computer Science, Music, or Theatre;
- **Vocational and professional training** – since 2006 Gondomar has been officially accredited for providing professional training to its citizens.
- Lipor (large and state-of-the-art local recycling company) created, in 2007, a '**Local Agenda 21**' project, leading to the local signing of the Aalborg Commitments, i.e. a commitment to the objectives of sustainable development.
- A **Renewable Energy Project**, promoting the installation of photovoltaic panels.
- Creation of a **Parish Social Committee** composed of 20 public and private entities, representatives of relevant social groups and the Parish Council.

- Creation of a range of **social facilities**: Office of Integrated Services; Office of Community Psychology; Office of Social Action; Food Bank Against Hunger and Social Kitchen; and a Social Store (supplying the poor with necessary items).

José António Macedo, **President of the Parish** of Gondomar, is very active and committed to JobTown; he oversees it directly and guarantees its execution as a priority objective. His backing and active participation is a key strength and guarantee that the project will be carried forth and supported and that its learnings will be applied in local policy.

Furthermore, the project enjoys the **full support of the ESF Managing Authority**, Fernando Gomes (Comissão de Coordenação e Desenvolvimento Regional do Norte), largely because JobTown is the only project of its type – i.e. addressing employment – in the North of Portugal area the MA is responsible for.

Concerning employment focused initiatives:

- Gondomar is currently experimenting with different modalities of taking students to have contact with, and experience of, companies and wants to develop this sort of thing further. One example of what it has been involved in so far is its work with Lipor, a recycling and waste management ‘green sector’ enterprise, which is quite important locally. Students visit the facilities to learn about what it’s like to work there, and more generally to learn about how to evaluate jobs, the various factors and aspects of an employment and what kind of work one wants to be in.
- Gondomar has had success with sending bad behaviour students – ages 15-19 –to companies and having them come back with noticeably better behaviour, more mature and so on, in addition to having acquired more formal job skills.
- Local school authorities have consistently found that students who have gone through such an experience are subsequently better at getting into work than those that have not.
- Gondomar has Job Fairs now, and these could be improved and new events developed.
- More generally, Gondomar has been trying to develop ways to bring companies and youths together, either in a third space such as a job fair, through youths going to companies, or companies go to youth.

JobTown is being pursued as an opportunity to take this kind of work farther.



José António Macedo and Idalina Fernandes, Director of Cindor



President Macedo and citizen, in front of a local school

Expanding administration

Due to a process of **territorial amalgamation** and consolidation, Gondomar San Cosme is going to grow; it will almost double in territory and population, by absorbing bordering parishes, in **October 2013**. The new administrative territory will be more complex (part urban, part rural), larger and more varied. Because of its upscaling, the administration is going to acquire a range of new competences, and, hence, face new **governance challenges**.

The partner will be expanding the administration, and so will need:

- Capacity building;
- To develop a new strategic direction corresponding to this heightened responsibility.

Some of the key areas of increased competence:

- **Maintenance of facilities and educational facilities;**
- Construction, management and conservation of collective **spaces** and equipment;
- Licensing of **economic** activities;
- **Social** support;
- Promotion of local **development**.

In part, JobTown serves as an exercise – of internal reflection with stakeholders, and in peer learning from other administrations and colleagues – to prepare and assist this governance transition.

3) LSG

Gondomar has experience working in a participatory way with local stakeholders; the LSG has already held 2 meetings plus one coinciding with the Lead Expert Study Visit, on 5th September and another after the Led Expert Study Visit.

Issues to work on

Gondomar Parish, in coordinating with the entire Local Support Group, describes its main challenge as responding together to **structural youth unemployment**. It is felt that a large part of the solution will involve improving vocational training and making it more relevant to the real needs of the local job market.

Another central and complementary priority for the work is entrepreneurship; Gondomar wants to explore and build synergies for working on **entrepreneurship** education, and the entrepreneurial support elements of vocational training (i.e. not just giving them technical skills but also the know how to handle the requirements of self-employment and business creation).

JobTown is the only project of its type, concerning youth employment, approved in the Northern Portugal region, so the ESF **Managing Authority** is very

interested and supportive, plus there is already a good personal relation with the local administration. As such expectations about cooperation are positive.

Another issue Gondomar feels needs to be faced is that of labour **mobility** – equipping Gondomar’s young people to face the challenges and opportunities of mobility in Europe and beyond.

Importantly, in terms of guaranteeing impact on **governance**, the LSG should be very useful as a means to get input from key local stakeholders on what to do with the **new competences** coming in October 2013.

Stakeholder analysis for LSG

Axes of Intervention (overlapping concepts that orient the local administration):

Axis I - EDUCATION AND TRAINING FOR ENTREPRENEURSHIP

Axis II - INNOVATION AND CREATIVITY

Axis III - PROMOTING YOUTH EMPLOYABILITY

Axis IV – FACT FINDING AND DISSEMINATION

| Stakeholder | Contact Person | Axis of Intervention | Provides: |
|---|-------------------|---|---|
| CCDR-N - Comissão de Coordenação e Desenvolvimento Regional do Norte [Commission Coordination and Regional Development of the North] (Managing Authority) http://www.ccdr-n.pt/pt/ | Fernando Gomes | IV | Statistical data on local and regional unemployment, information on indicators of socio-economic development within the Metropolitan Area of Porto, and dissemination of the project at regional level. |
| Education: ActualGest (Vocational Education and Training organisation) http://www.actualgest.pt/ | Claúdia Povoas | I IV | I Provide training activities on entrepreneurship to Teachers / Trainers . Provide training activities on entrepreneurship students / trainees . Provide study visits for teachers / trainers to companies. Provide study visits for students / trainees to companies. Encourage participation in the School Enterprise Challenge 2013/2014 . IV Relationship between the number of students who complete the course and entering the labour market. Dropout rate (early departure, early exit). Dissemination of the project locally and regionally. |
| Education: Cindor (Vocational Education and Training School) http://www.cindor.net/site/ | Idalina Fernandes | I | I Provide training activities on entrepreneurship to Teachers / Trainers . Provide training activities on entrepreneurship students / trainees . |

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| | | | <p>Provide study visits for teachers / trainers to companies.</p> <p>Provide study visits for students / trainees to companies.</p> <p>Encourage participation in the School Enterprise Challenge 2013/2014.</p> <p>IV</p> <p>Relationship between the number of students who complete the course and entering the labour market.</p> <p>Dropout rate (early withdrawal, premature withdrawal).</p> <p>Dissemination of the project locally and regionally.</p> |
| <p>Education: Agrupamento de Escolas de Gondomar [Cluster of Schools of Gondomar] (Formal Education)</p> <p>http://www.eb23-gondomar.rcts.pt/</p> | Esmeralda Santos | <p>I</p> <p>IV</p> | <p>I</p> <p>Provide training activities on entrepreneurship to Teachers / Trainers.</p> <p>Provide training activities on entrepreneurship students / trainees.</p> <p>Provide study visits for teachers / trainers to companies.</p> <p>Provide study visits for students / trainees to companies.</p> <p>Encourage participation in the School Enterprise Challenge 2013/2014.</p> <p>IV</p> <p>Relationship between the number of students who complete the course and entering the labour market.</p> <p>Dropout rate (early withdrawal, premature withdrawal).</p> <p>Dissemination of the project locally and regionally.</p> |
| <p>Centro de Emprego de Gondomar (Job Center of Gondomar)</p> <p>http://www.iefp.pt/iefp/Paginas/Home.aspx</p> | Anabela Santos | <p>I</p> <p>IV</p> | <p>I</p> <p>Promotion of actions certified training for unemployed youth in the areas of entrepreneurship.</p> <p>Promotion of actions certified training for unemployed youth in the areas of biological and traditional agriculture.</p> <p>IV</p> <p>Evolution of local unemployment.</p> <p>Evolution of jobs locally and by sector.</p> <p>Dissemination of the project at local and regional.</p> |
| <p>ACIG - Associação Comercial e Industrial de Gondomar (Commercial and Industrial Association of Gondomar)</p> | Graciano Martinho | <p>II</p> <p>III</p> <p>IV</p> | <p>II</p> <p>Provision of space for the creation of a Center Incubator of Creative Ideas.</p> <p>Creation of a Support Office to Young Entrepreneur</p> <p>III</p> <p>In collaboration with the local support group, proceed to the organization of regular events "JOBTOWN MARKET"</p> <p>IV</p> <p>In collaboration with the local support group help achieve a diagnosis on the needs of businesses.</p> |

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| | | | Dissemination of the project for local entrepreneurs. |
| Lipor [Intermunicipal Service Waste Management Company of Greater Porto] http://www.lipor.pt/ | Joana Oliveira | I III IV | I Organization of training activities for young people about farming practices and sustainable production , aimed at reconciling agricultural production with environmental conservation, promoting organic farming and sustainability of land / business. Creating an office counselling to young farmer . III Promoting social inclusion projects and training for young people within the green economy. IV Dissemination of the project through its Stakeholders. |
| Santa Casa da Misericórdia de Gondomar [Holy House of Mercy of Gondomar – Social NGO] | Paula Mendes | I IV | I Conducting of a training needs assessment within the 3rd sector (managers). In collaboration with the local support group to promote the creation of a school of entrepreneurship for young unemployed women and beneficiaries of the Social Integration Income . IV Dissemination of the project to other institutions in the 3rd sector |
| Rede Social do Município de Gondomar [Social Network of the Municipality of Gondomar – Job Centre of Gondomar] | Anabela Santos | IV | Promote networks of contacts / networking between different institutions Local Social Action Council of Gondomar to develop the project JOBTOWN. Dissemination of the project at local, regional and national levels. |
| ADDICT- Agência para o Desenvolvimento das Indústrias Criativas [Agency for the Development of Creative Industries] http://www.addict.pt/ | Cristina Farinha | I IV | III Collaborate in the organization of regular events entered in the theme " JOBTOWN MARKET ". IV Create networking between different creative industries , academic institutions and social institutions to promote various activities and projects or related to the theme of JOBTOWN. Dissemination of the project through its Stakeholders. |
| Junta de Freguesia de Gondomar (S. Cosme) [Parish Council of Gondomar (St. Cosme)] http://www.jf-gondomar.pt/ | José Macedo – president | III | III Creation of a Local Employment Network Creation of an Information and Employment Centre (supporting Internships, Fellowships Employment - National and European) Promote periodically and in partnership with the local support group organizing events entered in the theme " JOBTOWN " |

| | | | |
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| | | IV | MARKET". IV Promote the creation of a Facebook page about the project JOBTOWN. Dissemination of the project locally, regionally and nationally. |
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4) NEEDS

Main needs

Gondomar wants to create the synergies to work on these main issues:

- **Entrepreneurship** education and support, to:
 - Promote self-employment
 - Encourage business creation and entrepreneurship among young people
- Labour **mobility** support – for instance, through:
 - European volunteering. At present there is no such information resource set up in Gondomar.
 - Improving guidance – people don't know about what opportunities there are for mobility.
- **Vocational** training improvement – including better equipping students for business management and start up, export activities (i.e. languages and other internationalisation skills), more branding awareness, and so on – as this is a key weakness in regional SMEs.
- Better **connection with the labour market**:
 - Knowing better what skills and profiles companies need, better match of skills, jobs and people.
 - Better connecting teachers with companies, including teachers going to companies and having useful in-company experiences (there may be possible learning here from Aviles).
 - Young people's **awareness** and knowledge of the labour market – i.e. better knowing what jobs are available and what different fields and jobs are really like before they choose the direction of the studies and job qualification strategies. Changing misperceptions.
- Starting **earlier**; in Gondomar there are a lot of young people with low levels of education and in general disengagements starts early, so there needs to be attention to the younger ages, which is blends well into subsequent actions, programmes and services they experience as they get older.
- **Microfinance** services will be becoming available 2014-20, so there is a need to prepare to take advantage of this growing trend and build support skills for money management and build relationships with financial actors (relevant banks and so on).

The main **governance** challenge and opportunity is that Gondomar will be **expanding their administration** by absorbing neighbouring localities. Hence they will need

- **Capacity** building
- To develop a **plan** of what they want to do and where they want to go with this heightened responsibility – what are the possible strategic directions?

Sectors

In terms of given sectors, there is a particular concern for stabilising and maintaining the local **gold** industry. They need to network the sector better, keep companies in Gondomar, work with school and improve the entrepreneurial mentality. The local level is well situated, in terms of capacities and competences, to generate key data on (the gold working school) Cindor's graduates' experience on the labour market (if and when they find jobs, what jobs, and so on), as a basis for fact-based reform (of the school and in the sector).

As well, the **Social Economy** – e.g. elderly care, social assistance, day-care – is one of the main employers in Gondomar, particularly of women. There is potential for more and better jobs in the sector, e.g. through giving women better vocational training making them more employable, and better family/work reconciliation.

Tourism, which is very important to the region, needs more skills improvement, modernisation and added value to stay and become more competitive. For instance, basic general skills like learning English and added value skills for growth specialisations such as attending elderly people.

Adapting and taking advantage of the growing **Green Economy** is a priority locally,, and there is a need to improve know how for sustainable practices and 'Green' jobs skills training.

Gondomar also wants to create an **incubator**, so there is potential learning from Cesena, Kaiserslautern, Aveiro and others.

In terms of **transnational exchange**, Gondomar wants more exchange and connection, and to build its knowledge and capacity for participating in other programmes (accessing ESF, participating in Leonardo da Vinci, Grundtvig, Youth Opportunities Initiative, etc.).



Piece by Paulo Castro Joias. Gondomar



Employment Centre

Kaiserslautern Profile

Key Points:

- Non-city partner
- City has an attractiveness deficit and image problem.
- The economy is shifting from old manufacturing to newer ICT and high tech activities.
- Need to grow – economically and demographically.
- Need to forecast future labour market requirements.
- Need to adjust educational programmes to changing labour market needs.
- Need to attract young people to live and stay in the city of Kaiserslautern and the region.

1) Kaiserslautern Situation

General

The Technical University of Kaiserslautern and its Department of Regional Development and Spatial Planning is oriented towards *applied* research; they have a background in working as partners in designing and implementing regional and local development actions and strategies. Due to German rules about debt and spending, the municipality of Kaiserslautern would at present be unable to participate as a network partner; all discretionary spending is temporarily stopped until debt and deficit levels reach the required threshold. As such the city is not the partner, but *is* expected to participate via the Local Support Group.



The city of Kaiserslautern – population 99,184 (in 2010, source: Land statistical office 2011), in the State of Rhineland-Palatinate (in German 'Rheinland-Pfalz'), which borders Luxemburg Belgium and France – has a long enough history, though its built environment is quite modern, as most of the city was destroyed in WWII. Though low in heritage values, the town's urbanism is of a good quality in terms of construction, layout, infrastructure and services. To the casual visitor, Kaiserslautern has an air of 'typical German town'.

The immediate surroundings are richly forested – specifically by the 'Palatinate Forest', a designated nature park and part of the UNESCO Biosphere reserve Palatinate



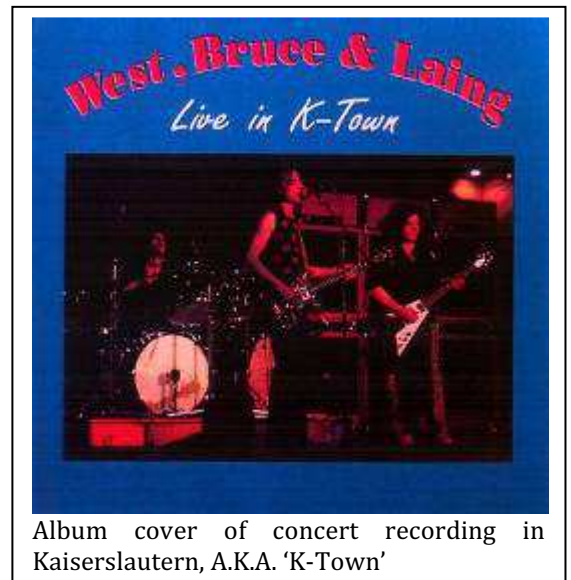
Forest-Vosges du Nord, one of the largest forests in Europe. The city itself has a high density of trees and green space.

Kaiserslautern is fairly internationalised for a locality of its size; in particular there is a high presence of **US citizens** due to the Ramstein military base nearby, the presence of large American companies and high numbers of international students attending university in Kaiserslautern. The large American ex-pat cohort is responsible for giving the city its affectionate and popular nickname: '**K-Town**'.

Kaiserslautern is shifting from an economic model based on old manufacturing to becoming an **ICT** and high tech cluster. This transition is fed by the inflow and retention of qualified young people.

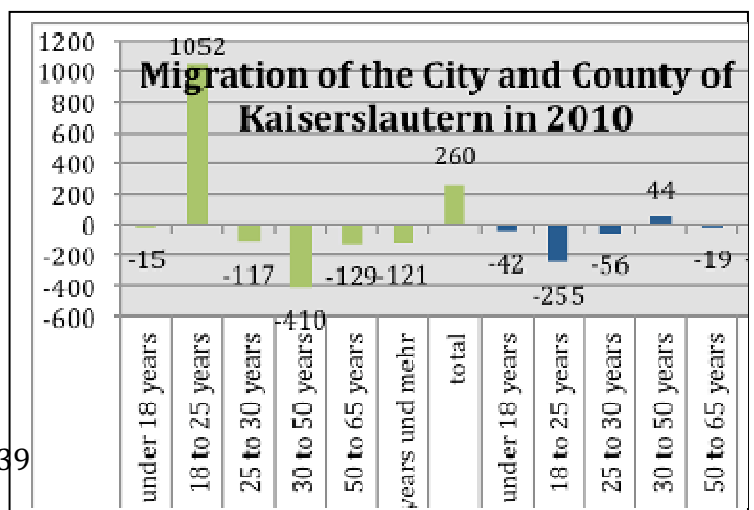
The city has a problem with its **image**; in marketing terms its brand recognition is low and there is much outdated misconception about the product – to the degree that people think about the place, they too often think of it as it was a generation ago, i.e. industrial, football centric etc. The association with a military base doesn't always help either. To attract valuable young migrants, the brand needs 'relaunching' – accordingly there is an interest in capitalising on the Urbact network OpenCities (which had the same Lead Expert as JobTown), concerned with openness, internationalisation and attractiveness of cities to desirable migrants, but with a specific focus on qualified young people from elsewhere in Germany, Europe or farther afield.

