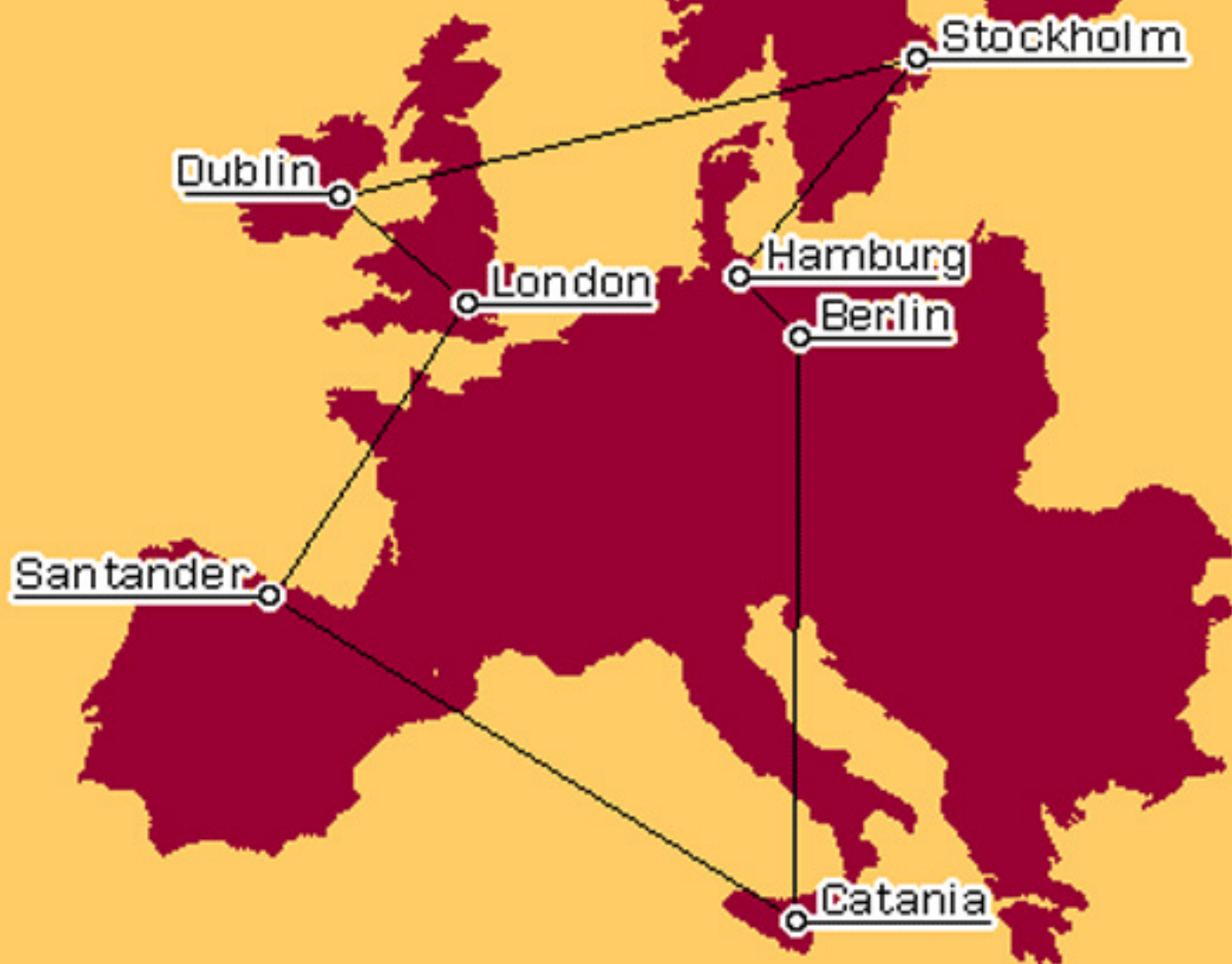


AVALON

ADDED
VALUE
OF
LOCAL
NETWORKING



a project of

final report

Gesellschaft für soziale
Unternehmensberatung mbH

gsub



in co-operation with



english version



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Brief presentation of the lead organisation:

Since 1991 gsub has worked as a trust company and is a controlled body of the State of Berlin. Presently gsub supports app. 10.000 jobs. gsub develops and carries out European projects, e.g. within the Community initiatives ADAPT and ECOS OVERTURE. gsub has been the co-ordinator of the Neukölln Territorial employment pact since 1998. It is certified according to DIN ISO 9001 and IQNet.

Table of Contents:

	Seite
1. Starting Point (Hypothesis) and Aims of the Project	6
2. Methodology of Auto – Evaluation	8
2.1. Descriptive and Comparative Analysis	9
2.2. Case Studies	9
2.3. Benchmarking	12
2.4. Exchange of Experts	16
3. The Transnational Partners and their Territories	20
3.1. London: Haringey Council and The College of North East London (CONEL)	20
3.2. Hamburg: Johann Daniel Lawaetz – Stiftung	25
3.3. Cantabria: Documenta – Instituto Europeo de Estudios Para La Formación y El Desarrollo	29
3.4. Sicily – Catania: CIOFS – Centro Italiano Opere Femmine Salesiane Formazione Professionale	32
3.5. Berlin: gsub – Gesellschaft für soziale Unternehmensberatung mbH	35
3.6. Dublin: Territorial Employment Pact	41
3.7. Stockholm: City Council – Europaforum	44
3.8. Comparative analysis of the territories	46
4. Good Practice Examples for the Involvement of Enterprises in Local Partnerships – including the view of the experts	49
4.1. London-Haringey	49
4.1.1. The North London Stansted Partnership (NLSP) – Runway to Work	49
4.1.2. CREATE – Training and Employment Initiative	53
4.2. Hamburg	61

4.2.1.	'Round Tables' – A project of the Chamber of Commerce for enterprises in times of crisis	61
4.2.2.	hep - The Hamburg programme for Business Start-ups	64
4.3.	Cantabria	70
4.3.1.	Service Cheque	70
4.3.2.	Academic Spin-off	79
4.4.	Sicily – Catania	92
4.4.1.	INTEGRA – Co-operation for the reinsertion of youths at risk of social exclusion	92
4.4.2.	The Sector of Microelectronics in Catania: The ST Microelectronics Company	103
4.5.	Berlin	106
4.5.1	Strategy 'Berlin district Pacts'	106
4.5.2.	Start-up-your-own-business 'Neue GründerZEIT'	108
4.5.3.	Challenge – Supporting structural change on company level	114
4.6.	Dublin	116
4.6.1.	The Dublin Employment Pact	116
4.6.2.	Fastrack in to Technology (FIT) Ltd.	120
4.7.	Stockholm	120
4.7.1.	Kista Matching	120
4.7.2.	Handcraft 2000	129
5.	Key Factors of Success - Comparative Analysis of the Good Practice Examples including the perspective of the experts	134
5.1.	Complementary Networks – public-private and cross sector partnerships	136
5.2.	Active participation of local enterprises	141
5.2.1.	Involvement of huge and parent companies	142

5.2.2.	Involvement of small, medium-sized and micro-enterprises Level	144
5.2.3.	Business-start-up projects – shaping new enterprises on a local level	148
5.3.	Competitive region – competitive enterprises	151
5.4.	Corporate Identity (CI) and marketing of a region	152
5.5.	Towards the needs of people – combining social and economic issues	153
5.6.	Improving the local and in-company skill base	154
5.7.	The role of financing	156
5.8.	The meaning of research, evaluation and quantitative targets	157
5.9.	The role of the intermediary	158
5.10.	Transferability and innovation	160
5.11.	Summary	161
6.	Transnational Cooperation – Evaluations, Conclusions and Recommendations	162
6.1.	Putting Theory into Practice – Results achieved compared with initial Objectives	162
6.2.	Designing elements of a transferable, local employment strategy	165
6.3.	Reflections on the process of Transnational Co-operation Evaluations, Conclusions and Recommendations	176
7.	The Benchmarking Process: A Comparison of the Regions in respect of Partnership Structures and Innovation	185

1. Starting Point (Hypothesis) and Aims of the Project

At the beginning of this final report we would like to repeat some of the initial aims and hypotheses, as stated in the application form. Following this, the more detailed questions and hypotheses which have emerged as the project has progressed will be presented in this first chapter.

In the application we started with two AVALON hypothesis:

- A) Explore the role of the private sector in local employment pacts as well as support for micro enterprises in business start- up schemes
- B) Explore the question for employment prospects resulting from co-operation of different partners beyond their normal sphere of influence

The aim of the project was defined in terms of analysing, evaluating and further developing the experience gained by the applicant and it's partners with regard to local development projects and or territorial employment pacts.

The AVALON project aimed to achieve a general and transferable strategy gained by comparing good practice examples in different regions. Furthermore, we intended to find out, how to encourage an entrepreneurial spirit in districts with a high unemployment rate and severe social problems ¹.

One of the main hypotheses of the AVALON project was the following

'The involvement of companies, company support for better employment prospects and the integration of locally acting partners and their resources are key success factors of local networks which tend to improve employment.'

This main hypothesis requires a few fundamental notes and sub-hypotheses for the significance of the local level and of the entrepreneurial commitment on a local level

An initial hypothesis states that there are potential areas of growth showing the promise of employment yet to be adequately identified on the local level, i.e. that a considerable potential of resources that are still to be developed and opportunities to create jobs are quiescent. It is a matter of stimulating employment not just through general macroeconomic conditions, but also on the local level, i.e. concretely in the approx. 80.000 European communities.

Consequently, local area corporate bodies are accorded important significance in the development of employment currently. They are frequently the largest employers in the area and already have a direct influence on employment because of this. Furthermore, local government agencies have authority in many areas in which new jobs could arise.

¹ See Application form of the gsub mbH, Project AVALON, « Detailed Discription of the project », 09-06-2000

They clearly have an important role to play in the development of employment partnerships and in the stimulation and structuring of local jobs in their position as the first democratically-elected level of the state system, which is closest to the people and the economy in the area.

Recently, the areas of health and social work, corporate services, the hotel and restaurant industry, leisure, cultural and sports activities have the fastest rates of growth in employment in the European Union ². In other economic activities at a local level, such as retail trade, construction and public transport, for example, the growth in employment is more likely to be explained by the number of newly-created jobs rather than in growth rates. According to estimates of the EU (1998), 99.8% of the private companies were small and medium-sized businesses; 93.1 percent of those were micro-businesses (10 employees at most). If all the non-agricultural companies are considered, 33.9% of all of these employees work in this type of company. They also show the strongest growth in employment. In particular, these companies deal with problems and difficulties that are best dealt with at the local level.

A further hypothesis says that the integration of companies at the local level, the provision of support structures, (especially for micro-businesses, but also for small to medium-sized businesses,) from new start ups to the establishment, growth and sustainability, is one of the central success factors for modern employment policy.

The competitive capability of individual companies is dependent to a certain degree on the competitive capability of the respective region. It is thus a matter of how to increase the competitive capability of old, established companies and newer companies through local partnerships and through problem-solving of the individual companies. If the local employment potential is to be fully exploited, the appropriate needs of the local companies have to be taken into consideration. On the other hand, the local companies must also make a contribution themselves in the formulation and implementation of local employment and development strategies, because the issues of the actual addressees cannot be adequately taken into account solely through governmental approaches or approaches lying outside of the companies. The active participation of the businessmen and women in the area in employment partnerships is therefore not only to be encouraged, but is considered essential.

In order to deal with these issues in a manner, which could not only be understood by representatives of enterprises but also by a broader audience we defined the following questions in our first brochure

- How can enterprises - small and medium-sized, retailers and craftsmen, start-ups and huge companies - be involved in local pacts and action plans?
- What added value can the enterprises expect and - vice versa - what do they offer to the pacts?
- Which support do the pacts offer especially for start-ups on the local level?

² See announcements of the Commission ...'Acting locally for Employment', Brussels April 07, 2000, Commission of the European Communities.

- What are - more generally - indicators of success of local employment pacts?

In addition in this brochure another main goal addressed to the Commission was defined

'The main objective of AVALON is to work out recommendations for the European Commission and for the European regions how private companies can be involved and committed to local employment pacts to a larger extent than at present.

- What could be the contribution at the local level for job creation and a more sustainable economic development?
- What are the key elements and factors of success?
- What problems can be identified?
- What barriers have to be overcome?' ³

2. Methodology of Auto-Evaluation

In our application form we planned the following steps as elements of the methodological approach of the AVALON-project:

- Opening workshop
- Newsletters
- Comparative analysis and synopsis
- First conference
- Transnational exchange of Experts
- Final Workshop
- Final (second) Conference
- Final report
- Different materials for Dissemination

All the steps were carried out as planned with some limitations concerning the audience invited to the meetings and the expert exchanges. We were not able to invite all the participants to the meetings we planned because of cost limitations. The same reason led to a shortage in the number and in the duration of the stays of the experts in the different regions.

However, in the first conference in Rome we decided to introduce some further elements, such as 'Benchmarking' and 'Case studies' in order to achieve more valid and reliable results.

³ Brochure « AVALON », English Version, March 2001

2.1. Descriptive and Comparative Analysis

In order to compare the regions (see Chapter 3) we used statistical data, such as

- Total population
- Unemployment rates
- Employment rates
- Total amount of long-term unemployed
- GDP growth rates
- Main branches of the economy

In addition to that a qualitative description of each region contributed further information for the comparison of the regions and the specific areas in which the good practice projects were located.

After the opening workshop in Berlin a first draft of a comparative analysis was designed by the applicant which referred to the statements of the partners and other experts held in Berlin on March 22 and 23 enriched by the word-for-word minutes of this first meeting. The lecture of SEYFRIED (2001) served as a theoretical framework held at the same opening-workshop in Berlin and some aspects of the work of PUTNAM⁴. By analysing the different material, the goal of this first comparison was to find out the key factors of success of local employment activities and especially those connected with the involvement of enterprises or the private sector. Before comparing and clustering the different arguments and proposals, the first chapter of this report tried to compare the involved regions (see chapter 3).

This first comparative analysis was developed during the process of the project based on additional and more elaborate papers sent by the partners to the applicant and through the inputs during the different meetings (workshops and conference).

This method allowed us to identify key success factors, pathways to involve enterprises and transferable elements across very different European regions.

2.2. Case Studies

The good examples used as the basis of the data for the comparative analysis were classical 'case studies'. Each partner presented one or two examples which he regarded as examples of 'good practice' in his region concerning the involvement of enterprises or the support of start ups. In addition, a description of the local networks, their institutions, different kinds and qualities of relations between partners etc were described in the different studies, based on experiences, limitations and recommendations on the transferability.

⁴ Robert D. Putnam – Making Democracy work – Civic Traditions in Modern Italy, Princeton University Press 1993

Some remarks on the method of using 'case studies' may rationalise this approach:

Working on case studies one can choose in principle a qualitative or a quantitative approach. But qualitative and quantitative methodology are not mutually exclusive. Qualitative methods represent a mixture of rational and intuitive approaches in which the personal experiences are in focus. They tend to describe the unfolding of social processes, in contrast to quantitative methods which rather concentrate on social structures in numbers ⁵. A combination of both methods might enable a more complex understanding of reality. In general there are six steps to carrying out case studies ⁶:

- (1) bounding the case, conceptualizing the object of study
- (2) selecting phenomena, themes, or issues
- (3) seeking patterns of data to develop the issues
- (4) triangulating key observations and bases for interpretation
- (5) selecting alternative interpretations to pursue
- (6) developing assertions or generalisations about the case

Following Patton (1990) the expectations of the EU (concerning the AVALON project) can be described as summative project evaluation.

'Summative evaluations will be judged by the extent to which they contribute to making decisions about a program, usually decisions about overall effectiveness, continuation, expansion, and replication in other sites. A summative evaluation report will have to organise data and findings to inform major recommendations about a program.' ⁷

Therefore initial analysis of summative evaluation is greatly facilitated by clarity about how it will be most helpful to present the findings. Options are a combination including the following (see p. 377):

Chronology Describe what was observed chronologically, over time, from beginning to end.

Various settings Describe various places, sites, settings, or locations (doing case studies of each) before doing cross setting pattern analysis.

The observation may be pulled together to illuminate key issues, often the equivalent of the primary evaluation questions.

For an analysis, description of data must be carefully separated from interpretation.

⁵ Van Maanen, J.(1979): Reclaiming Qualitative Methods for Organisational Research, In: Administrative Science Quarterly, Qualitative Methodology, Volume 24, Number 4, December,S.520-527.

⁶ Stake, R.E. (1994): Case Studies. In: Denzin, N.K., Lincoln, Y.S. (Ed.): Handbook of qualitative research. Thousand Oaks, London, New Dehli, S. 236-247.

⁷ Patton, M.Q. (1990): Qualitative evaluation and research methods. Newbury Park, London, New Dehli.

Interpretation involves explaining the findings, answering 'why' questions, attaching significance to particular results, and putting patterns into an analytic framework. But description comes first. The discipline and rigor of qualitative analysis depends on presenting solid descriptive data, what is often called 'thick description', in such a way, that others reading the results can understand and draw their own interpretations.

Following these short assumptions on methodological demands, the following plan of action was recommended:

Short descriptions of the good practices

The history of the good practices should be presented briefly. But the presentation of results should be structured along the main research question formulated in the proposal, namely:

'What are the success factors for the involvement of entrepreneurs in employment pacts?'

To answer this question we should ensure that the good examples were comparable, which were quite diverse concerning the economical development, to some degree.

Clustering the cases

This would enable us to identify typical problems for different areas with a comparable structure. It might then be possible to transfer these findings to other regions, too. Therefore data should be analysed, focussing on success factors and typical problems, asking the data what features are common to all regions and areas in one cluster, and then describe them for all three.

Find key factors of success and typical problems for the three clusters

Possible aspects leading the analyses could be, positive experiences, negative experiences, the role of employees, their expectations and their contributions, organisational, or legal problems, the role of local enterprises, their expectations and their contributions...anything that could be thought of that would serve the main question.

Recommendations on the basis of the good practice examples

In order to arrive at recommendations, triangulating methods and key observations were needed. The main effort here was to summarise typical structures and findings. These were the conclusions on the clusters, and possibly indicators of success of local employment pacts would be detected independent of specific structural conditions. The aim was to summarise win-win-situations.

This action plan combined qualitative and quantitative methods to a multi-method-approach.

2.3. Benchmarking

During the Rome conference the AVALON – Team decided to implement a benchmarking process as an additional tool in order to assess the different territorial employment pacts which were involved in the project. Some general remarks will help to understand this method:

It is generally accepted that the practice of benchmarking originated in Japan, and is now part of a modern approach to improving competitiveness. One of the most commonly – used approaches and perhaps the most effective is an application of a principle called Shukko, or the loaning of employees to other organisations. This is a job rotation approach pioneered in Japan where people are not only encouraged to learn about the internal business processes, but also to go outside the organisation and bring back new practices which will help their organisation move forward. These secondments are usually referred to as special assignments. In the US benchmarking was pioneered by Rank Xerox in 1979, although some people argue that ‘copying’ or industrial espionage has existed for a long time. What distinguishes the latter from benchmarking is that benchmarking is legal, the other process is not. Whilst benchmarking is used in the private sector it has become a more common tool used by public sector organisations.

Benchmarking is a process which assists strategic planning and helps set credible and easy to reach targets. It also supports continuous learning and quality improvement. Self-review is an important aspect of continuous improvement in the delivery of services.

Innovation has always been understood in terms of technology products and services. Organisations' efforts have always been to use relevant technologies for establishing competitive advantage. In the late 1990's, the conditions for competition changed, with greater access to affordable technology know how. Innovation in a modern organisation context is therefore about the ability to provide the extra dimension of quality that will differentiate a product or service, through newness and originality. The degree of newness is time-related and has to be replenished and recreated on a continuous basis.

Benchmarking within the Avalon project

The AVALON project has developed an hypothesis that – amongst others - two key factors play a role in ensuring the success of local employment pacts. The following factors can be assessed in a benchmarking process:

- the involvement of entrepreneurs
- the professional management through an intermediary action

The project recognised that the economic and social conditions in each pact/partnership areas may have had an impact on success. The strengths and weaknesses of local partnership arrangements would also have been a factor which should be included in the benchmarking process.

The project team had to make a clear decision on what to benchmark. All partners agreed that benchmarking should be seen as the way to manage process innovation. It was agreed that the project should also incorporate the findings from the benchmarking exercise in the final report and make recommendations for future actions.

The areas to be covered by benchmarking included innovation and partnership working as these were key characteristics of employment pacts. The benchmarking questionnaire covered the following topics:

- Local conditions for employment
- Partnership working/ involvement of the private sector
- Managing innovation/ intermediate action

The partners could chose between two ways to fill in the questionnaires:

- 1) Individual partners were to each complete a questionnaire which they then discussed at a partnership meeting.
- 2) Individual partnership members were to complete the form independently and then return them to the Avalon project manager for analysis.

Regardless of the adopted approach, the AVALON project manager had to ensure that the questionnaires were completed by each of the following:

- private sector
- Small or Medium-sized Enterprises (SMEs)
- Non-Government Organisations (NGOs)
- local authority
- training provider
- intermediary
- employment service/ agency.

The questionnaires were completed by marking each statement by level of importance and then by assessment of performance, with 5 being the highest mark.

Questionnaire

Local Conditions for Employment		1	2	3	4	5
1	The partnership has access to data relating to economic and social conditions.					
2	The partnership has a good analysis of local employment conditions including training needs and skills gaps.					
3	There are clearly defined priority target groups for local action for employment.					
4	Local action for employment targets women as a priority group.					
5	Local action for employment targets black and ethnic minority communities as a priority group.					
6	Local action for employment targets young people as a priority group.					
7	Local action for employment targets refugees as a priority group.					
8	There are identified employment sectors which have growth employment potential.					
9	Long term unemployment is a critical factor and is in evidence regardless of local economic performance.					

Partnership Working/involving the private sector		1	2	3	4	5
10	The Partnership includes all relevant agencies at both strategic and operational level.					
11	All agencies send appropriate representation on a regular basis to both strategic and operation meetings.					
12	The partnership has a clear strategy (game plan) which is understood by all partners.					
13	The partnership has agreed role and responsibilities for each agency.					
14	The partnership has developed an effective internal communication system.					
15	All agencies have committed resources to the agreed strategy and action plan.					
16	The private sector plays an active role in partnership meetings on local action for employment.					
17	The private sector involvement is from large companies.					

18	The private sector involvement is from SMEs.					
19	The private sector is only involved at the project level in local action for employment.					
20	The private sector provides resources in kind or cash to support local projects.					

Managing innovation/intermediary action		1	2	3	4	5
21	Senior managers from partnership agencies are committed to innovation in local employment initiatives.					
22	Staff time is made available to support innovation in local action for employment.					
23	Staff involved in employment projects have the creativity, knowledge and skill base to support innovation.					
24	The innovation activity is effectively communicated and marketed.					
25	There is high level involvement by partners in innovation actions to support employment.					
26	There is a clear strategy to mainstream innovation projects into local employment programmes.					
27	The role of an intermediary is vital to the success of actions for local employment.					
28	The intermediary role should be carried out by an agency with professional staff skilled in this role.					
29	The intermediary action should be carried out by a partner organisation who is deemed best placed to succeed.					
30	Intermediaries should have a clear and well developed understanding of the innovation strategy of a local employment partnership.					

2.4. Exchange of Experts

The exchange of experts was planned in order to gain a deeper insight into the partners' work. An expert from one partner was to participate in the daily work of another partner, he or she visited. The visits allowed the experts to get to know the network structures of the partners, to compare them with structures 'at home' and to check whether or not the approach might be transferable to his own / her own region. After the exchange, the experts wrote a report, depicting their impressions and insights with regard to the AVALON objectives.

In order to ensure that the results were comparable, the AVALON team developed a questionnaire at the Rome conference which was compulsory for all experts:

1.1. Classification of the case (project) being investigated	
What is the project primarily concerned with?	e.g. Consultation, Know-how, transfer / <i>qualifying/qualification</i> Co-ordination/Networking Real transfer (infrastructures e.g. offices) Finance transfers or financial incentives
How long has the project been running?	
Is the project especially geared to a particular field/technology / branch of the economy?	
Is there any public financial support?	State/national State/local Other public EU- means Private means
Who are the primary beneficiaries?	Individuals Companies Local structures Regional structures

1.2. Setting up the project	
What was the reason for the project: a particular problem, a particular potential	If so, which:
Was one of the participants active in any special way?	

Were any specific aims formulated at the beginning?	If so, which:
Were there any serious problems or especially favourable conditions during the setting-up of the project?	Which? How were they solved?

1.3. Who were the participants and which of them had a local connection?	
	Description of the types / number / size / local connection?
Large company (>250 employees)	
Companies/KMUs (11 – 250 employees)	
Micro-enterprises (<11 employees)	
Trade unions	
Chambers	
Local administration	
Employment administration	
Consultancy Institutes	
Intermediary organisations	
Research institutes /universities	

1.4. Does the public actor (e.g. local administration) play a special role among the participants?

1.5. How could the method of co-operating among the participants be described?	
Networks	More relaxed, from case to case cooperation between people of the same level – participants working independently
Coalition	More regular cooperation on the basis of defined interests
Formally organised combine/merger	Defined responsibilities and decision procedures
Mixed form (hybrid)	
Remarks:	

1.6. Which services or resources did the participants typically make available to the project?	
Participants/types	Services/resources (preferably precisely described)
Large companies (>250 employees)	
Companies/KMUs (11 – 250 employees)	
Micro-enterprises (<11 employees)	
Trade unions	
Chambers	
Local administration	
Employment administration	
Consultancy institutes	
Intermediary organisations	
Research institutes/universities	
1.7. Which specific problems/tasks was the project intended to deal with for the participants?	
Participants/types	Problems/tasks
Large companies (>250 employees)	
Companies/SME (11 – 250 employees)	
Micro-enterprises (<11 employees)	
Trade unions Research institutes /universities	
Chambers	
Local administration	
Employment administration	
Consultancy institutes	
Intermediary organisations	
1.8. Does a competition situation exist between the participants?	
If so, in which context?	

1.9. Are there any specific results on the project at the present stage?	
Re-establishment	
Securing of enterprise /SME	
Additional jobs	
Additional training vacancies	
Improvement of qualifications	
Product innovations	
Process innovations	
Context innovations	

1.10. Are there systematic methods of observing the process?	
Monitoring (regular data surveys with regard to the defined targets)	
Result transfer (workshops etc.)	
Evaluation (methodical assessment of the individual activities/instruments in relation to the targets)	

1.11. Were there problems carrying out the project which endangered its continuation? If so, how were they solved?

1.12. What was the particular strong point of the project?

(Ascertain the point of view of the participant)

1.13. Assuming you had the opportunity to develop this project further, what would you do? Which ideas would you have for its further development?

(Ascertain the point of view of the participant)

After carrying out the experts interviews the experts should incorporate the results of the interviews systematically into one of the Excel or Word tables prepared by the GSUB.

After this we recommend two questions for the reflection of the interview by the experts. At this point we are expressly interested in the experts' subjective assessments.

Question 1

Which aspect(s) of the project would you like to emphasize? What seems especially remarkable to you?

Question 2

What aspect(s) of the project you visited (instruments/procedure/solution elements) would you like to transfer to your region?

NB. In our application form we planned a ten days stay for each expert. However, it was not possible to fulfill this promise. We underestimated the costs of such a 'long' stay. In fact each expert stayed between three days and a week at the chosen partner's organisation.

3. The Transnational Partners and Their Territories

Before proceeding to the description and analysis of the good examples for the involvement of the private sector in local employment pacts, the territories in which these good practice projects were set up shall be described. The partners who came together for the work on the AVALON project are organisations that operate in territories which are very different in a whole variety of respects, that is, e.g. in terms of unemployment rates, demography, degree of urbanisation, economic structure and political conditions. In this chapter, the different territories of the partners, firstly, shall be described in more detail and, secondly, be submitted to a comparative analysis.

3.1. London: Haringey Council and The College of North East London (CONEL)

London is one of the great cities in the world. It is one of the few global centres for international business and it is comparable in size to many national economies. It has the strongest knowledge base in Europe and an unrivalled cultural and artistic heritage. London is the world's largest centre for international trade in equities, accounting for 60% of global turnover – double that of New York, its closest rival. London's governance is different from other regions; it has a Mayor with overall responsibility for the London economy.

The London Development Agency, with a business led board, is appointed by the Mayor, and is responsible for the Economic Development Strategy, one of the Mayor's eight strategies, all of which have to consider how they contribute to sustainable development. There are nine policy objectives in the current EDS, including:

- improving business competitiveness in partnership with key partners and the new regional small business service,
- prioritising knowledge and training through working with the new Learning and Skills Councils, employers, colleges and national training organisations,
- empowering London's communities and supporting disadvantaged people into work.

London accounts for 17% of the UK's Gross Domestic Product (GDP). GDP per head is more than 40% higher than the UK average. However, the overall figure masks a wider differing picture within the capital. GDP per head in Central London is double that of Outer London, with Inner West London being six times higher than Outer East London (which includes Haringey).

There are one quarter of a million businesses in the region accounting for 15.6% of the UK total, and most of these are small. About one in five small businesses is ethnic minority owned or managed, many are based in disadvantaged areas.

The service sector dominates; key elements are finance and business services, the public sector, tourism, and hospitality and the creative and cultural industries. Employment in finance and business services has doubled over the last decade to over a million. These two sectors alone account for 40% of London's GDP.

Manufacturing is an important part of London's economy, accounting for over 15% of London's GDP and nearly 300,000 jobs. Whilst employment has fallen significantly over the years – London lost over a million manufacturing jobs between 1974 and 1994 - productivity has increased and absolute levels of manufacturing output are now higher than in the early 1980's.

London has a highly skilled and educated workforce – more than one third of London workers have a degree or equivalent. However, a quarter of Londoners lack even basic literacy and numeracy skills.

Unemployment in London is higher than the national average. The inner-London rate is twice the national average and is highest among minority ethnic groups. Northeast London in particular, has suffered from disinvestment, rationalisation and industrial closure. In January 2001, the unemployment in Haringey was 8.1% compared with 4.7% for London as a whole. In Tottenham the unemployment rate was 11.5%.

However, the labour market remains tight, with acute shortages in managerial, technical and IT occupations (particularly with low levels of unemployment nationally). The challenge for the regional economy is addressing the mismatch between skill shortages and high levels of unemployment in deprived neighbourhoods.

Haringey

Haringey is one of 32 London boroughs, located in north London. It has a population of 223,700. Almost 40% of Haringey's population live in wards that are among the most deprived 10% in England. There is a marked variation in indicators of disadvantage within the borough. The Haringey Regeneration Partnership prioritises delivery of its programmes to Haringey's fifteen priority regeneration wards. The Department of the Environment Transport and the Regions (DETR) Indices of Deprivation 2000, ranks the borough as having the 28th most extensive level of deprivation, 6th in London. The Government considers the 'top 50' boroughs to be in need of additional help and resources.

Haringey is characterised by cultural diversity, with one of the most ethnically diverse populations in London. The proportion of local residents from minority ethnic communities is over 46%. In 2000, Haringey school pupils spoke more than 186 languages. Minority ethnic communities are concentrated in those parts of the borough where the greatest concentrations of deprivation are found.

The Haringey Regeneration Partnership recognises and values the diversity of cultures, and communities that make up the borough, and is committed to ensuring it's regeneration activities are of benefit to all disadvantaged communities. The Partnership is concerned that initiatives benefit those groups of the population which are most likely to experience disadvantage, such as black and minority ethnic communities, young people, lone parents and their children, refugees and asylum seekers, disabled and elderly people.

The Partnership's activities under the theme of social exclusion focus on joined up working on and across the following issues:

- tackling unemployment – one of the principal sources of the other dimensions of disadvantage, particularly poverty, welfare dependency and low income,
- improving qualifications and vocational skills – a root cause of both unemployment and the low skill, low wage, insecure employment experienced by a high proportion of Haringey's working population,
- tackling homelessness – a major problem for the borough and a major barrier to employment and a key factor behind poor health
- improving health and reducing inequalities in health – both a cause and consequence of social and economic exclusion, often also a barrier to employment,
- reducing crime and the fear of crime – like health, both a cause and effect in the cycle of disadvantage and exclusion,

- increasing the stability of the borough's population – a constant and rapid turnover of the most disadvantaged groups in deprived parts of the borough makes inclusion difficult.

The Partnership's Employment Pact has developed from the Tottenham Territorial Employment Pact and focuses on the following components:

- creating pathways into work,
- tackling the barriers causing exclusion from the labour market,
- developing links with the wider labour market,
- creating jobs locally,
- building and sustaining partnerships with employers.

The Employment Pact

The Employment Pact is a Public/Private sector partnership committed to implementing the objectives of the local employment strategy. The Pact has all of the main local actors on its partnership board:

- the local arm of the Employment Service (Leaside district),
- Reed in Partnership (a private sector employment agency),
- the Learning and the Skills Council
- Haringey Training Network,
- Finsbury Park Community Trust
- Haringey and Enfield local authorities
- The College of North East London (CONEL)
- The local careers service
- Trade Union representative

A social partner who is a full-time trade union official from the Transport and General Worker's Union chairs it. The Employment Pact has sought to influence national government employment initiatives, by working at the margins of the New Deal and Employment Zone programmes. The Pact has focused on excluded groups, in particular refugees, and has increased the participation of the local employment agencies in deprived neighbourhoods.

The Employment Pact has become the main focus for innovation, employment development and job creation. It brings together the EU's emphasis on local approaches to tackling unemployment with the UK national Government flagship initiatives of the New Deal (Welfare to Work) and Employment Zones.

The Pact has promoted, developed, established and supported an impressive range of employment projects within the framework of three of its key objectives:

- *tackling the barriers causing exclusion from the labour market,*
- *creating pathways into work (sustainable employment),*
- *creating jobs locally, ensuring new sources of work experience and employment.*

The Pact has strengthened the employment and training delivery system and stimulated the demand role by creating better collaboration between advice and guidance services, training providers and employers. The Pact has promoted the concept of 'social business' and has established a number of intermediate labour market schemes.

All local partners recognise the importance of creating sustainable employment and are committed to this common goal. The Pact has been extremely successful in encouraging private sector companies to adopt key employment projects.

National Policy Context

The UK Government has recently published an Urban White Paper which set out its commitment to improving regional competitiveness through a network of Regional Development Agencies (RDAs). There is a recognition by the Labour Government of the importance of globalisation and that technology brings about profound changes in the economy. As in other EU member states, the Government has a range of initiatives which seek to provide greater access to the information society.

A major policy initiative of the present Government has been the development of a 'National Strategy for Neighbourhood Renewal' action plan. The plan sets out a new approach to renewing poor neighbourhoods. Following the public expenditure review 2000, Government departments will be judged for the first time on the areas where they are doing worst rather than on the national average.

The Departments for Education and Employment (DfEE), and Social Security (DSS), have three-year targets to raise employment rates in the 30 local authority districts with the poorest local labour market positions (including Haringey). Their objective is to narrow the gap between these areas and the national rates, at the same time, improve the employment situation of disadvantaged groups which are over represented in these areas.

Key policies to achieve these targets for the next three years include:

- making the New Deal permanent
- £40 million for 32 Action Teams for Jobs
- a large investment in childcare and transport
- making work pay through benefit and tax changes
- the new Small Business Service and a £96 million Phoenix Fund to encourage enterprise in deprived areas
- more funding and flexibility for Regional Development Agencies and the establishment of a Social Investment Task Force.

There are similar measures to address crime, education and skills, health, housing and the physical environment.

The National Strategy is to be implemented by Local Strategic Partnerships and neighbourhood community-led partnerships with local management teams who will be responsible for joining services up locally, and promoting community empowerment.

3.2. Hamburg: Johann Daniel Lawaetz-Stiftung

The city of Hamburg covers an area of 755.3 km². On 31st of December 1999 the population in the city of Hamburg was 1,704,735⁸. Hamburg is the second largest city in Germany after Berlin. The slogan of the city is 'Hamburg – Gateway to the world'.

In 1999 in Hamburg there were 739,674 employees:

- 14.9% of all companies had less than 10 employees
- 29.3% of all companies had between 10 and 99 employees
- 24.5% of all companies had between 100 and 499 employees
- 8.5% of all companies had between 500 and 999 employees
- 22.8% of all companies had more than 1,000 employees⁹

Hamburg's economy is shaped by services. Some three quarters of the work force are employed there. Within this sector, trade and transport are significant. But nowadays nearly 50% of service-sector workers are employed in the media business, consultancy firms, software suppliers, hotel and catering and consumer-orientated skilled trades. Two of the most standing out industries in Hamburg's service-sector are banking and insurance.

Despite the dominance of services, Hamburg is still one of Germany's leading industrial locations. Many of the manufacturing companies based in Hamburg have strong ties to the port (e.g. oil industry, firms which are specialised in processing of refining of imported raw materials such as coffee or cocoa).

The economic development in Hamburg in the last twenty years has been marked by enormous structural changes: Jobs in the ship-building and shipping sectors and in parts of the industrial sector have decreased rapidly. Only in the last two years has the development of employment become dynamic after the enormous loss of jobs. Employment in the service sector - especially the health service, company-related services, and media – has grown. The industrial sector is still important, e.g. because of the strong relation between industry and company-related services and aircraft production.¹⁰ Hamburg has developed into one of the three most important centres of civil aerospace industry in the world.

⁸ Statistisches Landesamt Hamburg

⁹ Freie und Hansestadt Hamburg, Wirtschaftsbehörde: Jahreswirtschaftsbericht 2000. Hamburg 2000, S.119

¹⁰ Freie und Hansestadt Hamburg, Behörde für Arbeit, Gesundheit und Soziales: Hamburger Arbeitsmarktbericht 1997-2000. Hamburg 2001, S. 11

The transition to the information and knowledge society offers new chances to support employment development.

- Hamburg has been awarded 182 million German marks from the European Social Fund for objective 3 (For the period 2000-2006).¹¹
- The government programme has assigned 230 million German marks a year for the active labour market policy in Hamburg.¹²

In Hamburg's labour market strategy for the realisation of ESF the integration of the local level plays an important role. By the selection of projects, which are supported by the ESF, co-ordinated activities on the district/local level shall be considered.¹³

In Hamburg the authority for Labour, Health and Social Affairs administers the funds and has engaged the Lawaetz-Foundation to realise the technical assistance of the European Social Fund in Hamburg.

The following institutions are mainly responsible for employment in Hamburg

- Authority for Labour, Health Care and Social Security (BAGS)
- Regional Labour Office North (Landesarbeitsamt Nord)
- Employment Exchange (Arbeitsamt Hamburg)

In Hamburg there are various intermediate actors of the employment sector. Here are some examples:

The Lawaetz-Foundation is – among other responsibilities - responsible for the technical assistance for the European Social Fund, objective 3 in Hamburg with the following tasks:

- *Advice of the development of project ideas*
- *Advice of ESF-project-concepts*
- *Advice regarding costs and financing*
- *Support for the search of co-financiers*
- *Networking of different projects*
- *Organisation of exchange of experiences.*

Another sphere of activity of the Lawaetz-Foundation is counselling unemployed people for business start up projects.

¹¹ Hamburger Arbeitsmarktbericht, S. 109

¹² Hamburger Arbeitsmarktbericht, S. 114

¹³ Arbeitsmarktpolitische Strategie zum Einsatz des ESF in der Metropolregion Hamburg – Schwerpunkte des regionalen Entwicklungsplans für den Europäischen Sozialfonds Ziel 3 (2000-2006), S. 8

Local Job Agencies

The employment service and the authority for employment, health and social affairs have decided to co-operate more closely regarding the integration of unemployed people with special problems in the labour market. Since May 1999, different mediation agencies have been instructed for mediation activities for people, who are on the dole or welfare.

The hamburger arbeit (hab) is a company (for public benefit), founded by the city of Hamburg. hab has as its goal the reintegration of long-term unemployed social welfare recipients into the labour market by working closely with the private sector (enterprises).

The H.E.I.¹⁴ acts as an intermediary for the support of start-ups. It was founded by the authority of economy, the chamber of commerce, chamber of trade, credit institutes etc.

Regional Employment Policies

Guidelines for Hamburg labour market policy ('Leitlinien der Hamburger Arbeitsmarktpolitik') contain two main targets:

- 1) To determine the needs of economy, which potentials and qualifications are needed.
- 2) To make labour market policy more effective (the rapid and purposeful integration of unemployed persons into the labour market)¹⁵.

To achieve target 1) the following actions shall be realised:

- Enterprises (IAB Panel) participation on the nation-wide questionnaire about the development and planning of staff
- The development of branch monitoring which determines the practical needs of staff in the several branches
- The development of modules of qualification and further education
- The organisation of job-rotation programmes
- The creation of possibilities for 'lifelong learning'

To achieve target 2) the following actions shall be realised:

- The development of procedures to integrate hard mediatable unemployed people

¹⁴ Hamburger Initiative für Existenzgründungen und Innovationen

¹⁵ Freie und Hansestadt Hamburg, Behörde für Arbeit, Gesundheit und Soziales: Leitlinien der Hamburger Arbeitsmarktpolitik. Hamburg 2001, S. 10

- The extension of models for the support of unemployed people for business start-ups
- To develop an instrument for the integration of people, who receive social welfare, into the labour market
- The improvement of measures for institutions, where the target is to integrate unemployed people into the labour market¹⁶.

Labour market policy in Hamburg is strategy linked with the policies of economy, education and city development:

In the metropolis region of Hamburg there are various local labour markets, which are different from each other regarding branches and the structure of employment. The mix of companies of the service sector, trades and industry as well as the mix of high and low qualified jobs is different in the districts. Therefore these 'district specific' aspects must be taken into account and be combined with local economic support.¹⁷

The regional economy policy wants in general to contribute to make Hamburg more attractive as

- an international centre for media and services
- a production centre
- a metropolis for leisure and culture.

The beneficiaries shall be the inhabitants and the located enterprises as well as the visitors and the future investors.¹⁸

Important challenges are the development of the space and aviation industry and the networking of universities and enterprises/ economy, especially in the field of medicine and biotechnology.

3.3. Cantabria: Documenta – Instituto Europeo de Estudios Para La Formación y El Desarrollo

DOCUMENTA, is a non-profit institution with the aim of promoting local development by supplying all types of services and advice to Autonomous Communities, Local Governments, Town Councils, Council Departments, Municipal Companies, Foundations, Private Companies, etc. DOCUMENTA espouses a sustainable development model which promotes a balance between wealth and employment growth and environmental preservation, all of this stemming from the organisation's commitment to endogenous development and invigoration of the local economy.

¹⁶ Freie und Hansestadt Hamburg, Behörde für Arbeit, Gesundheit und Soziales: Leitlinien der Hamburger Arbeitsmarktpolitik. Hamburg 2001, S. 11 ff

¹⁷ Leitlinien der Hamburger Arbeitsmarktpolitik, S.9

¹⁸ Freie und Hansestadt Hamburg, Wirtschaftsbehörde: Jahreswirtschaftsbericht 2000. Hamburg 2000, S. 3

Although the growth of the Cantabrian economy had been relatively low from 1991 to 1996, it can be seen how the regional economy continued in 1999 with an expansion period already started years before. In fact, the Gross Regional Product grew by 3.4%, a rate which is higher than the European one, but lower than the national rate (3.9%). Cantabria seems to have overcome the crisis and reconversion situation of the last years. But in spite of its great economical advances, it still differs from other Spanish regions as its economy is more dynamic. Moreover, since the sixties Cantabria has been losing ground in relation to the national scene: Cantabria represented 1.58% of the National Gross Added Value in 1955, being only 1.22% in 1998.

This has also had a positive influence on the labour market leading to a decrease in the number of unemployed people in Cantabria; reduction in this case higher than the Spanish average. The unemployment rate has fallen from 20.55% in 1997, to 15.7% in 1999, and the latest figures coming from the Statistic National Institute support this trend: the average number of unemployed people in the year 2000 was 28,130 (there were 42,440 in 1997).

Changes in the number of the Unemployed in Cantabria

Years	I Quarter	II Quarter	III Quarter	IV Quarter
1996	48.210	49.100	44.890	45.940
1997	43.660	42.080	41.400	42.630
1998	42.010	38.650	38.530	34.110
1999	33.950	30.440	30.590	29.420
2000	27.960	27.900	27.040	29.630

Taking note of the quality of jobs created in Cantabria, 96% of the contracts were temporary, and the incorporation of women to the labour market is still far from that desired. Cantabria is, one of the regions where the female employment rate is lower. Unemployment seriously affects the younger age groups of the population (the unemployment rate for young people between 16 and 19 years old goes up to 40%, 33% in the case of those aged 20-24).

Unemployment rate. 1999. (%).

Age	Men	Women	Both
16 to 19	39.33	67.10	39.33
20 to 24	32.79	44.80	32.79
25 to 54	13.17	20.43	13.17
55 and over	7.56	10.28	7.56
TOTAL	10.60	24.42	15.57

With regard to the changes in the working population differentiated by economic sectors, we can observe the continual and progressive loss of importance of the primary sector. The active workers leaving this activity have been distributed in the other three sectors, services and tertiary activities where more of the working population is concentrated.

Distribution of the working population (Changes from 1997 to 2000)

	1997	1998	1999	2000
Primary sector	10,93 %	10,2 6%	8,36 %	7,45 %
Secondary sector	20,81 %	21,0 2%	23,0 9%	21,5 8%
Construction	10,00 %	11,5 8%	12,9 7%	12,2 0%
Tertiary sector	58,27 %	57,1 4%	55,6 0%	58,7 8%

In the whole, construction has appeared to be a key economic activity. In 1999, it reached 7.5% in its growth rate, a much higher indicator than showed by other sectors. Apart from that, the construction activity has helped in a way to reduce the regional unemployment rate, absorbing a great quantity of the work force not able to find a gap in the labour market (work force not necessarily qualified, and subjected to temporality in their contracts).

Traditionally, the regional industry has been specialised and has maintained activity in sectors considered old and obsolete, with easy accessibility in the market and low productivity, at the same time reducing participation in industrial activities with a medium and high demand in terms of market, and showing difficulties to be adapted to the new changes. The industrial growth, which should have been orientated to the achieving of technologic advantages and highly qualified work force, has been getting weak. In this sense, during the last two decades industry has lost some importance in its contribution to the Regional Gross Value Added, as the importance was transferred to the service sector. In spite of this, it still maintains a considerable contribution to the regional economy. According to the source, this contribution varies from 28% to 20% (in this case, excluding construction).

In spatial terms, industries are mainly located along the coastline (it holds nearly 90% of the whole activity and employees) and along the central north-south route (Valley of River Besaya – Torrelavega area). The industrial firms in the region are generally characterised by a low number of employees: most of them are small companies which, in 80% of the cases, do not have more than 10 employees, being 4% those having more than 50.

Another essential part in the economic development, the primary sector, has known a continual loss of importance in the territory, offering nowadays little contribution to the Gross Regional Product (5%, more or less).

Cantabria is one of the European regions more specialised in cattle-farming, the farms being mostly engaged in the production of milk, so they have suffered greatly from the introduction of quotas and from the general regulations coming from the Community Agricultural Policy (re-structuring in the holdings, readjustments in production, ...), which have caused desertion from the activity. It is really difficult at present to get the incorporation of the young to the agricultural sector, the activity is mainly lead by old people (sometimes showing a lack in their qualifications and professional training), and it is seems that the new possibilities offered by the rural environment in the field of both the forestry sector, and the agri-foodstuffs, have not been developed properly, as we consider that these are the spheres with highest potentialities in the creation of jobs and new socio-economic activity, which can become the real development factors in the territory.

Cantabria, in effect, shows the same tendency towards a tertiary economy as the most developed regions in Europe. Services already contribute to our Gross Regional Product in a 66% proportion, absorbing half of the employment in the region.

On the part of the businesses in the field of new technologies of information and communication, their contribution to the Gross Regional Product was 0.68% at the beginning of 1999, much lower than the contribution of this subsection to the Spanish rate, (1.2%) and, of course, the European one (2.4% at that moment). Moreover, it seems that the interest for the application of these new technologies in enterprises and industry in Cantabria is not comparable to them either.

The service sector grew 3.5% in 1999, 3.3% in relation to the employment growth. Within the tertiary activities, we would have to mention the tourist activity in particular, due to its rising importance in the Gross Regional Product in the last four years (from 6.3% to 9.1%), generating in this period more than 20,000 million pesetas of business investment. New hotel establishments are still being opened, with the repercussions in direct and indirect employment which it involves, and it seems that the crisis period lasting up to the eighties has definitively been overcome.

The diversification in the offers favoured the development of the tourist sector. New products have been developed; such as: rural tourism, green tourism, cultural and environmental tourism, conference and convention tourism. Cantabria offers exceptional environmental conditions, and the imminent opening of a cultural infrastructure: the replica of Altamira Caves. We can clearly generate employment in all these sectors, and promote the formula for the insertion in the labour market based on self employment.

In fact, there are eight protected natural areas in Cantabria: Oyambre, Peña Cabarga, Liencres, Saja-Besaya, Santoña Marshes, Ebro, Picos de Europa and Collados del Asón, and it is a region with a high potential in its cultural heritage. The quality of the environment has become an attractive factor at the time of choosing a destination. In the case of Cantabria, the natural environment and the cultural resources represent one of the main resources of the territory they are the key for the socio-economic development of the region. Its protection and management are directly influencing the future generation of jobs. The problem is the considerable delay in the starting of particular plans and programmes for the use and management of these protected areas.

That is to say, we have the potentialities available, but we have not yet developed tools for a sustainable exploitation of them.

3.4. Sicily – Catania: CIOFS – FP - Centro Italiano Opere Femminili Salesiane – Formazione Professionale

Sicily is the largest island in the Mediterranean, and the largest region in Italy, extending over a surface of 25,707 square kilometres, with a population amounting to about 5,000,000 people.

Sicily's economic structure is characterised by development delays, a feature typical of Southern Italy's economy. For this reason, compared with the others areas of Italy, its economy is more exposed to external competition, highly conditioned by the environmental context, by inadequate infrastructure, and by the low efficiency of the basic generators of external environmental economies.

Sicily's economic framework appears to be extremely varied and different, depending on the different areas of the region. The coastal regions, especially those gravitating around the metropolitan areas of Catania and Palermo and the industrial area of Siracusa, are characterised by a dynamic economy with high levels of industrialisation, while for the hinterland the situation is rather the reverse, in that it is marked by a worse economic status and higher unemployment rate.

Since the 50s, the different strategies of development adopted in Sicily have been linked to the direct intervention of the State in the economy of the region; thanks to the adoption of measures like the Cassa per il Mezzogiorno – abolished in 1993 -, the big petrol-chemical plants in the areas of Gela, Siracusa and Milazzo have been created in order to increase industrialisation in Sicily. But at the same time, in several areas, a group of SMEs developed as well.

State intervention did not prevent - and in many cases supported - the local areas developing their own groups of SMEs. These were often the result of specialising in production originally based on endogenous handicrafts.

Today the SME system constitutes the supporting sector of the Sicilian industry, as it represents one of the most significant percentages of the different kind of enterprises present in the whole region. It is a system that, in its strongly diffused dimension, occupies the regional territory with medium-big enterprises which operate in chemical, petrol-chemical and high technological sectors, and also comprises all the consistent systems relating to services, businesses, etc.

In 1998, Sicily's Gross Domestic Product (GDP) was 5.7% of Italy's GDP, while the GDP growth rate, compared with 1997, was 1.5%, higher than the one of southern Italy (Mezzogiorno), that was 1.1%. (Source: SVIMEZ on ISTAT data)

As to Value Added composition, in 1998, 7.7% came from Agriculture, 20.2% from Industry (13.4% from *Manufacturing* and 6.8 from *Construction*) and 72.1% from the Service sector. (Source: Banco di Sicilia on ISTAT data)

As for employed, the ISTAT data of April 1999, compared with the same data recorded for the year before, show that, during this period, in Sicily the unemployment rate increased, passing from 25.1% to 25.2%, with a decrease of employed particularly in the Agriculture sector and in the Construction sector.

At the same time there has been an increase of employed in the Manufacturing sector (Industry) and in the Tertiary sector.

The City of Catania and its Province

The Province of Catania is one of the nine provinces of Sicily, with a surface of 3,552 square kilometres. Located in the eastern part of Sicily, it comprises 58 municipalities, including its provincial capital Catania, with a total population of more than 1,000,000 people, equal to 20.8% of the population of Sicily.

From a geographical standpoint, the province area is extremely varied; from the Ionian coast, the land raises to the peak of Mount Etna, Europe's highest volcano, at 3,323 metres. A further geographical element marking the province territory is the large plain extending to the south of Catania over an area of some 430 square kilometres, called Piana di Catania, mainly planted with citrus fruits (oranges and mandarins) and wheat.

The city of Catania, founded by the Greeks in 729 B.C., extending over a surface of 180 square kilometres, with about 330,000 inhabitants. The city has to be considered in conjunction with its metropolitan area, that comprises in total 27 municipalities, including Catania, for a covered surface of 952 square kilometres, and a population of more than 700,000 inhabitants.

The urban layout of the metropolitan area lacks unity, despite the links and relations connecting Catania to the surrounding municipalities in terms of services, production and commercial activities.

The Economy of the Province of Catania

The province of Catania is in a geographic position particularly suitable for agriculture, owing to the fertility of its soil and its good climatic conditions, but its growth depends on the development of suitable trade channels.

Moreover, the industrial sector plays an important role in the economy of the area. The metropolitan area of Catania is characterised by a dynamic economy, strongly tied to the city's ancient commercial tradition, with high level of industrialisation, while the hinterland economic status is less prosperous.

Firms, (above all SMEs), are located in different Areas of development in the province, and in some sectors are marked by production specialisation, originally based on handicraft production (e.g. ceramics, in Caltagirone, and clothes, in Bronte). The SME system constitutes the backbone supporting the industrial sector of the province of Catania, which also includes medium-huge companies in the pharmaceutical and high-tech sectors, particularly micro-electronic.

In the past, the building sector was one of the most important ones in the economy of the province, but for the past ten years it has been experiencing a crisis, causing serious consequences for employment. The service sector is growing, particularly with regard to trade, both wholesale and retail, and to insurance and bank services. The largest number of business is located in Catania (30%). Despite the

province being the third in Sicily for tourist flows (in 1999 Catania's tourist flows amounted to 433,380 arrivals compared with 3,610,512 arrivals of Sicily), the tourist sector is still insufficiently developed, particularly in the hinterland. Tourist flows are more concentrated along the coast, where there are the higher number of hotels in the province.

The unemployment rate in the province is 29.4%, in 1998. (Source SVIMEZ).

Employment Policies

At the moment, Sicily is involved in ten projects of Territorial Pacts: seven of them (the Pacts of Caltanissetta, Enna, Madonie, Messina, Palermo, Simeto Etna, Siracusa) are financed by CIPE (Inter-ministerial Committee for Economical Planning), while the last three (Alto Berline-Corleonese, Calatino Sud-Simeto and Catania Sud) are financed by the E.U.

In particular, in the Province of Catania, there are three Territorial Pacts:

- a) the Territorial Employment Pact of Calatino Sud Simeto (population: 151.671 - unemployment rate: 26%) -, realised within the Operative Multiregional 'Local Development' Ob. 1 programme Italy – 'Territorial Employment Pacts', 1998-1999,
- b) the Simeto Etna Territorial Pact (population: 220.000 – unemployment rate: over 30%), financed thanks to the CIPE.
- c) the Territorial Employment Pact of Catania Sud (population: 346.191 – unemployment rate: 29,94%), realised within the Operative Multiregional 'Local Development' Ob. 1 programme Italy – 'Territorial Employment Pacts', 1998-1999.

The Territorial Employment Pact of Catania Sud was created and set up by the municipal administration of the city of Catania, which remains at the head of the partnership. However, a total of 58 other partners have also approved the pact, including the Province, the Chamber of commerce, the University, trade unions, business associations, association of Italian townships, port authority, harbour co-operation company.

The priority fields of action are the setting up a centre for the marketing of food products, a centre for processing fruit and vegetables, a centre for the promotion of craft trades, developing tourist potential, drafting a tourist guide, renovating the architectural heritage of the historic town centre and setting up job creation facilities.

The action plan has three main integrated priorities: a focus on sustainable economic development, regenerating the urban and suburban area and improving the city's tourism and cultural potential.

These objectives translate into six main types of measures:

- Tourism
- Culture, artistic production, leisure time, sport and the environment
- Environmental and urban restoration
- Innovative services for SMEs
- Development of the tertiary sector in new sources of employment
- Development of human resources

At the moment, there are many towns of the province that are also taking part in different initiatives under Leader 2 Program. The growth of employment is also carried on through national and European initiatives and programmes in which CIOFS-FP is involved.

CIOFS-FP

CIOFS-FP is a non-profit-making association specialising in the field of vocational training. It was created in 1986 by the CIOFS (Italian Centre for Salesian Female Services), following long experience in this field starting with Mother Mazzarello, who in 1872 founded, with Don Bosco, the first Institute of the FMA (The Daughters of Mary Help of Christians). The Association operates in 15 Italian Regions through its Local Boards, with 100 Operative Centres. Its activities deal with vocational training, orienting and services to local enterprises. The beneficiaries are adolescents, young people, women, unemployed people, immigrants, prisoners, drop-outs and non-European people. The National Centre is located in Rome. In Sicily CIOFS-FP operates through its Local Board and 30 Operative Centres, which are located in all the 9 Provinces. In 2000 the National Centre and the Sicilian Local Board have obtained the Certificate of Quality Management System Standard UNI EN ISO 9001 by the Lloyd's Register Quality Assurance.

3.5. Berlin: gsub mbH – Gesellschaft für soziale Unternehmensberatung

The Berlin Region

The area of the city of Berlin has a size of 89,141 ha and has a polycentrally organised city structure with many functionally diverse and independent city centres. It measures 45km (east-west) by 38km (north-south). The population in the region of Berlin was 3,382,877 people in June 2000, according to the official figures from the Regional Statistics Office.¹⁹

In the same statistics, the population in the district of Neukölln was 306,774 people. The population density of the city of Berlin is very high, so living, working, care and freetime are concentrated in a small space. Because of the economic and social structural changes and the increase of mobility, the population rate of the Land Berlin declines over the years.

¹⁹ Statistisches Landesamt Berlin

In comparison with the other 11 German cities with more than 500,000 inhabitants, Berlin accommodates the majority of foreigners, living in Germany, 13% in percentages. 31% of these are Turkish inhabitants. The demographic development and the drop of the birth-rate has had major implications for the education sector.

Berlin's socio-economic situation

Owing to the fall of the Berlin Wall in 1989 and the German Reunification in October 1990 considerable and radical changes in the political and social sector have been the logical consequence with influences on the economical relations of the Land Berlin. These structural changes are still prevalent today. The economic growth of the Land Berlin is still negative and far behind the total economic growth of Germany. In the last 10 years, Berlin has lost about 300,000 industrial working places. Whilst the former eastern economy was oriented to planning, the western economy was highly subsidised and both parts of the City did not have enough competitive working places. This heritage still burdens the Berlin economy. On the other hand, Berlin nowadays has the highest start-up rate of all German cities. The city is now the German capital and has very good prospects for when the European community extends into Eastern Europe.

The public cityscape is characterised by the move of the government from the town of Bonn to the capital city Berlin, major building projects at the Potsdamer Platz, the new station building of the Lehrter Stadtbahnhof and the planned building of the airport. In spite of the negative economic growth, the structural change is progressing, albeit slowly.

The service sector is growing, the competitive centre of modern industrial production is becoming more and more stable, in which mainly small and medium-sized enterprises are providing opportunities for growth. In other words, they are the guarantor for economic growth and employment.

However, the Land Berlin still needs investment in this area and human capital, for example, investment in the infrastructure, machines and computers. The assistance of Federal funds and of the European Social fund that is necessary for such an investment is only at disposal for a few years (the redistribution of income between Bund, Ländern and Gemeinden until 2004 and the production period according to the structural fund of the EU until 2006).

Consequently, in the future, the Land Berlin will obtain less financial support from outside, so that it is now extremely important to expand the basis for economic growth. Special growth opportunities and potential for the Land Berlin are, of course, tourism, modern services like media- economics and the integration of economics and sciences. Another potential can be seen in the East-enlargement of the EU putting the city of Berlin from the edge to the centre of the EU.