Because of this image problem, the city has **weak powers of attraction**; people don't want to come live there and many of the young people already living there decide to leave – residence in Kaiserslautern is not 'sticky'. This unattractiveness and lack of retention is in fact a fundamental barrier to the locality's long-term strategic development, the city wants to stabilise population numbers and, ideally, surmount the 100 000 mark (again), so as to consolidate its position and administrative status as a higher order regional centre. Kaiserslautern has long struggled to



| Shrinking population | | |
|---|------------------------|--------------------------|
| | City of Kaiserslautern | County of Kaiserslautern |
| Forecast population development 2006 till 2020 | -5.1% | -5.5% |
| Forecast population development 2006 till 2050 | -24% | -22% |
| Forecast of number of persons younger than 20 years from 2006 till 2020 | -16% | -20.6% |

Source: statistical state office Rhineland-Palatinate:
<http://www.statistik.rlp.de/fileadmin/dokumente/demografie/tabellen/regionalergebnisse/krs/335.pdf> and
<http://www.statistik.rlp.de/fileadmin/dokumente/demografie/tabellen/regionalergebnisse/krs/312.pdf>



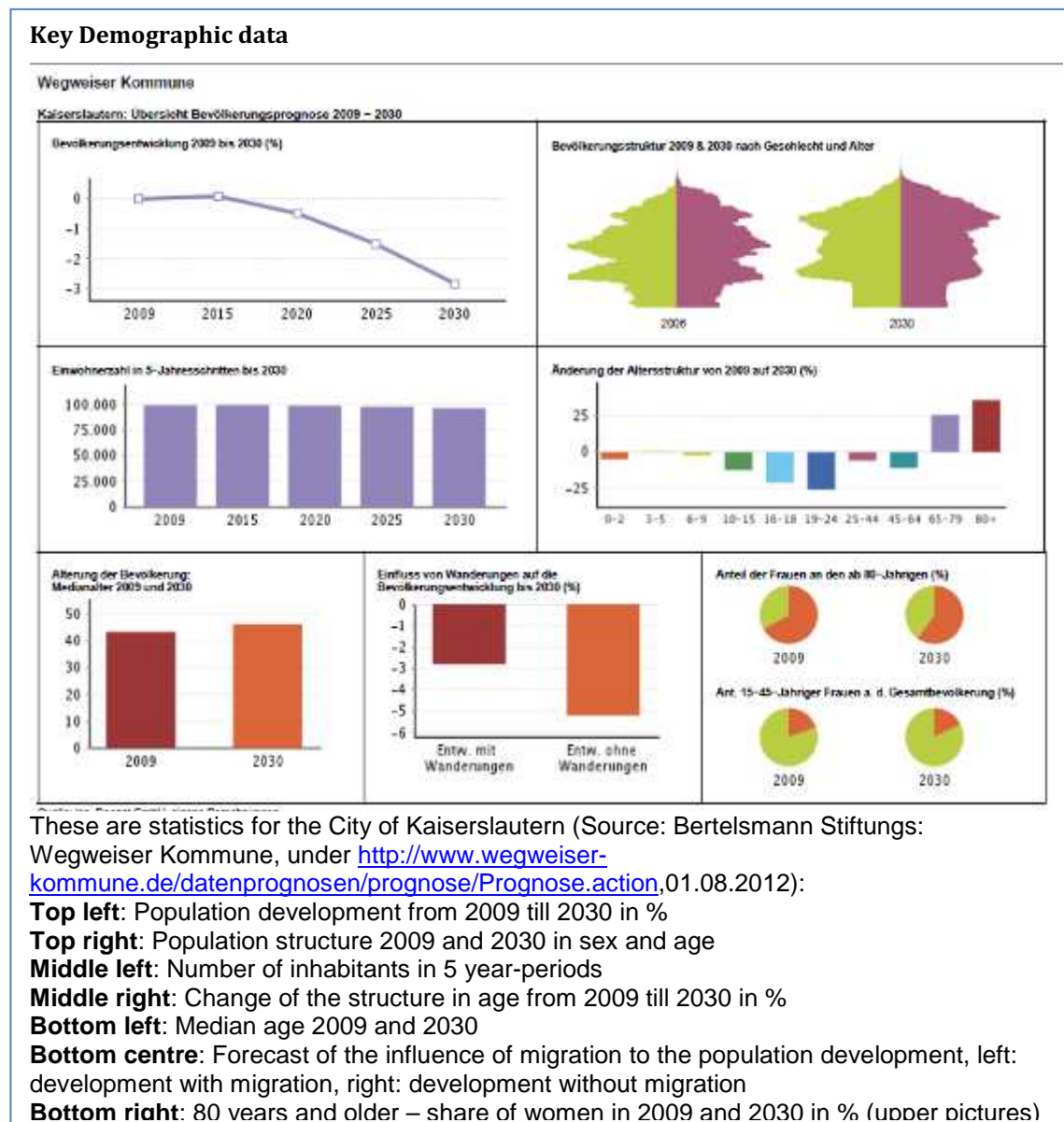
make the relatively modest increase in population size required.

Economic development requires qualified people to come live and work in Kaiserslautern, and not enough are willing to.

The city needs and wants to grow.

The rate of migration to the City of Kaiserslautern is slightly positive and the migration rate to the County of Kaiserslautern is about +5.000 inhabitants per year.

A lot of the people moving to Kaiserslautern come to attend the University or the University of Applied Science. However, upon completion of their studies most leave again.



Education and qualifications

In a context of ongoing structural economic change, from old industry (car parts) to new tech (IT etc.), mentalities do not always keep up with the pace of change; too many **young people do not see** the need for higher studies so as to get a decent job.

Concurrent with this dynamic, the skills profile of the population is changing; the **middle is declining**, and the population is increasingly either well qualified and highly educated, or low/no skills and qualifications.

This is paralleled by a problem, in Kaiserslautern and its surrounding region, whereby there is a mismatch between **training** facilities – whose views, practices and staff are somewhat tradition bound – and an economic structure evolving towards an IT cluster. This reinforces the increasing shortage of skilled workforce in the region.

Kaiserslautern is seeing fewer students graduating as demographic numbers are declining – i.e. fewer entering so fewer leaving the system.

The rate of **early school leavers** without secondary school qualifications is 2.5% in the City of Kaiserslautern and 4.1% in the County; most school dropouts are of immigration backgrounds. While the numbers might seem relatively low, any amount of early school leaving is too much and, in the German context, young people with no educational certificate whatsoever have essentially no chance in the labour market.

Locally practitioners have been working with **mentoring** programmes and getting positive results, which encourages expanding upon this approach.

Employment and economy

Projections show that, assuming current trends continue, by 2025 there will be 6.5 million less people on the German labour market, essentially due to retirement – i.e. a **shrinking active population**. Kaiserslautern is entirely in step with this national trend.

In the next 10 years the labour force in Kaiserslautern is expected to shrink by 30.7%. There is variation by sector; the figure will be 33% for skilled motor engineers and welders – this has obvious implications for the sectors requiring such skilled workers. However, there is some ambiguity as, in parallel, many of these employers are also in decline so their future labour requirements would logically be expected to be less than at present – how much so is presently unclear.

Though the region currently faces a comparably low youth unemployment rate, due to the upcoming shortage of skilled workforce, youth unemployment relates to key structural problems and is leading to an unacceptable situation for the general good.

There is a need to a) forecast future labour market needs, b) adjust educational programmes to these needs and c) attract young people to live in the city of Kaiserslautern and the region.

At 12.2%, youth unemployment and underemployment (people who are occupied by training and other such support programmes, and thus not registered as unemployed) is higher in the city than in the county (6.4%) and region of Rhineland-Palatinate (7.9%).

Structural youth unemployment in Kaiserslautern

Youth unemployment in Kaiserslautern and its surrounding region is not only the result of the current economic crisis; rather the current dynamic had already existed for about a decade prior. Local youth unemployment is the result of **structural deficits in the educational offer**. Note, the local situation thus fits in neatly with Commission policy concerns regarding New Skills for New Jobs.

The unemployment rate in Kaiserslautern is 8.6%, youth unemployment (ages 15-25) is 7%; most unemployed come from production, logistics and distribution backgrounds.

Traditionally Kaiserslautern is a location for **manufacturing**: auto parts, mechanical engineering, chemistry, textile production and suchlike. Much of this old industry is closing down and/or transforming and economic activity is shifting to newer ICT endeavours.

Productive industry also has a cultural and sociological dimension; families inculcate values and expectations based on older experiences of work that are often misleading, the character of certain neighbourhoods is that of a place of and for traditional industrial workers, workers associations are active, and so on.

The founding of the **University** in 1971 supported this structural shift towards a more modern economy, though this process is still in progress. Particularly during the last decade, high ranked research institutions and IT enterprises have been settling in Kaiserslautern; nonetheless most jobs are in the **declining** productive industries.

According to a survey **22% of local enterprises plan job cuts**. Paradoxically, the Chamber of Industry and Commerce reports that 29% of its members are worried about the increasing **shortage of skilled workers**. The balance and relationship between rate of decline in old industry and decline in skilled workers is not yet clear and needs to be clarified; the university will be examining the question.

Reasons identified for a shortage of skilled workers:

- Demographic change due to declining **birth** rates and **emigration** of young skilled people to more attractive locations.
- **Mismatch** between education/training and needs of companies.
- **Early school leaving**, especially among young people of immigrant background.
- A labour market whose full potential is not **properly utilised**.

The mismatch between the education/training offers and the needs of employers is something of a hot topic in local political, business and institutional circles:

- Manufactures complain about the **poor quality of school graduates**, who are not ready for internal educational programmes.
- IT companies and research institutions complain of too few suitable job candidates **willing to move to or stay in Kaiserslautern**.

As traditional jobs in productive industries are disappearing, the risk is that **poor employment will become an increasing problem**, if educational and support facilities for young people do not change their orientation and approach.

Crisis

As a consequence of the crisis and shrinking automobile sales, Opel has reduced the working hours (i.e. a well known German practice of reducing average working hours rather than firing workers) of some 2,500 workers.

The local and regional administrations have come under significant financial strain, due to:

- Falling revenues (e.g. from declining business tax revenues)
- Transfer of functions from the national level to the Länder, without a proportional budget increase
- Failed financial policies – most particularly an increase in the level of interim public borrowing, subject to high rates of interest, so as to bridge short-term liquidity bottlenecks.

The resulting increasing indebtedness of both the City and County of Kaiserslautern has led to formal restrictions on their discretionary spending (e.g. the municipality could not opt to be a partner in an Urbact network under the present circumstances).

2) What's being done now

In Kaiserslautern there are existing networks, but they are mainly sectoral – i.e. joining like with like, such as a network of enterprises, a network of scientific institutions, and so forth. A diverse local partnership, organised to deal holistically with the entwined challenges of youth employment and opportunity and local development, **does not exist**.

As a non-city partner, the University of Kaiserslautern is well capacitated to participate in and contribute to a European project like JobTown. The Department of Regional Development and Spatial Planning has extensive experiences in **INTERREG III A, B and C** and **INTERREG IV B** projects. It has provided research and **support to municipalities, counties, regions, states and federal ministries**. The department is experienced in analysing the specific

situations of localities, conducting analyses together with stakeholders, developing agreed strategies and measures to be implemented, and managing and facilitating networks and participation processes.

As a partner, the University of Kaiserslautern has access to a wealth of high quality current German practice in analysing labour market needs and matching training, which will be of obvious interest to other partners.

Regarding specific practices, Kaiserslautern wants to explore new approaches and expand on practices already in place which have produced encouraging results, e.g. local Job and Training Services want to work more with qualified volunteers, especially highly qualified retired people. This approach is promising as being economical, involving effective use of more non-formal learning and mentoring, and enjoying positive win-win cross-generational benefits (i.e. active aging along with benefits for youth). Existing practices of mentoring have been encouraging, as have some other related and creative approaches to active aging (i.e. the elderly as a mentoring resource to tap into).

3) LSG

In the Department's view, regional development basically consists of:

1. An **analysis** of strengths and weaknesses of a region
2. A **vision** that is shared by the majority of actors and decision makers
3. A **strategy** to get there.

The Department of Regional Development and Spatial Planning has extensive experience in moderating networks and regional players in regional and local development processes, and has an established interest in cooperating with the city and the region. Cooperation with local and regional actors in the broad field of regional development is daily practice.

Local and extra-municipal authorities are expected to participate in the project and its decision making process, through the Local Support Group. Moreover, the faculty is experienced in this kind of cooperative approach.

The foreseen scope of the **Local Action Plan** would comprise approaches and measures to:

- Predict future **needs of educational** programmes (content, duration, cooperating institutions etc.), and thus the nature of required adaptation of existing programmes and development of new programmes.
- Predict **shortages** and gaps in the skilled workforces.
- Change the **image** of the city and region and enhance the quality of life in accordance with the requirements of (the somewhat choosier) skilled people.
- Support initiatives for **family friendly** working environments (i.e. to reconcile young parents' work and family life, thus leading to yet more young people).
- Facilitate the **transition** from school to specialising educational programmes on all levels.

The initial **Local Support Group**:

| DOMAIN | SUBDOMAIN | STAKEHOLDER | REPRESENTATIVE PERSON |
|--|---|---|---|
| University of Kaiserslautern | Faculty of Spatial Planning | Department of Regional Development and Spatial Planning | Prof. Gabi Troeger-Weiss Dr.-Ing. Kirsten Mangels Dipl.-Geogr. Nadine Schrader Boelsche |
| Chamber of commerce and industry | IHK Zetis GmbH | Centre for Technology Innovation Consulting Southwest | Michael Lill |
| Employment Agency Kaiserslautern | | | Markus Theis |
| City and County of Kaiserslautern | Business Promotion Agency of City and County Kaiserslautern | | Matthias Vogelsang |
| ESF Managing Authority | Ministry of Labour, Social Affairs, Health and Demography of Rhineland-Palatinate | | Nina Clemens |

A kick off proto-LSG meeting was held September 5th 2012, on the occasion of the Lead Expert study visit.

Of particular interest in the meeting was the presentation of tools for, and data on, current and projected **labour market needs**. The local employment office has access to proper statistical data, but puts great emphasis on liaising continually with local employers and stable communicative relationships with them; they find this allows for some highly valuable qualitative input, as well as the usual empirical information.

So, Kaiserslautern already has a rather interesting system for detecting needs and gaps on the labour market, which should be of interest to others.

Regarding the LSG, the makeup of this first meeting is strictly an **initial** composition to get things started; the network will be organised in an open way, able to be suitably extended and adapted as opportunity and advantage dictate.

As a non-city partner, the University wants to work not only with local authorities, but also the **region**; it has a background of working with these levels of government and such cooperation can be expected to happen, rather the question is working out the specific modalities. Importantly, to promote Kaiserslautern economically and to address issues of attraction, the region is necessarily part of the story and needs to be involved. In particular, when talking about taking action for promotional and image-related issues, it is the region that has the scale to emit a large enough message campaign to be effective; the city will thus have to identify **complementarity** with regional objectives and thinking.

As a partner, Kaiserslautern particularly wants to learn and exchange learning regarding approaches to providing employment and opportunity, analysis and forecasting of labour markets, adapting training and education to labour market needs and addressing problems of image and perception (both of certain job opportunities and of locality).



LSG meeting, September 5th 2012, on the occasion of the Lead Expert study visit, Matthias Vogelgesang and Kirsten Mangels

4) NEEDS

Kaiserslautern is striving to transform its:

- Economic structure into an IT hub
- Place image
- Enhancing of quality of life

These 3 transformations are interlinked and need to be addressed together. The last 2 are especially important for attracting the target group of young skilled persons, who are vital to achieving the first goal in the list.

The fundamental challenges to Kaiserslautern achieving its goals:

1. The need to better diagnose current and **forecast** future labour market needs.
2. **Adapting educational** programmes and structures to the currently changing and future needs of the labour market in the region (from school to university programmes) and combat early leaving.
3. The need to adequately support the ongoing expansion of the local **ICT** sector.
4. **Mobilising** the unused or underused potential in the labour force – e.g. activating the female workforce better, older people becoming more active, upskilling people, activating the unemployed and **attracting young people** in from outside.
5. **Attracting** young people to live in the city of Kaiserslautern and the region.



Kielce Profile

Key Points:

- Lack of pro-entrepreneurial attitude and environment
- Lack of access to good information and advisory
- Need better skills/aptitude detection and suitably adapted training
- Transport and connectivity problems
- Qualified youth leaving for metropolitan centres
- Video summary presentation: <http://www.youtube.com/watch?v=NYpBhTu9qBk&feature=youtu.be>

1) Kielce Situation

General



The City of Kielce has about 200,000 inhabitants and a size of 109km². It is located in South-Eastern Poland and is the capital of Swietokrzyski region. Roughly mid-way between Krakow and Warsaw, it is not as well connected as a city of its size and location should be, particularly when considering it is the site of certain key industrial fairs. It has no airport, the state of the roads is poor and the train is old and slow. There are reported to be plans for improving its motorway infrastructure in the next few years however.

The quality of construction and urban spaces is fairly good, with a mix of well-preserved heritage architecture and decent modern construction, though the city is currently crisscrossed with ERDF funded construction sites.

Kielce is characterised by having about a third of its area **green** and five nature reserves within the borders of the City itself. It draws large numbers of nature-centric tourists (for trekking, etc.), particularly Germans.

Main 'green' challenges for the city and its Metropolitan hinterland:

In order to play on and maintain Kielce strategic vocation as a 'green' city, all investments and development strategies must be environmentally friendly.

Creating a shared system of eco-management and governance for the multiple municipalities of the Kielce Metropolitan Area;

Development of modern waste management and recycling systems (Gondomar is an example of transferrable best practice in this regard).



The population of this greater **Kielce Metropolitan Area** is about 326 005. The creation of the Metropolitan area is

in fact the result of a previous Urbact network, 'CityRegion.Net' – as such Kielce is a promising partner as they have a record of using Urbact to bring about significant developments locally.

Young people in Kielce suffer from a fundamental lack of information, or erroneous information, and guidance regarding their labour market opportunities and potential transition strategies to autonomous adult working life. If such information does exist, there are often problems accessing it.

The most common strategy of qualified young people in Kielce is to simply leave.

Education and Qualifications

The city of Kielce is a regional academic centre with 60,883 students (as of 2007/2008) in 14 higher educational institutions and a scientific research centre.

Education and training typically suffers from a lack **relation to the job market**; graduates are not equipped to work or to seek work. This is a transversal problem throughout the partnership.

The municipality thinks the problem begins with **early education** and keeps going all the way up.

Conversely, there is also insufficient capacity for recognising what skills and assets young people do possess – i.e. tools and practices for identifying and validating skills and talents.

Too many young people waste years in studies for careers in sectors they later realise they are unsuited to.

When skills needs are properly identified, there is a lack of capacity to develop suitable training.

Employment and economy

The Kielce Metropolitan Area is also the capital of the Polish **construction business** and the city hosts the second largest construction trade show in the country.

Kielce has the potential to be a stronger **tourist** centre than it already is, largely on the basis of natural beauty, complemented



by a reasonably attractive city centre.

Structurally, Kielce is challenged by the need to **transition** from traditional economic activities and rather old-fashioned industry, to a more competitive and updated range of economic activities – i.e. it needs to get more into businesses that have a future.

The workforce – young and old – manifests a lack of **motivation** and initiative when it comes to job-hunting, and a high degree of risk avoidance and passivity, which is inconducive to **entrepreneurship**.

Moreover, entrepreneurial initiative is discouraged by the lack of knowledge regarding administrative procedures and the time involved.

13.38% of under 25s in Kielce are unemployed, versus a rate of 10% general unemployment. Though this might seem less severe than some, it must be borne in mind that youth unemployment is kept relatively low by the high numbers of young people who simply **leave** the city as soon as they finish their studies.