The Development of the most important branches of the economy in the Berlin region

Manufacturing industry

In view of the development of the city of Berlin as a centre for research and development, there are three main pinpoints: biotechnology, medical and environmental engineering. In these three branches many new enterprises have recently been founded. Besides the business stock, development is important and is therefore part of the framework of financial-regional economic furtherance. The most powerful branch of the manufacturing industries of the city is electrical engineering. This branch in particular has been bothered with the structural change and made the biggest contribution to the recession in the industrial employment. The business situation and turnover activities of Berlin's firms in this branch is even declining. In view of the city's high research and development intensity there are good chances and possibilities for start-ups of high-tech-businesses, in particular in the supply of final products and complex systems. A variety of technology and foundation centres offer excellent basic conditions and a range of settlement offers. The single parts of the manufacturing industries underlie very different developments. The most powerful branches are the mechanical engineering, motor industries (with part plants and automobile services of the three world-wide biggest automobile producers: General Motors, Ford Motors and DaimlerChrysler) and the chemical industry (with the important international trading businesses Schering and Berlin Chemie).

Construction / Building economy

If we examine the number of orders and the volume of building, the trade and housing construction industry is declining. However, public employers are enabling stability in the process by enlarging their orders by 10 %, and benefitting the labour market in the process. Statistics and prognoses of the Urban White Paper state that investment and construction planning will again increase.

Trade

Even on Berlin's trade market there are no positive trends to record. The turnover has stayed stable in spite of a minor decline. The negative economic situation and increasing prices for pre-output and occupation in general, could only be met at a low level by increasing prices for the ultimate consumer. Not only has employment declined, so have the amount of industries registered by the Chamber of commerce in the Land Berlin. On the other hand, apprenticeship has grown by about 8%.

Service businesses

About 76.5 % of all Berlin employees work in the tertiary sector, 50% of them in the private service sector. In this branch about 22,000 new working places have been created and the main body of business settlements and business foundations has been realised. In particular the advertising market has grown at a rate above the average. Not for nothing is Berlin reputed to be one of the most creative places in Germany.

Tourism

According to the tourism sector the trend is positive with above-average turnovers. Both at home and abroad the German capital is reputed as one of the most popular city destinations. This term about 16% more visitors came to Berlin and the positive trend seems to go on, changing its reputation from Europe's biggest building site to an image of " The Young City " as a metropolis for shopping and extraordinary experiences based on its diverse and fantastic culture and historical attractions.

Employment Policies

However the unemployment rate is still 16.3% and the restructuring of the traditional industries and of the huge public sector is still going on, accompanied by mass redundancies. Furthermore Berlin faces severe budget problems and was bankrupt in July 2001.

In the Berlin General Programme for Employment Policy (Arbeitsmarktpolitisches Rahmenprogramm, ARP) it is stated, that for Berlin it holds that

"economy and employment are undergoing a structural change on a deep level." (p. 15)

This claim is drawn from three insights:

- Less than a third of all Berliners who are at an age of employability are employed in a normal employment relationship in the sense of full-time employment, that is social assurance liable and holds for an indefinite period.
- The economic situation in Berlin is marked by a drastic collapse of the old industry. It is undergoing a process of transformation, in which it is becoming a metropolis of services, that stands out in comparison with other German conurbations.
- In Berlin, few work places emerge from the migration of companies, but rather from the endogenous potential, that is, through growth of local companies or the foundation of start-ups. As a consequence of the structural changes, additional work places are going to emerge, in the first place, in the process of change from old producing professions to new professions in the service sector, from big old to small new enterprises.

These insights entail three approaches for the Berlin employment policy:

- active employment policy
- use of instruments of the preventive, early employment policy => prevention of unemployment before lay-offs; providing support for active re-steering
- A third employment approach is oriented to local pacts on the level of the districts. But at the moment, it is not clear if this approach will succeed in the whole city and if the Land Berlin will give financial support to these approaches.

While the main political opinion and practice in the eighties was to launch top down state programmes on the national level, satisfying effects of this strategy on employment refrained more and more in the nineties. Hence, a need for new strategies was felt. As a product of experience and thorough research, the local level was discovered as a fruitful starting point, where employment policies could link in.

Traditionally, however, German Employment Policies are highly oriented on the Länder (region) level. For instance Northrhine - Westphalia has a highly developed regional labour market scheme.

In Berlin, the authorities who are in charge for employment are the following:

1. Regional employment exchange Berlin-Brandenburg (Landesarbeitsamt)
2. Employment exchanges (districts I –VI, in transition) (Arbeitsämter)
3. Regional Administration for Labour, Social Security and Women (Senatsverwaltung für Arbeit, Soziales und Frauen)
4. District offices (Bezirksämter)

In the Urban White Paper, it is emphasised that the aim of the economic policy is to ensure that Berlin becomes internationally competitive. In future, Berlin will make a special effort to succeed in the markets of knowledge-based goods in order to meet the standards of the slogan 'City of Knowledge'.²⁰

In reality, this means that the company-related economic support (GA) will come to an end. EFRE will instead be used to 'widen bottlenecks'. Founding programmes will be more goal-oriented and dense. The funding goals will be formulated more concisely and more controllable.

In the fourth round of the Berlin ARP three ways to achieve these targets are named. Besides the joining-up of employment and economic policies, as well as supporting equal opportunities for men and women, a particular focus is placed on implementing a local approach.

The Local Approach

In the currently worked on fourth round of the Berlin General Programme for Employment Policy, it is stated:

'With the constitution and realisation of the BBB (Bezirklicher Beschäftigungs-Bündnisse = District Employment Alliances) the local start of Berlin's employment policies, in consideration of the ESF- supporting strategies will continue to develop. The target is to acquire and realise strategies and plans for the districts in co-operation with the different regional actors for the local fight against unemployment, the creation of apprenticeships and the strengthening of the socio - economic infrastructure.

²⁰ Berlin-Studie (Urban White Paper) 2000

In each of the different districts, networks and co-operations that localise and open the regional employment potentials, will be built up and developed. The actions within the BBB will continue to effective city development. '21

'Local employment pacts' in the narrower sense, as well as activities involving 'community management', developed in Berlin as the culmination of certain problems became all too evident in individual districts and communities, which could be noted in increases in unemployment, the number of welfare recipients publicised through the press and public statistics.²² Consequently, the federal-state programme 'Social City', and in Berlin the 'community management' strategy, among others, were announced by the Regional administrative agency for urban development. The Mayor of Berlin implemented the 'Inner city conferences' in the inner city districts that are marked by a 'special need for development'.

In August 1999 the Council administrative agency for labour launched the support strategy 'local employment pacts' and presented it to the Council of the District Mayors. A general trend towards institutional and administrative decentralisation may have played a role in the process within the framework of the employment policies. It says in the senate proposal of the same name that a local approach to the 'core components'²³ are a part of the active labour-market policy in Berlin, which is to be expanded further and reinforced in the new support period of the ESF (European Social Fund).

The 'local employment pacts' were to, on the one hand, combine the programme objectives of the European Union with the labour-market policy objectives of the state; on the other hand, they were to also be given their place in the conceptual and organisational framework of the European 'Berlin-Brandenburg model region' which surfaced at this time.

According to the Urban White Paper the field of action 'Competitiveness and Employment' links into the fields of action 'Exchange relationships', 'Social Cohesion' and 'The Metropolis in Balance'.

gsub mbH

gsub mbH is a service provider, a controlled body and a trustee of the Regional Administration for Labour, Social Security and Women (Senatsverwaltung für Arbeit, Soziales und Frauen).

In Berlin, three organisations carry the function of intermediate actors. One of them is the social education Institute Berlin (SPI). The SPI is responsible for the Western and south-western areas of the city. The other one, apart from gsub, is ZiZ (Zukunft im Zentrum). ZiZ is responsible for the Central (East and West) and Northern (East and West) areas of Berlin, while gsub is responsible for the Eastern and south-eastern areas of the City.

²¹ Vierte Fortschreibung des Arbeitsmarktpolitischen Rahmenprogramms

²² For example in connection with the Berlin "Social Atlas" published in 1998, which supplied the data to identify particular problem areas, especially in the city centre of Berlin.

²³ Support strategy "Local Action Plans" – Presentation to the Council of Mayors, Aug. 16, 1999

In addition the European Consulting Group (ECG) is responsible for the administration of funding via the European Social Fund.

As well as this, the Investitionsbank Berlin (IBB), which grants refundable loans to founders all over the city, and the District Offices (Bezirksämter), are active in implementing the Regional approach to employment and, in particular, they run schemes for welfare benefit recipients.

gsub mbH concentrates heavily on the involvement of enterprises, especially micro-enterprises, and runs several model projects which are targeted on the improvement of the birth, survival and growth rates of local companies. In addition gsub is involved in three European networks (MetroNet, Ires and GC Development Group). Gsub administers funds from bodies on all four European administrative levels. Gsub works at the European level, nationally, regionally and locally.

3.6. Dublin: Territorial Employment Pact

The Dublin Employment Pact covers the area of the Dublin metropolitan region.

Employment and Unemployment in Dublin

The main characteristics of the regional economy are:

- Population - 1.1 million (of which 95% lives in urban areas)
- City area - The centre of the Region comprises Dublin City
- Authorities - Four local authority areas, an umbrella Dublin Regional Authority, 12 Partnership Company areas
- Companies - 40,000, of which 90% are service companies
- Leading sectors - Computer hardware and software, electronics and engineering, food and drinks, financial services, construction and community and voluntary services
- Employment - 560.000, Participation rate: Men 71%, Women 47%
- Unemployment - 2.9% (ILO measure), i.e. approximately 18,000 people.
- Long-term UE – 36.000 long-term unemployed

The new employment in Dublin is overwhelmingly in the services sector. Ireland is now the highest exporter of software in the world and Dublin is the centre of this industry. Unemployment has fallen dramatically from nearly 20% in 1989. Skill shortages and demand are greatest in service industries, with a much lower level of demand in traditional sectors.

The numbers of long-term unemployed are accounted for by the Official ILO Register (8,500), those unemployed since the 1980's depression ('economically inactive' – 14,000), lone parents seeking work (5,000), early school-leavers at risk (4,000), short-term unemployed at risk (1,500) and people on employment schemes with poor prospects of progression (4,000). The major social problem in the Dublin economy is a skills *deficit* among the long-term unemployed. Another problem is that the wealth of jobs available means that many young people from disadvantaged areas are starting low-skill jobs without completing qualification. The issue of tackling early school-leaving and poor skill and educational levels is now a priority of social policy.

A legacy of planning policies in the 1960s-80s period are the large working class housing estates which ring the city. The areas of greatest disadvantage are found in the inner city and in these housing estates. The Haase index of deprivation established 11 areas of acute social disadvantage in Dublin (with unemployment rates of up to 40% in 1996). These areas have a combined population of 264,000 (= 25% the population of Dublin). The ten most disadvantaged areas in the Republic of Ireland are found in Dublin.

Factors determining the economic boom

Irish economic growth has topped 10% since 1994. The economy has doubled in size since that time with growth concentrated in high-value-added sectors. The chief factors which determined the recent economic boom are as follows:

- Inward investment: 40% of all employment and 65% of all exports are produced by foreign multinational companies (especially US companies, followed by British and German firms). The state has certainly attracted foreign investment since the 1960s. Due to transport issues, workforce skills, demographics (50% of the population under 30 years), and linguistics (English-speaking) and other factors, Dublin is now the major centre of the US computer industry in Europe.
- EU membership: This has removed Irish economic dependency on the UK (in 1970, 95% of all exports went to the UK), enabled the modernisation of Irish agriculture (now producing for a major food export trade) and greatly co-funded massive modernisation of physical and training infrastructures.
- Social Partnership: At national and local levels, with four pillars: Employers and Unions, the State, the Farming Sector and the Community and Voluntary Sector. Agrees wages framework as well as policy programmes for social and economic development, infrastructure investment, local development, training and education. Governments are bound to implement policies agreed under National Partnership Agreements.
- Political consensus: Social partnership and political consensus developed in the 1980s in response to crippling national debt, massive network emigration and unemployment of 20%. Partnership was based on cutting public expenditure to control foreign debt, wage restraint, and major compensatory programmes of tax relief and investment to tackle disadvantage.

- Little old industry: The poor economic structure of the 1980s meant little re-structuring was required. New industry has been over-whelmingly green-site. Lacking a high-skill industrial past, the young population was highly educated and highly flexible.

There are several structural weaknesses in the boom which will inevitably cause retraction in coming years. The demographic feature (50% under 30 years of age) will soon pass and this is expected to take 5% off growth rates. In addition, there is an extreme level of interconnection with the US high-tech sector and its swings will impact on the Irish economy.

Experimentation with local partnership

The green-field nature of the economic boom of the 1990s has meant there has been much room for experimentation. In addition, local government in Ireland was purely administrative, confined to roads, housing, waste, water supply etc. It had only a minor role in economic and social matters. Education, health, vocational training and social policy are the responsibilities of central government (though with regionalised structures). Also, there had been much experimentation since the 1960s with public/private partnerships, especially in development agencies. Essentially, until 1990 Ireland had a *small state*. Even today, Dublin Corporation employs a smaller staff than Haringey Council!

This small state meant that there were few services, especially in socially disadvantaged areas. In this context a very vigorous community sector developed, based on voluntary commitment within local communities. Even today, many projects and local development initiatives are run under Boards of Management consisting entirely of voluntary bodies.

This situation led in 1990 to the creation of the first Local Area Partnerships, funded by the state and the EU and with the task of mobilising local energies in partnership with statutory agencies, local authorities and social partners to tackle social exclusion at the local level, develop communities and seek to end long-term unemployment. The evaluation of the Irish local partnerships by the OECD in 1996 was a major contributory factor in the European Commission designing the TEP initiative (under Commissioner Pdraig Flynn) in 1997.

The Dublin Employment Pact

The Dublin Employment Pact was established in 1998 to examine labour market and development issues in the Dublin Region. Its Board comprises equal representation of the four key sectors concerned: the Dublin Regional and Local Authorities, the Local Development and Community Sector, the Social Partners, and the Government and Statutory Agencies. Initially developed through an EU programme, it is now supported as part of the National Development Plan. The DEP includes over eight Working Groups, overseeing work across a wide range of labour market issues in Dublin, from research and dissemination work to pilot projects, conferences, a publications programme and participation in networks.

3.7. Stockholm: City Council – Europaforum

Trade and industry

Stockholm is the centre of the largest and foremost growth market in the country. Only 13 of approximately 200 regions in the EU have a higher GNP per capita than Stockholm.

Stockholm hosts Sweden's largest collection of companies. The economy is characterized by a diverse variety of businesses. Many of these businesses belong to the leading growth industries. Stockholm's economic development is primarily driven by small and knowledge intensive companies. More than 150,000 companies are active in the region. 98 % of these are small businesses with fewer than 20 employees.

The inner city has a very strongly integrated and dynamic structure consisting of a coherent cluster of financial businesses, qualified company and organisation services as well as IT companies. In the suburbs, wholesale trading is decreasing while IT, telecom and qualified company services are growing.

Stockholm is also the foremost location for internationalised import and export companies.

Kista is presently a world leading IT region. In order to further reinforce Kista's position as the dominant IT cluster, the industry, the Royal Technical College and Stockholm City are collaborating on a project to build Kista Science City.

In addition, Stockholm is a dominant player in the areas of telecommunications, health care, environmental technology, internet and media, entertainment and design.

Population

On the first of January 2000, Stockholm had 744,000 inhabitants. The population is on the increase. The increase consists mainly of people between the ages of 20 and 27.

The city has a relatively large share of old age pensioners and inhabitants between the ages of 20 and 40. On the other hand there are fewer children between 0 and 19 in Stockholm than in the rest of the county.

Today, there are 148,500 (20%) foreigners, i.e. people with foreign citizenships or who are born abroad but carry Swedish passports. 49% of them are Swedish citizens.

Education

44% of the inhabitants between 25 and 64 have post-graduate training of some sorts (1999) while 38% were content with a degree from upper secondary school. The percentages for post-graduates vary considerably with citizenship and is 47 % for Swedish-born citizens and 33 % for foreigners.

Employment and unemployment rates

In 1998, 73% of people in Stockholm between 20 and 64 years were gainfully employed. The ratio between men and women is fifty-fifty. The employment rate was highest for ages 45-54, namely 79% (77% for men and 81% for women).

The people working in Stockholm during 1998 were mainly employed in the financial and company services sector (27%), trade and communications sector (21%), personal and cultural services sector (11%) and health care sector (10%).

2.2% of the population between 16 and 64 were registered as being unemployed in December 2000. Unemployment was 3.3% for people between 16 and 64 during the third quarter of 2000.

During the year 2000, a record number of jobs were reported to the national employment agencies. This positive trend is expected to continue during this year. There are increasing problems of matching on the job market. This could seriously affect the companies' businesses and expansions due to the difficulties in finding suitable labour. Several businesses have a high turnover of employees. Shortage of labour is growing in all industries and fewer and fewer companies manage to meet their recruitment quotas. Several industries have problems with recruitment which, in combination with an increase in retirements, will cause problems a few years down the line. Critical industries include construction and transport as well as large parts of the public health care and school sectors.

Social welfare

During 1999, 62,400 people (including children) received welfare benefits. They constitute 8.4% of the population and the numbers are down from the previous year.

During 1999 foreign citizens were over-represented among social welfare recipients (43%) compared to their Swedish counterparts (5%).

The Stockholm Partnership for Employment (SPS)

Stockholm's Partnership for Employment includes the private sector, the public sector on local and regional level, labour unions and one voluntary organisation (the FR, the Swedish Association of Ethnic Entrepreneurs (the IFS), The Stockholm County Labour Market Board, The Stockholm County Council, The Social Insurance Office in the County of Stockholm, The Trade Union District of Stockholm County, The Swedish Confederation of Professional Employees in the County of Stockholm, The Stockholm Education Administration, The Stockholm Social Services Administration and 'Kommun-HSO Stockholm', which is an organisation for people with disabilities).

There are two permanent networks – one involving the private sector and one the public sector at the local and regional level. The first one is led by the representative in the SPS of the FR. The president of the SPS leads the network for local councils and departments.

Beside these two networks there are temporary networks, e.g. when trade unions have common interests or when a group consisting of partners from different sectors works with a special project during a limited period. An issue concerning a voluntary organisation can also be handled in a temporary network.

The purpose in creating separate networks for the private and the public sector is to find ideas that generate potential changes that both private enterprise and the local public sector will achieve benefits from.

'Europaforum Stockholm' is a network in the municipality in the City of Stockholm. Its duty is to keep abreast of policies and strategic work of the EU and of different EU programmes. The network also investigates funding opportunities and extends city networks to other areas of Sweden and Europe.

3.8. Comparative analysis of the territories

The regions vary from being economically developed at one end of the scale to being deprived at the other. Between these two types are regions which although are quite well developed in terms of employment rates and economic growth they still face severe problems in the labour market, as far as special target groups or special local areas (neighbourhoods) are concerned.

In order to make the very different regions comparable, we decided on the following definitions, which show simultaneously the areas (as parts of the regions), which have been considered:

REGION or Huge City	CLUSTER	Arbeitslosenquote in % (März 2001)	Wachstumsraten in % (2001)	Beschäftigungsquoten (2001) in %
Stockholm	CLUSTER 1	2,1	-	73,5 (2000)
Dublin		2,6	7,0	63,2
London	CLUSTER 2	4,6	6,8 (1996)	70,8
London-Haringey		7,7	3,6 (1996)	66,6
Hamburg		9,5	3,25 (2000)	65,6

Berlin	CLUSTER 3	16,4	0,2 (2000)	52,3% (2000)
Berlin-Neukölln		22,1	-	38,55%
Cantabria		14,0 (2000)	1,26 (1999)	47,2 (2000)
Sizilien – Provinz von Catania		29,4 (1998)	1,5 (1998)	31,8 (1998)

Stockholm and Dublin are amongst the foremost regions in Europe, concerning economic growth rates. The unemployment rates are between 2.1 % (Stockholm) and 2.9% (Dublin). The employment rate is highest in Stockholm at 73,5 %, in Dublin it's 63 %. Whilst Stockholm has also a high employment rate of women – roughly the same as for men – in Dublin only 47% of women are employed. Both cities have a huge amount of small businesses and micro-enterprises, predominantly in the service and IT-sector. Ireland, and especially Dublin, is an extraordinary success-story with economic growth rates of 10% since 1994. The key factors of Dublin's economic boom are inward investment (attraction of foreign investment, specially from the U.S.), the EU membership, the Social partnership and the political consensus as well as the fact that Ireland had a small old industrial sector so that little restructuring was required. 50% of the population is less than 30 years of age – an additional attractive factor for foreign investment. Despite this enormous boom of the last years, Dublin has a long way to reach standards of other cities (in terms of public transport, health services, childcare facilities for instance).

More than 150,000 companies are active in the region of Stockholm – by 744,000 inhabitants. Kista – the upcoming science city of Stockholm – is presently one of the world's leading IT regions. During the year 2000 a record number of jobs were reported to the national employment agencies.

In both cities the main problem is the lack of a highly skilled work force and simultaneously a relatively high amount of long-term unemployed people or social welfare recipients (Dublin: 36.000 long-term unemployed, in Stockholm during 1999 62,400 people received welfare benefits). The Dublin economy is highly dependant on the U.S. market and the high percentage of young work force is decreasing.

Hamburg 9,5% and London-Haringey 7,7% are cities or regions with unemployment rates of (Hamburg) and (London-Haringey, London: 4.6%) and a relatively successful development in the last years concerning the decrease of unemployment and the increase of economic growth. Whilst the key factors of both cities in terms of economy and employment rates present themselves as being in very good shape – both cities are the richest in Europe - there are big regional differences within both cities and also within the boroughs. For instance Haringey is much wealthier in the west (Hornsey) than in the poorer eastern district (Tottenham). In both cities a high proportion of ethnic minorities – Haringey includes the most ethnically diverse population in England – and disadvantaged groups are the main target groups of the labour market.

Cantabria and Sicily, the cities of Santander and Catania, as well as the region of Berlin-Brandenburg and the city of Berlin, specially the TEP-district Berlin-Neukölln, are regions with high unemployment rates (Cantabria 15,7%, Berlin-Neukölln 21%, Catania more than 20%) and huge economic problems. The common main problem is the lack of jobs and the high rates of long-term unemployed and of other disadvantaged groups, like unskilled youngsters, disabled or elderly people. The service sector is less developed compared to the other regions above and economic development is, partly, still dominated by restructuring the old traditional industries, accompanied by mass redundancies. The single regions are obviously not homogeneous ones but very differentiated. There are, for instance, huge differences between the coastal areas, offering a more developed and dynamic economy and the hinterland with poor and deprived areas (Catania/ Sicily and Cantabria). In Berlin – Neukölln, the situation is similar to the one in London – Haringey: North - Neukölln with an unemployment rate of roughly 30% (156,000 inhabitants) contrasts with the other parts of Neukölln like Rudow, Britz and Buckow dominated by middle-class houses, better living conditions and lower unemployment rates.

The main problem of prosperous areas like Dublin and Stockholm, similar to London and Hamburg, is the lack of sufficient skilled workers and the skills deficit among the long-term unemployed. In addition, many youngsters start low-skilled jobs without completing qualifications (Dublin).

The central topic of these cities is the access problem:

- How can disadvantaged groups being integrated into the labour market, i.e. in market-oriented jobs?
- How can the gaps between the generally developed city and some deprived areas within the city be bridged?

The other regions face similar problems, too but their main topic is another one: it is job creation.

- How can additional job opportunities be created?
- What are the endogenous factors of job creation in those areas?

4. Good Practice Examples for the Involvement of Enterprises in Local Partnerships – including the view of the experts

4.1. London-Haringey

4.1.1. The North London Stansted Partnership (NLSP) – Runway to Work

Introduction

Haringey has been working with BAA and other airport employers such as news-agents, catering outlets, hotels and baggage handling companies at Stansted International, London's fastest growing airport, some 40 kilometres north east of the city. Over the next five years up to seven thousand new jobs such as baggage handling, aircraft maintenance, check-in, security, catering and retail are planned. However, with severe restraint on growth in the area surrounding the airport a large number of airport jobs are unfilled. BAA and other airport employers need to find large numbers of recruits with the right skills while in Haringey and adjoining boroughs, only 29 minutes away by rail, there is a large and diverse pool of long-term unemployed.

Main Objectives

One of the main objectives of the Haringey Employment Strategy is to enhance the employment prospects, education and skills of local people living in the area, particularly the young and disadvantaged, and promote equality of opportunity.

The Stansted Intermediary programme (Runway to Work) works to improve both the employment status and the employment potential of young people in the Haringey area. Specifically, it targets the unemployed living within the Tottenham parliamentary constituency to enhance their opportunities for employment. Employment opportunities are considerably enhanced through participation in this project, with prospects in the working environment in general improved through the development of full customer relations skills, workplace inter-relationship skills and targeted, practical vocational skills.

Runway to Work aims to provide the disadvantaged jobseekers of Haringey and neighbouring boroughs with the necessary motivation, training and employment skills to meet the recruitment needs of retail and service sector employers at Stansted Airport.

The project's other main objectives are listed below:

- To ensure that the wealth generated by an area with major economic growth potential is shared and distributed within communities currently largely excluded from this opportunity. Up to the start of this project, the workforce at Stansted has been almost entirely white while the Runway to Work recruits come from very diverse backgrounds.
- To provide aspirational and sustainable employment for 150 participants throughout an 18-month pilot phase.

- To change the employment practices of employers in Stansted and the travel patterns of Haringey jobseekers.
- To influence the planning and policies of key transport providers who operate within and through the London Borough of Haringey
- To develop a model of best practice for the delivery of workplace support, to increase the body of knowledge in this area and maximise the success of future mentoring & support schemes

Short Description

This project provides a 5-week training modular programme developed in conjunction with employers at the Airport. While "demand" and "supply" seem easy to bring together, unlocking the potential is not as simple as it sounds. The key issue for the project has been to merge the two cultures: the modern international airport in the affluent white "home counties" countryside and the multi-cultural, working class, disadvantaged inner city.

The programme tackles the retail and catering skills shortage and large numbers of vacancies at Stansted Airport with long term unemployed clients from Haringey. The project is taking on 180 unemployed residents of Haringey over an 18 month programme. Of these, 150 will move into employment in the retail and catering sectors within Stansted Airport with the aim that 80% of the successful candidates will still be in work after 6 months.

In order to achieve these aims the key objectives include

- Ensuring client flows from Employment Service and the Reed in Partnership Employment Zones
- Achieving 90% completion rate on the training programme
- Guaranteed interviews with range of employers within Stansted
- Moving 90-100% of successful candidates into employment
- Supporting and mentoring successful candidates to maximise retention rates

Each 5-week programme

- Prepares participants to meet the requirements of a specific Stansted employer with a tailored programme.
- Addresses barriers identified via an ongoing assessment programme that have affected the participant's ability to get work.
- Provides participants with employability skills training and specialised retail / customer service training designed with Stansted employers.
- Exposes participants to genuine work environments as an essential part of the course.

The programme also

- Guarantees participants at least an interview by the end of the programme.
- Utilises the subsidised transport between Haringey and Stansted, reducing the cost to £60 per month which are paid by the project.
- Provides Lunch Vouchers during training and the first 16 weeks of employment.
- Processes the security checks required to work at Stansted
- Facilitates a Mentor to support participants throughout work experience and employment, dealing with problems that may arise for both participant and employer.
- Rewards successful candidates with a contribution to travel costs for second six months (paid by BAA).

Role of the Enterprise

The North London Stansted Partnership which manages the project consists of Haringey Council, Reed in Partnership; Employment Service (Leaside District); the Learning And Skills Council (north London) the Tottenham Partnership and BAA. Both the Employment Service and Reed in Partnership draw on their experience of dealing with and placing disadvantaged people into work and utilise the strong relationship with BAA Stansted and airport employers to provide a successful intermediary solution.

The role of BAA is to encourage employers at the airport to participate in the scheme by using their position as the landlord of the airport.

The project is evaluated at three levels:

- Operational Management – both of the operational staff (the trainer and the mentor) work to a performance-related bonus scheme, to ensure that they are motivated and driven to make the programme a success.
- Partnership Management – the North London Stansted Partnership is the ultimate management board for the Runway-to-Work programme. Its performance in all key areas will be analysed, with monthly reports prepared by each of the partners in turn to carry evidence of both good and bad practice up to the board where it can be acted upon.
- Contract Management – The funding for this project has been obtained from a governmental regeneration funding scheme which is delivered locally via its Tottenham Futures programme. Reed in partnership are the contract holders for this project and are regularly monitored by the regeneration programme monitoring procedures.

The combination of these three approaches sees a large amount of management information being collated in a range of areas. This is collated by the Project Manager and by Reed in Partnership Operational Management for presentation to the partnership board at the regular monthly meetings, who then feed recommendations for change back through the responsible organisations.

Innovation and Transferability

The innovation for Runway to Work lies in finding simple solutions to a range of barriers.

- Getting the unemployed to look beyond their immediate environment has been important. Local job seekers needed to be persuaded that Stansted was an easy place to get to. A deal was brokered by BAA with bus and train providers so that workers from this part of London could get to the airport by train for £60 per month – cheaper than going to the city. And the local bus has been retimetabled to link with early morning trains.
- Giving the long-term unemployed, who have never had a job and have few or no academic or vocational qualifications, the chance to learn habits and attitudes likely to impress a customer focused private sector employer. Well-designed customized training can work well for poor inner city communities. The course prepares each client with basic employability skills training and to meet the requirements of a specific Stansted employer with a tailored preparation programme;
- The key to merging cultures is to show employers by example that the inner city people can do the job and for inner city unemployed to have the confidence to travel outside their local territory to work. Early failures and consequent bad publicity at both ends of the project need to be avoided. Work experience is a valuable introductory mechanism that reduces risks on both sides.
- There have been perceptions of Londoners at the airport that needed to be challenged through successful role models. Londoners are seen as rough, uneducated and too street wise, and ethnic minorities an unknown proposition. An important component of the customized training is a familiarization programme to give trainees a full appreciation of the airport and the problems they might encounter working there so that people can explore their own ways of resolving these on an individual basis.
- The project has become a real test of people skills, with mentoring and in work aftercare support proving essential.
- The cost of training and working at Stansted has been an issue. Lunch vouchers are provided during the training course and fares to Stansted are covered for the first 6 months for work experience participants. BAA have also contributed to the success of the scheme by paying for the travel costs of the participants for the second six month period of their employment.