Crisis

The impact of the crisis has been notably less significant in Poland, which has not yet entered recession. However, the generalised economic difficulty throughout Europe is beginning to be felt by Poles, as economic prognoses are slipping into pessimism.

Moreover the shift in Structural Funds from one cycle to the next, threatens many local Kielce enterprises (e.g. construction and infrastructure companies) that have been to a large part maintained by the previous pattern of ERDF infrastructural investment. The gap between cycles poses a threat to liquidity for many of these companies.

2) What's being done now

The City initiated creation of an informal Kielce Metropolitan Area (KMA) in 2005, which is composed of Kielce and 11 surrounding municipalities. This entity has no basis in Polish law and only exists on the basis of generating and maintaining a practice of cooperation and accompanying governance support. The creation of the KMA, as it now exists, came out of the CityRegion.Net Urbact network.



Kielce City Council HQ

The municipal members of KMA are cooperating with Kielce to undertake common actions regarding:

- Sustainable economic development
- Promoting technology
- Tourism
- Traffic
- Air pollution
- Improving the general liveability of Kielce. There are many interdependencies between Kielce and surrounding communes. Kielce offers most of the jobs, and serves the cultural, educational, recreational needs of the metropolitan. Conversely the inhabitants of Kielce get their water supply from the surrounding municipalities, spend much of their leisure time there, have their transport connectivity and linkages go through these areas, and so on.

The **Office for the Economic Development of Kielce and Investor Assistance** is responsible for economic development and promotion of Kielce and the Kielce Metropolitan Area (KMA). It provides:

- Assistance to local entrepreneurs
- Assistance to investor, throughout the whole cycle of the investment process
- Prepares the Kielce Economic Development Strategy

The municipal **Employment Office** provides support for the unemployed, including young people.

The municipal **Centre of Family Assistance** provides financial and non financial aid for the excluded.

There are various projects co-financed by the **European Social Fund** as part of the Human Capital Operation Programme, for example “I am entrepreneurial – I have my own company”.

Aside from Urbact, Kielce has participated in a long list of **EU-funded projects**, e.g. the recent “Thematic Networks Planning Process” concerned with supporting entrepreneurship and co-financed by Europe for Citizens (EFC).

The Kielce Metropolitan Area runs a project providing **business start up training**, accompanied by direct financial support for start ups (up to 40 000 PLN, or about €9,742.32). The project also works with secondary schools, to build entrepreneurial skills and motivation.

The **Kielce Technology Park** functions as an incubator, supporting the career development of students and graduates from various universities.



A moment from the meeting of the proto-LSG held on the occasion of the Lead Expert September 2012 Study Visit. Those present included Managing Authority representatives, local business people and entrepreneurs.

3) LSG

| DOMAIN | SUBDOMAIN | STAKEHOLDER | SUPPLEMENTARY COMMENT | REPRESENTATIVE PERSON |
|---|--|--|---|--------------------------|
| Managing and Implementing Structural Funds | Economic Development and Structural Funds | Kielce City Hall, Department for Structural Funds and City Strategy | The representatives of the Department for Structural Project and City Strategy will coordinate all project actions, and transfer their own knowledge of good practice in EU grant utilization. They can share with other participants knowledge and experience from previously successful participation in the URBACT programme and particularly in the creation of an effective Local Action Plan. | Mr Mieczyslaw Pastuszko |
| | Economic Development | Kielce City Hall, Department for Structural Funds and City Strategy, Economic Development Division and Investor Assistance Centre | | Mr Robert Cholewiński |
| | Economic Development | Kielce City Hall, Department for Structural Funds and City Strategy, Economic Development Division and Investor Assistance Centre | | Mrs Natalia Luba-Chudzik |
| | Economic Development | Kielce City Hall, Department for Structural Funds and City Strategy, Economic Development Division and Investor Assistance Centre | | Mrs Dorota Lasocka |
| Regional Management of Structural Funds | Managing and creating National and Regional Operational Programmes and European Structural Funds | Marshall Office for the Świętokrzyski Region, Department for Regional Policy | Kielce is fortunate in having a strong relation with their Managing Authority. As such, the Managing Authority is a core member, who supports and facilitates the 2-way bridging of the JobTown networking activities and the mainstreamed programmes of the Structural Funds. | Mr Grzegorz Orawiec |

| | | | | |
|---|--|---|--|-------------------------------|
| | | | <p>The intention is to involve the MA representative in each LSG meeting and in transnational and local meetings, and in workshops, to enhance the impact of JobTown on regional policies.</p> <p>Possibilities for implementation of actions will be explored and identified in the Local Action Plan, taking into account possible links to the local/regional Structural Funding Programme.</p> | |
| | Managing and creating National and Regional Operational Programmes and European Structural Funds | Marshall Office for the Świętokrzyski Region, Department for Regional Policy | | Mr Tomasz Janusz |
| Incubator for new and innovative companies | Financial and advisory services for entrepreneurs | Kielce Technology Park | <p>The Kielce Technology Park representative is key to the local partnership, as the Tech Park is leading a Technology Incubator, which gives young entrepreneurs advisory services and financial support. The representative offers invaluable personal experience and insight into entrepreneurship, from her own background as a successful young entrepreneur.</p> | Ms Justyna Lichosik |
| Professional services for unemployed and workers from area of Kielce City | For Kielce City inhabitants | Municipal Labour Office | <p>The Municipal and Provincial Labour Offices are the participants who are closest to the unemployed. They have direct knowledge of the options available to the unemployed, and create training programmes and workshops for entrepreneurs.</p> | Mr Marek Hadała |
| Professional services for unemployed and workers from area of Kielce Province | For Kielce province inhabitants | Province Labour Office | | Mrs Wioletta Rożek-Szcześniak |

| | | | | |
|------------------------|---|--|---|---|
| Education and training | Creation conditions for the proper social and professional development of youth | The Provincial Headquarters of the Voluntary Labour Corps (VLC) | These participants are able to share knowledge of training for entrepreneurs and the unemployed, particularly that which is co-funded by EU grants; the Vocational Education Centre leads such EU-funded training in Kielce | Participation agreed, specific representative still being decided. |
| | Vocational and Professional Education | Vocational Education Centre of Kielce | | Participation agreed, specific representative still being decided. |
| Private Companies | Private subdomain | LEWIATAN Association of Private Workers in Kielce | | Mr Karol Kaczmarek |
| Other Institutions | Association of youth | EPI- Association Education through Internet | This association carries out a lot of local projects for youth and young entrepreneurs. They have considerable experience and are young entrepreneurs themselves. | Mrs Agnieszka Tercz Mr Tomasz Molenda |
| | HR agency | ADDECCO Work Agency | | ADDECCO Kielce is a branch of the well-known international company. Mr Cichy is specialised in the local labour market and its conditions, and runs whole recruitment process cycle at Adecco. He contributes up-to-date knowledge of supply and demand in the Kielce labour market – jobs that are available, skills and profiles that are lacking, etc. |

4) NEEDS

Kielce has a fairly clear set of basic needs:

- **Guidance and advisory** services need to be improved and made more accessible.
- **Education and training** need to be more relevant to the demands of the labour market.
- Improvement of **detection** of current need and skills gaps in the labour market and of **forecasting** of future labour market needs.
- Potential **entrepreneurs** need help with administrative requirements and other advisory needs.
- **Entrepreneurship** needs to be fomented and entrepreneurial skills and capacities strengthened.
- **Attitudes** towards youth and awareness of youth's potential need to be improved.
- Youth's **self-esteem** and motivation need to be improved.
- Systems and tools for the **recognition of skills and aptitudes** need to be created and improved.
- Actions need to be developed which are targeted at, and suitably adapted to, the needs of **different age groups** (primary school and all the way up), to develop entrepreneurial skills, problem solving, improve motivation and initiative etc.
- Qualified young people must be able to pursue their careers **in Kielce**, and not see migration as their only alternative.



Latsia Profile

Key Points:

- Accelerated, sharp decline from previously strong economy and labour market
- Part of larger metropolitan area
- Limited resources augmented by effective and complementary partnerships
- Educated young people unable to find work corresponding to their qualifications
- Need to improve labour market information and guidance

1) Latsia Situation

General

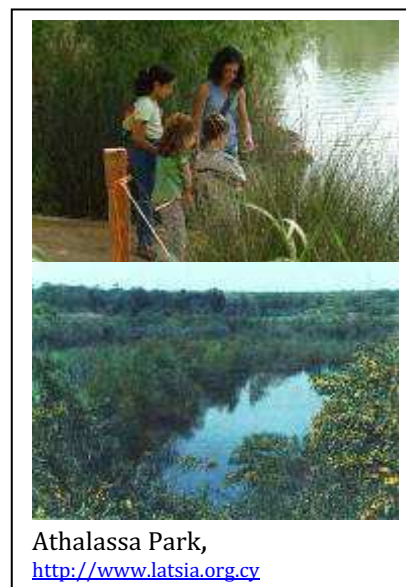
Latsia Municipality – about 13000 citizens, an area of 16.28 Km² – is one of the largest and most populous suburbs of Nicosia, and in practice forms part of the metropolitan system of the still divided capital; the Greek Cypriot part of Nicosia has a population of about 270000. Much of Latsia's population commutes to work in Nicosia.

Latsia was a small village before the Greek-Turkish Cypriot war (beginning in 1974 and still unresolved, with, as a result, the island still being divided in two by a UN monitored 'Green Line'); the population transfer caused by the war led to large refugee camps (now long gone) being established in Latsia and the sudden and permanent growth of the village into a much larger municipality.

Latsia is a fundamental part of the metropolitan area, being home to Nicosia General Hospital, the GSP Football Stadium and a campus of the University of Cyprus.

While Cyprus is generally a heavily built up country, Latsia is unusual in having a significant area of preserved physical environment – i.e. the National Park of Athalassa, the largest of its kind in the country. The municipality also has other parks, a range of cultural and sport infrastructure, and a range of educational institutions apart from the University.

Latsia is trying to increase its capacity to deal with the impact of the **crisis** through **partnership**; it is engaging with other levels of government, public agencies, education providers, employers and civil groups. The Municipality enjoys enviable relations with its stakeholders,



and is able to obtain vigorous participation and support from local civil society. The local coordinator, [Michalis Socratous](#) is the City Secretary General and the holder of a PhD in Education Management; so he is well equipped on various levels to participate in the JobTown network' peer exchange and contribute to it. In particular, Latsia's approach to compensating for its limited resources by working through coordinated local partnership is a point of interest for the rest of the JobTown network.

Latsia for its part is eager to maximise the effectiveness of its initiatives by benefitting from the transfer of European best practice.

Education and Qualifications

t The tendency in Cyprus has been to pursue higher education and the population is characterised by increasingly good levels of educational attainment, with many university graduates among its young.



Cyprus Pedagogical Institute, the country's main teacher training institution and located in Latsia. <http://www.latsia.org.cy/>

With the job market becoming increasingly competitive and difficult to enter, many have been pursuing further studies as a strategy to better equip themselves and to occupy themselves while unable to get their careers going. In short, increasing numbers of young Cypriots – like many of their European peers – have been studying to obtain Master's and Doctorates. While increasing the educational level of the population is a merit and should be applauded, there are problems.

Too many of these young people with good levels of university education have been unable to enter or advance in the labour market. There is a generalised failure to **transition** successfully from university education into the world of work.

Much of this education is criticised as being somewhat excessively **theoretical** and insufficiently preparing students for a transition to working life and the labour market.

Students make their choices of study with a **lack of information** about the labour market; aside from knowing about which jobs are in demand, they lack understanding and experience of the world of work.

All too often, young people discover that they are not really suited to a given field of work, *after* having completed lengthy studies to prepare for it.

To give an example of the **mismatch** between educational offer and labour market demand, there has been a recent trend of doing Master's in Human Resources (i.e. as a strategy for advancement on the job market), however, most

Cypriot companies are small, and so do not have a Human Resources department or a person who is solely responsible for the HR of the company. There being few posts available for people with such a specialisation, most have been frustrated upon finishing their studies.

The systems established for **careers advisory** are somewhat cursory and theoretical in approach; they seem to have little impact on young people's decisions. The staff for guidance is small, so the problem is both one of approach and of resources.

There is also a lack of available **information about the students** themselves – their needs and the experiences they go through in education and after.

Employment and economy

In Cyprus, agriculture is no longer a major employer, and industry is insignificant; there had been some manufacture of shoes and apparel but this is largely closed down. Most 'industrial parks' are in fact dedicated to import/export and some processing, but not primary industrial functions.

There had been a period of expansion of the **Civil Service**, and a lot of young people beginning their careers came to expect to be able to enter government jobs. Moreover, they were often encouraged to do so by their aspirational families. Unfortunately, the period of expansion has now ended, and it is much more difficult to get into the Civil Service.

The main service sector activities are linked to **Tourism** and **Financial Services**, with the rest being taken up by retail and so on.

Increasingly, the lower skilled and lower paid service sector jobs have been filled by foreign workers and in some cases, Turkish Cypriots crossing the Green Line to work on the Greek side (which is now possible). Effectively native Greek Cypriots have priced themselves out of the lower end of their own labour market.

To maintain its (pre-crisis) standard of living, based on a largely service sector economy, the Cypriot labour force will have to succeed in **high value added services** – this takes good levels of **skills** and qualifications, and a good understanding of where **demand** lies and where it will go in the foreseeable future.

With 200 factories and company production centres employing over 5000 workers, Latsia plays a significant role in the economy of Cyprus. Nonetheless, about 75% of the active population works in the service sector.

Cyprus is a small and compact country and Latsia has no significant factor of variation with regard to national employment statistics.



Aerial view of Latsia, <http://urbact.eu/>

Youth unemployment and general unemployment have shot up over the period of the **crisis**, though there is also a **structural problem** as youth unemployment was already around 3 times that of general unemployment before the crisis started. Anecdotally, it is believed a significant chunk of unemployment in Cyprus is made up of migrants **from Greece**, though no official data is available; 25% of the general unemployed are European (no equivalent statistic is available for just youth unemployment), and all EU origin workers are listed by the National Employment Office under the same category with no breakdown made per country.

According to the National Employment Office:

- **August 2012**, youth unemployment (those aged 15-24) was **25.9%**, and general unemployment was 11.3%.
- 2011, youth unemployment was 22.4%, and general unemployment was 9.1%.
- 2010, youth unemployment was 16.7%, and general unemployment was 6%.
- 2007, youth unemployment was 10.2%, and general unemployment was 3.5%.

Increasingly, qualified university educated young people are unable to penetrate the labour market (this is not unlike the situation with other JobTown partners, e.g. Rennes), and if they do work they work in posts for which they are clearly **overqualified** (waiters etc.).

The development of the country and its **economic competitiveness** is threatened by its inability to usefully absorb its educated youth in value added employment.

The Cypriot population must either accept systemic overqualification, or generate jobs for qualified people, and/or change the type of qualification being imparted.

There are well-paid service jobs that go uncovered, but these tend to be jobs of a more technical or vocational skills nature (electrician, maintenance etc.), and (as found elsewhere in the partnership) suffer an **attractiveness problem**; young people – and their families – find them unappealing career paths.

Crisis

Cyprus has gone, in a short period of time, from an enviable state of economic health, to one of alarm. Young people have been affected the most by the financial crisis; youth unemployment has risen and average periods of unemployment are longer.

At the beginning of the crisis, Cyprus had **little exposure** to the points of overt weakness and collapse in the international financial structure (Lehman Brothers etc.), and the internal



“Troika found Cyprus economy worse than expected, report says”, August 6, 2012

http://www.ekathimerini.com/4dcgi/w_articles_wsite2_1_06/08/2012_455652

expectation was that the country could get through the crisis period without too much pain. As a result, there was little popular sense of urgency to prepare to face coming challenges. Unfortunately, the crisis did eventually reach Cyprus and did so with great severity; the country has had to request European **bailout** funds, its credit rating has hit junk status, Cypriot banks are in trouble and more bailout and intervention packages seems likely at the time of writing.

Employers have become highly **risk adverse**, and do not hire if it is not strictly necessary – i.e. they are unsure of what their situation will be in a year or so and do not want to accumulate any avoidable cost obligations.

Accordingly, **unemployment** has risen sharply, going from being close to its structural minimum at 3.5% in 2007, to 11.3% in August 2012 – and **25.9%** for those under 25, and still rising at the time of writing.

There has been a reluctance, on the part of well educated young Cypriots to take on **low-skilled low paying service sector jobs** – which have been mostly going to migrant workers – but as the economic downturn and lack of opportunity continue into the longer term, qualified young Cypriots are increasingly willing to accept such work. However when they apply for such jobs they are often find themselves in competition with ‘less expensive’ by foreign workers and Turkish Cypriots crossing the ‘Green Line’ to work on the Greek side – this could eventually become a source of tension.

Staff from the **Employment Service** describe how they have seen young people going from being picky, about job type and conditions, a few years ago, to being something bordering on desperate now.

Some civil servants spoken to in private describe a growing sense in the civil service of **collective anxiety** and of **feeling overwhelmed**.

2) What's being done now

The main problems employment creation programmes face are those of effective implementation and getting money.

There is currently an annual **job experience week** organised for young people, wherein they are supposed to engage with enterprises to learn about the world of work, and get a week off school to do so. However, there is not much control of quality or participation and the event seems to achieve little.

The national **Employment Office** runs a few interesting programmes:

- One is targeted at those who have **graduated** in the last 3 years and been unable to get job experience related to their studies. For the first 6 months of suitable employment, 60-80% of their salaries are paid by the programme (smaller companies get more money, most are small, so its most often 80%). Increasingly, those hired in this way are finding themselves again without a job once the subsidy runs out, whereas in the past much larger numbers were retained – suggesting the problem is one of fundamental **demand**.

- Another programme, for those **under 29** and registered for at least 3 months at the unemployment office, pays an employer who hires them 50% of salary for 8 months, with the last payment on the 12th month – i.e. so they have to keep the employee for another 4 months, paying their full salary. The programme has been running for about 9 months as of



Workers at the national Employment Office

writing, so an evaluation of results has not yet been made. Employment Office staff report results thus far as seeming promising, and that at the very least it has helped motivate young people to register and stay registered with the Employment Office; which has long been a problem, as the users tend register and get discouraged if they do not get a job and see no point in continuing to register.

- Paid training and capacity building, for degree holders, every day for 3-4 weeks, paid at 8€ an hour. Participants learn entrepreneurial skills, information about the local labour market (many study abroad and return without a familiarity with the local job scene) and job seeking strategies.

The Employment Office also provides counsellors, who provide job-seeking support, help with CVs, and so forth. Staff reports that this support used to be more effective, but now demand is lacking. Partly due to a lack of referral coming from overloaded services, services which would have previously processed something like 30 cases a day are now faced with 70 a day, as the work is compressed, less time is taken to explore and explain service options, such as the counselling service, to users.

The crisis has increased traffic into the Employment Office and the way the services respond to users; staff reports users increasingly come into the Office demoralised by their inability to change their situation. This has led service providers to put more emphasis on the more **psychological** aspects of the support they give (note, this is not a policy shift, but more of a natural and unplanned behavioural response).