- In north London, the local population has not been used to seeking work outside London. Local job seekers have needed to be persuaded that Stansted is an easy place to get to.

Transferability

It is envisaged that Runway to Work would work well in other European cities.

- Major cities have airports.
- Airports are growing in size and number and therefore are a source of jobs.
- In many cases, cities have pockets of deprivation and high levels of unemployment where a targeted local airport employment programme could be developed.

Results

The Runway to Work project started in January 2001 and is due to finish in June 2002. So far, 62 people from a cohort of 80 have obtained permanent jobs. The project is on target to achieve its aim of 180 people into permanent jobs by June 2002.

Financing

Runway to Work is financed by a mixture of contributions. Single Regeneration Funding from the Tottenham Futures Programme is matched by funding from Haringey Council's employment budget. BAA, Enfield Council and the North London and training Council have also contributed. Funds are also utilised from the Government's programme "New Deal for the Unemployed" as well as funds from the Haringey Employment Zone.

4.1.2. CREATE – Training and Employment Initiative

Introduction

CREATE Tottenham is an Intermediate Labour Market project that uses the vehicle of recycling white goods such as fridges, cookers, washing machines, and to a small extent, computers. In doing so, it offers a sustained training & employment support programme to disadvantaged Tottenham residents. Opportunities exist across a range of business functions to maximise self-confidence and job-readiness, either for a job at CREATE itself as a trainer, engineer, administrator, stock-controller, warehouse operative or through employer links that the project has made with the public or private sector.

Main objectives

In 2001/2002, the project sets out to achieve 3 key objectives highlighted below:

- Cement a seamless training programme in engineering, warehousing (including forklift truck driving), administration & retailing with support components of literacy, numeracy and ICT, and ensure trainee throughput on a quarterly basis. CREATE has developed key delivery partner links with:
 - a)** the Employment Service so that referrals of New Deal candidates can benefit from the project,
 - b)** Waltham Forest College so that engineering training can be accredited,
 - c)** Haringey Adult Learning Services, and the College of North East London, so other barriers that trainees face e.g. literacy and numeracy, and acquiring familiarity with basic computer skills, can be addressed by these local partners.
 - d)** CREATE will work as part of Project Employ in order to build improved connectivity to the provision offered by other partners' for inward and onward referral processes.
- Generating sales from links to Housing Associations, local companies and other potential purchasers to create demand and expose trainees to potential work environments. The project will achieve this objective by:
 - a)** Increasing opportunities for more goods orders to emerge from organisations that would welcome reducing their purchasing costs of white goods and see the benefit of supporting a project that champions environmental good practice. This investment will enable the proportion of CREATE's income from sales will increase to attract additional resources and over time, reduce dependence on public funds.
 - b)** expand into new markets e.g. by making computer recycling a stronger feature of our existing operations, enabling cost-effective re-sale.
 - c)** Marketing goods and opportunities to potential purchasers including organisations and local residents.
- Achieve jobs targets: Create links with potential employers and improved marketing. Trainees will benefit from job search support, work experience, work trials, visits to employers, and sustainable jobs for residents on training. The benefits of Dixons Store Group on the CREATE Board has facilitated links to a number of private sector employers including Dixons subsidiaries such as Mastercare, GDA (which manages Hotpoint & Electrolux), and Great Universal Stores (in Edmonton), Vodafone, Railtrack amongst them.

Short Description

CREATE aims to break the cycle of long-term unemployment in Tottenham by providing a high quality, salaried and rigorous training environment that mirrors 'real life' working conditions in the field of environmental recycling. It achieves this in ways that results in residents acquiring jobs, improved employment prospects, exposure to work environments and work experience on-&-off site.

CREATE aims to improve the environment by professionally refurbishing used household and offices, including fridges, washing machines, cookers and computers that would have gone to waste. Goods are resold to local people at affordable prices, and purchased by organisations and companies, at competitive rates. Sales income is then reinvested back into CREATE as a social enterprise, to contribute towards trainees' salaries. The reconditioning of end-of-life appliances enables:

- raw materials such as copper, aluminium and steel to be re-used
- energy and raw materials to be saved by extending product life of appliances
- where safe, enables salvaging of parts to build new appliances
- careful removal of harmful CFC gases from fridges & freezers before recycling

Role of the enterprise

As a new social business in itself, firstly CREATE makes use of products that would ordinarily fill landfill sites, and benefits from landfill tax reductions as a result. It has created local business opportunities by offering domestic appliances to professional standards for resale at low prices, making purchasing attractive to Housing Associations, private landlords, and local residents alike. Sales of goods are reinvested into CREATE, able to contribute to trainees' salaries.

A pathway of vocational and pre-vocational skills curriculum has been timetabled with flexible input by partners to meet specific needs on-site e.g. literacy, numeracy, ICT skills etc. The 'soft skills' that employers seek: discipline, good time-keeping, attention to detail, customer handling skills are a part of the training programme, along side 'hard skills' such as stock-control skills, forklift truck driving, engineering skills and computer usage.

The borough has few private sector employers, particularly absent are head office operations in the borough, hampering partnership working and local job opportunities (Competitiveness Audit, 1999). This is a long-standing issue: two years previously, the Employment Commission recommended that links be made explicitly to those outside Haringey for residents to get jobs. 'Genuine partnership between employers, employees, residents and training providers in neighbourhoods seems a long way off' (London North LSC, Social & Economic Assessment April 2001), but CREATE has made a pro-active start.

Innovation and transferability

Poverty

The number of households with incomes under £10,000 per annum is highest in Haringey, compared to Enfield, Barnet and Waltham Forest. Haringey is no longer a major employment centre since the local manufacturing industry declined, resulting in few high tech manufacturing businesses being located here (Haringey Competitiveness Audit, April 1999). An estimated 35% of all unemployed residents have no qualifications at all, and over the past 10 years, Haringey has the lowest or second lowest average wage in London. (Haringey Council, Economic Development Plan, 2000/2001). The Tottenham constituency in particular suffers a strong polarised position in the labour market, with social, institutional and economic problems resulting in multiple levels of deprivation. Some of Haringey's poorest performing schools, and concentration of social housing are also in Tottenham, where together with social problems e.g. lone parenthood seriously affect quality of life and life chances from the start for low income families. (Haringey Competitiveness Audit, April 1999).

Trainees are able to sustain themselves during the training period, by benefiting from the equivalent of a salary (approx. £7k each) that does not compromise benefit claims.

Discrimination

The Employment Commission also considered that 'the uneven impact of unemployment across east/west divides in Haringey provided a 'powerful prima facie case that discrimination, both direct and indirect, remains a major issue, confirmed further by focus groups with young people (page 20, HEC, 1997) Black & ethnic minority communities are concentrated ranging from 37% of the ward population in White Hart Lane to 61% in Bruce Grove drawn from non-white communities, compounding their exclusion. (1991 Census, Haringey Council). The Census is dated. Anecdotal indications are that % are likely to have increased). The Haringey Employment Commission on 'Tackling Unemployment' (1997) identified 47% of young black men in Tottenham were unemployed, and although being dated, the issues it raises remain largely unchanged.

CREATE aimed to recruit 60% of its beneficiaries from black and ethnic communities, and has outstripped this target in 2001/2002 with 100% of the recent cohort of trainees being drawn from these communities.

Long-term unemployment

is significant in Tottenham wards, ranging from 11% in West Green to 21% in Park (Haringey Ward & Borough Level Statistics, April 2001). On some estates length of unemployment exceeds 5 years for as many as 25-30% of residents, compared to 5% in London overall.

In Seven Sisters, 44% are economically inactive (Residents Baseline Study in NDC area, MORI, 2001). Incidentally, 39% of those economically inactive in Seven Sisters prioritise getting a job but identify barriers such as suitability of work available, understanding/speaking English and a lack of qualifications and skills. The London North LSC identifies a 'core group of unemployed people' with multiple disadvantage and requiring high levels of resourcing and support.

Technical Skills and Non-Technical Shortages identified by employers include rising demand in North London for clerical & administrative staff, sales staff, craft & related occupations (18%), personal & protective services, and plant & machinery staff (10%). Forklift truck driving is a notable gap in the area. Employer interviews also highlight the need for 'non-technical skills such as reliability, communication skills, and personality' (London North LSC, Social & Economic Assessment April 2001).

Results

CREATE will work with at least 15 young people and of these, ensure that at least 9 CREATE trainees, predominantly young male and all from black & ethnic minority communities will acquire training, and subsequently, jobs in private and public sector organisations.

CREATE has built up employer links with the benefit of private sector involvement on its partnership board and will attract 6 employers to volunteer to take up trainees as work placements.

CREATE offers soft skills that employers value and give exposure to trainees through work placements, work trials and jobs that reinforce learning acquired at CREATE e.g. discipline, punctuality, reliability, skills in customer-handling, communication and teamwork.

CREATE will co-ordinate 3 capacity building events to improve project marketing amongst public & private purchasers, employers, the local community and visits by trainees to employer premises, contributing to generate increased sales of recycled goods. CREATE will generate £218k of its own income from sales, improving circulation in the local economy.

CREATE trainees will benefit from a sustained hard and soft skills training programme, earning a salary that avoids benefit conflict whilst training on the job. All trainees benefit from training in first aid, health and safety requirements, computer usage, literacy and numeracy skills, and work experience opportunities with employers.

It will result in 281.6 training weeks, 48 qualifications or units towards qualifications, and 9 jobs obtained by residents trained and supported into employment.

Finance

CREATE has obtained funding from various sources. These include European funds, English Partnership funds, Single Regeneration Budget, Haringey Council, Dixons and the Employment Service.

Experiencing CREATE – The View of the Expert: A Personal Account by Bettina Papenburg, gsub mbH, Berlin

1. Objectives

The project CREATE is a genuine social enterprise. It is primarily concerned with training and qualification in the recycling business. The project has two main aims. The first aim is to recycle white goods and sell them cheaply to people who cannot afford more expensive goods. The second aim is to train people in fixing white goods so that they gain a qualification. Both help the community. The project helps individuals who are not job-ready to acquire soft skills and the reference of an employer, so that they will have a better chance in the wider job market.

2. Short description

The place

The project CREATE is located in a former industrial area of Tottenham, North East London, ten minutes walking distance from Tottenham Hale tube station. After passing through a showroom, where washing machines and electric cookers are displayed, the visitor finds himself in a huge factory hall, which is separated into different sections by tiny walls. Fridges, freezers, cooling fins, shelves filled up with electronic motors and, again, washing machines pile up in between: White goods. The visitor sees young – mainly black – men who kneel in front of the machines or put them on tables. In the middle of the hall, there is an office, a fully computer-equipped training room and a common room with tea-making facilities and a table football game. At the outer edge of the hall, another long but narrow and darker hall adjoins. From the floor to the roof this hall is filled with hundreds of white goods, which are unloaded from a lorry that parks at the gate.

White goods have been recycled in this Tottenham factory building since June 2000. Here, young men, between 18 and 24 years of age, – young women are encouraged to participate, but have not shown much interest in the business, so far – are trained for their NVQs in household engineering. They undertake practical work at the factory and are trained in social and communication skills by trainers from the project itself and by external trainers from a local teaching service.

The first group of 30 trainees left the training, a month ago. Three of them have taken up work. One works as a warehouse operator, another one works in a bank. This shows, that after having received training at the factory, people do not necessarily proceed into the household engineering business. The opportunity to gain work experience – ‘work with a safety net’ – and the reference of an employer helps individuals to make the first steps into the more general labour market.

On a visit to the project, Yolande Burgess, from the local Employment Service, was spoken to by a trainee who had five mobile phones. The trainee said that this was because 'this phone is free from 8 to 10, this one is free from 10 to 12 ...'. Now, he sells mobile phones for Orange.

The Partnership

Two and a half years ago, Chris Shellard from Haringey Council kicked off the project. The local authority was a main driver at the beginning, with Chris playing a special role in terms of helping to obtain finances and giving the project credibility. The method of co-operating between the different actors of the project could be described as a formally organised combine or merger in terms of the finance. There is a clarity about roles. The local companies who are involved in the project, co-operate on the basis of a network. The level of co-operation among the different actors has varied over time. The participation of Dixons and of the local authority have been central to the project's success. The Employment Service, in this case, was reactive to employer requirements. An individual man, a local priest, who is motivated by community spirit, has contributed a lot to the project.

The Problems

The business plan was too optimistic. A lack of planning in the beginning has to be noted. This resulted in the building not being ready when the project was meant to start in June 2000. The production team started in July. As a consequence, the trainees remained in College for three months, when they were supposed to receive a joint qualification, that is, going to College alongside acquiring work experience. However, the friction that resulted from the problems was overcome with an attitude of belief in the success of and commitment for the project by working through these problems each day.

3. Role of the enterprise(s)

The project would not have been possible without the major commitment of Dixons Stores Group. Even though Dixons financial contribution plays a minor role in the project's overall financial architecture, Dixons material contribution is vital to the project's kick-off and duration. In providing thousands of defective washing machines, refrigerators, freezers and electronic cookers Dixons lends the project its material substance. With this gesture Dixons not only demonstrates its social and environmental ethos but, moreover, anticipates the EU regulation to come in 2006 on the production / selling companies' duty to recycle the faulty white goods. An affiliate regulation applies to refrigerators already. Refrigerators are not to be disposed of without former degassing. The degassing of refrigerators is a service that CREATE offers to Dixons in return. CREATE takes care of and works with Dixons waste.

Dixons not only offers the raw material, but has also released staff to CREATE. The first manager of CREATE London was a former employee of Dixons.

The project is frequently visited by representatives of firms from the relevant branch of the economy, which gives the trainees the option to get in touch with potential employers. One of the employers is Dixons.

To conclude, in the case of CREATE the large company that acts as a parent in the give-and-take ratio of the project was necessary for the setting-up and the success of the project.

4. Innovation and Transferability

One product innovation of the project is linked with its newly acquired task of recycling computers. The recycled computers, a charitable resource themselves, are given to charities at a very low price.

One context innovation that is brought about by the project is the combination of two different outputs. For the community in a rather deprived neighbourhood affordable goods are produced locally by simultaneously training disadvantaged people in fixing them.

In the history of the project, transferability has been a key feature. The original idea of CREATE was adopted from France. The London project itself was initiated with the help of the experience that has been gained by CREATE Liverpool. The Liverpoolian staff assisted with the training of the London staff.

The transfer of the project to Berlin is an interesting possibility. However, a precondition for the transfer is to learn from mistakes. In Berlin, outlets for recycled and price-reduced white goods exist as well as social businesses that train young unemployed people in fixing washing machines. I do not know if a combination of the two activities exists. If not, the London example is well worth considering when venturing out for new employment projects for Berlin.

5. Results

The project itself is a result. A factory has been created and washing machines have been sold. Three trainees from the first group have taken up work. Additional training vacancies for thirty people each year will be created and the second group of trainees has just enrolled.

One particular strong point of the project is the idea of the recycling element. In the process of putting this idea into practice the problem of providing first work experience for seriously disadvantaged individuals is tackled. By working on the project the young people can learn to develop a good attitude to work. This links into personal development, self-esteem and realistic prospects for employment. The quality of the training is high – environment and community training are included. By training local people for higher qualified jobs, the project improves local commitment. So, the local structures also gain from the project. Besides, social organisations are helped by being given functioning white goods and computers at a very low price.

Pushing the project further, the interview partners plan to improve the marketing of the project by gaining attention through publicity at a local level. Furthermore, the sales will be improved at the local level to make the project self-sufficient by giving it a stronger business focus.

The people who are involved in the project are constantly looking around for new ideas. They have already started to extend the general idea to recycling of computers. The recycling of gas cookers is planned. In this line the training centre can be used for local people's improvement of computer skills – 'Buy your own PC and train!'.

6. Financing

The project is supported at the national, local and the European level. The capital investment (90%) has been made by the State through English Partnership Money set in the framework of the New Deal. Haringey Council, as local government, has supported the project too. In addition, the project is supported by money from the European Social Fund. The private sector investment, Dixons Stores contribution, plays a minor role in the financial architecture of the project.

The finance of the project was – and still is – quite a challenge. CREATE is a social enterprise that works like a business. Since the EU funding policy classes projects into training projects, on the one hand, and profit-making projects, on the other hand, CREATE does not fit in easily. For the hybrid CREATE no tailor-made financing is available but has had to be created. Hence, the structure of funding is complex. In its complexity it is not fully understood by the people who are running the business.

4.2. Hamburg

4.2.1. 'Round Tables' – A project of the Chamber of Commerce for enterprises in times of crisis

The project „Round Tables“ is managed by the Chamber of Commerce in Hamburg. The Lawaetz-Foundation has access to contacts of the project because of its role as the Technical Assistance of the Territorial Employment Pact the „Hamburg Initiative for Employment and Vocational Training“ in which the Chamber of Commerce takes part. But the Lawaetz-Foundation does not participate in the project. That means that all information in the following are a look from outside and not a look from inside as a partner of the project.

What are the 'Round Tables'?

Many new enterprises as well as established enterprises can face serious economical problems. Declining demands, delays in adapting business structures, delays in the request of payments etc. are only some examples of problems. The result could be the risking of the enterprise and its employees.

Under the leadership of the Chamber of Commerce the concept of the “Round Tables” intends to bring together all institutions which can make contributions to save the enterprises in crises like

- an analysis of strengths and weaknesses and/or
- the development of measures for the securing of the enterprises and the employees/jobs.

Contact institutions for this kind of counselling are the Chamber of Commerce and the Chamber of Trade.

Who are the partners of the project?

- Chamber of Commerce Hamburg
- Chamber of Trade Hamburg
- Deutsche Ausgleichsbank/DtA (a federal agency for the promotion of SMEs)

Goals

The partners of the “Round Tables” the Chamber of Commerce, the Chamber of Trade and the Deutsche Ausgleichsbank aim to offer informed advice to enterprises in crisis. The existence of the enterprises (who cannot solve their problems with their own resources even though they have been successful) and the jobs of the employees are safeguarded by this “in time” crisis management.

The different modules of the ‘Round Table’

- In the first meeting between the enterprise and Chamber of Commerce the situation of the enterprise is analysed.

If a more detailed analysis is necessary:

- The chamber sends an expert (‘godparent’) to the enterprise. The expert analyses the situation, which is the basis on which to decide about further measures.
- A further measure could then be a ‘Round Table’: meetings of all affected creditors and debtors. The chamber has the role of a mediator.

In different steps a concept can be developed, which aims to stabilise the economical situation of the enterprises.

The responsibility for carrying out the measures lies in the hands of the enterprises. The enterprises do not have to pay for any advice. The Chamber of Commerce and the Chamber of Trade have a pool of experts. The experts are professionals but they work as volunteers for the project “Round Tables”.

The results of the 'Round Tables'

Until April 2001 more than 475 enterprises with altogether about 3,800 employees have been in contact with the Chamber of Commerce Hamburg because of a crisis. In 125 cases experts have been sent into the enterprises to analyse the economic situation and to develop concepts for the future of the enterprises.

Why did we choose the 'Round Tables' as a good practice?

The 'Round Tables' is not a typical example of a network and therefore in our eyes an interesting kind of network. The project in like manner shows how varied networks can be:

- Only the Chamber of Commerce as a kind of intermediate actor always takes part. The other participants, the experts, the creditors and enterprises/debtors always change.
- The 'Round Tables' do not create jobs as many other networks try to do, but they try to 'save' enterprises and jobs.
- The 'Round Tables' requires conditions which can be found in other regions/cities and which can facilitate the transfer.

What is the innovative aspect?

- Counselling enterprises in crises, which have good perspectives in the market with their products or services, can help support competition.
- Supporting enterprises in crisis can help enterprises learn from their experiences: the management staff can be enabled how to handle crises in the right way
- The 'Round Tables' protects jobs, which had been already set up in the enterprises.

The transferability of the 'Round Tables'

The following conditions for the transferability of the 'Round Tables' into other regions are:

- Helping businesses stay in operation should be a goal of the local employment policy.
- There needs to be an intermediate actor with
 - knowledge about business management,
 - radiate confidence in the enterprises, and
 - 'soft skills' to get in contact not only with the enterprises in crises

but as well and especially with the creditors

Benefits:

- Enterprises gain free business counselling, because in many cases financial aspects prevent them from having a consulting office.
- A 'pool' of experts, who offer their service and knowledge for free in the network

4.2.2. 'hep' – The Hamburg programme for Business-Start ups

Hamburg is a metropolis of economy, science, technology, education and culture in the north of Germany. Hence the region of Hamburg offers ideal conditions for business start-ups.

The Lawaetz-Foundation is a partner in the 'Hamburg network for start-ups' and has contacts with many other partners and programmes. 'hep' is one of these programmes, organised by the 'hep'-Management-Team, based in a society of the Technical University in Hamburg-Harburg.

What is 'hep'?

'hep' is an initiative of the universities in Hamburg and their partners in the research, economics and politics departments. It started in April 1999 and will end in March 2002.

'hep' is a special programme for students in universities and academics in research institutions having ideas and/or plans business-start-up-projects. The programme supports the development of initial ideas for setting up an enterprise and the first years of business.

The programme concentrates its activities on business-ideas of innovative services and new technologies.

The first information point for students and academics with start-up ideas is the 'hep'-Management-Team, based in a society of the Technical University in Hamburg-Harburg.

Who are the partners of the programme?

a) Research institutions:

- The University of Hamburg
- The University for Applied Sciences
- The University for Economics and Politics
- The Technical University Hamburg-Harburg
- The University of Federal Armed Forces
- The Science Centre GKSS
- The society of technology of the Technical University Hamburg-Harburg

b) Enterprises

- The Chamber of Commerce
- The Chamber of Trade
- The company Techno Nord Venture Capital GmbH
- Banks

c) Politics/Authorities

- The Department of Science and Research
- The Department of Economy

Goals

- The main goal is to stimulate and support activities for setting up enterprises in universities and research institutions and to accompany the first steps of the new enterprises.
- 'hep' wants to support a network between people of ideas for start-ups, enterprises and financiers.
- The idea is to create new jobs by bringing together scientific approach with business know-how.
- 'hep' wants to strengthen the technology position of Hamburg and support start-up culture in Hamburg.

The different elements of 'hep' or how does 'hep' support the start up ideas

a) general activities: advice and active support

- 'hep' advises start-ups and start-up ideas.
- 'hep' helps to find coaches and business mentors (business angels)
- 'hep' helps to find rooms/offices.
- 'hep' organises experience exchanges of start ups.
- 'hep' facilitates the twinning of scientific knowledge and knowledge about business management.

b) business plans competition

Every year 'hep' organises a business plans competition. In the first step 'hep' awards a prize for the best five ideas for a business start-up. In the second phase the participants have to work out a detailed business plan.

c) jobs for start ups

Students and researchers with high profit prospective ideas for a business start-up can apply for financing for 6-9 months: the start-ups get a contract for a part-time job in the university or the research institution and have to develop a business plan, including their business idea, possibilities on the market etc.

They can continue developing their ideas and at the same time use the infrastructure of the institution. Individuals as well as start-up teams can be financed. A group of representatives from the world of science and economics decides on the applications.

d) product orientated centres

The product orientated centres concentrate technological knowledge and the realization of ideas on the market. Results of research and development are brought together with marketable products. The development of whole business areas will be supported, not single start-ups or start-up teams.

e) Forums

'hep' offers seminars for students and researchers with ideas or established business start-ups on themes like business plans, possibilities of financing, marketing, taxes etc.

f) public relations

'hep' informs interested people on an internet-website and with a newsletter about its activities

The results of 'hep'

Since April 1999 more than 100 start-ups and ideas for setting up an enterprise have been supported. 33 start-up ideas have been put into practice, 160 jobs for individuals have been created.

29 teams have received a 'job for start-ups', 18 of them have developed to an enterprise.

Why did we choose 'hep' as a good practice?

- 'hep' is a good example for a project in which companies are involved: companies within the network of the programme and start-up enterprises as the result of the programme
- 'hep' is a good example for job-creation by supporting a special target group
- 'hep' is innovative
- 'hep' requires conditions which can be found in other regions/cities and which can facilitate the transfer

What is the innovative aspect?

One horizontal objective of the employment guidelines of the European Commission is the transfer to the transition to a knowledge-based economy. 'hep' contributes to this goal in a direct and active way because the programme supports the co-operation of science, economics and politics. In this way the programme effectively exploits sources of jobs in research institutions and universities.

The 'product' of 'hep' as well is innovative: The start-up idea must be a kind of innovative service or new technology.

The transferability of hep

The conditions for the transferability of 'hep' are:

- Supporting start ups must be defined as an important part of the local employment policy.
- Research institutions, enterprises and authorities must want to work together and to use the potential and the knowledge from each other.
- There must be a responsible institution to organise the programme.
- The programme needs financiers.
- A regional high concentration of universities and research institutes like it is case in other metropolises or big cities, presents itself the opportunity for a successful realization of such a project because of its infrastructure and short distances.

Experiencing hep – The View of the Expert: A Personal Account by Vincenzo Asero, CIOFS - FP, Sicily

The following people were chosen as respondents: Syndys Zanner, TuTech Management Assistant and project manager of HEP programme, Stefan Marx, manager of CAPSUM, a firm established within the framework of the HEP programme, located in GKSS scientific area, and Mr Kuhlmann, from the authority of Science.

Thanks to these interviews, we have collected important information that have made us deepen our knowledge of this initiative and have some considerations about the network supporting the implementation of the HEP initiative.

The HEP initiative consists of a programme stemming from the co-operation between Universities, Ministries and local Authorities aimed at the development of entrepreneurial initiatives within high-tech sectors and innovative services.

The programme is fully funded by the local government. In fact, HEP is the result of the local government will to develop an initiative with the view to creating new enterprises. Initially, attempts were made to finance the initiative through the participation in a national contest announced by the Science Ministry and aimed at the implementation of start-up actions for SMEs. However, the local government did not succeed and decided to finance this project at any rate, thereby giving life to the HEP initiative.

HEP is operated by TuTech, a company belonging to the Technische Universität Hamburg-Harburg, and tries in particular to motivate University students and researchers to develop their enterprise ideas, by helping them to produce a business plan and to facilitate the match between technical-scientific knowledge and enterprise management. Therefore, thanks to HEP, students and researchers are able to exchange their entrepreneurial ideas and take advantage of the expertise of a group of university scholars and experts.

The presented entrepreneurial ideas are submitted to evaluation, and if positively assessed, they are then eligible for the start-up phase. During this phase, the potential entrepreneur, who can obtain funding for a period ranging from 6 to 9 months to the tune of 20,000 DM or 30,000 DM, continues to develop his entrepreneurial idea and his business plan, by taking advantage of university facilities or research centres.

The following activities are conducted by HEP with the view to providing support to the enterprises going through the start-up phase:

- 1) organising the meeting with potential financial backers (banks);*
- 2) helping them to find corporate premises;*
- 3) supporting them in finding consultants for the business plan development;*
- 4) organising meetings aimed at the experience exchange;*
- 5) organising seminars on topics that are of interest to entrepreneurs.*

Since April 1999, more than 100 entrepreneurial ideas have been supported by HEP, 33 out of these were put into practice, thereby creating 164 new jobs.

The presentation of the HEP initiative and its results was then compared with the answers provided by a manager-entrepreneur of one among start-up enterprises, since the latter are the beneficiaries of HEP actions.

The interviewed entrepreneur and his partner stressed the fact that HEP had given them the chance to work out their business plan, to take part in the international fair and to exchange information with other enterprises involved in the programme. Those who have a university background often have no experience of writing business plans, and so HEP can provide an excellent support. Initially, consultations are free, and the subsequent ones are provided upon payment.

During the interview, HEP was referred to by respondents as a way to provide entrepreneurs with an opportunity to become well-known to the outside world and offer guarantees to third parties (banks, Chambers of Commerce, etc.).

Obviously, this is another important element for entrepreneurs, who during the start-up phase need to maximise their visibility and credibility with the view to developing enterprise activities.

HEP has not dealt directly with financing activities and the identification of the enterprises interviewed. However, in this and in other cases, it seems that the entrepreneur and the activities carried out by the latter, rather than HEP, should set the stage for the identification of a corporate site and the necessary funds for its development. HEP seems to be a programme that is tailor-made to SMEs, and given its nature, additional funds are expected, in that this is the only programme of this kind available in Hamburg.

Another aspect concerns the network connecting the enterprises that are going through a start-up phase. This works best as an information exchange rather than in developing new products or new markets. It is, however, important to stress that the entrepreneur knows that this network shall continue to work after the start-up phase, in that all enterprises are interested in maintaining their system of relationships.

HEP is supported by the of Science, which is responsible in Hamburg for the national competition of supporting start-ups from universities.

Mr Kuhlmann, from the Department of Science, thinks that the strong point of HEP is the possibility that it offers to students and researcher of University and research institution to develop their business ideas. For this reason the Department of Science wants to prolong the HEP programme (the duration at the moment is until March 2002. They want to engage an institution from outside to make an evaluation of the results of the programme; then, on the basis of this evaluation, they will decide on the continuation of the programme.

In terms of HEP qualitative assessment; we can say that the network levels of this initiative are undoubtedly important for AVALON purposes.

A first level concerns the involvement of local actors, who support, promote and manage the initiative. Local actors are aware of the need to foster enterprise development through the establishment of relations with the scientific world, Universities in particular, which are the natural laboratory where new ideas are developed.

As far as this aspect is concerned, the HEP programme could be transferred to other situations. This initiative is certainly comparable to those implemented in other areas, where public authorities had to face the problem of identifying ways to foster enterprise creation through the development of ideas provided by the research sector, on one hand, and enterprises, on the other.

In Europe and in other countries, there are significant examples related to enterprise development fostered by programmes involving public authorities, research centres and universities. This has resulted in different experiences, where in some cases also foresee the creation of scientific-technological parks. As to the latter, these initiatives can rely upon significant funds, even if this is not the case for HEP.

However, HEP – and this is extremely important – is considered by its beneficiaries – the entrepreneurs – as the ideal means to develop their activities.

HEP can also rely upon a second network level, which is also very interesting especially to the eye of entrepreneurs.

The entrepreneur interviewed stressed the fact that the enterprises created under the auspices of the HEP programme had set up a network based upon enterprise 'affinities'. The latter, just like a real club, can rely upon the advantages in connection with the information exchange, which in the next future could also result in agreements aimed at creating new products.

This aspect is certainly one of HEP's strengths, in that it is spontaneous and depends upon SMEs entrepreneurs perception of the needs to set up a network involving other entrepreneurs, since the information exchange could lead to new ideas or a better solution to the problems affecting SMEs, especially during the start-up phase

Last but not least, it is similarly important to mention the 'Hamburg network for start-ups', which groups all partners and programmes supporting start-up actions in Hamburg, a network to which also the Lawaetz Foundation belongs and that provides basic advice aimed at enterprise start-up.

4.3. Cantabria

4.3.1. Service Cheque

Introduction

The project called NSEC (New Sources of Employment in Cantabria, Art. 10 FEDER) managed by DOCUMENTA in 1997, and developed in Cantabria, had its origin and support in the definition of the public-private cooperation needed for it to be successful.

The support given by this network of local, regional, national and European public administrations and private regional enterprises from different areas, helped to identify Cantabria's potential to develop the New Sources of Employment (NSE), and also let us identify strengths and weaknesses.

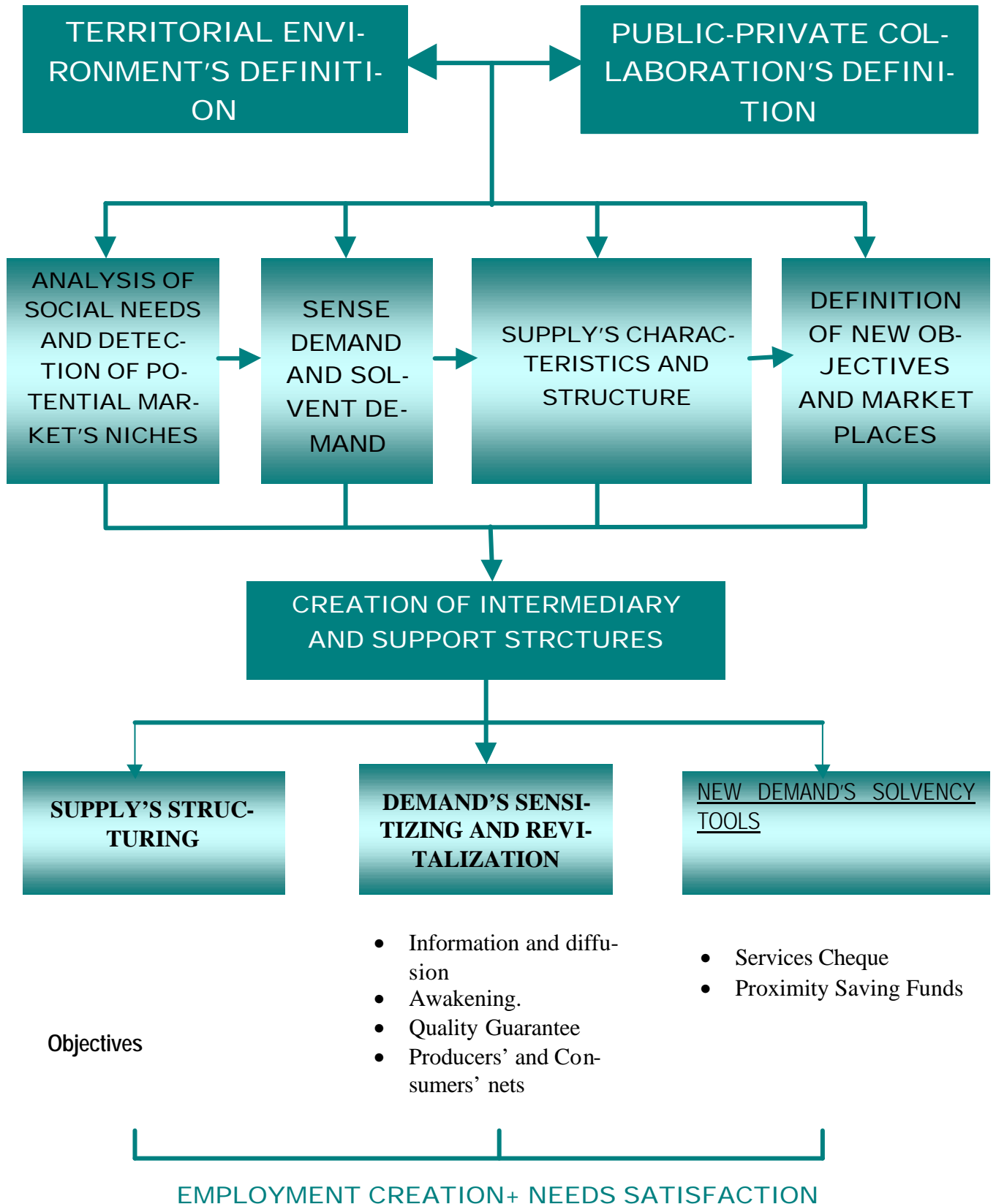
We were able to identify the supply and demand's characteristics of those services related to NSE in our region, and also the potential of the labour market. This knowledge helped DOCUMENTA to subsequently take action to stimulate this market and it is from here where the Proximity Services Centres (C.S.P.) designed by DOCUMENTA comes in. C.S.P. is designed as an intermediary structure whose aim is to stimulate the NSE's market by changing the structure of services and being sensitive to existing supply and demand.

Two C.S.Ps were created in Cantabria, one in Santander (Chief city) and in El Astillero's municipality. The need to take action focusing on helping to realise demand and the consumption of services joint to the NSE, made it clear to Santander's C.S.P. the need to start a project to stimulate N.S.E.'s in Cantabria.

The previous analysis of projects developed in other European territories and the possibilities of transferring them, enabled DOCUMENTA to design a specific project designed to invigorate the demand of services joint to the N.S.E. This project was introduced as a pilot experience in El Astillero's municipality, mainly an industrial municipality and which has a N.S.E.'s market characterized by its desestructuration and very low employment generation.

The pilot project lay in the launch of a Quality Cheque, an instrument designed to finance demand by reducing the cost per hour of the service to the user, and without this reduction having to be paid by the enterprise that gives the service.

The cooperation between the different agents which acted as support was fundamental for the pilot project's launch and following development. **ACTION'S DEVELOPMENT**



This innovative project focused on employment creation and meeting local needs, and had the following specific objectives:

- To increase and diversify proximity services' market.
- To increase demand's solvency while decreasing the cost per hour to the user, without reducing the quality of the services given.
- To promote the local retailer.
- To self-finance the C.S.P.
- To evaluate the viability of a demand financing's instrument at a local level and to determinate the strong and weak points of the cheque's circuit.

Description

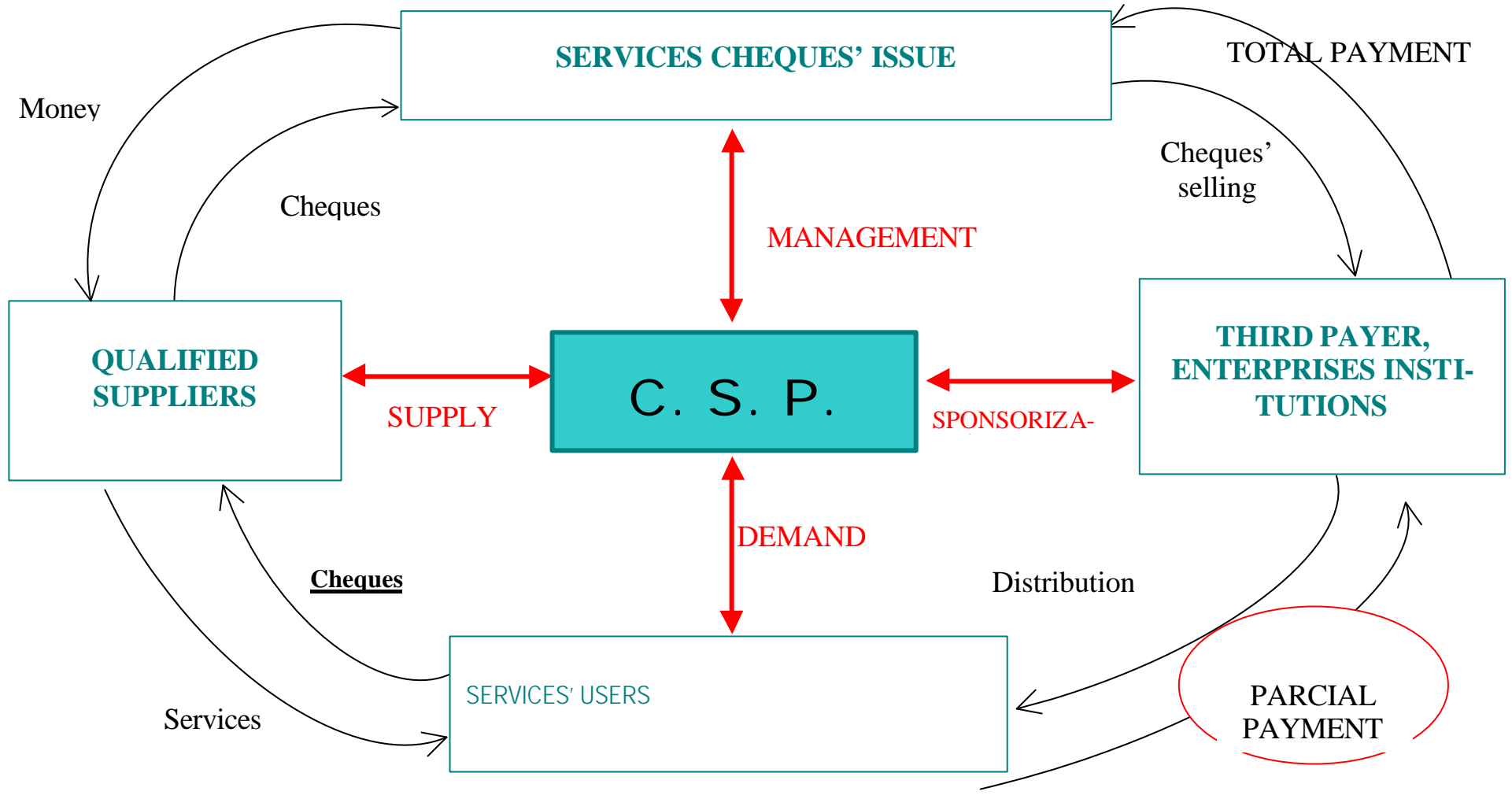
Astillero's Quality Cheque, as an instrument for demand's solvency that has joined together several and different agents, has its own characteristics which confers it as an invigorating, structuring, conciliatory and entrepreneurial element, transferable to different realities everywhere.

- The aspects that have given it the characteristics named are:
 - The territorial environment which is the Autonomous Region of Cantabria.
 - Experimental pilot project developed in El Astillero's municipality.
 - Its design has given response to the previous research of N.S.E. done in Cantabria, what means that it matches with the existing reality.
 - Its definition as an instrument focus on making solvent and sustainable the proximity services demand at a local level.
- The cheque had a nominal value of 1.000 ptas./hour for the service given (6,01 €), but the user could get it for 700 ptas. (4,20 €) (if it was bought in the CSP) or for 600 ptas. (3,60 €) (if the user also shopped at the local retailers which participated in the cheque's circuit).
- Private sponsorship let the users save those 300 (1,80€) ó 400 ptas. (2,40€) per cheque.
- Its definition as a multiservice cheque let the users access many different services through one instrument.
- Its generic character made the cheque's circuit easier as one could use it for anything. Anyone could access the services offered through the cheque without having to take account of the user's income level.

- This instrument worked as a quality guarantee of the services given by the enterprises and of the existing jobs and also new ones, since all the enterprises giving the service had to be first quality checked by the C.S.P.
- It was an instrument to promote local retailers through their active participation in the Cheque's circuit.

This way, the Quality Cheque was not only an instrument for creating active demand, but it also helped to connect the different agents taking part in this experience of employment creation, enterprises joint to the N.S.E.'s start-up and support, and satisfying local needs.

SERVICES CHEQUE'S CIRCUIT



Another aspect of the Quality Cheque, designed by DOCUMENTA and developed in El Astillero, which should be pointed out is its way of functioning, or 'circuit'.

- The C.S.P. designed by Documenta was financed by Cantabria's Government through Ministry of Industry, Tourism, Labour and Communication; Ministry of Health, Consumption and Social Welfare; Ministry of Culture and Sports; and El Astillero's Municipality who acted as an interconnecting organ in between the financing entity and the municipality where the project was been developed.
- Some functions of the C.S.P. to be pointed out are:
 - Market's research.
 - Definition of the characteristics needed by the enterprises giving the services which
 - wanted to take part of the project.
 - Definition of the services' packs.
 - Cheque's issue.
 - Supply's structuration.
 - Demand's invigoration.
- In this circuit, the role played by the sponsor is quite important. It was a role that was assumed by a financing entity with a great regional presence (Caja Cantabria). Its participation let the users have a discount of 30% of the Cheque's actual worth.
- The local retailer also played the role of sponsor, letting the users have a discount of 10% over the Cheque's actual worth by using it in the local stores.
- The enterprises giving the service offered their services for a payment made with one of the cheques which were changed for money in the C.S.P. afterwards.
- The users got the cheques for 600 ptas. (3,60 €) or for 700 ptas. (4,20 €) in the C.S.P. and they used those cheques to pay directly to the enterprises giving them the services.

Role of the enterprise(s)

The launch of this pilot experience in El Astillero was possible due to the constitution of a social, economic and political network that worked together to develop this innovative action in Cantabria.

These different agents had different but complementary roles in the process.

Public agents:

- Cantabria's Government through its Ministry of Industry, Tourism, Labour and Communication; Ministry of Health, Consumption and Social Welfare; Ministry of Culture and Sports. These agents funded the project.

- El Astillero's Town Council who assumed an intermediary role between the Regional Government and the municipality, managing in its municipality the financing given by the regional entity.

These agents provided the Cheque's physical support, what means they supplied the physical structure in which the instrument's management by DOCUMENTA was centralized (C.S.P.'s equipment).

Private agents

- Caja Cantabria: it is a regional saving organisation which participated in this experience by ensuring a discount for the users of 30% of the cheque's final price. This organisation, with an important presence all over the region, obtained important benefits from a marketing point of view by participating.
- Enterprises giving the services: small local enterprises offered services to the users through the Cheque's circuit. Their participation in the Cheque's circuit required them to guarantee their workers' regularity and the professional performance of the services. In exchange they obtained such benefits as: definition of the services' packs, promotion of their services, detailed knowledge of the demand, public administration's support, etc.
- El Astillero's local retailers: they actively participated in this experience through the development of different sponsor's functions. This contribution let the users add to the discount they already had, a new one of 10% over the Cheque's worth. By participating in the Cheque's circuit, the local retailers revitalised their businesses.

Third Sector

- European Institute of Studies for Training and Development Studies (Documenta): the non-profit association DOCUMENTA designed, managed and coordinated the intermediary structure (C.S.P.) and the pilot experience of the Quality Cheque in El Astillero.

Innovation and Transferability

The Quality cheque designed by DOCUMENTA and developed in El Astillero's municipality as a pilot project, has its own associated characteristics which make it an innovative instrument in stimulating New Sources of Employment (NSE)

- Instrument to foment and consolidate local networks.
- Invigoration of the demand.
- Introduction to a politic of quality in the services' lending.
- Motivation of a new active politic of employment and social welfare.

- 1) The Quality Cheque designed by DOCUMENTA has benefitted participants in public-private sector's network.
- 2) The instrument has helped create effective demand by offering different quality services at a lower price than the market one. A financial regional entity (Caja Cantabria) has helped by offering a discount to the user.
- 3) The instrument has guaranteed the quality of the services offered by the enterprises (to be part of the system the enterprises have had to comply with different legal and professional criteria).
- 4) The instrument has helped regularise the informal economy.
- 5) Another innovative aspect of the Quality Cheque designed by DOCUMENTA is its contribution to employment for women. Most of the services offered and demanded are part of every day life, tasks that have usually been done by women at home. The quality offer with an available price helps many women liberate themselves from these tasks, enabling them to access the labour market.

The Cheque as an instrument for creating effective demand, for invigorating the N.S.E.'s market and also for promoting employment and wealth creation at a local level, is comparable to other experiences. But, as with any other transference of experience it must be done carefully and after extensive research.

Results

Once the development period of the Quality Cheque designed by DOCUMENTA for El Astillero had finished, the main results were:

For the users:

- Key element when deciding to use the services offered.
- The Cheque has increased the trust on proximity services.
- It is an easy way to get the services.
- It has increased the availability of leisure for the users.

For the enterprises:

- ✓ *The Cheque contributed to employment creation, new contracts were made to be able to face the demand.*
- ✓ *It stimulated the creation of new business initiatives.*
- ✓ *The Quality Cheque helped to increase the fidelity of the users and to generate new demand.*
- ✓ *It has stimulated interest in participating in future schemes.*

Main agents who participated in the project have valued it but they feel it should have been more widely disseminated and should have lasted longer.

Financing

Structure financing	(C.S.P.): Public (El Astillero's Town Council).
Cheque's circuit financing	Private (Caja Cantabria)
Self-financing mechanisms	Local retailer, enterprises offering the services.

This self-financing mechanism was going to be used in the event that the C.S.P. financed it in the long term without the need of the public aid which helped in the first stage. The contribution of the enterprises offering the services was 50 ptas (0,30€) per cheque changed in the C.S.P.

4.3.2. Academic Spin-off

In 1998, DOCUMENTA undertook the design, preparation and launch of an ambitious project which was called Self-employment Resources Centre and Spin-Offs' creation, together with Astillero's Local Development Agency; and the University of Cantabria, Labour D.G. and Industry D.G.

Through the Self-employment Resources Centre and Spin-Offs' creation DOCUMENTA tried to create a dynamic structure that:

- Brought education closer to business.
- Trained trainees, entrepreneurs and managers, adapting the knowledge they already had to the
- new reality found in the labour market.
- Detected the possibilities of enterprises' creation in the existing industrial base through the
- development of Spin-Off methodologies.

The project was designed covering two different aspects:

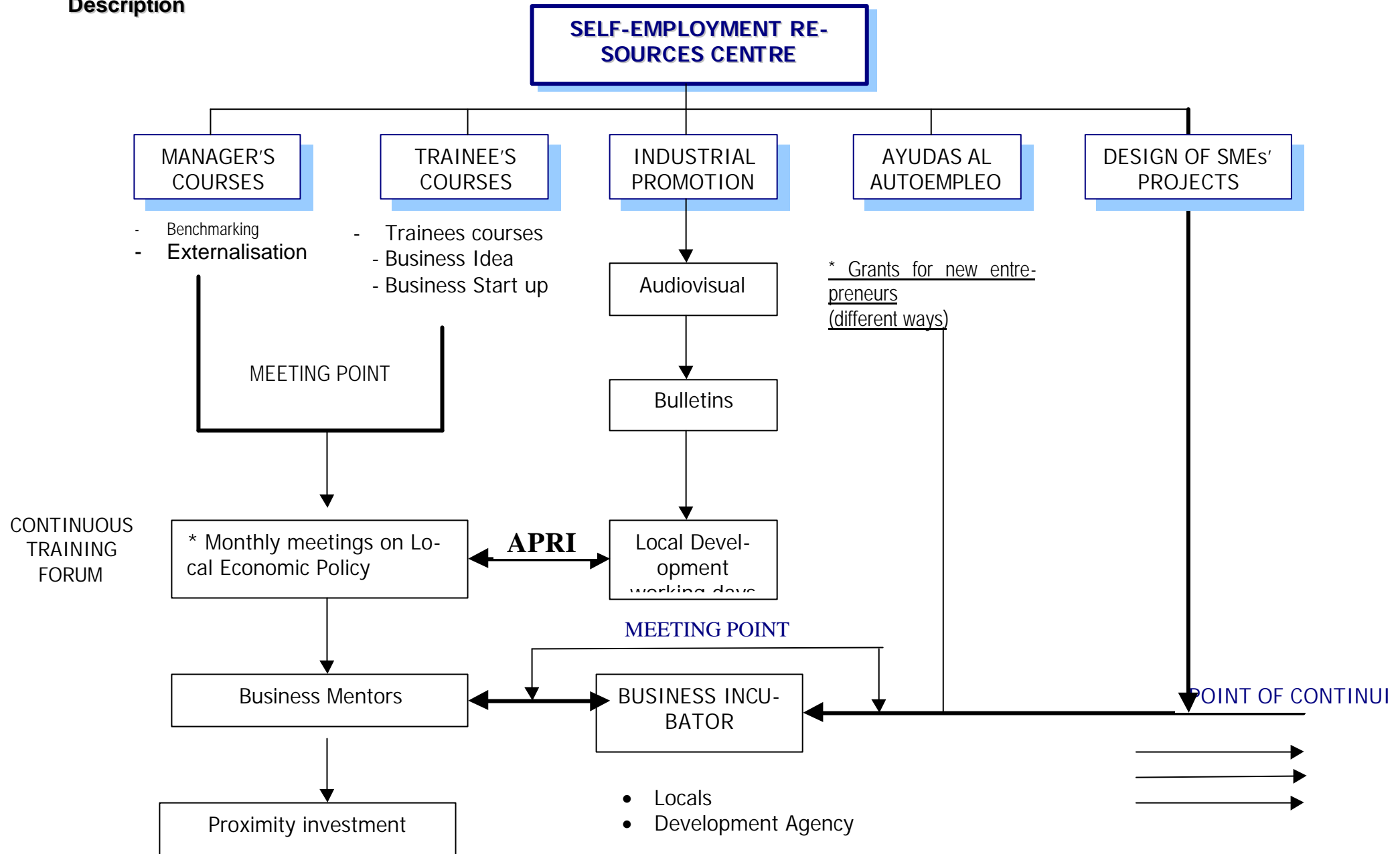
- An informative/formative side: Training courses for every agent participating in the project, advice and promotion of cooperation.
- An industrial side: Business start up (Spin-Off's enterprises) improving the competitiveness of the local economy and generating employment of quality through new opportunities.

Objectives

- To understand and disseminate the immediate characteristics of the Labour Market, showing needs and opportunities.
- To promote public/private collaboration and involvement of different agents
- Aiding sustainability based on cooperation and innovation.

- To promote new knowledge and the changing attitudes for both teachers and students and also workers and managers.
- To promote the exchange of information, best practices and experiences, discussion and debate between entrepreneurs and managers that act in the same zone, through cooperation.
- To increase SME's competitiveness and to create employment through new local opportunities and through the development of Spin-Offs' process.

Description



This innovative pilot project tried to identify the latest economic trends, making good use of existing opportunities to promote cooperation and to try out new business formulas which help to create permanent employment. That's why we decided to work with a Spin-Off's process as the way to develop human resources, in innovative businesses and creating jobs concerned with new technology. Spin-Off could be defined as an instrument to dinamise the local economy.

There were two types of Spin-Offs:

- Industrial Spin-Off: That one which is generated from a parent company, which generally belongs to the industrial sector.
- Academic Spin-Off: That one which is generated through an academical institution which usually is the University.

We structured the project in 3 different stages - different but complementary, in order to meet the objectives.

First stage: Studies

In this first stage different studies were carried out, in order to inform the next stage:

- Spin-Off's experiences: with the aim of examining best practice in other regions, and to adapt a model for El Astillero.
- Industrial Network: in order to understand its characteristics in the zone which could help inform the possibility of new Spin-Off enterprises.
- Occupation: with the aim of establishing training premises.

From the analysis of the results obtained in the study on the area's industrial network we decided that industrial Spin-Off were too difficult to work with, so we decided to focus on academic Spin-Offs, working with the University of Cantabria. This allowed us to reach young people developing as entrepreneurs.

We also discovered that the local business network didn't have a stable network of small enterprises to help them consolidate their work and make it easier.

Second Stage: Training and Co-operation Promotion

The main objective in this second stage of the project was to reach a wide training range which included managers, entrepreneurs and unemployed; as part of a Continuous Training Forum that aimed to be a meeting point.

The actions developed were:

Training

- Managers' Training
- Entrepreneurs' Training
- Trainers' Training
- 'Resources for Orientation in the Class'

For Manager's Training next courses were designed and given:

- 'Benchmarking'.
- 'Activities' Externalisation and Business start up'.
- 'Total Quality in the Enterprise'.
- 'Production's Management'.

For Entrepreneurs' Training, training focused on people with a high technical qualification, specially university's trainees that had a business idea or a business project. Two different courses were given at the University: 'Business Idea' and 'Motivation to Start up'. In a second phase, and after previously presenting ideas to a competition for business projects, a reduced group attended a more intensive course.

This training formed part of a wider itinerary with the aim of taking out of the University innovative projects to the business world, starting up enterprises and creating employment.

The project didn't contemplate training as an aim in itself, but as an instrument through which future actions could be developed.

Identified issues were:

- Information and advice on the first legal procedures and the business initial start up period were needed.
- Affordable business support needed in first 2 years
- Access to the project's specific programme of self-employment support, which were compatible with those that existed through the different administrations
- Grants for the entrepreneurs, designed to favour the way out of research projects to the 'business world' and not just limited to economic support but integral one.

For Trainers' Training: information on all those tools that could help them to increase the knowledge of the region's 'business world' they already have, was given to them, favouring that way young people access the labour market.

In addition, '*Resources for Orientation in the Classroom*' aimed to get the reality of the labour market nearer to professionals working on education and training, whose main functions are to prepare the alumni for the next step in life: getting a job.

Cooperation

DOCUMENTA developed several and different actions to promote cooperation between different participants in the project:

Continuous Training Forum Organisation of several monthly technical seminars on Local Economic Development themes.

Local Economic Policy Workshops These workshops compared experiences between projects focussing on regional, interregional and transnational cooperation.

Creation of the Web Emple@Cantabria, network of Promotion and Economic, Employment and Training's Organisations in Cantabria; this was the first Information and Collaboration network integrated by the leading organisations that work with employment training and local development in Cantabria.

Managers' Forum

All managers and entrepreneurs in the zone were invited to attend these fora.

Information and training on all these actual themes were promoted. This stimulated a debate on how to establish relations and contacts between the assistants, trying to facilitate a new dynamic and collaborative mentality among the local managers and between them, and the new entrepreneurs. This was one of the main points in our project, because through cooperation, enterprises are able to share ideas and resources strengthening their competitive advantages, but retaining their individuality.

Third Phase: Industrial Promotion

Business Incubator

The Self-employment Centre was designed and launched as an innovative project, which would explore new ideas in a collaborative way between managers and workers, contributing their experience and know how to younger people, offering information and advice to new entrepreneurs, and facilitating the materialisation of the idea through the Business Incubator creation.

The Business Incubator is a building, with an area between 200 and 300 m², that was built by El Astillero's town council through FEDER, within the framework of this project, by Guarnizo's Industrial State. It was fostered for small enterprises who aim to invest in El Astillero.

After the training period and the theoretic aspect that every new business' project has, and after the new enterprise has been advised and supported, it moves into the Business Incubator. New enterprises can stay here for 2 years.

The advantages are:

- Individual and shared equipment on site at a low price.
- Grants for new entrepreneurs.
- Seed capital
- Evaluation of viability plans, DAFO analysis.
- Advice on management and looking for new markets.
- Incentive and help procedures.
- Tax advice.
- Seminars with other groups that have passed through the same process.

Most new businesses have emanated from the entrepreneurs course, and have a high technological content, strongly linked to the University of Cantabria. These could be considered as "Academic Spin-Offs"; or they are referred to the Information Society which even though it wasn't one of our priorities, it is still an interesting development. Some of the enterprises located in the Business Incubator are:

- Estudio de Medioambiente e Ingeniería de Cantabria, S.L.L.
 - Activity: Environmental Studies, engineering and topography.
- NETBOSS Comunicaciones, S.L.
 - Activity: Information management's services by phone.
- Automatización de Entradas y Accesos, S.L.
 - Activity: Development and installation of systems to control the access to public/private buildings or houses.
- Mena&Pando Ingenieros, S.L.
 - Activity: Projects integrated in the civil engineering scene.
- Novomedia Comunicaciones, S.L.
 - Activity: New informatics design technologies and telecommunications.
- Clann Trä Infografía, S.L.
 - Activity: Photorealistic representation of projects in 2D y 3D, specialized in virtual architecture.

We can not prove a direct relation, but during the two years the project lasted and while the Business Incubator was being promoted, Guarnizo's Industrial State grew by about 40%.

Role of the Enterprises

Enterprises' role in every Spin-Off's process is clearly defined and is of vital importance.

For a Spin-Off's process to happen there must be three elements:

- A parent company with a clear intention of supporting the process.
- A product, technique or idea which can develop into an enterprise.
- Human resources with will of creating an enterprise.

In the process developed in El Astillero industrial Spin-Off were not possible so the project deals with academic Spin-Offs:

- The 'parent company's' role was played by DOCUMENTA as the intermediary who thought, designed, presented and launched the project and who put all the participating agents in touch, through the University of Cantabria and by the different public institutions that participated in the project.
- The product, technique or idea which has developed into an enterprise, was presented by the selected entrepreneurs refined and developed with the help of the 'parent company.'
- The Human resources with the will of creating an enterprise were the entrepreneurs themselves. These people because they were in the the academic Spin-Off's process, came from the University of Cantabria where they were working as trainees in development and research's projects and that were considered to have business viability from that institution following previous business management training.

However as the project concentrated on academic spin-offs rather than industrial spin-offs there was not as much support form the private sector as originally envisaged, although there was some.

The main difficulties found was because the businesses were mostly small and medium size ones and they were not able to devote a lot of time to the project.

Innovation and Transferability

We consider, that the main innovative content is the unique design, methodology and practical implementation.

- Innovation from beginning to end. From designing and developing a project of Business start up that goes from analysis of the territory's characteristics to the support once the new enterprises have become part of the Business Incubator.
- Innovation on the training because of the diversity of the participants (managers, entrepreneurs, technicians and trainers) and because of the potential qualified entrepreneurs from the academic environment.