The Office also finds itself starting to encourage users to look at other opportunities, such as **different job sectors** or even **leaving Cyprus**.

While the Employment Office is chagrined by its declining effectiveness as the crisis worsens, it is not sure if and what it should do more, as the fundamental problem is **demand, not supply**.

The Employment Office finds the **labour market forecasting** information it is supplied with is very general (i.e. superficial, referring to things like 'green construction' rather than more specific jobs and skills) and unreliable.

Central government is implementing, in Latsia and elsewhere, measures to encourage the employment of unemployed persons from vulnerable groups of the population, as well as a special plan for giving work experience and jobs to unemployed graduates of tertiary education.

The **Ministry of Commerce and Industry** runs a programme in support of young people and women trying to start businesses. The programme pays 50% of start up costs for year, up to a maximum of €100,000. The company has to commit to functioning for 3-5 years after the subsidy, so as to discourage spurious subsidy seekers.

The Minister of Labour and Social Insurance, Mrs. Soteroula Charalambous, argues **supporting measures are needed** – such as vocational training, counselling support, practice periods and the provision of financial motives to develop business activities – for the integration of young people into the labour market.

The national **Human Resources Development Authority** coordinates A partnership between:

- The Cyprus Productivity Centre
- The Higher Hotel Institute of Cyprus (HHIC)
- The Department of Labour of the Ministry of Labour and Social Insurance

This measure was initiated in the framework of the Special Action Plan of the Human Resources Development Authority. The national implementation of this scheme started in October 2009, and total spending for the scheme in 2012 is planned to reach €3,300,000 (in 2011 it was €4,500,000).

In **Latsia**, guidance is provided to youngsters regarding their participation in the '**Emergency Scheme for the Support of Employment** – through in-company individual training of the unemployed', implemented by a partnership of various public agencies, which provides job placement and training for the unemployed. The scheme provides subsidies to tailored training programmes.

The JobTown network will take place in the context of these initiatives; it will be complementary to them and **capitalise** on their policy direction and interventions and the impact of the spending already committed.

Latsia has limited experience in **transnational cooperation** through it has participated in 2 Europe for Citizens projects. However, Latsia is accompanied in the project by the Nicosia Development Agency, who first put the municipality in contact with the partnership and supported their application procedure. The NDA's personnel have extensive experience in EU programmes, particularly ESF, and will be providing Latsia with technical and strategic consultation support throughout the project-cycle.

3) LSG

Local Action Plan

The Local Action Plan to be developed by Latsia within the framework of the network will:

- Drive the production and improvement of support measures – particularly in education and training, guidance and information provision, and job promotion.
- Strengthen and better coordinate cooperation with, and convincing of, the authorities and actors responsible for policy formulation and policy recommendations – particularly the Ministry of Labour and Social Insurance.

Latsia plans to establish in 2013 a pilot local **Work Office**, which will gather data and provide guidance to young job seekers. The network can drive this piloting effort, building support for it and channelling stakeholder input into how it is run and what it does.

There are intentions to develop an **Alternative Work** project locally, whereby people could exchange services in a kind of pooled coupon and talent data base system. As an example of Social Innovation this tool could be particularly suitable for usefully occupying the young unemployed and maintaining their skills and level of activity, as well as reducing the isolation that is associated with unemployment. This scheme has not yet gelled, though there is much support for it; the LSG can contribute to developing it and making it a useful tool for supporting youth employment and opportunity.

Entrepreneurship and self-employment are a potential employment solution for many young people and need to be supported and facilitated in Latsia. Developing ways to do this will thus be part of the LSG's work.

Actions also need to address the need for learning about Labour Market by **experience** and contact (e.g. job 'tasters', employer meeting and interaction events etc.) – this would be actions based on a more **non-formal** approach, which would complement the more formal services of guidance and orientation the Work Office would also develop.

Managing Authorities:

Both the **Managing Authority for ERDF and ESF support** Latsia's participation in JobTown, and have contributed their time to the research for this report.

The ESF MA, run by Alexandros Alexandrou and Akis Nicolaides, is the ESF Unit at the Ministry of Labour and Social Insurance, and



Alexandros Alexandrou and Akis Nicolaides of the Cypriot ESF Managing Authority meeting with the JobTown Lead Expert Ian Goldring in their office in the Ministry of

the ERDF MA is the Planning Bureau of the Republic of Cyprus.

The Managing Authorities are both potentially highly useful in supporting the network in getting help and attention from the **ministries** of Labour, Economy and Education. Likewise, the MAs are fundamental to **dissemination** and **mainstreaming** identified good practice in Cyprus, and have both committed to fulfilling this function.

The ERDF MA, run by Ms. Constantia Constantinou, in particular expressed a desire and a concern to see the Cypriot partner in JobTown have a strong role and presence in the transnational network.

The ESF MA has a particular concern with the subject matter of the JobTown network as it was itself the leader of the **European Network on Youth Employment** (ENYE <http://www.youthemploymentnet.eu/>) and wishes to see JobTown capitalise on the ENYE work and take it further where possible. As a result of their work leading ENYE, the authority has a priority concern with 3 key youth employment issues:

- Mobility
- Youth entrepreneurship
- Education and vocational training reform

As such, they have a particularly keen interest in JobTown’s aim of developing new and more effective traineeship and apprenticeship practices and systems, and have requested to be kept abreast of the network’s developments and findings, with a view to dissemination and mainstreaming.

LSG participants

The initial **Local Support Group**:

| DOMAIN | SUBDOMAIN | STAKEHOLDER | REPRESENTATIVE PERSON |
|----------------------------------|--------------------------------------|--|-----------------------------|
| PIRSPUD⁴⁵ | Managing Authority of ERDF in Cyprus | Planning Bureau of the Republic of Cyprus | Mrs Constantia Constantinou |
| PIRSPIC⁴⁶ | Managing Authority of ESF | Unit of ESF | Mr Akis Nicolaides |
| Governmental Organization | Employment | Nicosia District offices of Employment - Ministry of Labour and Social Insurance | Mrs. Panayiota Lytra |

⁴⁵ Public Institution Responsible for Spatial Planning and Urban Development, national public body responsible for pursuing the policy of spatial planning and integrated urbanism in the structure of the Ministry of Interior.

⁴⁶ Public Institution Responsible for Planning of Social Policies, Integration and Cohesion

| | | | |
|---------------------------|---------------------------------------|---|---------------------------|
| | Employment | Public Employment Service - Latsia Local Employment Office | |
| Education | Vocational and Professional Education | Open University of Cyprus | Mrs Elena Gregoriou |
| | Vocational and Professional Education | University of Cyprus - Department of Education | Dr Maria Iliofotou Menon |
| | Vocational and Professional Education | Cyprus Pedagogical Institute ⁴⁷ | Mrs Polina Xatzitheodorou |
| | Vocational Education | Open School of Latsia | Mrs Andrea Efdoxiou |
| Companies | Communication - IT technologies | Latsia Tv | Mr Charis Therapis |
| Other Institutions | Regional Planning | Nicosia Development Agency ⁴⁸ | Mr Eleftherios Loizou |
| | Youth Policies | Cyprus Youth Council | Mr Nicolas Christofi |
| | Youth Policies | Municipal Youth Council of Latsia | Mr Kypros Philippou |
| | Youth Policies | Cyprus Youth Organization | Mr Anna Loizou |
| | SMEs Association | Nicosia District SMEs Association | Mr Charalambos Therapis |
| | Partner of Jobtown Project | Municipality of Latsia | Dr. Michalis Socratous |

Some information on the above bodies:

The **Youth Councils** establish youth policy goals and lobby Cypriot policy makers. At present they are campaigning around a range of issues to do with youth employment – e.g. internship quality, guarantee schemes, validation of non-formal education, and so on.

The **Open University of Cyprus** is a distance learning University that was originally set up with the help of ESF



Youth Council representatives attending the first JobTown stakeholders meeting in Latsia

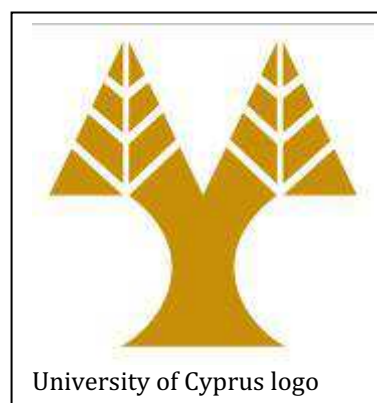
⁴⁷ Public Body responsible for vocational education and continuous capacity building of teachers in elementary schools

⁴⁸ Organization representing the Municipalities of the District of Nicosia responsible for sustainable development through the use of European or other available funds

money. Following the idea of being an 'Open' school, it defines itself as open to all the community, to parents and all levels of education. It tries to propagate lifelong learning and emphasises Generic skills in its curricula. The Open School also delivers teacher training and entrepreneurial education (which it is currently working to expand and improve). The school tries to contribute to addressing the problem of unemployed young people with advanced degrees by hiring them to teach.

The Open School also conducts needs analysis and is currently carrying out a Lifelong Learning Programme project concerned with setting up and promoting an industrial zone and the mapping of the involved companies and their needs. This initiative was conceived as a means to address an identified lack of such information. This background helps them supply the LSG with understanding and data on the needs of the local private sector and insight on how to collect such information.

The **University of Cyprus**, which is grappling with its own fundamental problem; it produces unemployed graduates. The university does research on graduates and their experience of the labour market. The university is also concerned with improving guidance services and teacher training.



The university will strengthen methodology and effectiveness of the LSG by: identifying what information lacks needs to be filled; defining specific and measurable goals and indicators; defining clearly, through agreement with all participants, what each one's roles and function is.

Importantly, the university will supply students, who are themselves unemployed or at risk of unemployment and who will support the network's activities – i.e. the **target** group will itself be involved in analysing the problem, and designing and implementing the actions.

The **Nicosia District SMEs Association**, whose members have been heavily hit by the crisis, is very eager to contribute to the networks efforts as it is deeply worried about the loss of companies, competitiveness, and a generation.

Latsia TV (<http://www.latsiatv.com/>), which is a local television station and a specialist in social media. They can contribute significantly to building local awareness and dissemination through their media production and they will be in charge of a social media strategy and platform that will help structure the LSG as a working group. Latsia TV's specialisation in social media will be capitalised on as much as possible by the JobTown network as a whole.



Latsia's mayor, Panayiotis Kyprianou, has given his direct support to the project and met with the Lead Expert on his study visit.



Panayiotis Kyprianou, Mayor of Latsia

4) NEEDS

Regarding youth unemployment and opportunity the Municipality of Latsia needs to:

Approach youth unemployment as a long-term **structural** issue, already established as a trend before the crisis and made much worse by it.

Take short-term **palliative** action to relieve young people from the harshness of current circumstances and thus prevent scarring/hysteresis as much as possible.

Better **detect** and **forecast** labour market needs.

Better understand the current **situation of students** and graduates entering the labour market.

Better let beneficiaries **know what services are available** to them.

Support young people's educational choices with better and more credible **guidance and career advisory**, as well as better access to such support.

Make **education and training** more relevant to job market needs and dynamics.

Prepare school leavers with the **skills and qualifications** they lack – in the context of declining demand for workers and toughening hiring practices.

Overcome problems with the recognition of qualifications gained through **non-formal and informal** learning.

Overcome the exclusion of youth from **social and political dialogue**.

Overcome the barriers to action imposed by the limited competences and resources of the municipality, through **alliances** and **coordination** with and **lobbying** of other relevant actors – both individuals and organisations.

Benefit from transferable **European best practice**.



Young performing artists at a Latsia cultural event – Latsia's young have lots to offer.

Moschato-Tavros Profile

Key Points:

- *Circumstances have rendered Moschato-Tavros unable to continue with the JobTown network into its Implementation Phase.*
- Recently amalgamated administration.
- Over half the young population unemployed
- Large-scale business closure and shrinkage
- Sharp decline in administration revenues and austerity policy

1) Moschato-Tavros Situation

General

Municipality new, created in 2011 in a Greek programme of territorial reorganization, hence still adapting to the needs of a reshaped administrative territory, population and governance structures – in trying circumstances.

Education and Qualifications

A large proportion of local young unemployed people have good educational backgrounds and qualifications, but, as a result of the crisis, there are few opportunities or career chances in the private sector, and even less in the public sector.

Employment and economy

- 51% unemployment in age group 15-24
- High underemployment.
- Unemployment high even among educated and highly qualified youths. Unemployment is consistently longer-term.
- The high levels of unemployment are connected with serious negative social effects.

According to early 2012 statistical figures, the percentage of youth unemployment in the age group 15-24 is 51%, (twice as high as three years ago) and in the age group 24-28 is 28.5% (not counting employees with only temporary or part-time work).

In Moschato-Tavros the structural phenomena of unemployment are particularly prominent, as they are connected with **deindustrialization** and long-term

economic recession and austerity, in a region, which was formerly a strong industrial zone with a number of business activities.

Over the last two years, there have been difficulties linked with the negative effects of an accelerated restructuring/dismantling of the local economy and the changes in the labour market. The current economic crisis necessitates change and adaptation.

Youth unemployment and inactivity is an enormous structural problem in the area. Job losses, particularly for young people, in the newly enlarged municipality are severe and tackling unemployment and its effects is necessarily a policy priority for the administration.

Many unemployed young people have been looking for a job for more than two years in the region, signalling a phenomenon of **long-term unemployment**.

Crisis

- Ongoing, severe and long-term impact of crisis and austerity measures.
- Lack of job opportunities, with business closure or shrinkage high.

Greece's economy was estimated in 2011 to have shrunk by about a fifth since 2008, when it plunged into its deepest and longest post-war recession. About 600,000 jobs, more than one in ten, had been destroyed in the process. (ELSTAT) In particular, crucial problems of unemployment have been created in areas where there used to be (before the crisis), sustainable development, entrepreneurship and elevated high employment rate of the people of the region.

The decline of growth and the devastating effects of the economic downturn brought a large proportion of young people in the region into unemployment. **Young people are the hardest hit** by the ongoing crisis and its effects.

2) What's being done now

The city administration is **newly created** so does not have a long background to refer to. The enlargement of the municipality within the framework of administrative reform in the country has created new conditions. The problems facing the local government are now of a new and larger scale, and stem primarily from the needs of young people, who are experiencing a lack of jobs in the region and the impact of the economic downturn.

In its time of operation, the administration has focused its efforts on reducing youth unemployment, finding new possibilities of employment, trying to identify and implement new approaches to labour market organisation and support, supporting the creation of new professions and reviving traditional professions exercised in the area.

The administration had hoped to:

- Transfer and disseminate and adapt applicable experiences and examples of good practice collected by the cities
- Create an implementation a guide for regional and local authorities.
- Analyse regional and local authorities' opinions and suggestions for the implementation and adaptation of these policies.
- Conduct quantitative and qualitative research, to produce reliable and updated data concerning employment/unemployment matters and other elements of young people's social inclusion in the new municipal territory.
- Set up a local platform for the promotion and exchange of information regarding the design and implementation of the youth employment and job creation policies under investigation.

The current municipality was formed in 2011, and so institutionally has little experience to draw on in transnational European exchange projects, though staff members from previous administrative incarnations do have such experience on a personal level. The University of the Aegean was accompanying the administration and has been involved with project participation from the beginning; they have an extensive experience in transnational exchange which would have been at the service of the partner.

The project offered a structured way of developing and applying such participatory and integrated approaches to involving stakeholders in policy design and implementation. As such, it was seen as a valuable opportunity to build governance and coordination capacities in a newish administration.

Likewise, the administration is eager to build its capacities to successfully participate in European policy exchange and transnational project coordination. The city offers an area where the challenges to youth unemployment and effective local development strategies are acute, and which can test the capacity and limitations of solutions offered. The willingness to try and experiment with solutions and new approaches is high.

3) LSG

Moschato-Tavros had hoped the ULSG would involve representatives of different municipal departments and services who would be strongly supported by the Sociology Department of the University of the Aegean, which is able to offer extensive experience and know-how in local development issues. This initial partnership would have grown to include representatives of the local private sector, 3rd sector bodies and the regional authorities.

Moschato-Tavros wanted to improve its own strategies and capacities, by learning from the situation in different member states through direct contact with other local authorities and the young people of their localities. Through the partnership, the administration would have better understood the circumstances of youth unemployment elsewhere and how it is tackled, exchange experience, transfer best practices and produce findings leading to suggestions for tackling the rising unemployment rates of young people.

Knowledge and innovation, in principle key to addressing the issue of employment, do not appear to be enough, since the scope of business activity is very limited in the region. In this context, the partner wished to explore ways of addressing employment problems through prospecting **new employment opportunities** for young people, mainly in new and underdeveloped areas of the local economy, e.g. the social sector.

Intended scope of the **Local Action Plan** of the municipality:

- Identifying challenges to implementing initiatives to reduce youth unemployment in the region
- Learning about the possibilities of recovery of specific business sectors that can create jobs
- Identifying current and potential competitive advantages of the region so as to facilitate the creation of employment for young people
- Creating a smart, sustainable and inclusive economy delivering high levels of employment opportunities for young people, productivity and social cohesion
- Identifying and reviving or better using potential resources which to date have not been sufficiently or ideally exploited

4) NEEDS

The newness of the administration means it has a lot to do in building systems of cohesive partnership, with employers and other stakeholders, to advance strategic objectives across its territory.

The general objectives of the participation of the municipality were to help to:

- Reduce youth unemployment
- Find new job opportunities
- Understand and disseminate new forms of work organisation and partnership for job creation
- Create new professions and revive traditional professions exercised in the area
- Promote inclusive growth, fostering a high-employment economy delivering social and territorial cohesion.
- Develop capacities within local and regional authorities to facilitate the implementation of employment boosting policies.
- Coordinate regional and local initiatives with employment supporting actions of the EU and other Member States.

More concretely the partner city wanted to:

- Transfer and disseminate and adapt applicable experiences and examples of good practice collected by the cities
- Create an implementation a guide for regional and local authorities.
- Analyse regional and local authorities' opinions and suggestions for the implementation and adaptation of these policies.
- Conduct quantitative and qualitative research work, to produce reliable and updated data concerning employment/unemployment matters and other elements of young people's social inclusion in the new municipal territory.
- Set up a platform for the promotion and exchange of information regarding the design and implementation of the youth employment and job creation policies under investigation.

Nagykálló Profile

Key Points:

- Convergence partner, who wants to learn from other cities, its primary interest being capacity building and preparing for ESF and ERDF funds
- Low qualifications in a context of declining low added value traditional industry and agriculture.
- Looking to develop new sectors of growth activity.
- Locality needs to retain enough of its young population, if it is going to have a future as a community, and thus needs to provide opportunity
- Interest in promoting self-employment and entrepreneurial qualities
- Roma youth are particularly disengaged
- Ability to capitalise on other European projects and funds

1) Nagyálló Situation

General

The Municipality of Nagyálló is located in Szabolcs-Szatmár-Bereg county, in the Northern Great Plain region of eastern Hungary. The population is approximately 10151 inhabitants, however the administrative entity is also part of a larger surrounding administrative Nagyálló region of some 50,000 people and of which Nagyálló's mayor is also the political head; hence in practice there is a certain confluence of the two policy levels and issues.