- Innovation in the methodology and development of the project, which led to develop a parallel entrepreneurs' training and the continuity of the Business Incubator adapting the structure to these entrepreneurs' needs and fully working right from the start.
- Innovation in the use of New Technologies both through the web Em-ple@Cantabria and the creation of the S.A.C.(Advance Comunication Service) in the Business Incubator.
- Innovation on the elected methology of academic Spin-Off and business start up.

Results

Some results that should be pointed out are:

- Promotion of training at all levels: managers, entrepreneurs and une mployed; promoting the contact, cooperation and exchange of best practices and experiences through forums and workdays.
- Individualised and integral training to the new entrepreneurs with their business ideas.
- Personalised advice, accompanying the training they have received to facilitate business start up.
- Creation of a Business Incubator which has allowed the new enterprises enter the market with very favourable conditions, creating employment through opportunities in the local environment and through the development of an academic Spin-Off's process. The Business Incubator has facilitated the cooperation between entrepreneurs.
- Promotion of self-employment through the start up of 10 new enterprises with a high technology content.
- Promotion of public/private and multi-agency cooperation. This cooperation has come through the Spin-Off's process and without it, wouldn't be possible. The success of the project is down to the support, contact and work of all the agents participating in the project, the intermediary role being a key factor in keeping them in contact and cooperating.
- Promotion of a cooperative culture in the local enterprises, which is important for local development; through the different actions that have been already mentioned.

Finally, two actions that came up with the project and enabled it to continue are:

- The creation of the Managers Association of Guarnizo's Industrial State, during the project's development and which is continuing to defend the enterprises' common interests. It is lobbying for better cooperation and collaboration from the local enterprises, who support its development.

- The creation of a Business Incubator at the university of Cantabria, following the good project results.

Experiencing Service Cheque – The view of the Expert: A account by Dorothee Kodra, Lawaetz-Foundation, Hamburg

Introduction

At the AVALON conference in Rome the project „Service Cheque“ was presented by the AVALON-partner documenta from Santander. The expert’s stay in Santander from 23 until 30 of June 2001 was focussed on this project. The main activity was the realisation of three interviews with different partners/participants of the project “Service Cheque”. The interview partners were:

- a) An employee of the local authority of Astillero/ central service agency:*

She was responsible for

- managing the circulation of the cheques*
- engaging small enterprises and*
- selling cheques.*

- b) The owner of a kindergarten. She represented one of the enterprises which offered household related services within the project, in this case the care of children.*

- c) The project manager from the intermediate actor documenta.*

The following text is the summary of the interviews.

1. Objectives

There are potentials to create employment in the household related service sector– this is the conclusion of different studies. But this potential could not be used in many regions because of the lack of solvency of the users. In Astillero/ Cantabria this was the reason for setting up the pilot project ‘Service Cheque’, a financing tool at local level, sponsored by a regional enterprise.

The project was aimed to increase, to diversify and to make the local demand of household related services sustainable, that means:

- to strengthen (increase and diversify) household related services and*
- to increase the solvency (ability to pay) by reducing the costs per hour for the user, without influencing the service quality.*

2. Short description

During seven months in 1999 the pilot project 'Service Cheque' operated in the municipality Astillero (about 13.000 inhabitants), located only a few kilometres from Santander/ Cantabria.

The 'Service Cheque' was a cheque with a value of 1.000 Pesetas each, which could be used for the payment of household related services. The cost for the final user was only 700 (respectively 600) Pesetas each, because the rest of 300 (respectively 400) Pesetas was sponsored through the 'Caja Cantabria'.

The project had the following characteristics, asked by the questionnaire of the expert:

Field/ branch of the economy: Household related services/ services of the daily life, like

- help in the household (cleaning, shopping etc.),
- care of children,
- care of old people,
- gardening.

As well cultural services were offered.

The partners of the project and their role:

Partner	Role within the project
<i>Intermediate actor</i>	<i>documenta preparation, management and evaluation</i>
<i>Government of Cantabria (Department of industry, tourism, labour and communication, Department agency of consume and social welfare)</i>	<i>financing and creation of a central service</i>
<i>Local authority/municipality of Astillero/ central service agency,</i>	<i>realisation of the project, co-ordination of the circulation of the cheque, selling the cheques</i>
<i>Large company 'Caja Cantabria' (saving bank)</i>	<i>Sponsorship</i>

Small enterprises	Offer of household re- lated services
Small local shops	Promotion of the project

The partnership structure

The partnership within the project ‘Service Cheque’ was a formally organised network with defined responsibilities and decision procedures.

3. Role of the enterprises

There were two different ‘types’ of enterprises with different roles:

- *One was the saving bank ‘Caja Cantabria’ which supported the pilot project sponsoring 300 (respectively 400) Pesetas for each cheque.*
- *The other one was different small local shops. They supported the promotion of the cheque: Customers received for each 1000 Pesetas of their shopping costs a ticket with a value of 25 Pesetas. Collecting four tickets facilitated to buy a ‘Service Cheque’ for 600 Pesetas (normally 700 Pesetas)*

4. Innovation and Transferability

In other European regions similar kinds of service cheques already exist. But nevertheless, in Astillero/ Cantabria the project was an experiment and also a new process and a new product of the active policy of employment.

The involvement of a private company as a sponsor contributed to the good working of the project. This form of financing, which involved enterprises as part of the local employment policy could be a helpful instrument in other regions.

5. Results

The project worked and was successful – this was the main result of the ‘Service Cheque’ in Astillero:

- *More than 1.500 cheques were sold.*
- *The cheque worked as a promoter for using more household related services and was larger accepted by the user*
- *Small enterprises were strengthened: 33% of the involved enterprises of household related services had created new jobs during the pilot project, although not all of the jobs were related directly to the project.*

- *The cheque was a product innovation, the financing circle of the cheque a process innovation*

The primary beneficiaries were

- *individuals (lower costs of services),*
- *small enterprises, which offer household related services (higher demand),*
and
- *the local structure (successful experiment of a new financing tool).*

The interview partners mentioned the following as the strong points of the project:

- *the creation and realisation of an innovative, new idea,*
- *the financial support of the users,*
- *the discovery of the cheque as an instrument of the active employment policy and*
- *the creation and good working of a local networking/ local co-operation.*

Two main weak points of the project were mentioned in the interviews:

- *The duration of only seven months was stated as the main problem by all interview partners, because it was not enough time to make the 'Service Cheque' well known and to establish the Cheque as a sustainable instrument.*
- *At the beginning there were problems in convincing local shops in Astillero to participate. Therefore the project started with a 'slow' promotion.*

The interview partners mentioned the following ideas for its further development

- *Wherever the instrument 'Service Cheque' as a project is used, it needs more time than seven months.*
- *A better promotion is necessary to make the cheque well known. Good possibilities to make the instrument well known could be the direct promotion by potentiell users e.g. in neighbourhood meetings etc.*
- *It is necessary to install more places where cheques are sold, not only at the local administration. Shops, banks etc. could be selling points as well.*
- *A control system to avoid forgeries should be elaborated (although in Astillero no case of forgery was known).*

6. Financing

The preparation and the design of the project was financed within the European Fund for Regional Development (EFRE, Art. 10). The Government of Cantabria/ Department for Labour and Social Welfare supported the project by financing the central service agency, where the project was realised, the cheques were sold and the circulation of the cheques was co-ordinated. The 'Caja Cantabria' financed the project through its sponsorship.

Personal conclusion

Similar 'Service cheques' exist in other regions of Europe as an instrument to strengthen the local household related services and to support the solvency of the users. Examples for financial support are e.g. reducing taxes for users in some regions of Germany, or the payment of 50% of the costs by the government in some regions in Belgium. An important point of the "Service Cheque" in Astillero was the involvement of a company as a sponsor for this employment policy instrument.

The example of the 'Service Cheque' in Astillero showed, that seven months for such a pilot project is too short to test the instrument intensively, especially to evaluate sustainable labour market effects. For a transfer of the project into other regions a project time of minimum of one, or even better two years should be considered. Nevertheless, in Astillero the 'Service Cheque' was new, innovative, and – as the results show – successful.

The exchange of experts (in the scope of the AVALON project) and the therefore connected interviews with three different partners were a very helpful method to know the project 'Service Cheque' not only on an objective way, but to know as well three subjective opinions. The results of the interviews are an interesting contribution to an external evaluation.

4.4. Sicily – Catania

4.4.1. INTEGRA – Co-operation for the reinsertion of youths at risk of social exclusion

Main Objectives

This project, carried out by CIOFS-FP Sicilia, is primarily concerned with helping youths running the risk of social exclusion living in Catania to find work through self-employment in the laundry and dry-cleaning sector.

CIOFS-FP Sicilia, like any other CIOFS-FP, plans and delivers vocational training services along the line of its educational mission: to assist with the future life plans of beneficiaries.

In fact, guaranteeing the vocational qualification of an individual has become an extremely important educational opportunity for CIOFS-FP, in that he/she shall benefit from special support to create his/her future lifestyle.

Young vulnerable people are the main beneficiaries of training services, since they are often looking for a job, in addition to training initiatives aimed at disadvantaged adults, especially in connection with vocational re-location and re-training. Special attention is paid to women, whatever their personal circumstances.

Within this framework, we present the experience gained by Integra project 'Implementation of co-operation activities aimed at a durable reinsertion of youths running the risk of social exclusion – handicraft sector' (Prot. No. 0642/E2/I/R – Strand B2-B3 –Eur. Code I-1997-IT-546 Strand B).

Short Description

This project, has now finished. It ran from October 1998 to July 2000, and stemmed from an accurate analysis of local needs, conducted in 1997, which had shown the need to train professional profiles in the laundry and dry-cleaning sector. The research showed that with 20 companies in the area, there was room for more small businesses in this sector.

In addition to this, the analysis highlighted the existence of a high unemployment rate encountered by youths who had served sentences delivered by the Juvenile Court and/or Social Services. Once of age, these youths are forced to leave the hospitality communities, in which they were living and go back to their families, thereby encountering several problems, such as social insertion and employment difficulties.

Simultaneously, CIOFS-FP Sicilia sent a questionnaire to the operators working in 15 educational institutes, 10 hospitality communities and 3 social centres, in order to assess the availability to work and the desire for self-employment of their former guests, who were to be the beneficiaries of the project. This research study showed that the respondents were confident about the development of an interest in working interests on the part of project beneficiaries, however, they thought they needed guidance and tutoring, help them understand more about the labour market and to gain entrepreneurial skills.

Based upon these considerations, CIOFS-FP Sicilia designed a training project aimed at this target group, in order to teach them how to find a job by gaining a useful qualification, such as that of a laundry operator, focusing on the promotion of self-employment and co-operative establishment in this sector. The aim of the project was to aid young people, after a period of vocational training, by assisting them to set up their own enterprises.

The project consisted of three stages:

- 1) Classroom stage – 500 hours**
- 2) Practical stage – 200 hours**
- 3) Job guidance and counselling with the help of experts – 8 months**

The group consisted of 15 people aged between 19 and 35, both young men and women.

The partners involved were:

- APINDUSTRIE Catania (*Associazione di Piccole e Medie Imprese* – Association of Small-and Medium-sized enterprises);
- CONFCOOPERATIVE – Association of cooperative firms
- UPLMO (*Ufficio Provinciale del Lavoro* – Provincial Office for Labour),
- Councillor's Department for Social Services of Catania Municipal Authorities;
- CISL Trade Union;
- Carbone Service - A company specialised in the laundry and dry-cleaning sector;
- Mayor of Catania;
- Councillor's Department for Community Policies of Catania Municipal Authorities;
- Councillor's Department for Education of Catania Municipal Authorities;
- Councillor's Department for Trade of Catania Municipal Authorities;
- President of Catania Regional Province.

CIOFS-FP Sicilia actions aimed at Integra implementation were further enriched by the involvement of two transnational partners:

- RENCONTRE association (*Association d'Education et de Formation Inter-culturelle*). Based in Dunkerque, France, dealing with social animation, training, job insertion and cultural animation.
- CEMAIN association, having its offices in Hijas de Maria Ausiliadora Institute. Based in Las Palmas, Spain, operating in the textile and laundry sector and fostering the job insertion of people encountering occupational difficulties.

The 'Youth agency' of the Municipality of Catania played a key role in this project although it was not a formal partner, providing information and assistance in business creation.

Role of the Enterprise

The private partner involved, the company called 'Carbone Service', was crucial in training and work experience on fabrics and dry-cleaning as well as customer relations, industrial safety and waste disposal in addition to practical training through the assistance of skilled personnel and the use of state-of-the art equipment ('learning by doing').

Moreover, thanks to Carbone Service, one of the beneficiaries of this project has started her own business in franchising with this company, having completed the training stage.

In this way, Carbone Service has performed a useful social function helping the beneficiaries of this project to set up their own business.

Innovation and Transferability

The creation of a network between Institutions and social operators as well as the involvement of a private company specialised in laundry and dry- cleaning services is certainly an example of the *good practices* to which the European Union commonly refers, and this has made a significant contribution to the success of Integra project of CIOFS-FP Sicilia.

In fact, social services and institutional actors have guaranteed the identification of the target group of project beneficiaries and the implementation of project phases, whereas the private company involved was responsible for the delivery of the necessary services to achieve project objectives. This company in particular, provided Integra project beneficiaries both with theoretical-specialist training and practical stages.

Moreover, CIOFS-FP observed the process of the INTEGRA project by introducing a quality assurance system (ISO 9001).

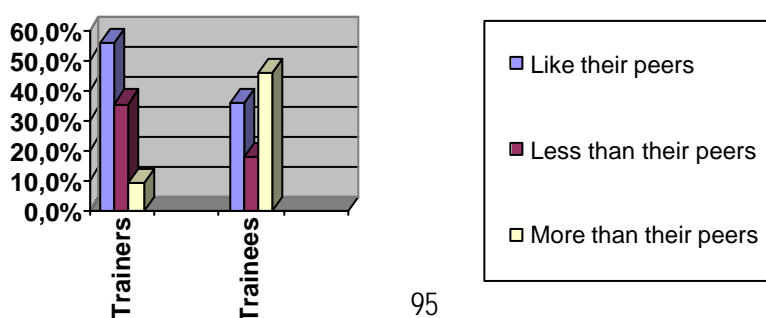
Results

This project has now finished. Of the 15 original participants, 8 remained on the programme. All of them gained technical-vocational skills that put them in a more favourable position to enter the labour market. One participant has started her own company and has obtained a loan, provided for by Law No.608/96 – *Public borrowings*, in order to do this.

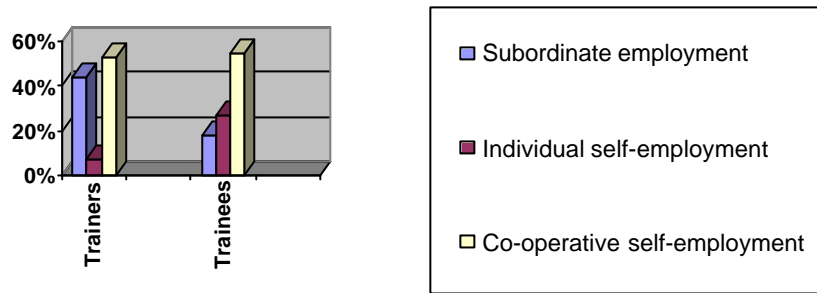
The positive outcome recorded by Integra project is further confirmed by the impact it had on the area and the facilitators' network for self-employment development and creation set up by CIOFS-FP Sicilia.

There follow two graphs comparing the perception on the part of former trainers/social workers concerning project beneficiaries and the target group perception versus the Initiative and Career Guidance.

Target group's initiative



Career guidance



In the first case, it appears evident that the target group considers themselves to have greater initiative in comparison to what their former trainers think, even better than their peers who did not need to tackle the same problems. To the eye of some social workers interviewed, this is a result of Integra project training actions, in that they significantly changed the personality of the target group, who were often accustomed to cohabit with serious psychological discomfort.

Conversely, the second case highlights how the target group seem to prefer self-employment activities rather than subordinate employment, thereby showing a greater self-awareness in comparison to what their former trainers think.

In conclusion, we can confirm that the social actors network set up by CIOFS-FP Sicilia and the involvement of the latter in project implementation activities were the key for the success of the initiative itself. Therefore, the idea of a network is apparently the winning choice to make: a network of individuals operating under the same local conditions, a network aimed at the identification of common objectives, a network whereby resources and knowledge can be grouped into sets in common, a network as a relations system resulting in the creation of new personal and local growth opportunities.

Financing

The project has been financed by ESF.

Experiencing INTEGRA – The view of the Expert: A Personal Account by Julia Coate, Haringey Council, London

Introduction

This report is a combination of the partners' views about the project based on an interview carried out with all the participants of the project at the same time during a group discussion. The people interviewed in the group were as follows:

Presidente CIOFS – FP Sicilia the co-ordinator of the project, the Sister in charge of the housing project for young people in care, the project's tutor, the manager of Carbone Service, the expert in entrepreneurship, and the person in charge of quality assurance (and interpreter for me)

I have also included the results of a discussion with the Youth Service in Catania which played a key part in providing business advice to the beneficiaries of the project but is not exclusive to this project.

This project is primarily concerned with enabling unemployed people living in Catania to find work through self-employment in the laundry and dry cleaning sector.

The project has now ended. It ran for about a year and consisted of three stages:

- a) Classroom stage – 700 hours*
- b) Practical stage – 200 hours*
- c) Job guidance and counselling with the help of experts – 8 months*

This project stemmed from an analysis of local needs, conducted in 1997, which showed the need to train professional staff in the laundry and dry-cleaning sector. The research showed that with 20 companies in the area, there was room for more small businesses in this sector. The aim of this project was to focus on the laundry and dry-cleaning sector as a means of self-employment.

Main objectives

The aim of the programme was to aid young people who had been in care into sustainable employment by assisting them to set up their own enterprises. This was to be achieved by helping the beneficiaries to gain qualifications with special training

Short Description

The project was designed to be a mixture of classroom and practical work experience because the chosen client group would not benefit from a wholly classroom environment having failed in this environment earlier in their lives. It was also felt that self-employment was a sensible route for these people who had not been able to secure employment working for a company.

Research had shown the need to train professionals in the laundry and dry-cleaning sector. The analysis also highlighted the difficulties faced by young people who had been in penal institutions, or “hospitality communities” and were now facing the outside world and looking for work. There was a very high unemployment rate amongst this group. This group also faced difficulties in re-integrating into society and dealing with family life.

It was clear from the research that the target group had the same interests as ‘normal’ people i.e. that they were motivated to find work and were keen on working in small enterprises. One of the problems with this group was that they were not used to attending school and so were reluctant to undertake any training. It was explained that this type of training was different; it was vocational training designed to give practical work experience.

The project was set up in this way because the two main aims of developing a new business and working with disadvantaged people are both difficult things to achieve. In order to set up a new business, you need to know how to be a manager and you need to have the money to do so. The target group had none of the skills and no money. The challenge was to find a solution easily and in a short time. This is why it was essential to find a local partner who could provide technical support both after the course in the classroom and during the 8 months when the learning had finished and the beneficiaries were trying to become established in the labour market.

It was also essential that in order to make the most of the business funding opportunities (national law 608/96) that the target group need expert help to write a business plan to set up a franchise.

So the training for the ‘know how’ – the technical considerations - was carried out by the private sector company and an expert was employed to help with the drafting of the business plan – the funding expertise - dealing with rules and regulations etc.

Role of the Enterprise

The following organisations were involved in the project:

- *CIOFS-FP Sicily*
- *APINDUSTRIE Catania (Associazione di Piccole e Medie Imprese – Association of Small and Medium-sized enterprises),*

- *CONF COOPERATIVE, UPLMO (Ufficio Provinciale del Lavoro – Provincial Office for Labour)*
- *Councillors Department for Social Services of Catania Municipal Authorities, CISL,*
- *Carbone Service – A laundry and dry-cleaning company.*
- *Mayor of Catania,*
- *Councillors' Departments for Community Policies, Education and Trade of the Municipality of Catania,*
- *The President of Catania Regional Province.*

There were also two transnational partners involved in this project:

- *RENCONTRE association (Association d'Education et de Formation Inter-culturelle), based in Dunkirk, France, dealing with training and job brokerage*
- *CEMAIN association, with offices in Hijas de Maria Ausiliadora Institute, based in Las Palmas, Spain, operating in the textile and laundry sector and assisting with job brokerage for people who find it difficult to get a job.*

The local administration participated in the project in particular with the service provided to young people about how to get started in business.

The network was formally organised with each of the participants aware of their role and responsibilities to the project. Each participant brought their own expertise to the programme so that the beneficiaries could learn from a variety of sources – some theoretical and some practical. The beneficiaries were also able to learn from the experience of people in other European countries.

There were a number of participants in the project who made significant contributions:

- *CIOFS provided the project management and the training provision,*
- *An advisor (entrepreneur expert) was employed to assist with advice and guidance in the development of small businesses,*
- *Carbone Service provided the work experience element of the programme with specialist training on fabrics and dry-cleaning as well as customer relations, industrial safety and waste disposal in addition to practical training through lessons and the assistance of skilled personnel and the use of state of the art equipment,*
- *The Youth Service provided assistance with advice and guidance on applying for funding for setting up your own business*
- *A consultant was employed by the project to assist with the managerial aspects of running your own business*

CIOFS experience of dealing with disaffected people played a major part in the success of this project. CIOFS was well equipped to help with any counselling issues when there were any behavioural problems. One example of this was a young woman (who in the end left the programme) with whom the trainer spent a great deal of time trying to help but her behaviour was too disruptive.

It is extremely unlikely that this person would have got as far as she did with any other employment project and it is hoped that she has at least gained from this experience despite not lasting the course.

The private sector partner was crucial in providing the work experience part of the programme. Instructions on what is required for the dry cleaning and laundry business were combined with practical 'learning by doing'. The company involved in the project has 6 shops. 2 shops were used with 4 trainees in each for a period of 100 hours.

The municipality of Catania has a very strong Youth Policy to help young people through the transition of leaving education and starting work. It has a 'Youth agency' which provides information to young people entering the job market – a sort of careers service. The age of the client group is 18-32. The agency provides advice in business creation, work experience and especially to do with opportunities in the rest of Europe. The agency has been in operation for 5 years. It was the first in Sicily and the South of Italy. It is very successful – second only to Naples in business development success.

There have been 850 start-ups in Catania in the last 3 years and in Sicily as a whole, 3,368. After 5 years, 82% are still successful i.e. 18% have failed. There are some real successes. One company for instance, Antec, is now exporting to Japan.

The youth advice service played a key role in this project although it was not a formal partner. The agency had been involved with CIOFS and part of its role was to publicise enterprise. It went to a conference in 1999. Its connection with this project was that after the young people had finished the Integra programme, they went to the agency for discussion on their business plans etc. One of the beneficiaries of the Integra project, Anna, has started her own business through the assistance of this service.

Innovation

- *Self-employment is a very important element of the development of the Sicilian economy. Opportunities for employment are limited, with a tradition of exodus from the island to Milan and other northern Italian places where work is easier to come by. This is why self-employment is encouraged, with massive loans available for business start-ups. The target group was particularly difficult to work with and successes were not going to come easily. It is therefore impressive that any one of this group has managed to obtain a loan to start up her own business.*

- *A lot of thought and planning went into the project i.e. the research that identified that there would be opportunities within this sector (laundry and dry-cleaning) which proved invaluable and research into the target group which showed that this type of project would be well received and was what people wanted.*
- *The mixture of practical and theoretical content of the project worked well for this client group.*
- *Collaboration between the different agencies was impressive. Each participant had a role to play and together made the project a success. It is clear that all the different elements were needed with each player responsible for his or her area of expertise so that the beneficiaries were able to gain all the knowledge and practical experience necessary for starting up a business.*
- *With the detailed quality assurance processes in place (ISO 9000) there is a lot of documented information about the programme. This will be able to inform the development of future programmes should any funding opportunities arise.*

Transferability

- *Whilst there are projects (in Haringey) which assist young people with the development of their business ideas, this project provides structured work experience which enables an invaluable insight into some of the problems and difficulties that businesses face.*
- *The research element of the project could be transferred to the Haringey region where both beneficiaries and businesses could be surveyed in a similar way to identify gaps on the market which could be exploited.*

Results

The primary beneficiaries of this project were both individuals and companies.

Individuals

The individuals came from a target group of vulnerable disadvantaged unemployed people. The group consisted of 15 people aged between 19 and 35, both young men and women. Some were ex-offenders, some were single parents, and some had lived in institutions and now had to live with their families again.

Of the 15 original participants, 8 remained on the programme. One participant has started her own company and has successfully obtained a loan in order to do this. The other seven are receiving job guidance and although they have not started up businesses of their own, they have gained in other ways. Some of the positive benefits include a better understanding of the job market and a more realistic outlook on their employment opportunities.

They also stand a much better chance of finding work as they have learnt a lot of social skills, motivational skills and have gained in self-confidence.

Companies

The private sector partner in this project was a company called 'Carbone Service'. This company benefited as it was looking for people to set up franchises in the laundry and dry-cleaning service where it would enter into a contract with the individual as a self employed person.

It was therefore able to offer its services as a means of work experience for the project and at the same time assess the individuals to see if they would be suitable young entrepreneurs such as they were looking for anyway. In this way, Carbone could perform a useful social function and help its own needs at the same time.

Weaknesses

- *The drop out rate was high. Of the 15 starts – only 8 remained on the course. One of the drop outs was a woman with severe behavioural problems who had to be expelled. There was evidence of bad behaviour when the group were visiting France which could have had a detrimental effect on the project.*
- *There were difficulties in dealing with local institutions. E.g. the political situation of the municipality changed during the project.*
- *There were problems of motivation for this target group*
- *Finding the right job guidance for the 7 beneficiaries who were not successful in obtaining funding to start up their own businesses*

Strengths

- *Good team working and synergy*
- *Project well articulated*
- *Good mixture of practical and theoretical*
- *Faith and belief in the project important*

Financing

The European Union funded the project:

INTEGRA Project CIOFS-FP Sicily (Implementation of co-operation activities aimed at a durable reinsertion of youths running the risk of social exclusion – handicraft sector. Prot.No. 0642/E2/I/R – Strand B2-B3 – Eur. Code I-1997-IT 546 Strand B)

4.4.2. The Sector of Microelectronics in Catania: The ST Microelectronics Company

Main Objectives

The activation of a network that involves institutional local actors such as the University, the Municipality of Catania and high-tech enterprises have allowed the development of the micro-electronic sector in Catania, with evident employment relapses.

When we speak about microelectronics in Catania, we must mention ST Microelectronics Company. ST Microelectronics Catania's site is currently one of the most state-of-the-art in the world and employs about 4,000 people.

Just to give you an idea of how important ST Microelectronics is for the local economy, suffice it to consider three different factors: the impact on the foreign trade, the influence on the labour market, and the relations between the company and local actors.

The presence of ST Microelectronics in Catania contributed in developing a network that involves the company both on co-operation with other companies, and in co-operation with the University of Catania, other research centres and the local authorities.

Thanks to this network, Catania can now compete in the microelectronics sector at high standard levels that work as a catalyst for the establishment of new enterprises. An example is Nokia, which has based one of its research centres in Catania.

Description and Role of the Enterprise

ST Microelectronics multinational company, the seventh in the world for the production of semiconductors, with a turnover of about 7,800 million USD, in the year 2000, was established in 1987 as a result of the merger between the Italian company SGS Microelettronica, the owner of Catania's site, and the French company THOMSON Semiconducteurs.

ST Microelectronics Catania's site employs about 4,000 people, 900 of whom are researchers, and recorded a turnover of about 1,200 million USD in the year 2000.

The following table shows how the microelectronics sector in Catania succeeds in making up more than half of the provincial trade deficit that the province might record if the sector was not successful.

Incidence of the microelectronics sector on Catania province exports

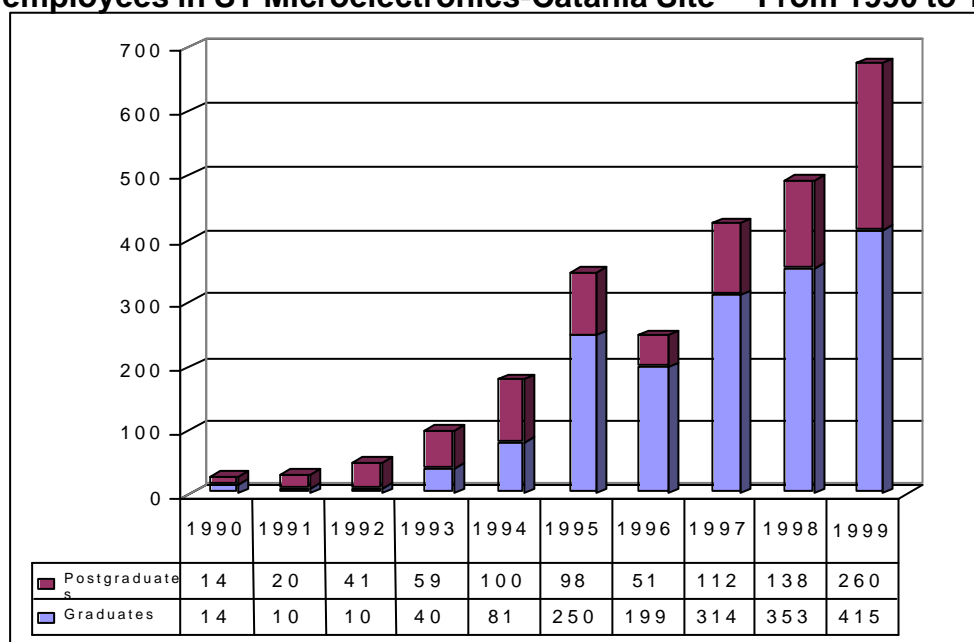
	Import value (in thousand li- ras)	Export value (in thousand liras)	Total
Foreign trade of Catania province (excluding mi- croelectronics)	990.124.385	477.931.582	-512.192.803
Foreign trade of Catania province (including mi- croelectronics)	994.033.223	751.415.374	-242.617.849
Microelectronics	3.908.838	273.483.792	269.574.954
Microelectronics % Incidence	0,4%	36,4%	

Source – ISTAT data processing

Just as important is the impact that this company has had on the labour market: in 1980, when SGS-ATES -now ST Microelectronics- reorganisation started, the company numbered 2,100 employees, 20% of whom had low-level qualifications compared to 300 highly-qualified employees.