Since Hungary entered the EU a lot of **heavy industry in the area has closed**. The surrounding area is also largely agricultural, and many of Nagyálló's denizens have some farming background or affinity.

Emigration is an issue, as many of the local young people – especially the better educated with more aspirations – end up leaving Nagyálló to go work in Budapest, or outside the country. So, the population is aging and its young people are leaving. To stay viable, the municipality needs to keep youths in Nagyálló; to do so it must provide them with better opportunities.

Its location – near the border with Romania (the neighbouring area in Romania is largely populated with ethnic Hungarians and the town thus enjoys some informal ties there) and the Ukraine – makes the locality a potential service and **logistical** hub.

The area enjoys spaces and attributes with potential for **tourism**, with a base of some leisure activity (largely summer outdoors recreational activities, pursued by Hungarians) already in place – though infrastructural investment is required to develop the sector (e.g. there is no hotel).

There is a significant **Roma** presence in local demographics, at some 15% of the total population. The Roma population lives in a state of relative socio-economic disadvantage and segregation vis-à-vis the rest of the community, and are thus a population segment of special concern for local inclusion and employment policy efforts. The mayor, Zoltán Juhász, argues that there is often a lack of good examples of **parenting**; there is not so much a money issue at fault, but the example of parents and role models. Local authorities see themselves as forced to try to provide support that parents don't.

Nagykálló is a relatively small locality, but it faces essentially the **same problems** as the other partners – e.g. better understanding the dynamics and needs of the local labour market, better equipping young people for self-employment and entrepreneurship, better matching training and support services to labour market needs, improving awareness and understanding of the world of work, and so forth.



Vocational students

As a convergence partner, with a **good track record** of participation in similar networks, they have a proven ability to build their capacities; furthermore, they need to do so to become more competitive, to retain their young population and to successfully use structural funds, particularly the next cycle of ESF. Other partners can get something from Nagykálló, given its experience in Urbact and other programmes and its very hands on creative approach at a local level. The

project enjoys the full and direct backing of the Mayor, who chaired the first proto-LSG meeting; the mayor's personal involvement guarantees the ability to take initiative and apply learnings.

Education and Qualifications

In Hungary, school attendance had been obligatory until 18; this has been changed in 2012, with the **minimum school leaving age now being reduced back to 16** (which it had been previously). This is important, because it means these new ages –16 to 18 – will now be entering the job market, with job services (orientation, guidance, planning etc.) having to adapt to this change, within the lifespan of the JobTown network.

In terms of local **education** offer, there is a wide range of secondary school types, able to handle all types of youth educational needs at that level, but post-secondary educational facilities are lacking and youths have to go elsewhere to study at that level, often resulting in their leaving the town to reside somewhere else, and not come back.

A university **faculty of economics** will be opening in 2014; it should help contribute towards a more qualified local work force and population retention. Moreover, there is an opportunity to move into a higher level and quality of **professional training** within the framework of cooperation with the new economics faculty being established.

Nagykálló also has a large **vocational school**, Kallay Rudolf Vocational School; it is one of only two of its type in the country (in terms of the specific institutional classification and range of programme it offers), the other being in the western part of Hungary. This means it brings in students from both Nagykálló and its surrounding region. The school covers a variety of quite different subjects (e.g. construction, health care, metal work, cuisine and hospitality, textiles, and others). Students are aged 15 to 18.

Transversally, the school needs to introduce into the curricula more **self-employment/entrepreneurial** skill support, more **business and management** skills, and to support **mobility**. Participation in the JobTown network should help in this regard, as many of the partners are pursuing such goals and/or have such training available already.



Healthcare students, Kallay Rudolf Vocational School

Employment and economy

15.31% of the active local population is unemployed, as of September 2012.

At present, the local economy is dominated by **agriculture**, agricultural processing – much of the agricultural work is seasonal and low quality – and light industry, mostly **car parts** manufacturing and iron work. Nagykálló has an industrial park which has mainly metal and ironworking activity and which the municipality wants to develop. While the crisis has slowed the facility's development, its long-term prospects are considered good.

As such it is trying to **attract investment** from large iron companies and to create a logistical park within this industrial park. Somewhat like Cesena, Nagykálló has the potential to be a regional logistical centre, given its location near the Romanian and Ukrainian borders, in the middle of established commercial transport flows, which are only expected to grow,

The mayor feels the municipality, in its efforts at boosting investment, hasn't been as successful as it can and should be and that there **needs to be a better understanding** of the dynamics of such investment decision-making, as a means to becoming more successful at attracting such investment. Encouraging and **attracting investment** is key, as there are plenty of young people with agricultural and/or industrial skills that could work if investment were made.

Benetton Hungary is an important local employer, with a regional logistic centre established in the area. However it has recently been reducing staff considerably.

Tourism has potential for development, as Nagykálló benefits from:

- Attractive local surroundings
- Thermal water bath facilities
- A pleasure park area
- Sport activities programmes
- A popular area for summer leisure:
 - With a campground area on a lake that lodges some 1000 children in summer, and
 - Where a popular summer Cultural festival is held.



However, there is a lack of the kind of tourist **infrastructure** needed to expand the sector – hotels, restaurants and the like.

The greater area has a largely **agricultural** character, with a lot of the residents owning or working on farms outside the city limits. Though farming as an employment base has declined from what it once was, agricultural work and business is still an important part of the employment mix of the city, and needs to be kept up and enhanced, in parallel with other employment and developmental strategies.

The enhanced coordination amongst policy makers and local stakeholders that JobTown is meant to deliver is particularly needed in Nagykálló at this time, as

the city is both reacting to the **economic crisis** and entering a **new developmental phase**, with the shift from a diminishing low-skilled agricultural job base, towards more value added production and more complex economic activities and services.

In terms of small-scale **self-employment**, it is common for locals to have a small plot of land, typically just outside the city limits, which they cultivate and whose produce they sell – usually as a strategy for supplementing income.

The major barriers to encouraging entrepreneurship identified by the municipality are:

- The need for **start up capital** on the part of any youths wishing to pursue self-employment (this credit crunch is strongly echoed in Italy, Portugal and Spain).
- **Scepticism** among youths about the viability of self-employment.

Youth employment

- Young people usually get minimum wage and work as ancillary staff, unskilled workers and administrators.
- **Males** are found more typical in entrepreneurship and in the private sector.
- Roughly 90% of job applicants to the municipality are **women** – whereas in Budapest the same figure is 55%. Persons contacted for this study felt this discrepancy was caused by, on one hand a preference for stable low-risk employment, but also the predominance in the provinces of agricultural and other more physical type employment, for which women are less suited or inclined.
- Many **educated** local youths complain of a kind of **dual disadvantage** impeding their access to the labour market – whereby employers require a level of **experience**, which they typically lack, while at the same time they are regularly rejected as **overqualified** in terms of qualifications.
- As for the **low-qualified** and unskilled youth population, **Roma** are always disproportionately represented in this cohort.



Much as elsewhere, the crisis has continued and deepened these relative tendencies stated above, throughout the qualifications spectrum.

Roma

The local **Roma** frequently work in the informal economy, often in what could be termed micro-business/self-employment strategies: buying, trading, selling, various occasional labour services, repair jobs and so forth.

One of the problems that have been identified locally, regarding getting Roma into work is **image**; often the image or perception they have of certain jobs or of the world of work is negative and/or misinformed. This is a common problem found in many of the partners in some shape or form, and not specific to Roma as a general principle.

About 70% of local **NEETs** are identified as Roma.

The mayor argues for the importance of what happens to Roma in their **formative years**, and is particularly concerned with the **14-20** age period – i.e. they are prime candidates for scarring.

The most **unskilled** unemployed youths in Nagykálló are predominately **Roma** – who, furthermore, live in areas physically segregated from the rest of the community. These zones are generally peripheral and avoidable by others (i.e. if one doesn't want to go through them on one's way somewhere else, one doesn't usually have to), and immediately recognisable by their rundown appearance.

The educational background of those living in these areas is usually quite low, and typically their only **income is state aid and assistance**. Almost no public institutions or services can be found in these places; as such, other citizens are rarely inclined to go there.

Money is, effectively, one of the main tools of local Roma policy. At present the local authorities use a range of tools to include the Roma socially, from **enticement payments** for parents whose children attend school, to encouraging Roma youths' involvement in local community centres. While the situation leaves abundant room for improvement, the situation is much better than it is in many other corners of Europe; Roma children attend the same schools as any other children and regularly use the same cultural and community facilities. While the educational level is admittedly low, most of them have basic literacy.



Roma dwellings

Labour market and business challenges

- The local labour pool suffers from **low education** and **skill levels** amongst the active population. Hence part of the need to keep the educated young in the town – i.e. because there are too few of them as it is.
- As the local population is **aging**, and the primary local activity has traditionally been **agriculture**, the area is seeing its fabric of small family agricultural enterprises being abandoned one by one, with a concurrent shrinkage of available low skill employment.
- There is a lack of:
 - Work opportunities, as agriculture cannot supply enough work for the young.
 - Programmes that help to promote **entrepreneurship** and self-employment.
 - A willingness among the citizens to start enterprises.
 - **Facilities** to sustain the **tourism** sector the local economy wants to develop – i.e. there are few restaurants and no hotel

Unemployment

The **unemployed** typically turn to public job programmes, which pay below minimum rates.

In 2013, the central government plans to increase **minimum wage** for the over-26 and still more for the over-55; this should have an impact on employment for those 25 and under (i.e. because their minimum wage will remain lower), but just how has not yet become apparent.

Crisis

Nagykálló unemployment rates have risen with the crisis – now reaching 15.31% (up from 12.5% in 2010 and still less prior). Youth unemployment is believed to be well above this rate; it was over 15% in 2010 for those 15-24; current figures are not yet available, though all anecdotal evidence would indicate a worsening. Unemployment in the country as a whole was 10.8% in July 2012 (Eurostat) – i.e. Nagykovács has **almost 50% higher** unemployment than the national average.

Broadly, the North-East of Hungary, of which Nagykovács is part, has suffered the crisis more heavily than the national average. Levels of pay are reported to have decreased.

The crisis slump has caused decline in public revenues and rising public expense.

Nagykovács cannot provide enough work opportunity for its youths, and is thus seeing them cope by **migrating**, temporarily or permanently, to larger cities within Hungary, or abroad.

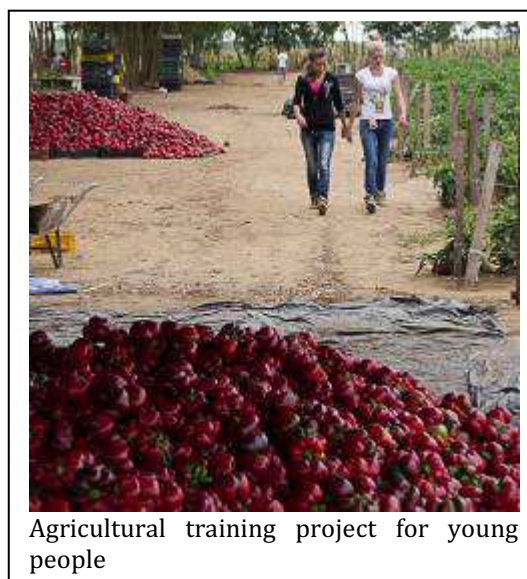
Benetton Hungary is one of the most important local casualties as it has significantly reduced its activities – incurring over 100 layoffs – in the local plant, which serves as an East-European production and logistical centre. This plant was responsible for employing a large portion of the more skilled and more highly qualified workers available locally and provides much local revenue. Further downsizing is expected.

2) What's being done now

Many of the unemployed get **work for the municipality**, in various public employment programmes, which often pay under the minimum wage and put a strain on public resources.

The municipality has an employment **database** of jobseekers - but needs to improve job provider **follow up** and **monitoring**. They are interested in learning about better and more complete monitoring, and negotiating with employers.

There is a small, specialised **training centre**, which provides training for specified jobs where the administration has identified needs in local industries or sectors through consultation with local economic stakeholders. The graduates often have jobs waiting for them – e.g. job opening in food processing or park maintenance have recently been filled in this way.



Agricultural training project for young people

Being perhaps a more unusual job-training scheme, for a city, but one that makes sense given the small-scale farming background of many of the inhabitants, Nagykálló runs an **agricultural training project** on a small model farm the municipality owns, just on the border of the city limits. Participants in the scheme typically come from families whose members do some farming already, and the reaction has been quite positive. As such, the Municipality intends to expand the programme and look for ways to develop it further.

The municipality runs various **social centres** for the community and **drop in** centres for young people.

The local administration works a lot with local **Roma** population, using Roma and non-Roma liaison staff and a social/drop in centre catering specifically to Roma youth (without excluding them from more general facilities). The centre provides educational support and a wide range of its own classes and activities, adapted to age group. The centre provides a safe



Roma young people using the drop in centre's computers

and healthy leisure environment for Roma youngsters, and they seem to respond well to it and the staff.

Within the framework of a national Roma inclusion programme, the municipality has provided, and still provides, a range of cultural activities and training. Results range from fairly enthusiastic participation to complete indifference, so the local efforts at Roma inclusion are still a work in progress; however the situation in Nagykálló, regarding Roma/Non-Roma relations, seems to be somewhat more constructive than what one can encounter in other parts of Hungary and Europe.

European programmes

Nagykálló is a regular receiver of ESF and ERDF funding, and needs to prepare itself to apply for this funding and to use it effectively. Of particular importance is the 2014-2020 **ESF** cycle, which is reported to be concerned with young people and employment to quite some extent.

The municipality has received and effectively invested significant **ERDF** funds, particularly within the framework of its 'Social Town Rehabilitation Project', which was concerned with housing and living space improvement and reform.

Nagykálló was an active participant in the **Urbact Roma-Net** project, and belonging to this network has greatly informed local Roma-inclusion efforts – in particular lessons on how to employ and/or make more employable young Roma. The goal is to apply such learnings in JobTown, for Roma and hopefully to also capitalise on those learnings more generally, as some of their contents (addressing disengaged youth, reducing early school leaving, and so on) is also potentially useful for non-Roma young people too.

Nagykálló has also been a partner in the Urbact network **OP-ACT**, which was concerned with local development strategies in small and medium-sized cities. The project sought to find workable responses to demographic challenges and piloted the use of social media-based communication with and among the



Social Town Rehabilitation Project results



Project billboard

inhabitants of Nagykálló. This will be capitalised on in JobTown and these learnings, from participating in Urbact networks and structural funding programmes, should be of interest to other partners.

In terms of learning for others, Nagykálló offers experience of:

- An **integrated spatial and social development** plan, based on a holistic approach to physical infrastructure, education and training, anti-exclusion actions, private-public partnerships, capitalising on parallel EU-funded investment programmes and maximising their effectiveness and sustainable impact.
- Efforts to relaunch a local economy, hit by the crisis, by capitalising on increasing cross-border **mobility and connectivity**, through developing new sectors of supporting activity (e.g. logistical and economic services) as well as new sustainable tourism options.

3) LSG

Zoltán Juhász, the Mayor, directly supports JobTown, and is driving the involvement of local stakeholders, as the network corresponds to key local priorities. As the mayor is also head of the larger surrounding regional body, this body will also be represented in the LSG. Dissemination of the first meeting and study visit took place, and the Lead Expert was interviewed on local **television**, for the purposes of presenting and promoting the project.



Mayor Juhász (right) and Ian Goldring (left), JobTown Lead Expert

The initial **Local Support Group**:

| DOMAIN | SUBDOMAIN | STAKEHOLDER | REPRESENTATIVE PERSON |
|---------------------------|--|---|---|
| Managing Authority | National Development Agency (Managing Authority) | Regional Development Program Managing Authority (NDA) | Csilla Horváth programme manager |
| | Nagykállói Rudolf School | Kállay Vocational and Professional Education | Eleonóra Ferencziné Kerecsi director |
| Education | Nagykállói Grammar School and Student Hostel | Grammar school and Professional Education | Gyula Bobonka director |
| | Nagykálló Municipality School and Pedagogic | Town Primary Education | Ferencné Birta |

| | | | | |
|---|---|------------------------------------|--|---------------------------------|
| | Professional Service | | | director |
| Companies | URBS Nagykovács Development Company (URBS NOVUM) | NOVUM Town (URBS NOVUM) | Town development and social town rehabilitation | Sándor Végheő executive manager |
| | Megakom Advisor (MEGAKOM) | Strategic Office | Strategic and Professional Advice | Béla Kézy executive manager |
| Other Institutions or professional experts | South-Nyírség Municipality | Micro-regional Association | Micro-region tasks related to education and social service | Zoltán Juhász president |
| | Nagykovács Labour Centre | Town | Labour market, job administration, supports/benefits at local level | Zsolt Hamza |
| | Representative Body of Nagykovács Municipality | Body of Town Municipality | Town management | Members of Representative Body |
| | Roma Municipality | National | Municipal tasks related to Roma inhabitants | Zoltán Bogdán |
| | Education, social and project knowledge and experiences | | Educational and project referent, professional manager of local Common House | Marianna Haklik |
| | Partner of Jobtown Project | Jobtown Municipality of Nagykovács | | Zoltán Juhász major |

The **target group** will be working on the project – i.e. youths will themselves be employed in various project management and technical support roles.

Nagykovács is a reliable partner; having successfully participated in two other Urbact networks, there is a complete understanding of what the LSG is, what it's for and the participatory approach to local stakeholder involvement that drives it. Elements of previous and existing partnerships will be capitalised on, though this partnership will not be a duplication of other work with partnerships, as the subject (youth and employment) is clearly distinct from the focus of said other partnerships.



Municipal workers and target group

4) NEEDS

Nagykálló needs to **learn from other cities**, so as to build its capacities, improve its understanding of labour market and local development strategies and to better prepare for and use ESF and ERDF funds, as well as other European tools and programmes, such as the Youth Opportunities Initiative.

The local authority needs to enhance the effectiveness, the governance, the sustainability, the competitiveness and the inclusiveness of its developmental and job creation efforts.

More specifically, Nagykovács needs to:

- Raise **skill levels** of the population.
- Improve **collaboration** between the municipality and regional administration, educational institutions, NGOs and the private sector.
- Develop a system of **personalised accompaniment** of youths returning from university, to help them re-establish themselves in the city and find suitable work.
- Improve **follow up** of job placements, **monitoring** of job market trends and negotiating with employers.
- Maintain the momentum of and expand on ongoing work for **Roma**; more specifically, the young Roma have negative images and perceptions about what certain jobs are like, and more generally the world of work. Interestingly, this is the same basic problem as other partners encounter, whereby a group of youths hold negative views and misperceptions about certain jobs and fields. A need across the partnership is to find how to best to tackle these image and perception problems.
- Better understand how to **attract investment** through better supply-centric strategies (i.e. better Human Resources) and promotion/awareness raising.
- Better promote **self-employment and entrepreneurial** qualities, be it through:
 - A **Summer University** it wants to implement for local young people (all, i.e. Roma and otherwise) to showcase self-employment to them.
 - Reform in **vocational** training
 - Or other means it can learn through JobTown
- **Strengthen local civil society**. The local authorities have realised their own community is weak in the presence, strength and involvement of NGOs and associations, from having seen the example of other cities that benefit from useful partnerships with NGOs. For instance, they have seen how cities involved in other EU projects and tendering procedures have benefited from the contributions and participation of their 3rd sector stakeholders. Nagykovács doesn't have a strong associative social fabric and wants to foment it.
- **Learning** from accessing other models of:
 - **Social regulation** in other places, particularly concerning social benefits and regulations, who can get such benefits, how they are applied for and regulated.

- Institutional structures, organisational and management processes, networking approaches to job creation and entrepreneurship support policies and actions.

For 2014 – the administration wants to have set up an operative **network** between elementary and secondary schools, university, local government, NGOs and the private sector - focused on keeping students and graduated people *in* Nagykálló, by generating new working opportunities. This network will function as a main focus point for **disseminating effective practices to the greater region** – i.e. the goal is to start in the town, and grow to the region.

Essentially, Nagykálló needs to be a place where young people can and want to make their lives.



Rennes Profile

Key Points:

- Large **young** population
- Economic performance and social cohesion **above average** in France – with a strong desire to keep it that way
- **Regional capital** and pole of attraction
- Key **infrastructure** developments going on
- Generalised problem of **qualified young people** with difficulty entering the labour force
- **Migrant** origin groups disproportionately overqualified or underemployed
- A city with a lot of things going on and potential, which needs to prevent parts of its population from being disengaged from those **opportunities**.

1) Rennes Situation

General

Rennes is the capital of Brittany, is considered to have a good quality of life for its citizens and below average unemployment, and, as such, is a regional attractor of people and activity. Rennes Métropole – the partner in the JobTown network – is the metropolitan administration of greater Rennes. Its population, of about 400 000, is growing and becoming more ethnically diverse; at present it is visibly more homogeneous ethnically than certain other French cities like Paris or Marseille.



Rennes Métropole offices

Nonetheless, Rennes has long been an attractor of **migration**, though discussing ethnicity in France has complications, as there are restrictions on surveying citizens in terms of their ethnic profile. While well meant in principle, this leads to problems of data compilation etc.

However certain broad trends are apparent; many Bretons flow from the smaller towns to find work in Rennes. North Africans were most strongly arriving in the 1960s; at present there is an important influx from Eastern Europe, especially the Ukraine, and lots of Asians. Interestingly, there is a significant presence of Chinese students in the universities.

While there are zones of relative deprivation and relative affluence, major social fissures have not yet emerged in the territory – i.e. hard core ghettoization, ‘no

go' areas, that sort of thing. A key objective of the administration is to contain the forces of spatial polarisation and *not* reach the degree of social fissure found in some cities – prevention being the best cure.

In terms of demographic proportion of young people, Rennes is considered the **second 'youngest' city in France** (after Lille), with about 25% of the population is under 20. Having a large-ish youth population means youth issues and related policy and services are of relatively more importance in Rennes.

All is not well for this young population, 17% of those under 30 in Brittany live in **poverty**.

Physically, Rennes is an attractive and notably well maintained city; it has rich heritage values in its historical areas and its modern infrastructure is in enviable condition. It is the cultural centre of the region and has a broad and varied cultural and leisure offer.

Rennes has some exciting **infrastructure and building** development going on:

- A new metro line is being built
- A fast train line is being built, and the TGV will arrive in 2016, making the trip to Paris only 85 minutes. There is much development planned around this.
- A new convention centre is being built.
- A new district, Euro Rennes, is being created.



Rennes Metro, Rennes is the smallest city in France to have a metro system.

Education and Qualifications

Rennes is an important **regional centre** for education. Breton culture has a long tradition of advancement through education and the average level of education of the population today is considered to be above the national French average. The city boasts several universities, and a university student population of about 60,000. Plus, there is a full range of other educational institutions, including the *Faculté des Métiers*, an enormous vocational training centre.

The Faculté provides vocational training for 12 different sectors, 64 different professions and delivers 108 different diplomas. All of its instructors are also active in their professional fields and the school has a rigorous follow up system, which monitors their graduates once they begin working (other JobTown partners wish to develop similar follow up monitoring systems).

It is a common pattern for students to leave after graduating, and to gradually come back later on. Leaving is often a strategy for getting a first entry into the job market (e.g. getting a job in Paris).

While the rate of young people leaving the school system without qualifications has been in steady decline since 1975, it is still a problem. As of 2008 **12%** of those aged 15-25 were leaving the educational system **without any sort of diploma**.

Throughout France, university graduates have a hard time entering the labour market and the transition to autonomous adult working life is a slow process; this is a generalised problem but one affecting certain groups more intensely. Young university graduates from disadvantaged neighbourhoods and with, or perceived to have, an immigration background have significantly higher levels of unemployment than their peers. While statistically, having a degree reduces one's chances of being unemployed, this is less the case if one comes from, or appears to come from, an immigrant background. This is a key issue in the local context of Rennes.

As elsewhere in the JobTown partnership, local stakeholders point out the inadequate matching between educational and training structures and Labour Market demands. While there are significant levels of unemployment, there are also posts that are difficult to fill – notably in the more technical fields. Likewise, employers often repeat that university education does not adequately prepare students to transition into working life.

This general issue – of studies and training systems inadequately preparing for, and being relevant to, labour markets – is a **transversal** problem, found throughout the partnership.



Université Rennes 2,
http://fr.wikipedia.org/wiki/Fichier:Universit%C3%A9_Rennes_2_-_Strikes_-_'09_events.JPG

Employment and economy

Structurally, the Rennes job market outperforms the national average; unemployment is consistently hovers at about 2% less than the national average. This advantage is only relative though; when unemployment rises nationally it rises in Rennes, and the current outlook is somewhat pessimistic.

Furthermore, young people are consistently in a more vulnerable situation than the rest of the workforce. Precarious and temporary employment and short-term contracts are increasingly common – e.g. **interim** work is more common than the national average, at 4.6% of Rennes jobs versus 3.7% nationally.

93% of work contracts for young people are **temporary**; the generalised impression is that only **older people have stable jobs** – i.e. a two-tier job market. Predictably, this is often demoralising for the young and the risk of hysteresis or scarring (see State of the Art) is an important consideration.

Rennes long has been heavily **public sector** city, with not just governmental functions based there but also the military and other publically driven activities.

Key sectors:

- **Agriculture and food industry** – important employer, which tends to be relatively stable as an industry and thus moderates conjunctural economic shocks. The sector carries out a lot of Research and Development locally, so the activity has important elements of added value.
- **Automobile** – currently a large-scale employer, but trapped in structural long-term decline. E.g, the local Citroen plant is currently in the process of closing down.
- **Civil service** – as a regional capital, Rennes Métropole is a major centre of civil service jobs; such employment representing some 60000 jobs, or about 25% of salaried employment locally.
- **ICT** – Rennes has some tradition in ICT; the Minitel originated in Rennes, and at present there is some health sciences-related IT research going on, and the presence of some major companies like Orange or Alcatel. There is also a certain mass of Multimedia/cultural type ICT work going on locally.



The main hospital is rather important, and the medical sector is fairly significant, with some level of research taking place.

65% of jobs in Rennes are in the **service** sector.

Large-scale **building and infrastructural** developments – new metro line, new high speed train line, new Euro Rennes district – are major drivers of employment, notably in the construction sector. Modern ‘green’ (eco-friendly, new energy etc.) construction techniques are identified as a growth sector locally.

Young people’s transition into a stable working life is slow and difficult, and the trend is for things to continue to worsen. As throughout most of Europe, young people consistently work in poorly paid, **precarious** jobs, with lengthening yo-yo trajectories in and out of temporary work before they are able to stabilise their situation. While this phenomenon is generalised, it is broadly much worse for those young people from **disadvantaged** areas or associated with a **migrant** background (the two characteristics largely go together).

Crisis

Young people have been the most affected by the crisis, and young people from disadvantaged milieus even more so.

The groups most affected by unemployment during the crisis: young people, older people, women, the less educated, the long-term unemployed.

From 2006 to 2008, Rennes had managed to turn the tide and youth unemployment was being reduced, however since then these **gains have been lost**, with the continual degradation of the economy and job market under the effects of the crisis and the worsening of already existing structural problems.



Protest against Rennes Citroen car plant closure, <http://www.nytimes.com/2012/08/16/world/europe/peugeots-troubles-test-francois-hollandes-contradictory-campaign-promises.html>

In 2008, unemployment rates in Rennes hit their lowest levels since the 1990s, at 5% (versus 8% nationally). Then along came the crisis and the numbers of job seekers have since increased by 35% (versus 24% nationally). By 2009, Rennes unemployment was back where it was in 2006, at 7% (two points below the national rate of 9%).

Since 2009, unemployment has stuck between 7 and 7.4%, moving roughly in sync with national trends.

By the end of March 2011, 13.5% of jobseekers in Rennes were under 25 years of age.

2) What's being done now

The city and the metropolitan administration both work together to create and maintain employment. The trend locally has been to move from a more general approach for all to actions and services targeting more specific group and concentrating where need is highest.

Youth employment and opportunity is a policy priority for Rennes Métropole, as these concepts are seen as inseparable from issues of social cohesion, economic competitiveness and attractiveness as a place.

Key orientational **policy** objectives:

- All inhabitants of Rennes should be able to **access quality employment**.
- Provide more and better support to **at risk** groups, in particular youth.

- **Improve** the support, guidance and accompaniment given to young people.
- Raise the **qualification and training** levels of the population.

Main **tools and actions** for supporting youth employment currently:

- **La Maison de l'Emploi et de la Formation** (MEIF) – roughly translatable as ‘House of Employment and Training’). Created in 2005, it is a platform for cooperation among all local actors concerned with employment: training, job seeking support, enterprise creation. The *Maison* is meant to be a tool for territorial development and for labour market needs detection and forecasting. It is jointly run by the central government, Rennes Métropole and Pole Emploi (the French National Employment Service). This shared governance is meant to bring coherence and coordination to the actions of these different entities and administrations. Some of the actions of the *Maison*:
 - “Je crée ma boîte”, a partnership between Rennes Métropole and the Rennes **Chamber of Commerce**, in support of enterprise creation. It aims to encourage and support entrepreneurship among the young.
 - “Citeslab”, which provides support to inhabitants of ‘**priority neighbourhoods**’ (i.e. areas with greater economic and social problems) in creating their own enterprises and self-employment, largely through training sessions.
 - “Les mercredis de l’alternance”/exchange Wednesdays, which allows young people to **meet employers** and training providers.
 - “Adie Créajeunes”, programme of accompaniment for the complete cycle of **enterprise creation**. Participants must be 18 to 32 years old and have business plan budgeted under €30000.
 - Round tables for young degree holders, which **match** candidates and organisations looking to hire.
 - An Interreg project currently underway, called ‘green building’, concerned with best practice in eco-construction, and employment opportunities thereof.
- **Plan Local pour l'Insertion et l'Emploi** (PLIE) – roughly translatable as ‘Local Plan for Integration and Employment’, is **ESF** co-financed and specifically targets those farthest from the labour market. Being ESF-funded, the Managing Authority works closely with the administration in this programme, which is characterised by a holistic view to the users’ situations and an individualised. The success rate of the programme, in getting the targeted youths into stable employment, is less than 50%, so there is a strong interest in any possible improvement. Some of its actions for young people:
 - “dernier écrou”/final cap, a partnership with the *Mission Locale* and the penitentiary services, which prepares prison leavers.
 - “sortir de la rue”/leave the street, a partnership with an association of specialised educators, supporting young people off the street and into housing, training or work.

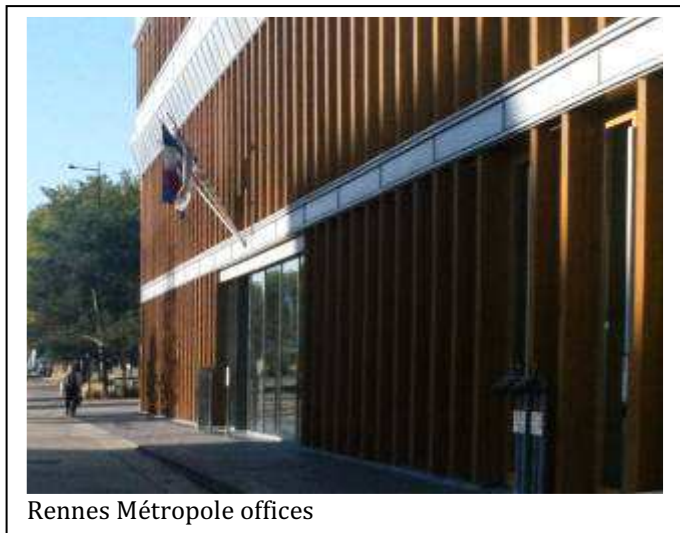


- A reinforced social and professional support programme, tailored for reduced numbers of specific young people with special barriers to accessing employment.
- **La Mission Locale du bassin d'emploi de Rennes** – Local Mission for the Rennes Job Market, supports the social and employment integration of those aged 16-25. The Mission provides individualised guidance and support, developing holistic and tailored plans for young people, regarding employment, training, access to care, services and lodging, and protection of rights and citizenship.
- **Social Clauses** in public procurement contracts – i.e. contractual stipulations, for companies getting business from the administration, to meet certain requirements considered in the public interest.

3) LSG

Local Action Plan

Rennes Métropole and the city of Rennes are currently exploring an experimental programme, “objectif concours” (a *counconour* being the official exams one needs to pass to become a civil servant in France). The programme would facilitate the integration of young university graduates, from prioritised disadvantaged areas, to enter the regional and local civil service, the rationale being one of equality of opportunity, the targeted people being underrepresented in civil service hiring. The programme would be a variation of the dual training system, whereby the participants would mix class training with on-the-job experience, in this case working in the city or metropolitan administration. The goal at the end of the programme, would be for the participants to pass the entrance exams and become permanent public employees.



Rennes Métropole offices

The goal of the programme – that of redressing the underrepresentation of certain groups in the civil service, as a strategy for employment in a city where a large part of the jobs are in the public sector – is logical and should be pursued. However, it should be pursued in a way that is **flexible and open** to other employment alternatives. Actions should be conceived in a way meant to be beneficial and useful for the totality of participants.

Going through the programme should advance the situation of the people pursuing it, including those **who do not end up working for the government**. Otherwise the risk is of an 'all or nothing' proposition, which will inevitably leave behind it some portion of losers. Given that the target group is people who are already disproportionately disadvantaged, subjecting them to failure is highly undesirable.

Also, the **sustainability** and maximum potential for impact of any strategy based on government jobs must be questioned, as the current crisis and long-term structural environment of economic limitations and budgetary contraction, added to the current size of the public sector already in France, make any significant expansion of the civil service highly problematic. There are risks of eventual cuts or hiring freezes. Such threats must be taken into account when designing a strategy for sustainable integration into the job market.

The LSG and participation in JobTown peer exchange will provide a vehicle for developing this initiative in an effective and strategically appropriate way.

The LSG will also seek to identify:

- Other strategies to improve employment opportunities of young people from **disadvantaged areas and migrant** backgrounds.
- Fields of study for jobs that employers find **difficult to hire** for – i.e. to adapt and promote these studies better as a path to employment.
- The most effective and suitable **communication** channels and strategies for reaching those young people who do not consult traditional employment intermediaries – i.e. who do not go to employment centres, use career guidance services, etc.
- Transferrable **best practice** regarding:
 - **Support and guidance** services addressing youth and employment issues
 - **Vocational** training and institutions (the Faculté des Métiers being the key partner regarding vocational training in Rennes)
 - The use and validation of **non-formal** learning.

LSG components:

(see section 2, previously, for more information on some of the bodies listed below)

The initial proposal for LSG participation is:

- *ESF Unit for Brittany*, **Xavier Joinaie**
 - This is the **ESF Managing Authority**.
- *Rennes Métropole Service Emploi, Insertion, Formation/Maison de l'Emploi, de l'Insertion et de la Formation* (employment, integration, training), **Nathalie Wright**
 - This participant contributes direct knowledge of employment services and dynamics.

- *Rennes Métropole Service Politique de la Ville, Céline Ziwes*
 - Contributes direct knowledge of policy, and policy implementation, regarding **Anti-discrimination** and **access** (to services, education, etc.) issues.
- *Rennes Métropole and municipality (shared service) Human Resources Management, Samuel Dubois*
 - Contributes direct knowledge of the local and metropolitan administrations' **hiring practice** and **careers** policy.
- *Chamber of Commerce and Industry and employer's associations* – still under negotiation, yet to be confirmed
 - Contributes knowledge of **private sector** employment and hiring.
- *Mission Locale* – participant yet to be confirmed
 - This participant contributes direct knowledge of **youth employment** actions and services for **less qualified** youth.
- *CODESPAR, Celine Rigourd*
 - This is a multi-stakeholder committee, which carries out studies and makes recommendations for local **social and economic development** in Rennes.
- *Local youth associations* – participant yet to be confirmed
 - Contributes direct input of the target group – **young people**.

The above is the central working group, the LSG would also expect to liaise with other stakeholders, particularly **education and training** providers.

4) NEEDS

Rennes needs are fairly clear and coincide with many of the other partners' concerns:

- **Integrate** young people fully into the labour market – i.e. overcome precarious and unstable, poorly paid and lengthening transitions to autonomous adulthood and stable employment.
- Support the **morale** if young people and equip them to succeed in less stable/more 'dynamic' career dynamics than those of previous generations.
- Better **match** training and education with the needs of the labour market.
- Better detection and information about current labour market needs and forecasting of future ones.
- Reduce **exclusion**, generally and in the labour market – i.e. tackle the problem of migrant origin people and people from disadvantaged areas being overrepresented among the unemployed, underemployed and overqualified.
- Prevent **spatial polarisation** (ghettos, 'have' and 'have not' areas, consolidated pockets of deprivation). The example of social fissures in certain other French cities is one Rennes should not to imitate, and while social unrest and exclusion is still relatively modest in the community, Rennes has

an opportunity to prevent similar dynamics building up locally as they have done elsewhere.

- Fight **discrimination** in employment and access to opportunity (e.g. in access to services, support, education etc.).
- Since qualified young people having difficulty entering the labour market is a **generalised problem**, which affects certain groups more egregiously, effective practice helping priority groups crack the barriers to entering the labour market need to be taken advantage of, wherever possible, and recycled as tools for helping the wider general young population overcome the same problem – i.e. effort for priority groups can have a pilot function for general practice.
- A **civil service** that better reflects the population and which adjudicates opportunity more evenly across the population.
- Rennes needs to better complement its strong public employment base by expanding **private sector** activity and employment locally.
- **Involve** young people in decisions made about them and about society more generally.
- Raise **awareness** and improve attitudes about the potential and capacities young people have to offer.
- As a **regional** capital, Rennes has the vocation to propagate good practice and policy throughout its larger Breton hinterland.
- Improve **practice** in, and transfer best practice from other European partners and, where possible, the private sector, to employment, guidance and mediation services.
- Improve the **coordination** between, and complementarity of, different public services and actors.
- Link actions in favour of youth employment and opportunity with the broader **strategic** direction and vision of Rennes.