The following table shows how the number of employees has steadily increased since 1990; 1,022 people were hired in the year 2000; there are more graduates than postgraduates, even though the number of postgraduates has increased on average more than the number of graduates.

New employees in ST Microelectronics-Catania Site – From 1990 to 1999



The most sort after professionals are those with scientific-technological skills, whereas most of the contracts signed are complying with Law No. 863 of 1984 on training-employment contracts.

Thanks to *bottom-up* relations, about 200 enterprises have been established in Catania in the last 4 years. These are mainly SMEs, very often subsidiaries of multinationals, numbering from 10 to 15 employees and delivering plant maintenance services to ST Microelectronics, thanks to an integration with its structure. In addition to these, 5 enterprises established by former ST Microelectronics employees currently co-operate with the latter: two of these have become leading-edge companies in the world by providing semiconductor supports and gas purification services used by these companies.

The network with the University of Catania stems from joint programmes, which have resulted in the establishment of IMETEM (*Istituto di Metodologie e Tecnologie per la Microelettronica* – Institute of Microelectronics Methodologies and Technologies), and SUPERLAB – (*Laboratorio Superfici e Interfasi* – Surface and Interphase Laboratory). ST Microelectronics also guarantees grants aimed at research activities for postgraduates and offers prizes for graduation theses dealing with topics in the interests of the company. Very often, the beneficiaries of grants are then hired.

Innovation – Transferability – Results

If we look at Catania in particular, we would remark that we have often heard about the so-called ‘Catania model’ or ‘Etna valley’, when referring to local entities that are compared with the most widely known ‘Silicon Valley’, born out of the co-operation between microelectronics companies and Stanford University.

The keys factors for ST Microelectronics success are:

- 1) company management;
- 2) the network between the company and the University, local enterprises and institutions;
- 3) highly-qualified human resources available at a local level;
- 4) favourable conditions for the labour market.

As shown by other experiences, the conditions to trigger a local development process have stemmed in this case from the network established between the company and the surrounding environment as well as the network common to all local players.

However, ST Microelectronics success, which has now become the backbone of Catania's industrial context, should make us reflect upon the risks that the local economic system could run in case of crises.

In order to prevent an overdependence on one firm, we must focus our attention upon developing all the social and economic resources available at a local level, thereby producing an integrated development framework aimed at achieving endogenous and sustainable development.

4.5. Berlin

4.5.1. Strategy 'Berlin district Pacts'

Local employment pacts' in the narrower sense, as well as activities involving 'community management', developed in Berlin when the culmination of certain problems became all too evident in individual districts and communities, such as high unemployment, the number of welfare recipients which moved into public awareness because of the reports of scientists²⁴ and the press. Consequently, the federal-state programme 'Social City', and in Berlin the 'community management' strategy, among others, were announced by the Regional administrative agency for urban development. The Mayor of Berlin implemented the 'Inner city conferences' in the inner city districts that are marked by a 'special need for development'.

In August 1999 Department for Labour, Social Affairs and Women launched the support strategy 'local employment pacts' and presented it to the Council of the District Mayors, who agreed in implementing this strategy. A general trend towards institutional and administrative decentralisation may have played a role in the process (not just) within the framework of the employment policies. It says in the senate proposal of the same name that a local approach to the 'core components'²⁵ are a part of the active labour-market policy in Berlin, which is to be expanded further and reinforced in the new support period of the ESF (European Social Fund). The 'local employment pacts' (called laps below) should, on the one hand, combine the programme objectives of the European Union with the labour-market policy objectives of the state; on the other hand, they should also be given their place in the conceptual and organisational framework of the European 'Berlin-Brandenburg model region' arising at around the same point in time.

The 'local employment pacts' - strategy was a kind of mainstreaming on regional/ Länder-level of the 'Territorial Employment Pact' which was launched before in the beginning of 1998 as a model project. The results of this former pact were encouraging enough to implement the strategy. Besides in the former West-Berlin of the eighties and the nineties there was a long tradition of local grassroots or bottom-up strategies.

In the framework of the 'local employment pacts' the applicant of AVALON, the gsub mbH, has developed a local approach for four (of 12) Berlin districts which is still operational.

²⁴ For example in connection with the Berlin "Social Atlas" published in 1998, which supplied the data to identify particular problem areas, especially in the city centre of Berlin.

²⁵ Support strategy "Local Action Plans" – Presentation to the Council of Mayors, Aug. 16, 199s

The approach covered the following elements:

- Analysis of the local situation regarding social, economical and labour market issues
- Setting up a local employment network
- Training for the staff of the Local Authorities concerning European Employment policies and the Berlin framework of labour market policies
- Identifying the main fields of activities in the district
- Setting up an action plan
- Supporting the research for financial resources by combining different funds, programmes and private means in conjunction with the IBB (public investment bank of Berlin)

Experiences of gsub mbH regarding the commitment of and for businesses within the framework of the Neukölln territorial employment pact

The 'Territorial Employment Pact' initiated in Neukölln (and mentioned above) was oriented to be close to the economy from the beginning. Local activities were already oriented towards the local economy before the start of the actual alliance activities. A 'round table', consisting of the district mayor, other district and also regional politicians, representatives of the local employment office, from employment companies and other local parties involved, has existed since 1994, supported by gsub mbH on behalf of the senate administrative agency for labour, social affairs and women.

On the one hand, entrepreneurs were invited to this 'round table' to inform them of the support programme of the labour office and of the Berlin senate administrative agency that were in effect at that time and to consequently encourage additional hiring. On the other hand, works councils of large companies were addressed, in order to get information on the respective problems in the industrial companies through this type of early-warning mechanism and, if applicable, to be able to initiate countermeasures early on in the case of looming personnel cuts. A third type of event was devoted to the topic of an association for training. Training organisations and companies were invited to explain how training associations function and to initiate appropriate products.

Business-oriented employment support had also great importance in the action plan of the 'Neukölln Territorial Employment Pact', one of 89 pacts of this type in Europe. 5 of the 6 projects of the plan of action explicitly targeted small and medium-sized companies and the support of the entrepreneurial spirit - which has lasted to the year 2001.

Let's consider a few of these campaigns in more detail at this point.

4.5.2. Start-up-your-own-business 'Neue GründerZeit'

Neue GründerZeit – support of small business founders and young entrepreneurs on the local level

In Project 2 of the Neukölln action plan, discovering, developing and reinforcing local potential for founding businesses is involved under the title 'Neue GründerZeit'; and supporting new companies in being able to survive in the market with competitive jobs.

The new business and growth fund gave financial support to the foundation of 39 enterprises. 16 (41%) of them were start-ups and 23 (59%) were young businesses. In total, a sum of 875,000 DM was bound.

The starting point of the project was the thesis that small-business founders primarily form their company where they live, work or studied. There is 'a high congruence between residence, place of work or place of study, on the one hand, and the location of the business, on the other hand'²⁶. In the framework of the project, this fact is supported by statistical data. 29 (74%) of the founders and young entrepreneurs supported related locally to Neukölln. 8 (21%) related to the district of Tempelhof and 2 (5 %) related to the district of Schöneberg. 17 (44 %) of the enterprises had their place of business – as far as it exists – in Neukölln, 6 (15 %) in Tempelhof and 1 (3 %) in Schöneberg. 26 (57 %) of the receivers of the subsidies resided in Neukölln, 5 (11 %) in Tempelhof and 3 (7 %) in Schöneberg. It is remarkable, that 6 (13 %) of the young entrepreneurs resided in the district of Kreuzberg.

It is therefore advisable to start initiatives in the local environment that are able to identify additional funding.

A driving force in the emergence of this project was also the district economic support, where numerous small business founders or people who are thinking about becoming self-employed and who had developed appropriate ideas find a starting point. It emerged, however, that the district infrastructure was overburdened in comprehensively building and maintaining a support structure.

At first a network of various involved parties needed to be built that could support an initiative of this type. In the process, the danger of creating redundant structures and unclear support landscapes had to be faced, because numerous initiatives for small business founders and support programmes already existed at this time (1998) in the state of Berlin, which were held out by chambers and associations, banks, universities and state institutions.

²⁶ Interim report on the evaluation project "Neue GründerZeit", Prof. Dr.-Ing. Peter Kayser, Berlin, November, 2000

The main argument of the applicant and the persons in favour of this project consisted in the fact that substantial endogenous potential that has not yet been exhausted is still available on the local level and can only be developed through activities 'on site'. This can otherwise be confirmed from the present-day point of view, subject to the final evaluation which is still outstanding:

Much of the founding of small businesses that was accompanied or even initiated by 'Neue GründerZeitÖ' would not have come about without the support structures offered in the project or would have had substantially greater problems in any case in the realisation of their project.

The concept of 'Neue GründerZeitÖ' was able to fall back on experience from the U.K., where there were several years of experience from 'start-up' projects with a local focus in the project 'Lifewire. It is characteristic that the English project was financed nearly completely by a private initiative (among others, Shell-U.K.). This was not capable of being achieved here at home, but is being looked at as a medium-term goal.

Following the English example, the Neukölln approach concentrated on young founders between 18 and 35 years old and young enterprises (enterprises not older than three years, regardless of the founders age).

Parties with the necessary expertise were integrated into the local Neukölln, and who could offer additional capacity, as part of the support structure. Besides the Neukölln economic office and the district economic advisors, the local adult-education college (courses, training), a private management consultant company (creation of self-learning materials, individual consultation), an attorney, a public accountant and an insurance expert (expert hotline), the labour office (temporary support money, courses) and banks (Berlin investment bank, private bank) were part of this. Two offices were set up at gsub mbH within the framework of the European and regional support programme ADAPT to coordinate the network, to manage and account for the funds and to likewise provide individual consultation for the founders.

The project Neue GründerZeitÖ, which is still running, offers the following cornerstones on the whole:

- Information events for the public and founders
- Fundamental qualification training
- Training on special topics
- Regular informal get-togethers for young entrepreneurs
- Self-learning materials (over the Internet)
- Individual consultation
- Expert hotline
- Corporate sponsorships
- New business and growth fund
- New Business Prize

The commitment of local companies related especially to

- a) the New Business Prize
- b) the new business and growth fund.

Private companies were able to be won over every year to finance these cornerstones.

The New Business Prize (or: start-up-your-own-business award), an instrument for involving the public and encouraging potential founders to 'emulate', has been awarded to local founders three times already. Recently, the publicly awarded prize was endowed with a total volume of DM 40,000,00 (€ 20,000). The private sponsors were also active in the committee that annually awards the prize for small business founders, and invested time and their specific know-how in deciding the winner.

The locally based award of the New Business Prize lead to the capability of getting relatively major attention from the local press, from district politicians and delegates, and the local population being able to identify with 'their' small business founding project, to the extent that they were interested in the founding of small businesses.

A main significance in the support of the founders comes to the start-up and growth fund, from which the small business founders were able to obtain a subsidy, conditionally subject to repayment, of up to DM 30.000,00 (€ 15.000) per case. The branch manager of a Neukölln private bank, the representative of the Berlin investment bank, a business consultant, a lawyer and a tax consultant / accountancy came together to form an awards committee presented by the gsub mbH, that decided on the award of the applications reviewed.

This can be supported by some facts and figures about how such a set of instruments can help founders, especially if it is an integral part of an overall local strategy and network structure:

The subsidy agreements were finalised with 46 persons. 24 (52 %) of them were women, 22 (48 %) of them were men. For founders, there was an age limit of 35 years. For other entrepreneurs there was no age limit for the applicant.

Age group	Persons
20 – 24	1
25 – 29	10
30 – 34	22
35 – 39	9
40 – 44	3
45 – 49	1

In the age group until 35 years, there were 40 (87 %) of the persons who received subsidies, 6 (13 %) were older.

13 (28 %) of the 46 founders have a background other than German. 6 (13 %) have a nationality other than German.

The distribution of the founders in respect of the branch of industry presents itself as follows:

12 start-ups or young firms were set up in the IT-industry, 3 in are retailers. 5 are in the fashion / textile industry, 6 in the health industry and 2 in services for children.

In respect of the short period of time that passed since the subsidies were given, no statements may be made, for definite, about how well the subsidies were allocated according to the needs of the founders, and whether or not such founders and young with sustainable businesses gained profit from the subsidy.

The project has been less successful up to now in building up corporate sponsorships. It was thought that especially large, local companies would make support structures available here (rooms, consultation services etc.). The Neukölln branch office of a corporate group operating on a world-wide basis did declare that it was willing, though, to award initial orders to young small business founders, so that they could get their first sales volume in this way and simultaneously get a corresponding reference.

One advantage of the project was that no new institution had to be created in order for the project to come into being; instead, the existing facilities and individual persons declared that they were willing to support the project as a network structure. In addition, it is not tied to any national-government regulations or legislation at all and can be transferred to other countries quite well in so far as that is concerned.

The project supporter, gsub mbH, is currently in the process of transferring the 'Neue GründerZEIT' to Poland (Opole region), taking the prevailing conditions there into consideration, of course.

Experiencing NEUE GRÜNDERZEIT – The View of the Expert: A Personal Account by Amparo Coterillo, Documenta, Santander

Introduction

The project named 'Neue GründerZEIT', which started late in 1998 and it has not finished yet, is being developed in Berlin and it looks for business start-up in the same State of Berlin.

The expert, from DOCUMENTA (Santander) stayed in Berlin from June 23rd to June 30th of 2001, focussing her activity mainly in this project but also having the opportunity of knowing some other projects which were taking place at the same moment.

Her main activity there in relation to the 'Neue GründerZEIT' project was to know and to understand in situ how the project works and to interview some of the partners which are part of the network created to support this project.

The interviewed were:

- *Norber Kunz, Managing Director of IQ CONSULT, entrepreneurs' advisers in the project. Interview made on June 26th of 2001.*
- *Anja Zielas, from Neukölln's Town Council, which is the institutional part of the project. Interview made on June 28th of 2001*
- *Dietmar Sauthof, from the Employment Local Pact. . Interview made on June 29th of 2001*

Objectives

The project has a main aim which is to make young people sensitive to the opportunity for starting their own business (self-employment) of actively accompanying the founding process but also supporting the growth process of the new companies which already existed in the districts of Neukölln and Tempelhof. This means, to support young people fostering self-employment through business star-up and extending this support to the growth period of the created enterprises.

The objectives of this project were:

- *To reduce unemployment creating new jobs through the support of business start-up and the stabilisation of the new enterprises created in that zone.*
- *To offer to the groups that were designed as objective groups with the needed information, training, financing and co-operation to be able to start-up their own business or to assent it in the market.*

Brief Description

Taking in account the results gotten in the interviews made, and the information recollected by the expert while staying in Berlin:

Beneficiaries: Young people with an age in between 18 and 35 and enterprises which has been created no farther than 3 years ago.

Sector: It does not exist a defined sector in which enterprises have been mainly created; all kind of enterprises have been created, from a hotel for kids to a person who changes shirts to managers or the design of web pages.

Profile of the beneficiaries: They are mostly people who do not want a big enterprise but a job for leaving or who avoid having a boss or they are just looking for a different way of leaving.

The project offers both training and advice, and also financing and cooperation process giving them the opportunity of assisting to short non compulsory workshops (a few hours) conferences, self help materials, individual information on concrete themes... The assistance is free and not compulsory and it does not go on a contents' circuit, so it doesn't exist statistics.

The information given, except for concrete consults, is open since the aim is not to convince them of starting up their own business unless they actually want to, the point is to help those who already wanted to do it or where just having some doubts because of the difficulties to do so and make all those difficulties of the process much easier to pass, giving them the advice and all the needed information.

It also exists the FounderPRIZE which is awarded once a year as recognition for good and unusual business ideas of young founders of small business. The ideas are awarded a prize by a jury, and this is conferred in an event involving publicity.

Innovation and Transferability

Although is true that this experience or similar ones already exist in other European regions, some things of the Neue GründerZEIT project presented by Gsub could be pointed out as innovative:

- *It doesn't offer only advice and support in the first moment while starting up the business, but it also does it while consolidating the enterprise in the market (it's growth) which actually is another hard period for entrepreneurs.*
- *The support is not limited just to information, training and advice, but it also provides the possibility of accessing to a financing and support to cooperate what helps them a lot during the whole process.*
- *And finally the fact of joining together information, training, advice, financing and cooperation in a unique intermediary entity as Gsub what helps entrepreneurs to find everything in the same point and not having to move around looking for it for days and desisting because they find too many things but not what they actually need.*

It's transferability to other European regions with success is obvious and it actually happens. But it would be very positive to include those elements that have been pointed out as innovative ones.

Results

These are some of the strong points found by the expert:

- *Job creation through the fostering of self-employment.*
- *Free advice and the possibility of accessing to financing, what has been very well valued by the users.*
- *Access to all the information needed by just going to one only place.*
- *Advice in both the first period of starting up the business and while it is growing.*

As weak points only one could be pointed out, the fact that even after the efforts made by Gsub for creating a good network, as support structure, which includes all the entities that could support somehow the project helping to its success, this network has not been correctly understood by all of them, or at least not in the same way. But it is important to remark that the project has not finished yet and this might be the hardest part, so to make a final conclusion about it we should wait to the project's end.

4.5.3. Challenge – Supporting structural change on company level

‘Challenge’ – support in managing the structural change on the level of individual companies

Project 4 of the Neukölln action plan devoted itself, under the title ‘Challenge’, to the topic of how existing companies are able to manage the challenges of structural change and offer practical assistance for this, related to each individual company. The general goal is ensuring employment during structural change through preventative, company-oriented labour-market policies. The support of modernisation processes in the companies, the regional and transnational exchange of opinions, the strengthening of competitive capability and the initiation of network structures between the companies and with other involved parties were established as subordinate goals.

The project was divided up on a topical basis into two different parts: For one thing, making small and medium-sized business capable of mastering the structural change was involved; for another, people threatened with redundancy were placed into new employment relationships. Project Part 1, which is to be considered here, is geared towards making the employees in small to medium-sized businesses capable of recognising the structural change early on, of analysing the causes and changes and to initiate the necessary steps for change.

The consultation approach, which fans out on a relatively broad basis, was related to first identifying the problem situation of the companies on an individual basis by an external consultant employed within the framework of the project and then to start up one or more projects that have been arranged by the corporate management and the employees and company departments that are impacted. In the process, the point of view of the retention and expansion of jobs capable of being competitive is the centre of attention of the strategy.

The consultation services took place predominantly through external consultants. They were deployed in the form of independent corporate management consultants, students within the framework of bachelor theses or from the Berliner Beratungsdienst e.V. ('senior consultation service') according to the respective issue of the company.

One initial experience of this project was that it was difficult to get companies to participate in this type of consultation activity or for consultation in general.

This could be traced back to the repeatedly-cited 'consultation resistance' of small to medium-sized companies, but it also shows that a substantial amount of effort has to be made to 'open up' companies for external consultation, which is equally of interest on a macroeconomic and especially on an employment policy basis, as is still to be shown. In the course of further negotiations with the participating companies, it emerged that there were a number of problems that could not be solved by companies alone, but which could be tackled more effectively with additional assistance from the outside.

Most of the companies were won over through gsub mbH itself as the project supporter, a few in turn - as was already the case in Project 2 - were acquired through the economic advisors of the Neukölln district office and of the neighbouring district office of Tempelhof, as well as through the supporting institution itself, the senate administrative agency for labour, social issues and women, and through the senate administrative agency for the economy. The local aspect likewise played a substantial role in winning over companies.

For the most recent convert, however, the deciding factor was that the consultation services were offered without charge. The consultation was not 'free' for the companies, of course. The companies had to invest time, i.e. they had to contractually obligate themselves to accept and 'take on' a certain number of consultation hours and release the employees who are impacted in each case during this time for consultation or training.

During the project, consultation was provided for 30 companies in more than 55 projects. More than 220 participants successfully finished modular qualifications, which were especially designed for the requirements of the companies. Work places were found for 25 participants. It is to be stressed, that one start-up and the taking over of one trainee evolved from the project without financial incentive. The companies, who received preventive consultation increased their competitive capacity. They are still operating than in the market.

The following problems were seen as being urgent by the companies:

- Market changes
- Customer behaviour, customer structure
- Qualifications, leadership, management
- Special Berlin situation (elimination of the Berlin support etc.)

After the end of the specific projects initiated in the respective companies through 'Challenge', 78% of the companies expressed their opinion that improvements had been made; for another 14% this was 'part this, part that' the case; only 8% were not able to discover any improvements²⁷. Asked about the evaluation of the offer, 83% of the companies answered that the biggest advantage of the project 'Challenge' lay in the offered service being concretely tailor-made for the company.

Other external consultants – as the employees of the project 'Challenge' – would not have been asked as far as this is concerned, because

- a) The funds were supposedly not available (52%),
- b) One wasn't familiar with the correct consultant (52%),
- c) The costs were supposedly greater than the benefit (32%) or
- d) One doesn't believe in external consultants in general (14%).

It is interesting that over 90% of the companies indicated that 'Challenge' 'very greatly' assisted in making jobs secure; 42% expressed the opinion, though, that 'Challenge' had contributed to creating additional jobs.

4.6. Dublin

4.6.1. The Dublin Employment Pact

In response to the EU initiative, various forces in Dublin sought the establishment of a Pact for the Dublin Region. Local partnerships felt their local commitment needed an umbrella city-wide aspect to help networking, horizontal exchange of learning and a strategic forum for integrating partners at the Dublin level and impacting on state policy. In the national partnership agreement of 1997, the social partners at national level supported the establishment of a Dublin Employment Pact. Following the end of the EU-funded period of the Pact (in December 2000), the Pact was established as a non-profit company and included in the National Development Plan as a strategic partnership body for the Dublin Region.

The Board of the Pact contains equal representation of four key sectors:

- Municipal Sector: The Dublin Regional Authority, the four Dublin Local Authorities, the four Dublin County Development Boards and Enterprise Development Boards;

²⁷ From the interim report of the evaluation that has not yet been published, questionnaire of the participating companies

- **Statutory Sector:** Statutory Agencies (training, health, economic development), Central Government Ministries (social welfare, education and enterprise & employment) and the educational sector (the Dublin universities and technical colleges);
- **Social Partners:** The Dublin-level employer and trade union bodies, local Chambers of Commerce, Centres for the Unemployed.
- **Community Sector:** The 11 local-area Partnerships, the National Youth Federation, the Irish National Organisation of the Unemployed etc.

In addition, the Pact works through eight Working Groups, each consisting of a broad partnership of interests in the relevant area (Long-term unemployment policy, Education and Employment, Policy Co-ordination, Growth Needs, EQUAL et al). In all, a total of nearly 90 organisations, authorities, NGOs etc. are involved in the work of the Pact.

The **aims of the Pact** are to link all sectors in the Pact across Dublin in tackling questions of exclusion from the labour market (best practice, influencing policy), examining future employment and skill needs as well as common issues in the long-term economic development of Dublin.

Employers as a key sector on the Dublin Employment Pact

Neither the Pact nor the local partnerships or other development agencies operating through it could work without the substantial input and involvement of employers. All local employment strategies in Dublin operate in collaboration with networks of local employers. While there is some third-sector involvement, the focus remains firmly on the private sector, and only secondly on the public sector and the social economy.

Within the Pact itself, employers are represented on the Board of the Pact, the Strategic Policy Forum and individual DEP Working Groups by a range of interest bodies:

- The Dublin Regional Council of the Irish Business and Employers Federation (IBEC)
- The Chambers of Commerce of the Dublin Region
- The Dublin City Centre Business Association
- The Dublin Docklands Development Authority
- The Local Authorities (acting as employers)

Enterprise development is represented in the Pact by the following bodies:

- The City and County Enterprise Boards (supporting start-ups)
- The City and County Development Boards (enterprise development strategies)
- Enterprise Ireland (responsible for SME and larger developments in Dublin).

These organisations represent the strategic interests of employers and enterprise agencies and are involved in several of the Working Groups of the Pact. Representatives of these organisations are also often members of individual project monitoring committees or act directly as partners in individual projects, programmes and other activities of the Pact.

The basis of employer commitment to the Pact

The prime purpose of private enterprise is to maximise profit. But this is achievable only in a framework which tackles issues such as the competitiveness of the local economy, the availability of suitable human resources and other factors. These elements can only be developed in a local economy when all key actors are involved.

The two key elements in this regard for employer organisations are developing a strategy for the development of the city economy and maximising the competitiveness factors of that economy. These concerns are reflected in the policy document of IBEC: *The Competitive Capital City*, which includes as a priority involvement in the Dublin Employment Pact. A similar approach is reflected in the Chambers of Commerce policy document *Making the Difference for Dublin: Strategic Priorities 2000*. These strategic-level interests in involvement in a Dublin-wide partnership structure are fairly self-evident, and range across the following spectrum:

- Achieving effective social inclusion thus improving the corporate location;
- Developing industrial clustering with its in-built competitive added value;
- Creating service industry hubs (financial services, software, enterprise incubation);
- Achieving flexibility in training and re-integration programmes;
- Enabling the development of common marketing strategies.

While many collaborative institutions exist, the Employment Pact with its focus on employment policy through partnership at a Dublin-wide level offers employer organisations a framework for practical and policy co-operation with the other key development sectors. Involvement in the Pact also provides additional policy leverage for employer interests.

Employer Networks and Sectoral Partnerships

Besides the city-level approach, there are many competitive factors which can be directly improved from an employer perspective through involvement in local and sectoral partnership mechanisms.

Employers and groups of employers thus work closely with each of the 11 Area Partnership Companies in Dublin, working for their mutual benefit in:

- Improving local corporate identity through consensual social and area development;
- Adding value through improving local capital;
- Achieving local loyalty and local servicing through a trained local labour force;
- Integration of planning with local development agencies and local educational and training institutions;
- Improving the local and in-company skills base through partnership;
- Improving the enterprise environment locally through cluster development, mentoring programmes, infrastructural development etc.
- Developing the local social economy in providing services to industry, the local authorities, estate development etc.

The local partnership structure enables employers and groups of employers (as distinct from employer organisations) to be involved directly in these issues as they directly effect them.

As it is sometimes thought that industry functions regardless of local economies, the importance of clustering takes on new dimensions, especially in new economy and service industries. The following are key issues in successful clustering development:

- Clustering achieves critical mass as a growth and competitive factor;
- Clustering encourages relevant circular services to develop;
- Clustering acts as a local development motor;
- Clustering acts as a micro start-up environment (esp. services);
- Clustering evolves attractive locations (industrial estate design);
- Clustering attracts appropriate infrastructure (transport, broadband, telecoms);
- Clustering encourages combining to buy-in services.
- Clustering in turn acts as a driver for local social development.

Two good examples of the involvement of employers locally and sectorally in Dublin are the Northside Partnership Employer Network and the Fastrack into Technology (FIT) Ltd. These are outlined briefly below.

Northside Partnership Employers Network

Local community-employer partnerships exist where there is a mutual interest in developing local responses to local situations, to the mutual benefit of both the community and the employers involved. The Northside area of Dublin contains several industrial estates and several very large housing estates, some of which are beset by acute social problems. The network in this single partnership area involves 300 employers, though with a core of large local employers. The factors which brought them together to co-operate in the Partnership are those outlined above. While the Employers Network works closely with the Partnership in a very broad range of programmes, *it critically also maintains a separate existence and identity* and pursues its own interests. While labour supply is now a major issue for employers, this network came into existence when there was large-scale local unemployment (up to 30%). Its interests in collaborating with the Partnership centred on social inclusion to improve the local corporate identity, fostering free-market and social economy enterprise start-ups to encourage networks of service suppliers for local industry, collaborating with schools and educational institutions for labour market development and generally improving the development of the area for the knock-on economic effect.

4.6.2. Fastrack into Technology (FIT) Ltd.

FIT Ltd. is a major sectoral partnership involving over 60 leading players in the high-tech sector (e.g. Microsoft, Gateway, Intel etc.) in the training of long-term unemployed people through local partnerships. The key partners are the government, individual firms, local partnerships, the training institutions and the social welfare authorities. In its first year (1998), FIT Ltd. trained 3,500 long-term unemployed people and absorbed them into the industry. A significant minority of these people subsequently upskilled to progress to higher-skilled jobs and even to lower management positions. The key success in the programme is the flexible design and local focus of the many small-scale training initiatives it organises. The key employer interest was in developing a workforce geared exclusively to employment in the high-tech sector and the offer of subsidised targeted training represented by this public/provate partnership.

4.7. Stockholm

4.7.1. Kista Matching

Background

Since 1996, Stockholm has been divided into 18 district councils with the same responsibility and authority as the City's other committees and boards. The difference is that the district councils work within their respective geographic areas and have overall responsibility for their activities. The city of Stockholm's leadership still has the overriding responsibility for issues concerning the entire municipality, e.g. municipal tax and the City's common budget.

Kista is a suburb situated approximately 17 kilometres north of central City of Stockholm. Kista is often called Sweden's 'Silicon valley', because Kista is internationally placed among the five leading IT areas in the world. 30,000 persons work in Kista. The City of Stockholm underground/subway runs right through the middle of Kista.

On the east side, Sweden's 'Silicon valley' and on the west side Kista's four neighbourhoods Akalla, Husby, Kista and Aervinge with their 30,000 residents. Many of the residents are immigrants and refugees. They live in hastily built apartment complexes built during the 1960s and 70s. Unemployment has been relatively high. In 1997 unemployment was 11%.

Kista has a City council that believes that this cultural diversity will promote renewal and growth. In 1996 when the City council founded the Kista Borough administration, the primary task was to tackle unemployment and segregation.

A portion of Kista's social welfare subsidy budget was used to start labour market projects, among them a project that later would be given the name Kista Matching.

Kista Matching

Kista Matching as coordinator and influence

In collaboration with the Kista Employment Office, the Kista Borough Council has been running an active matching programme aimed at increasing the employability of residents of the borough within the expansive Kista area.

Efforts have been based on the recruiting needs of local businesses, with the Kista Company Group serving as a mentor organisation. Employers contribute by subsidising advertising, cooperating in the recruiting process, and paying for on-site company training and a certain portion of the costs of vocational training courses.

Trainees are recruited via advertisements, social workers, and the Employment Office. The selection process is carried out jointly with the company that is recruiting. The deciding factor in the recruiting process has been personal motivation to enter the workforce. The matching process has been supplemented with training tailored to meet the company's needs for specific skills, mainly by means of job-related modules.

Of the unemployed who have participated in Kista Matching, 85% were hired after completing the programme.