Thurrock Profile

Key Points:

- In an economically dynamic surrounding region, with a lot of development going on
- The community is relatively poor, by regional and national standards
- Residents are disproportionately low skilled and thus disadvantaged in accessing the current and coming employment opportunities in the area
- The population is fast growing and becoming more diverse
- The locality has some significant development opportunities – the challenge is to take the best advantage of them.
- Video summary presentation:
<http://www.youtube.com/watch?v=KE1gRTQ12fU&feature=youtu.be>



1) Thurrock Situation

General

Thurrock is a UK municipality on the north bank of the **River Thames**, just over 30km east of central London; well connected to the capital by road, rail and river links, it is now effectively part of the commuter belt. Thurrock has some 30 kilometres of riverfront and the geographical orientation in relation to the river is important to the borough in various ways.

As a territory (of 165km²), Thurrock is something of a tossed salad; from low-density town centre-type streets, to shopping centre/parking facility/motorway type development, to more residential-suburban spaces, to greenbelt land and even rural areas.

While human settlement in the area goes back to pre-historic times, what is the current territorial entity of Thurrock is **relatively new**. The present Borough of



Thurrock was created in 1974 and given administrative independence from Essex County in 1998. Thurrock as a **place brand is weak**; many people are unaware of its existence, some even when driving through it, whereas an older town within it, like Tilbury, is still more recognisable for many people.

The locality is deficient in elements of attractiveness – aesthetically and in terms of amenities, leisure or culture on offer.

Two large shopping centres suck up most social/leisure/retail activity; what high street there is (in Grays centre) offers low-end retail and an unappealing atmosphere. Local life is highly car-based and traffic pollution is a problem.

In spite of this relative weakness in terms of attractiveness and recognisability, people are moving to Thurrock – essentially drawn by lower housing prices – and the population is **growing at twice the regional rate**. Currently 159,700 (UK Office for National Statistics ‘ONS’ 2010), it is projected to reach 207,200 by 2033 – i.e. a roughly 30% increase.

The Borough is located within the Thames Gateway, an area characterised by derelict industry, brownfield sites and significant pockets of deprivation and which has accordingly been designated a national priority for urban regeneration.

The borough is marked by regionally:

- Above average levels of unemployment
- Under average levels of education, skills and income.

The young population is fairly large and,

Housing – more and more people want to live in Thurrock

Housing is competitive in price compared to the region, Greater London or the national average. Planned development means housing stock is growing in number, accommodating and encouraging population growth as people move to Thurrock from elsewhere in the UK.

Average price, August 2011:

- £144,691 Thurrock
- £175,079 East Region
- £162,347 National

House prices decreased in the year from Aug 2011:

- -0.6% in Thurrock
- -1.1% East Region
- -2.6% Nationally

Though the crisis has a negative effect, home building shows a growth trend – i.e. in keeping with the relative affordability of Thurrock and the borough’s long-term population growth:

288 homes built in 2010-11, versus 87 in 2009-10

However, local purchasing power is weak; based on the average wage potential buyers from Thurrock require 5.3 times their annual income to afford an **average priced property**.

Demographics – fairly young

63% of the population (159,700) is working age.

Age structure:

<15: 19.7% 15 – 24: 12.6% 25 – 49: 37.7%
> 50: 23.8% > 75: 6.1%

Male 49.0% **Female** 51.0%

– Source: ONS 2009

Shifting ethnicity

Traditionally white working class, Thurrock’s ethnic diversity is growing and shifting from Asian to black.

Non-white population in 2001 was estimated at 4.7% and 12.6% in 2009; the largest group being Asian/Asian British, and compared to an average national estimation for 2009 of 17.2%, (Source: ONS). Some schools currently report non-white populations of up to 22.7%, Black African being the largest group.

Crime, Anti-Social Behaviour – better than you might think

Perception of anti-social behaviour – at 29.1% – is worse than the UK average of 20% (2008 figure); though reported anti-social behaviour and actual crime rates are decreasing.

due to low skills and educational levels, **unable to take full advantage of good job opportunities** being created in the area.

NEETs (youths not in employment, education or training) are an important problem; in September 2011 8.5% of 16-19 year olds were NEET compared to the national average of 7.3%.

Thurrock has significant levels of deprivation and need, despite being part of a region (East of England) considered to be 'wealthy' and 'successful'. Of the borough's 20 Wards; deprivation and inequality indicators are highest in: Tilbury (the area around Tilbury is known for industrial dereliction and contaminated land), Grays, Belhus, Chadwell, Ockendon and West Thurrock. These wards are high in social housing and life expectancy of these residents is 8 years less than residents of more affluent areas.

Traffic and transport

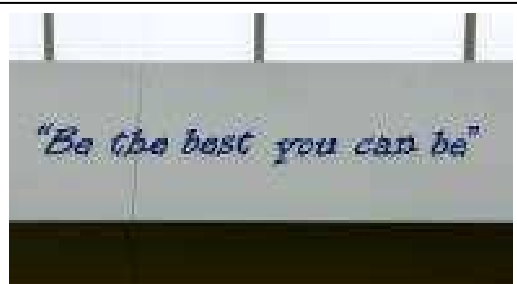
Congestion is a major issue locally, having increased by 26% over the last 10 years (8% higher than the average increase). By 2021 the local economy is predicted to be losing £50m per year due to congestion.

Though commuter trains to London are good, public transport within Thurrock is not; people find it difficult or impossible to use public transport to get to work.

Education and Qualifications

Qualifications, skills profiles and training rates are below average regionally and nationally:

- A low skills base is contributing to an increased **skills gap for employers** and discourages inward investment.
- In 2009, in Thurrock, 22.9 per cent of employer establishments had at least one member of staff who was **not fully proficient at their job**. A 2010 business survey found employers perceived a worsening skills gap; particularly lacking were skills in communication and customer services and individuals with advanced technical skills, management experience and science. Most senior engineers working in Thurrock come in from elsewhere.



Ockendon Academy, a local school which had been failing and whose direction was replaced; it has gone through a complete overhaul and is now performing at a high level of academic quality with much improved behavioural norms among its students

- Job related **training has been decreasing** since 2004: April 2008 to March 2009 only 15% of the working age population in Thurrock received job related training, versus 18.6% in East of England and 19.9% nationally.
- Poor school performance is not particular associated with ethnic minorities; rather it is to some extent something associated with white 'indigenous' boys.
- Gaps are not just identified in formal skills, but also in 'soft' or 'generic' ones – e.g. time management, how to go through job application and interview procedures, how to behave in a place of work, and so forth.
- Thurrock has the **lowest skills levels in the region**. E.g. in 2010 20% (UK 32%) of adults had National Vocational Qualification, 'NVQ', level 4 and above (post-secondary), and 16.6% (versus 10.4% in East of England region and 11.1% UK average) of adults had No Qualifications (Source: ONS). Thurrock is consistently and significantly behind its geographical neighbours at all skills levels and has the highest percentage of population with no qualifications. However, the **rate of improvement** is also outpacing the rest of the Thames Gateway.

It is important to underline that problems arise, not just from a lack of formal training, but from gaps in generic or so called 'soft' skills. Often employers cite problems such as lack in punctuality, reliability, interest in work, knowing how to talk to people, and so on, more than a preoccupation with very specific formal qualifications.

Employment and economy

Sectors

At present, ports, logistics and transport, retail and construction are the main employment providers in the area. In 2008 distribution, hotels and restaurants (including retail) provided almost 29% of employment in Thurrock.

In the past, Thurrock's economy centred on riverfront activity and traditional industry – now largely in decline.]

Port

However, commercial port activity continues and is growing with the expansion of the existing Port of Tilbury and the development of what will be the UK's farthest inland deep-sea container port – London Gateway, **the largest job creation project in the UK**, Said infrastructural project is currently spending roughly **1 million pounds a day**.

The new port is projected to create some **18000 new permanent jobs**. Commercial activity at London Gateway's first berth (6 are planned in total, with the final one expected to be operational by 2015) will begin in the last quarter of 2013, and the first 2000 employees will be hired by then.

Gateway will need 200 jobs filled by the 2nd quarter of 2013, these being a variety of jobs, in terms of type and skill level.

Moreover, the construction work, which will be going on for quite some time, is providing some 2000 jobs at present.

Management emphasises that, above all, it is looking for the right attitude (e.g. flexible/multi-tasking, problem solving, tenacious) and aptitude when making hiring decisions; the company provides a lot of its own training and only certain jobs have a very specialised formal skills requirement.

14th July 2012, the port – with Thurrock Job Centre participating – held a Careers Day, which was a great success; there were 1500 attendees (more had to be turned away due to lack of space), about 80% from Thurrock. London Gateway is going to be a long-term part of Thurrock and as such has expressed a clear **commitment to community outreach** and supporting Thurrock Council in its



London Gateway port construction site, <http://www.londongateway.com/>

efforts, not only to create employment and opportunity in the port, but also more generally.

More specifically, Gateway wants to work with schools to raise aspirations and interest in the world of work (particularly in the technical fields, but not exclusively), and expose local young people to not only professionals from its own organisation but also a range of personalities from private and public life it has the influence to bring in. Currently, the company has a 'Schools Liaison Plan', but only in draft form; management intends to finish the plan and put it in practice, but they find it difficult to take away time from their immediate responsibilities managing the port. As such, Gateway has offered to let the **Council take over completion of its Liaison Plan** for them; the company would of course need to agree with what is written, but is happy to have the municipality spare them the task of writing and designing it. This is obviously a great opportunity for the Council and it must be proactive. The agreed plan can benefit from the LSG process and be one of the deliverables of JobTown locally.

In strategic terms, Gateway shares with the Council, an interest in contributing to building a cluster of logistical excellence in the zone (Enfield, Cesena and Nagykovács have related objectives) – there are other companies and organisations in the area that would have a logical fit with such a cluster.

The partnership with Gateway may also serve the Council as something of a model in how to approach and work with other key private sector stakeholders.

Green

Thurrock is also trying to diversify into other and newer growth sectors. It is pushing the environmental technology and energy sectors and the Low Carbon Business programme (funded through the European Regional Development Fund). Thurrock is trying to position itself as a desirable location for investment in environmental sciences and offshore renewable energy.

Creative

Thurrock is getting involved with the creative and cultural sector, through the arrival of the **Royal Opera House Production Campus**



Stage sets being made in Thurrock's production facilities (photo taken on visit)



Exterior of the Production facility
<http://www.roh.org.uk/about/thurrock>

– with its facilities used not only for opera but also other large scale performance productions, and neighbouring academy, which teaches production craft, lighting and so on, to students now coming from across the country. The production centre has an active community outreach policy and works with schools and other bodies to involve and teach young people about cultural activities.

Employment

Poor employment is a problem in Thurrock, with salaries lower than regional averages and well paid jobs situated outside the locality. On average residents who work elsewhere (e.g. London) make more money than those who work in the borough. In 2010, the median gross pay for residents employed full-time in Thurrock, was £470 per week, while the median gross pay for all of those in full-time work and residing in Thurrock was £538 per week (i.e. lumping those who work in Thurrock and those who don't together, average earnings for just those who work outside Thurrock would have to be still higher).

In some cases, an **unwillingness to travel** relatively minor distances can be a barrier to employment among the youth of Thurrock; sometimes this is reinforced by parents not wanting their children to go outside Thurrock and received ideas about who belongs where. In other cases, parents may not want their children to get off (or otherwise change qualification for) **benefits**, due to the effect this would have on the family income.

Thurrock has **lower levels of economic participation** than the surrounding East of England region.

Less healthy workers: A poor health profile is a key determinant of low participation levels and Thurrock has one of the worst health profiles in the region.

Currently, **Britain, as a whole**, is experiencing high levels of unemployment. In February 2012 the rate was 8.4% and youth unemployment has broken through the one million mark to a record high. In December 2011 the unemployment rate amongst the 16-24 age group was 22.2%.

In Thurrock the **unemployment rate has increased** over the last five years at a higher rate than the regional and national rates and saw a steep increase in 2008-2009. 12.7 per cent of working age people in Thurrock are claiming out-of-work benefits. This is a larger proportion than the East of England (10.5 per cent).

Youth unemployment in Thurrock is high, well above the regional average, and there are significant numbers of NEETs.

Employment and economic prosperity

- Over 25% of 16-19 year olds in the borough were unemployed (2008-2009).
- 12.7% of working age people in Thurrock are claiming out-of-work benefits.
- In Thurrock, 39% of children are living in low-income families.
- Thurrock's Gross Value Added per head (value of goods and services produced minus the cost of inputs), at £15,720, is below regional and national levels.
- Between 2003 and 2008 the region benefited from 236 inward investment projects, only 1 of which was in Thurrock.

In the year to March 2009 unemployment rates in Thurrock amongst:

- 16-19 year olds was 25.9% – versus 19.7% in the region.
- 20-24 year olds was 11.9% – versus 10.7% in the region.

Forecasting⁴⁹ says it will take **8-10 years** (from 2010) for unemployment to fall close to pre-recession levels. As the public sector spending cuts continue there may be further job losses in private firms supplying public sector clients.

Crisis

The impact of the economic crisis has been severe and recovery to pre-recession conditions is slow (perhaps not till 2020), and there is the likelihood of yet further job losses. After 2013 Thurrock employment is expected to grow by 3,300 till 2018.

In Britain youth unemployment has broken through the one million mark to a record high. In December 2011 the national unemployment rate amongst the 16-24 age group was 22.2%.

Youth unemployment in Thurrock is consistently high and above the regional average.

In the year to March 2009, Thurrock 16-19 year olds unemployment was 25.9%, versus 19.7% regionally. For 20-24 year olds it was 11.9% versus 10.7% in the region. Current rates are likely higher.

The 2008 recession had a disproportionate effect on the general area around Thurrock, with notified job vacancies decreasing by 52% versus 25% across the region.

Thurrock's unemployment rate has increased over the last five years at a higher rate than the regional and national rates; 12.7% of working age people are claiming out-of-work benefits, versus 10.5% in the East of England region.

The greatest job losses have been in construction, transport and communications, business and financial services and retail and hospitality. Public administration, education and health, were initially relatively unharmed by the recession, but are now affected by **spending cuts**. This can be expected to lead to further job losses in private firms supplying public sector clients.

Employers have been **decreasing job-training** provision.

⁴⁹ <http://www.insighteast.org.uk/viewResource.aspx?id=18086>

2) What's being done now

JobTown will happen within the framework of multiple initiatives and a very clear pre-existing policy support for the objectives of the Urbact thematic network; the municipality wants to use participation in the network to strengthen its efforts already underway.

Conversely, the breadth of actions underway allow for the partner to contribute a lot to peer exchange.

Council leadership sees itself as moving from a decade of planning to a decade of delivery. The long-term policies it had put in place are coming to fruition and now the community has to adapt to the changes this is finally bringing: new people are coming to the community and so on.

i.e. **Adapting to change** as a result of all this stuff coming to fruition – migration from abroad, people moving from London

Planned and currently underway housing and retail developments, and improvements in local urban fabric (new park space, better orientation of public space in relation to the riverfront, and so on), are seen locally as a means of both generating and inducing growth.

Planned private sector investment – in London Gateway port development, the Port of Tilbury expansion and Lakeside retail development – is expected to increase commercial floor space in the borough by 60% over the next 10 to 15 years and provide more than 20,000 new jobs.



Essentially, the Council is focused on ensuring local residents get those new jobs.

In terms of significant **changes** in policy framework, on a national level, the government is cutting and/or changing how social benefits work (Enfield is facing the same challenge). **Housing benefits are going to be paid directly** to beneficiaries (at present the Council handles this money and pays rent on behalf of the beneficiary), who will then have to obtain housing, pay for it themselves and be more responsible for managing their own finances. This means people will need to be equipped to deal with this change – e.g. acquire new financial management, job-seeking skills.

Some **people will fail** to manage this money soundly and the Council will have to identify what it can best do in such cases.

Skills

Current actions, programmes, policies and tools, in place or underway, for supporting skills attainment and improvement:

- New **Thurrock Learning Campus**, meant to attract more young people to stay in education and help regenerate Grays town centre.
- National Skills **Academy for the Creative and Cultural** Sector opening this spring in Purfleet, is working with the local authority to offer new apprenticeships.
- London Gateway development includes provision for an Academy for **Transport and Logistics** to help meet the skills needs of local business
- Introduction of a grants programme to support the introduction of **apprenticeships** in local SMEs – apprenticeships will target 18-35 year olds.
- Establishment of an Economic Delivery **Partnership** as a forum for key stakeholders to develop actions promoting job creation and economic prosperity
- Production of a 'Raising Participation Age (RPA)' strategy which **keep young people in a form of education** or a form of training until the age of 18.
- Establishment of the Thurrock ACE Partnership which provides **free training** opportunities.
- An exercise to **map** and understand the barriers to youth employment.
- Thurrock Careers **Fair**
- Knowledge Thurrock Innovation Associates, an **ERDF** project, which places students with SME's to provide work experience for young people.
- Improving **Information Advice and Guidance** (IAG) offer for young people.

European projects

While new to the Urbact programme, Thurrock is experienced in terms of managing ERDF programmes, and is currently the accountable body for two major ERDF projects:

- Low Carbon Business Programme
- Knowledge Thurrock Innovation Associates

3) LSG

Thurrock already has 3 key partnerships that are addressing different aspects of the youth employment and opportunities agenda:

1. **Economic Development Partnership**
2. **Community Skills Group**
3. **11-19 Strategy Group**

Thurrock sees one of the useful roles of the new Local Support Group as that of providing a link and coherency among these 3 groups, to co-ordinate a joint implementation and delivery plan. Thus the LSG would **ensure best use of resources and help to avoid duplication in service provision.**

The initial **Local Support Group:**

| DOMAIN | SUBDOMAIN | STAKEHOLDER | REPRESENTATIVE PERSON |
|--|---|---|-----------------------------------|
| Managing Authority ⁵⁰ | Department for Communities and Local Government | East of England Programme Delivery Team | Howard Partridge |
| | Public sector agencies ⁵¹ | Thurrock Council | Learning and Skills Team |
| Regeneration Manager | | | Clare Lambert |
| Portfolio Holder for Regeneration | | | Cllr A J Smith |
| | | | Cllr O Gerrish |
| Portfolio Holder for Education and Skills | | | |
| Employer Engagement Manager | | | Tiffany Bright |
| Economic delivery Partnership Co-ordinator | | Lisa Ricketts | |
| Job Centre Plus | | JCP Grays Office | Pauline Nischal Lesley Forster |
| National Apprenticeship Service | | Engagement Manager | Sue Welsh |
| Skills Funding Agency | | Relationships Manager | Katherine Daynes |
| Secondary Schools | Chair 11-19 Strategy Group | Barbara King | |

⁵⁰ General Board for Spatial Planning and Urban Development, national public body responsible for pursuing the policy of spatial planning and integrated urbanism in the structure of the Ministry of Agriculture, Sea, Environment and Spatial Planning.

⁵¹ Institute of Employment and Vocational Training, the public body under the Ministry of Economy and Employment.

| | | | |
|---------------------------|--------------------------------|-------------------------------|-------------------------|
| Education | | TASC Representative | Richard Milligan |
| | Further Education | South Essex College | Carol Anson-Higgs |
| | | Palmers College | Mark Vinall |
| | Higher Education | University of Essex | Jay Mitra |
| | | University of East London | Maggie McLinden |
| | | Anglia Ruskin University | Stuart Manson |
| Companies | Business Association | Thurrock Business Association | Graeme Loveland |
| | | Essex Chamber of Commerce | Denise Rossiter |
| | | Thurrock Network Group | Louise Ince |
| | Businesses | Port of Tilbury | Simon Harper |
| | | Procter & Gamble | Darren Batt |
| | | Royal Opera House | Gabrielle Forster-Still |
| Other Institutions | National Skills Agency | Transport and Logistics | Alan Appleyard |
| | | Creative and Cultural | Robert West |
| | Community and Voluntary Sector | Thurrock CVS | Kristina Kackson |
| | | Ngage | Jacqui Payne |
| | | Thurrock Trust | Ruth Juett |
| | Essex County Council | Invest Essex | Richard Bailey |

An initial LSG meeting was held on the occasion of the Lead Expert study visit to Thurrock, and chaired by **Andrew Smith**, elected Town Councillor overseeing JobTown in Thurrock. Attendees:

Tim Rignall, Thurrock Council Regeneration Team and Local Coordinator for JobTown

Michele Lucas, Learning and Skills Manager, Thurrock Council, also closely involved with JobTown locally (she attended the project kick off meeting)

Barbara King, Principal, Ockendon Academy

Simon Harper, Port of Tilbury

Katherine Daynes, Skills Funding Agency

Kelley Verney, Job Centre Plus

Cliff Stephens, South Essex College

Lucy Harris, Pixel Work Ltd

Ruth Juett, Thurrock Trust

Kate Kozlova-Boran, Engagement Manager

A larger group of stakeholders will be involved with the network on a less regular basis (e.g. a liaison with London Gateway).

4) NEEDS

Main:

- **Employment:** Need to support unemployed youth back into work and/or to re-skill, in order to minimise long-term unemployment and scarring. Thurrock needs to:
 - Identifying and addressing **barriers** to employment – both external and internal to job seekers.
 - Create more **long-term skills-based** jobs
 - Influence the **planning** process to support employment creation.
 - Accelerate **recovery** and job creation.
 - Improve **quality of and access** to support, training and guidance – the disadvantaged often do not use these services, sometimes due to where they are located (perhaps a way could be found to take services to them), or do to a lack of computer literacy or access.
 - Supporting and organising job **fairs** and other sector-specific initiatives to fill employment gaps.
 - Local bodies using **volunteering** as a path to paid work have enjoyed high success rates at doing this and the approach needs to be explored and applied more fully.
 - Address **cultural issues** in attitudes to selling oneself, and other such intercultural disjunctures.
 - The bulk of work already done with younger young people has been focused on those 14 to 18 – i.e. largely prior to entering the labour market in a significant way. This has to be kept up, but also there needs to be a move to address the 18 to 24 age group more and better.
- **Skills:** Jobs are being created in the area and Thurrock wants its young people to get those jobs (local employers like London Gateway have every reason to want a qualified workforce locally available, so the objective is win-win). Skills are a key driver of productivity; improving the education and skills of young people is a means to encourage and promote job creation and local economic prosperity. To pursue this, the Council needs to:
 - Utilise **networks** with employers to ensure that training provision meets current and forecast demand.
 - Drive up demand and take up of **apprenticeships** best matching labour market demands.
 - Support parents who are supporting their child through apprenticeships or other forms of training.
 - **44%** of new jobs in the area will require qualifications at NVQ3 (secondary schooling) or above – only **36%** of the Thurrock population are qualified to this level.

- Those living in the area **learn in the area**⁵², so local provision needs to match the needs of local businesses and be accessible locally (this means offer, but also things like improving public transport).
- There is a current **deficit** in terms of Further Education and Higher Education facilities, which is forecast to remain until 2021.
- Company investment in job related **training** needs to be increased, and the Council needs to understand why it is so low.
- Learn how to better identify whatever skills young people already have.
- Improve **attitudes and generic skills** affecting employability – e.g. confidence, willingness to sell self or go into London, time management, people skills, and so forth.
- **Demographics:** Need to adapt to deal with a population that is growing – due to population inflows, expansion and longer lifespans – and aging – thus increasing the dependency ratios (i.e. proportionately more dependent people and less working people). All of this will increase demand on resources and infrastructure over the coming years.
- **Resources** are limited; cost effective measures are to be prioritised and avoiding duplication and learning from other localities is a must.
 - One way Thurrock wants to economise resources is by achieving a multiplier effect with success – i.e. by succeeding in supporting a young person through his/her transitions, he/she is setting a helpful example for his/her younger siblings.
- **Governance:**
 - Joining up policy and breaking down ‘**silos**’, increasing useful interconnectedness in policy and implementation, and among staff – allowing for a holistic view of a situation, a problem or a specific person.
 - Identifying and disseminating elements of **transferability** in local good practice.
 - Thurrock is doing lots of – very effective – long-term work (supporting the building of port facilities, housing and so on), but the harsh nature of the current immediate crisis means the Council has to respond in the **short-term**, and harmonise such actions within its longer-term efforts.
- **Aspiration:** Many of Thurrock’s young people have no aspiration to go into training and are not encouraged to do so by their parents (who may prefer they bring in money immediately, by working or by receiving social benefits). The mentality and aspirations need to be shifted. This can be pursued through:
 - Better engagement
 - Promotion of active citizenship
- **Awareness, contact and connection:**

⁵² The Movement of Learners Study (2006) found that 99.1% of learners did their learning within the borough and 0.9% (77) travelled to do their learning, of whom the majority travelled to Basildon (a similarly, or possibly more, deprived locality).

- Young people need to be better aware of the world of work – what **opportunities** are out there, **what different professions are really like**.
- The perception of certain sectors often lags behind current reality, making them seem less prestigious and attractive than they might warrant. E.g. the modern port infrastructure is highly computerised and technically sophisticated, yet much of the population associates port work with a kind of rude physical and social environment now long gone. This **lack of prestige and attractiveness** for many technical and vocational endeavours is a common problem identified by several of JobTown's partners.
- **Employers** need to be better linked with and aware of the young.
- Thurrock needs to bring local **schools and businesses** closer.
- Support private business in developing **Corporate Social Responsibility** programmes that will be useful to Thurrock's goals.
- Find how to **consult meaningfully with young people**, such that they have a voice in what affects them and policy and programmes concerning them are appropriate, well designed, implemented and evaluated.

SYNTHESIS

Synthesis

Local administrations are limited in what they can do about employment and opportunity; one can say the same about any administration.

To the degree that local administrations *can* take action against youth unemployment and lack of opportunity, they are morally and democratically obliged to do so. In the present parlous state Europe finds itself in, it borders on inconceivable for a democratically elected administration to ignore the issue of youth unemployment.

Self-evidently, elected local authorities must act – and be seen to be acting – against youth unemployment and the potential loss of a generation.

The question then, is *what* can local administrations most usefully do for youth employment and opportunity?

This is the question that the JobTown network addresses.

Now, one of the fundamental ways a local administration can become more effective in tackling large issues of employment and opportunity, and compensate its own lack of resources and competences, is through **partnership** – with key stakeholders and with other levels of administration and policymaking.

The fact that the URBACT programme – aside from being about learning and exchange for the local level of European administrations, and being based on the rationale that local administrations play a “**key role... in facing increasingly complex societal changes**”⁵³ – not only encourages, but *requires*, participants to work through local partnership strategies, makes it ideally suited to support what JobTown is trying to do.

In terms of contributing to URBACT’s own Capitalisation process. JobTown will develop practical ideas, advice and recommendations to support Europe’s cities in their quest for ‘More Jobs – Better Cities’. The network will provide responses to questions like ‘What can cities do to get more successful results from their actions?’ ‘In an age of austerity, how can they best help to grow their economies and achieve job-rich growth?’



⁵³ URBACT in Words, <http://urbact.eu/en/about-urbact/urbact-at-a-glance/urbact-in-words/>

Participating in the JobTown network will help the partner cities prepare for new regulations and financial instruments, particularly the 2014-20 period of EU Cohesion Funds; practice emerging from the network can be transferred to other cities to help them do the same. The objectives of JobTown fit neatly within the framework of the Europe 2020 Growth Agenda, and will make a contribution towards achieving its stated goals of more and better jobs, inclusion and better education levels.

In terms of tackling structural issues Europe is currently wrestling with, coordinating local and regional growth and employment strategies, in the way JobTown proposes, can contribute to a larger process of overcoming Eurozone **competitiveness imbalances**. It is these self-same imbalances that have done so much to contribute to economic instability, job losses, failing growth and lost investment.

While these are very much macro-level issues (2020, competitiveness imbalances, etc.), it is very much specific local knowledge and understanding that determine whether macro-level policy is implemented successfully. For instance, across Europe there is a broad push towards German style dual educational systems, which have served that country so well. However, there are no car manufacturing plants (or similar scale industrial activity) in a place like Cyprus; how then would such German best practice be usefully transferred there? Obviously 'copy paste' would be a failure. Rather, one would have to find a way to translate such practice into something that made sense for the local context. This requires local on the ground knowledge, which is precisely the level participants in a network like JobTown work at.

The **administrations participating** represent a range of scales and geographies and socio-economic problems that, though varying in degree of severity, are thematically similar and the cause of complementary concerns. As such, the network does a reasonably good job of representing a European cross-section grappling with youth employment issues.

If some of the administrations are smaller than others, they also enjoy concrete relevant competences and the direct political support and involvement of their mayor (or equivalent top elected official), a capacity to mobilise local stakeholders based on existing direct relationships, and the support of structural fund Managing Authorities and other public bodies and administrations – as well as some interesting and creative approaches to, and experiences of, working at the local level.

Every partner has something to offer and has needs for learning

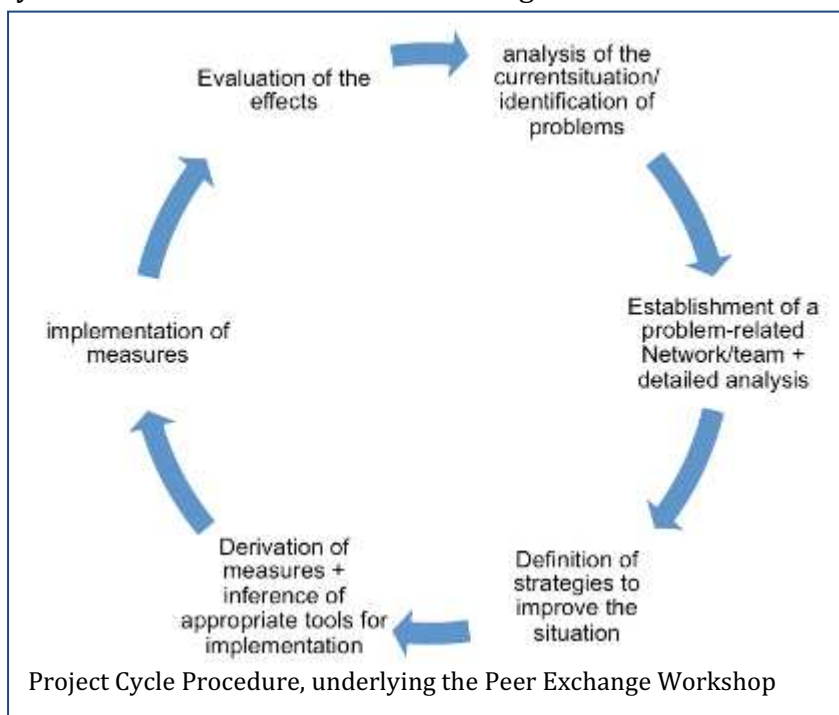


Partner meeting in Gondomar Portugal, September 2012

and capacity building. Partnership gelled well in the **final meeting** of the Development Phase and synchronicities were evident among the different administrations.

Building on the study visit process, the final meeting of all JobTown Partners in September in Gondomar, Portugal included a Peer Exchange Workshop designed to identify partners' needs and priorities, and thus what the JobTown network should work on in the Implementation Phase, and how.

The Workshop was conducted by the Kaiserslautern partner, and drew on the Project Cycle Procedure that they regularly work with.



The results of the Workshop, and the research conducted prior, have fed directly into the definition of approach the JobTown network will follow in the Implementation Phase – broken down into nine principles – and the five sub-themes that will orient the work and the Transnational Workshops taking place in the Implementation Phase. See the following:

Approach

In terms of what sort of **approach** to follow, nine guiding principles have emerged throughout the Development Phase:

- 1) **Integrated** – Given the multiplicity and interaction of causal factors of youth unemployment and poor employment, there is a need for integrated approaches to youth unemployment. As such, the approach must be **systemic**, with interconnected actors involved in developing, learning and adapting their methodologies and approaches, in an ongoing joined up process.
- 2) **Structural and Conjunctural** – Youth unemployment, poor employment and lack of opportunity are structural problems, clearly pre-dating the economic crisis. The long-term nature of the fundamentals causing the problem requires structural and systemic efforts.

The intensity of the current **crisis conjuncture** is inflicting long-term impacts, which are already adding to the accumulated burden of long-term structural problems. The current circumstances are so bad, they generate an intense pressure that simply cannot be ignored.

Furthermore, **democratic** legitimacy requires administrations to address, and to be seen to be addressing, the immediate concerns and problems of society; hence actions must address both the long-term and the short-term – that is, combine **structural** and **palliative** functions.

The palliative function is particularly important in terms of reducing 'scarring'/**hysteresis** (see State of the Art) which is taking place right now, and which by definition cannot be resolved at a later date – i.e. because the damage will have already been done.

On a tactical level, short and medium-term achievements can be instrumental to maintaining support for efforts that will only give fruit in a longer-term.

3) **Cost-effectiveness** – In the current environment of resource and budgetary restrictions, actions and programmes must be cost-effective to be viable in practice. Partners cannot just throw money at the problem; this has failed in the past. Moreover, there is no, or little, money to throw. So, while something must be done, it had best be as inexpensive as possible.

4) **Recognition of different profiles and governance challenges** – To make peer exchange and learning effective, there should be recognition of, and adaptation to, the different profiles and governance challenges of different peers and their differing concerns and priorities. The network exists for the needs of its members, not vice versa.

5) **Two-step targets of the impact** – It is important to ensure that the learning acquired by participating individuals, in the transnational activities of the project, is **transferred to the organisations** they represent, so that change can happen and impact is achieved. The idea is that entire organisations should be benefiting from participating in the URBACT JOBTOWN network.



Nadine Schrader-Bölsche, of Kaiserslautern University, conducting the Peer Exchange Workshop, September 2012, Gondomar, Portugal

6) **Political support and involvement, and Policy Community** – Addressing structural youth unemployment, poor employment and general lack of opportunity, and working on local development strategies, is a long-term

process that needs strong political commitment – i.e. **support from elected officials and policy makers**.

Likewise, a key factor for ensuring the implementation, of whatever comes out of the Local Action Plans, is that their contents have a helpful relationship with the policy priorities of the **ESF and ERDF 2014-2020 Operational Programmes**.

To facilitate this helpful relationship, the Managing Authorities need to work with the project partners, who effectively provide them with ready-made access to the kinds of local dynamics and stakeholders that their policies are ultimately concerned with – i.e. the MAs get a **channel to the local level**.

Moreover, the Managing Authorities stand to benefit from exchange with their peers who are concerned with similar issues and challenges – i.e. **MA peer learning**.

7) **Continuation, legacy and local outreach** – Local Partnerships are meant to be the beginning of ongoing vehicles for stakeholder cooperation with other actors and different sectors (e.g. employers, educational institutions & public administrations and bodies), which will **continue and evolve after** the Urbact project cycle, for as long as they can continue to be useful.

8) **EU level outreach** – Because the issue of youth unemployment and poor employment is a significant problem across Europe, it is important that project results are widely disseminated at EU level. Brussels is the obvious place for concentrating efforts at outreach to European Commission policy makers and programmes, the Parliament and other institutions, as well the community of national, regional and local representations (the previous point 7 being about outreach in each partner’s home territory).

9) **Quality and Impact** – Effective evaluation, with a particular emphasis on providing actionable feedback, is key to ensuring project objectives are achieved and for continuously reviewing approaches, methods and tools. Moreover, evaluation should contain an element of meta-evaluation – that is, evaluation of the evaluation – such that it may be suitably adapted throughout the process, as new understanding emerges.



Material from the Workshop

Sub-themes

The work of the network will be structured in terms of five sub-themes and the each Transnational Workshop will be dedicated to one of these sub-themes:

Sub-theme 1:

Developing **effective models of cooperation** – for involving and mobilising youth, local businesses, training and education providers, and relevant public bodies, services and administrations.

Sub-theme 2:

Making **education** and **vocational education and training** responsive to the needs of the local labour market. This means improving career and vocational guidance, apprenticeships, traineeships, entrepreneurial education and the acquisition of generic skills, for the lower skilled and also for helping university graduates make successful transitions into the world of work.

One of the transversal problems that emerged in the Development Phase was that of unemployment co-existing with jobs that go unfilled or are hard to fill. This is a problem of planning (training, VET and university structures and curricula), but also in many cases of **attractiveness**. Many people – young people and the families and peers who condition their decisions – are just not attracted to the idea of pursuing certain professions and/or the training or educational paths leading to those jobs – typically those of a more technical or vocational nature. A commonly repeated view was that these professions and educational paths need to be ‘dignified’. This issue is clearly a challenge to making education and training more complementary to the needs of the world of work, and so will be addressed as part of the sub-theme.

Sub-theme 3:

Labour market analysis: matching employment and demand by improving **detection and forecasting of labour market evolution and needs**, in terms of demand for skills and professional profiles.

Sub-theme 4:

Support for **business** creation and development, self-employment, acquisition of entrepreneurial skills, and improving the business environment.

Sub-theme 5:

Social economy and resource management: Innovation and how to do more for less.

Conclusion

The work the JobTown network proposes to do is **necessary** and **valuable**.

To some it may seem a small part of a very large problem, but it is a problem that must be worked on by all of us at every level. Cities are obliged – morally and politically – to play their part. Cities' efforts to create youth employment and opportunity on a local level, and their local development strategies, are ultimately two sides of the same coin. URBACT's vocation is that of supporting the sustainable development of cities.

The scale the problem – youth unemployment, lack of opportunity, the economic, and now institutional, crisis, and structural problems pre-dating the crisis (precarious employment, underemployment, lengthening and unstable transitions to autonomous working life, NEETs, two-tier labour markets, ins and outs, etc.) – has now reached, is such that it has become, without exaggerating, a fundamental threat to our economies, our societies, the European project, our social model and our way of life.

It is difficult to think of something we should be more concerned about.

Ian Goldring

October 29th 2012-10-26

Brussels

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For ongoing information see:

<http://urbact.eu/en/projects/active-inclusion/jobtown/homepage/>

<http://projectworks.wordpress.com/>



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