The project's ambition to this point has been primarily to test various strategies in order to arrive at a working model that efficiently links/matches business needs for labour with motivated applicants, aimed at reducing dependency on income support.

In this model, Kista Matching serves as a coordinator among government agencies, individual programme participants, training providers, and companies that

are recruiting employees. The agencies involved have been the Employment Office, the City Borough Council, and the Social Insurance office, which in various ways are significant to the economic support of the individuals enrolled in the programme.

Kista Matching also has a significant influence on local opinion aimed at changing and breaking the cycle of the “culture of unemployment” and “identification with the alienated” found among some residents of Kista.

Since its inception, Kista Matching has gradually been supplemented with mobilization efforts aimed at groups who are at particular risk.

Results

With its present staffing and budget, Kista Matching has the capacity to work with 150 places per year. All told, nearly 400 people have completed the programme and an average of 85% have found jobs in the open job market. Between 61-100% of each group have been of immigrant background (100% of those in electronics assembly and warehouse training). Some 40% of programme participants have been women. (See Appendix 1.)

Kista Matching as a working model

Kista Matching has formulated a working model based on three key functions with various tasks.

1. Business Consultants, who initiate and maintain long-term contact with employers that need to recruit employees, with focus on occupations where there is a labour shortage.
2. Recruiters, who work with employers to draft lists of qualifications and then select suitable trainees from among the pool of applicants.
3. Information and PR/Community Outreach Workers, who work in the community to disseminate information and influence attitudes.

In accordance with the model, Kista Matching works proactively in the job market to locate job opportunities and to identify potential employees among unemployed residents of the community.

The hallmarks of the Kista Matching method

- Close, long-term contacts with employers, particularly temporary staffing agencies.
- Training courses tailor-made to suit the employer’s minimum needs.
- A selection process designed to be carried out jointly with employers.
- Training or other measures commence only when the employers are involved and “guarantee” jobs.

- The recruiters are in touch with programme participants throughout the process and in many cases even after training is completed. This is particularly important for those who do not complete the course with a passing grade.
- Participants apply to the project independently. There is no formal referral procedure from the Employment Office/Social Services.
- Small, flexible teams who work with recruiting projects.

We want to spread the method

The working method has proved so successful that Kista Matching now wishes to help spread and develop the method in other boroughs in Stockholm and interested surrounding municipalities. We have chosen to work in project form, wherein social workers and municipal trade secretaries are being trained in the method. Training takes place in the context of practical matching work with clients combined with theoretical elements. Participating boroughs and municipalities are working in a network.

The process has been designed to include the discussion of other methods and development of synergy effects through combining the knowledge and experience found in various boroughs.

Aims and Objectives

Individual level

- To give social workers, refugee workers, and financial assistance workers a wider perspective on their professional practices. Social workers currently base their work from a problems perspective. By using the Matching Method, their work becomes more community-based, so that clients and social workers experience more practical results (reduced dependency on income support) in their work together.
- To involve municipal employees responsible for economic and business development in the recruiting process.

Structural level

The project aims to:

- influence traditional social services work and municipal economic and business development efforts and to create a forum for debate and method development in connection with social and job market issues.
- find long-term forms of collaboration for municipal employees engaged in economic and business development and municipal social workers.

- develop methods in which every business contact in the city is also a recruiting contact. A special mandate is given to the economic and business development agency which is integrated in ordinary liaisons with local companies.

Vision

'Million Programme' neighbourhoods have reached employment rates on par with the average for Stockholm County and are imbued with a sense of optimism and positive development.

To achieve a currently improbable confluence of social services and the private business sector by creating a model for how businesses can efficiently recruit people who are receiving income support.

Implementing the Matching Method

Kista Matching becomes Stockholm Matching

Each borough or introduction unit for refugee reception will appoint three social workers engaged in economic assistance or job market programmes to participate in the project, as well as one person responsible for economic and business development, either from within the organisation or from the municipal/borough office of economic and business development. These individuals must be able to devote at least half their working hours to participate in the project.

At the end of the project, this will result in at least nine matching teams in the City of Stockholm. Each of these teams will be able, by the end of the project period, to match at least 150 individuals per year in each matching group (a theoretically possible result of $150 \times 9 = 1,350$ people per year), as well as to train their colleagues to use the Matching Method.

Stockholm Matching will focus on the following areas of development during the project period.

Training recruiters

The method requires expansion of the traditional social worker role, in the sense that social workers, refugee workers, and financial assistance workers will be working actively to recruit and select potential employees from among income support recipients.

This work method forces social workers to look at their clients from an employer's perspective and thus make different demands on the client with respect to personal motivation and activity.

By working operatively and in parallel with traditional social workers in the boroughs, the project team members will act as mentors and guides in the specific work method that characterises the project. The project's aims in this respect are to:

- A. Guide and train social workers in each borough in using the Kista Matching Method.
- B. Improve the eight steps in cooperation with social workers in each borough or municipality.
- C. Document the Kista Matching Method.
- D. Enhance forms of cooperation between the public sector, private enterprise, and temporary staffing agencies so that each does that at which they are best.

Develop the Community Outreach function

Some of the recruiters will have additional tasks as community outreach workers, charged with spreading information about the job opportunities that Kista Matching can offer.

Community outreach workers will attend club meetings and other local activities at which people meet.

Efforts are oriented towards actively influencing and breaking individual identification with unemployment and inspiring the courage to break the cycle of ingrained patterns.

Train business consultants

The point of departure for the Matching Method is the needs of private enterprise to recruit employees. The business consultant “ties in” the companies by means of a commitment in the form of a job guarantee.

Training courses are tailor-made to suit the needs of the company that is recruiting employees.

The business consultant thus has a pivotal function in the working model and should have professional experience in the private business sector. Consultants are given basic education about the mandate and organisation of social services agencies. It is expected that consultants will be part of three-person teams so that there will be one consultant for each project team of three boroughs.

Cooperate with Economic and Business Development Offices/Agencies

The project wants to create a model for how municipal Economic and Business Development Offices/Agencies and social services agencies can cooperate in the effort to reduce dependency on income support. The project aims to highlight and enhance the liaison function of the Economic and Business Development Office/Agency in the sense of establishing contact between companies located in the municipality and income support recipients.

Contents of Method Training

Learning by doing

Recruiters are trained to use the method through working operatively and under the guidance of experienced recruiters from Kista Matching. The following steps shall be carried out under guidance.

- Identify occupational categories where recruiting needs exist by means of frequent contacts with employers, including temporary staffing agencies.
- Discuss with the employer the skills and training needed for the job; the employer drafts a list of qualifications.
- Design a tailor-made course according to the employer's needs.
- Establish contacts with relevant training providers.
- Draft a request for tender to be distributed to training providers.
- Plan recruiting via advertisements in the local papers, contacts with social workers, the Employment Office, Swedish for Immigrants schools, and local organisations. The majority of recruiting takes place today via word-of-mouth, thanks to Kista Matching's good reputation.
- Plan and carry out the selection process in cooperation with companies that are recruiting employees.
- Plan preparatory training for applicants who are not accepted into the training course.
- Follow-up during the course in close cooperation with the employer who is guaranteeing jobs for the trainees who pass the course.
- Act as a coordinator among government agencies, programme participants, training providers, and the company that is recruiting employees.
- Arrange information meetings for new programme participants, at which the employer and training provider are given the opportunity to introduce themselves and their organisations.

- Build up a knowledge bank covering the business directions and recruiting needs of local companies.
- Give applicants useful advice prior to their meeting with the employer. This is necessary because many applicants have no experience in the job market and thus often bring up subjects during the interview that are irrelevant to the employer.
- Establish administrative procedures for the work, e.g., to register all applicants to courses by name, address, and telephone number.

Implementation of Method Training

Networking

A local Matching Centre is created in each participating borough and municipality, where instructors who are experienced with the matching process will train other social workers to use the method. Administrative support is required in every borough with respect to e.g., access to the Doris system, procurement of training courses, etc.

Boroughs and municipalities participating in the development project join in a network. Knowledge and information transfer take place within the network during the course of the project. The network carries out a joint analysis of the training courses to be carried out and then the work is performed in project teams according to the model illustrated below.

The composition of the project teams will vary based on the planned client training courses.

Illustration of possible project team organisation:

Project Team 1
20 nursing assistants

Project Team 2
20 shop clerks

Method training forms

- Participating boroughs/municipalities are brought into the project in rounds.
- The ideal format is for three boroughs/municipalities to form one project team.
- Each borough assigns three people, of whom one should be responsible for business and economic development, at least part-time.
- Each project team is given three months of full-time training.

- The teams then participate in joint recruiting efforts and training days.
- A two-day training seminar, in which employers are involved and basic training is provided, is arranged for every new round of three new boroughs/municipalities.
- Each project team is assigned a special instructor who participates on a very practical level in the matching process.
- Weekly seminars covering various subordinate issues, job market knowledge, presentation of employers, union agreements, etc.

Appendix 1

Participants in vocational training programmes January 1999 to march 2001

<u>Education</u>	<u>Total</u>	<u>Men</u>	<u>Women</u>
Networktechnician (1)	19	9	11
Networktechnician (2)	21	11	10
Networktechnician (3)	20	11	9
Electronic assembly technician (1)	15	14	1
Electronic assembly technician (2)	22	15	7
Electronic assembly technician (3)	14	10	4
Electronic assembly technician (4)	16	12	4
Electronic assembly technician (5)	14	7	7
Electronic assembly technician (6)	14	12	2
Electronic assembly technician (7)	14	9	5
Electronic assembly technician (8)	15	9	6
Switchboard/receptionist (1)	16	0	16
Switchboard/receptionist (2)	17	0	17
Shop assistant	11	5	6
Warehouse worker	22	0	22
Taxidriver	16	15	1
Hotel Cleaners	8	2	6
Total	274	146	128

In addition to the above 116 persons received work directly through Kista Matching without vocational training program.

**Participants receiving employment after vocational training program
January 1999 – March 2001**

	In numbers	In percent
Networktechnician (1)	17	89%
Networktechnician (2)	16	76%
Networktechnician (3)	14	78%
Electronic assembly technician (1)	14	93%
Electronic assembly technician (2)	22	100%
Electronic assembly technician (3)	14	100%
Electronic assembly technician (4)	14	86%
Electronic assembly technician (5)	16	100%
Electronic assembly technician (6)	11	78%
Electronic assembly technician (7)	12	86%
Electronic assembly technician (8)	15	100%
Switchboard/receptionist (1)	16	100%
Switchboard/receptionist (2)	9	52%
Shop assistant	5	45%
Warehouse worker	19	86%
Taxidriver	8	50%
Hotel cleaner	8	100%
Total	230	84%

4.7.2 Handcraft 2000

The project Handkraft 2000 started during autumn 1998 and has been organised by Stockholm Crafts Association. The intention of the project, which has been largely carried out with the aid of EU funds, has been to increase the status of practical occupations and to develop a model for a modern apprenticeship training for students all the way to certification of vocational proficiency or the equivalent. The educational model has been carried out and tested in a limited form on 50 students. The project has also worked intensively on informing politicians and other decision-makers in order to obtain consent to making the educational model permanent, so as to secure access to trained labour in the craft sector. There has been great interest in Handkraft 2000 among students and craft enterprises, as well as labour market bodies, agencies and the media.

Background

The background to the project is the acute need for new recruitment to the craft sector and the current lack of education/training in this field.

The average age of the 225,000 craftsmen in Sweden today is high. Future recruitment to the some 300 craft occupations is imperilled unless a new generation can take over. Approximately 1,000 new craftsmen are needed annually in Stockholm County and approximately 10,000 per year in the whole of Sweden.

The upper secondary school's vocational programmes are by definition 'preparatory' vocational programmes. This means that students completing their education on, for instance, the craft programme, are not fully-trained but only prepared for training in the occupation. For those wishing to undergo full and further training, there are hardly any opportunities available since no agency or institution is responsible for catering for this interest.

During previous educational undertakings, it has emerged that there is an increasing need for retraining in craft occupations for adults after the upper secondary school excluded those aged over 20 from its courses. The municipal adult education system has placed its main emphasis on academic and theoretical studies in order to achieve universal eligibility for higher education. What remains are labour market programme courses which often lack a long-term perspective.

The mobility from academic to practical vocations has been made put out of operation, which entails negative consequences for society in the long-term. The project has been able to establish, as regards adult education, that there is a great demand at basic educational level. One of the results of the project has therefore been the development of an integrated educational model for modern apprenticeship training.

Currently, Sweden does not have any functioning financing system for vocational training in an apprenticeship model. The regular educational system does not want to take responsibility for this area since it is considered to belong to the sphere of the "market". The market, in particular that part which consists of small entrepreneurs, has no chance of financing vocational training to extent required.

Vision

To ensure recruitment and to ensure a new generation of craftsmen in the craft sector.

Objectives for Handkraft 2000

1. To develop and establish efficient training and an educational model for the craft sector that leads to certification of skills or the equivalent occupational expertise
2. To counteract discrimination in the craft sector

3. To spread knowledge and information in order to increase the status of the craft occupations

Organisation

Steering group

The steering group of the project has consisted of the following persons:
Stig Hanno, chairman, City of Stockholm, Social Services Administration.
Anders Plesner, Fastigo, formerly International Programme Office.
Peter Kvant, Swedish ESF Council, European Social Fund.
Marianne Odelros, Head of adult education, Education Administration.
Robin Holtsjö, Chairman Swedish Crafts Council, Swedish Federation of Painting Contractors.
Ingmar Paulsson, Swedish ESF Council, European Social Fund.
Leif Jönsson, Chairman Swedish Federation of Crafts and Small Industries.
Kennet Sjökvist, Swedish Trade Union Confederation (LO) trade unions in Stockholm County.
Ulf Nilsson, Chairman, Stockholm Crafts Association.

The working group

The working group which has been responsible for implementation of the project has consisted of the following people:
Lars Österlind, project leader. MD Stockholm Crafts Association.
Pär Sellberg, head of education. As from October 1999.
Jens Vollmer, assistant head of education. From August 2000.
Anna Winbladh, investigator. As from June 2000.
Aina Rydén, principal of the Crafts Association school.
Petra Tech, information secretary. From Oct 1999 to June 2000 inclusive.
Agneta Skog, action plans and recruitment. From Feb 2000 to June 2000.

The following have also participated in the project:

Tullbergs kultur och reklambyrå, investigator and producer of information material:
Cecilia Bengtsson
Malin Berg from 30 August 2000
Torsten Tullberg
Elsa Westerstad
Carolina Wolff until 30 August 2000

The final report has been prepared by Anna Winbladh, Pär Sellberg, and Jens Vollmer at Stockholm Crafts Association and Malin Berg and Torsten Tullberg at Tullbergs kultur och reklambyrå.

Budget

The project has been carried out with a grant from EU's Employment Pact, Växtkraft (growth power) objective 4 Stockholm County. The grant totalled SEK 6.6 million.

Activities carried out and initiated in the project

Development and implementation of full training for 50 students

One purpose of the project was to develop and carry out workplace-located training which, by taking into consideration the prior knowledge of students, would serve as "full training" and lead to employment in a craft enterprise or knowledge to be able to start their own business. This training which was flexible included alternating theoretical and practical work with a distribution of approximately 80% practice and 20% theory.

45 craft companies with 45 different supervisors have trained 50 students, of which 26 were women and 24 men. 34 different occupations have been represented among the students.

Validation

As a sub-project of the full training, the working group has investigated immigrants' ways into working life. It has then been noted that the road from validation to employability has often been neglected in discussions on validation. Without resources being set aside for further training, all validation, where deficiencies have been noted, is in principle worthless. Additional resources are also required for coaching on the way forward to employment. Taking into consideration these important insights, the project has achieved very good results for the immigrants who have participated in the course.

Measures to spread knowledge

Students at the senior level of the compulsory school often have a very inadequate picture of what it is like to work in the craft sector. Knowledge about craft occupations among study and careers advisory officers is generally poor. In the project, a need for special information material for both these groups has been identified, such as an "annual craft guide" and the establishment of an annual theme day for study and careers advisory officers. A magazine, "Craft", has been produced and distributed to students in the ninth grade of Stockholm schools. Moreover, a website has been developed to inform young people about different paths to education/training and work as a craftsman. This page has the domain name www.hantverksthlm.com

At the most recent measurement of applications to upper secondary school in autumn 2000, applications have increased markedly for two programmes. One is the media programme that has increased by 17% and the other the craft programme that has increased by 16.6%. We believe that the spread of information on the part of the project has affected this result.

The establishment of a craft university college and the initiation of research into practical knowledge are two other important measures that should be undertaken to increase the status of practical occupations. This work has been initiated during the year, with, for instance, a seminar day on the topic 'Manual Knowledge' where approximately 60 representatives from universities, university colleges, other educational institutions, the business sector and museums attended.

Experiences from meetings

The Handkraft project has been presented at over 100 different meetings with, among others, NUTEK, the Regional Skills Council, the County Employment Board, Arbetsförmedlingen kultur (Culture Employment Office), the National Labour Market Board, various municipal counsellors, Stockholm 750 years, the National Agency for Education and the National Board for Youth Affairs. To sum up, it can be noted that most of them have not reflected at all about craft occupations as a group previously. We have been well received at and almost every meeting has led to some kind of measure being further developed.

Great response

During the project period, all those involved have become more and more convinced about the relevance and need for education and training in the practical fields. The response among participants and in the surrounding society has shown that the project is taking place at a very appropriate time, which is indicated not least by the great demand for the preliminary study of the project.

No issues has ever received such attention in the sphere of activity of the Crafts Association as the need for educational and information initiatives highlighted by the project.

Work continues

It can be noted that the project has produced ideas for a lot of new initiatives in the field. Examples of these are in education and training, validation and research. More time is needed to obtain consent to the systemic change that can lead to apprenticeship training in Sweden being made permanent. A number of other measures initiated by the project also require follow-up to be of lasting value.

The project group therefore is pleased to continue with a new project: Handkraft 2001.

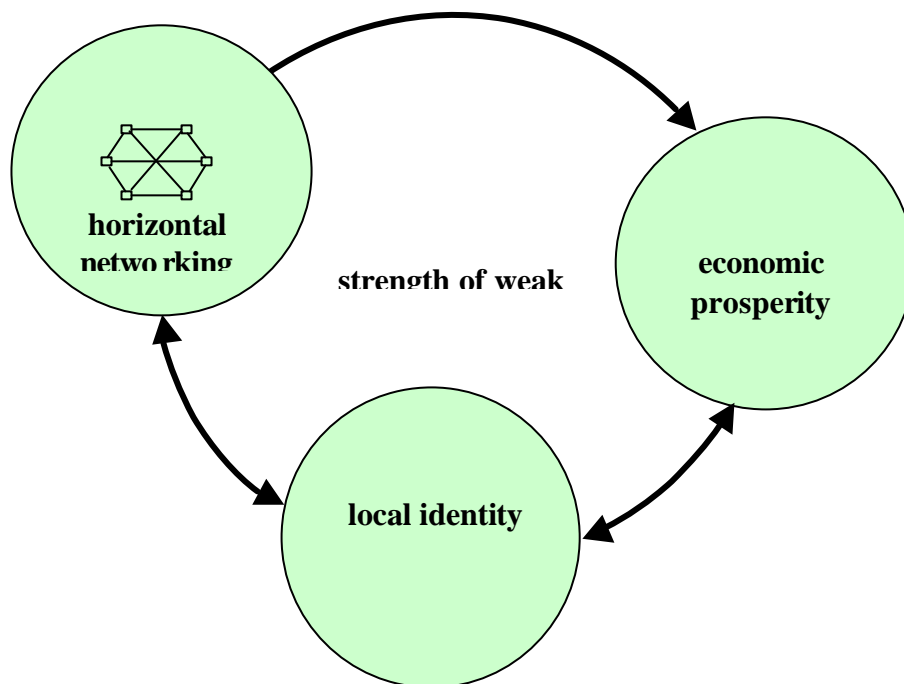
One of the initiatives that Handkraft has given rise to is an educational collaboration with St. Görans gymnasium (upper secondary school), where the upper secondary school will be responsible for the theoretical part of students' education and the project will co-ordinate the workplace-located part of the course. This collaboration is to start in autumn 2001 and will be within the framework of the new project.

5. Key factors of success – Comparative Analysis of the Good practice examples including the prospective of the experts

‘Building social capital will not be easy,
but it is the key to making democracy work’
(Robert D. Putnam, 1993)

Before we attend to the arguments of the ‘good practice projects’ and to the perspectives of our AVALON experts, outlined in Chapter 4, we start with some theoretical remarks based on the relation of Professor Seyfried during the first workshop in Berlin (March) which are related in turn to arguments of PUTNAM.

According to PUTNAM, horizontal networking, local identity and economic prosperity form an interdependent triangle and – simultaneously - the social capital of a region ²⁸, which is defined as:



‘Social capital refers to features of social organisation, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions...’ (p. 167)

‘Stocks of social capital, such as trust, norms and networks, tend to be self-reinforcing and cumulative.’ (p. 177)

Networking and economic development are parallel processes. The intensity of horizontal, instead of vertical and hierarchical, networking enhances regional identity:

²⁸ Robert D. Putnam – Making Democracy work – Civic Traditions in Modern Italy, Princeton University Press 1993

'Any society – modern or traditional, authoritarian or democratic, feudal or capitalist – is characterised by networks or interpersonal communication and exchange, both formal and informal. Some of these networks are primarily 'horizontal', bringing together agents of equivalent status of power. Others are primarily 'vertical', linking unequal agents in asymmetric relations of hierarchy and dependence. Social capital is gained by horizontal networking.' (p. 173)

The strength of this horizontal, 'weak' ties on an informal level mobilises the resources of a region for economic prosperity.

'Spontaneous cooperation is facilitated by social capital' (p. 167)

Mutual-aid practices themselves represent investments in social capital, as well. This, in turn, has an impact on other regions and vice versa: the corporate identity of a region attracts others outside this region and this attractiveness leads to more economic prosperity of the latter.

According to SEYFRIED (2001) there are some further issues, that are linked with those mentioned above, which are favourable for good results in local employment projects:

- Complementary networks and partnerships are required: Only different ways of thinking and different points of view create an atmosphere of innovation. If there is only one kind of actor in a local employment pact only the special (particular) interests of this actor will be pursued. On the other side, if the sample of actors is too heterogeneous there will be difficulties in understanding each other and in setting up a common strategy. That is why the pacts have to find a pathway between these two extremes.
- There has to be a balance between (market) autonomy and institutional involvement of actors.
- Co-operation and competition: without co-operation and competition networks are merely instruments for keeping the power. They close themselves for external partners and influences and are only pursuing particular interests. Co-operation and competition are factors to enable a permanent development of the partnership. They guarantee renewal and prevent isolation.
- The public sector has to play a key role, because it is not dependent on particular interests and neutral. The public sector is normally the institution which initiates pacts and presents the most important issues. But mostly the public sector is too bureaucratic and not flexible enough. In such cases an intermediary is required.
- An intermediary between enterprises and administration seems to be necessary. It should have the authority and the independence of the public actor, being simultaneously much more flexible and less bureaucratic. The intermediary additionally has to be a moderator (mediator), should be service oriented, close to the customer (including feed-backs from the private to the public sector), and promoting programmes for SME's. The mediating actor should furthermore be able to disseminate the European Employment Strategy on the local level.

These theoretical notes can give us an initial structure for the arguments and examples which can be found in the documents of Chapter 4. But comparing the different documents of the good practice examples additional key success factors and arguments will emerge.

5.1. Complementary networks – public-private and cross sector partnerships

Stockholm underlines the importance of the co-operation of the different actors involved. It is essential to find common interests between private and public players.

Consequently in the 'Handkraft 2000' programme of Stockholm a steering group was established which included public entities (Several departments of the city of Stockholm, the Swedish ESF Council) as well as private organisations (Swedish Crafts Council, Swedish Federation of Crafts and small industries and others). Interestingly enough they involved furthermore schools, 'individual' enterprises and journalists from the mass media. What we see here, is a trial, to involve the dissemination argument from the beginning of the project. The same purpose was pursued through a lot of dissemination material, brochures, internet-based information, newspaper for the craft sectors²⁹. The 'working group' of this project which has been responsible for implementation was led by a person from the private sector, assisted by a person from public sector and by an investigator.

In the 'Kista matching' project (Stockholm) it is evident that the public sector took the initiative (Kista Employment Office and Borough Council), but the matching action was also based on the recruiting needs of local businesses as a mentor served the 'Kista Company Group'. The public-private partnership was set up on mutual interests: the public sector had to find new jobs for the high amount of ethnic minorities in some relatively deprived areas, the IT-Companies of Kista had a recruitment problem. On a structural level the project tended to combine social and job market issues. Therefore, Business Development Agencies and Social Service Agencies were involved as well as social workers and refugee workers on the one hand and financial assistant workers and enterprises on the other. Direct contacts between companies and social welfare recipients have been stimulated. On its route from Kista to 'Stockholm matching' the network expanded to other Boroughs and municipalities.

Haringey picks out as a central theme the correlation of national, regional (London wide) and local policies. The national programme tends to improve the regional competitiveness of the most deprived areas and neighbourhoods through a network of Regional Development Agencies (RDA). On the level of London exists a regional economic development strategy, led by the London Development Agency (LDA), appointed by the Mayor. The nationwide programmes to raise employment rates are implemented by local strategic partnerships.

²⁹ See attachments of the original version

One of the objectives of the Tottenham Pact (Haringey) is building and sustaining partnerships with employers. Haringey and Dublin characterise their pacts consequently as 'public-private partnership'. In both cases the pact has all of the main local actors on its partnership board.

The success of the Stansted Airport Project (Haringey/ BAA) was – amongst other things - due to a complementary or 'cross sector network'. This network includes the BAA (British Airport Authority) as a powerful 'global player' which was privatised in 1987, other airport employers, Haringey Council and the Employment Service. The Airport Employment Strategy manager, who is in charge of this project on behalf of the BAA, underlined the fact, that 'no single sector will be able to produce a successful employment project in isolation'³⁰. To obtain committed long-term involvement from a huge enterprise as BAA – she continued – it is also necessary to keep processes and resources to a minimum. 'Otherwise projects will be perceived as time-wasting and bureaucratic'.

This appears as a further substantial factor for successful public-private partnerships: Companies will only be dedicated to these kind of partnerships, if their own way of working is accepted by the public side. This means that the public side has to take into account that a 'lean', effective project design should be developed and carried out in order to persuade companies entering public-private partnerships and to keep in it. It seems to be important for the success of networks to invest time and resources for merging the two cultures – the private and the public.

The CREATE project of Haringey included a huge company (DIXON), a training provider, the local Training and Enterprise Council (TEC) as well as the local authorities. The special profile of this partnership can be seen in the fact that it is organised as a registered charity. This charity reacts on different public and private needs simultaneously: the needs of the unemployed to get a job, the needs of the residents to buy quality goods at affordable prices and the need of DIXON to upgrade appliances. According to the Expert, this project was kicked off by an officer from Haringey Council. 'The local authority was a main driver at the beginning'. The participation of DIXON's and of the local authority were crucial for the project's success. She mentions also an 'individual man' who contributed a lot to the project.

This last aspect leads to a result that we found in other examples too: The involvement of the appropriate institutional and private partners is one condition of success, but finally a good working network is dependent on people who are specially committed to a project or Partnership investing more time and work than usually can be expected.

In Berlin – Neukölln an association was set up in order to create a more 'compulsory' and reliable structure as the platform of the pact. The pact network was built up by: the Local Authorities (Mayor and parts of the administration), Politicians on the level of the district and the Land Berlin, huge enterprises and SME's, retailer organisations, the local employment office, third sector institutions, a big housing company, training institutions and job creation scheme providers.

³⁰ Wilma Scott, BAA, on AVALON Rome Conference, 21st of May 2001

The beginning of the network could be seen in the early nineties when politicians in co-operation with the gsub mbH as a service provider and trustee of the Land Berlin started to organise meetings with the work councils of huge companies on the one hand (in order to implement an 'alarm system' against mass redundancies) and meetings with small and medium sized companies on the other hand (in order to inform them which kind of grants were available from the Land Berlin in the case of hiring unemployed people). From this initiative emerged 'round table' talks involving politicians, the administration and the local economy. However, a permanent and committed partnership including the public, the private and the third sector as well as the employment office (labour exchange of Neukölln) started when the Commission made a call for proposals for Territorial Employment Pacts and Neukölln became one of them. Without the Commission's it would have not been able to set up this partnership. The partnership is strictly organised (board, steering committee, technical help for the pact and working groups for each 12 actions, association with half - annual meetings of all members) and collaborates intensively with the local authorities, local and regional journalists and the Berlin ministries. The strength of the partnership is seen in this good organisation and in the orientation towards the local economy. Barriers between third sector organisations and the 'first labour market' have been diminished during the last years and also the existing cultural network of Neukölln had been integrated. A particular success factor has been bringing together entrepreneurs (not their representative organisations only !), who actively work for the business location and for the concerns of the alliance in part of the association 'Economic development and Employment in Berlin-Neukölln e.V.' – as the central platform of the Neukölln employment pact. Three corporate representatives continually participate in the management board, one of them in the role of the 'treasurer' another has taken over the role of the vice president of the managing board.

For Cantabria/ Santander too, the collaboration through the creation of a network with different actors is a key factor of success. The formula of success in Cantabria is the new kind of co-operation between the public entities, the private enterprises and the third sector Entities: the informal network of collaboration between them and the territorial compromise at a local level. The project was set in motion by the intermediary. The partnership had a local and a regional reach. On the public side Cantabria's government with several Ministries as well as the local authorities of Santander and Astillero were involved. The most important actor on the private side, who contributed financially, was a bank of Cantabria, but also companies for proximity and cultural services were involved. Without this close and wide-ranged public-private partnership the project would not have been established.

Another aspect is mentioned in the Academic-spin-off project of the same region. In the context of this project an 'information and collaboration' network had been established which could be used as a forum, a work tool and diffusion canal of all the information related to employment and education and economic development of the Cantabria region. This network had been promoted and designed by the intermediary DOCUMENTA.

It is open for all organisations and offered a dynamic and integrated service to be used by new entrepreneurs and institutions that work in regional economic development.

Catania strengthens the point that the capability of the partners to pursue common goals is one of the most important factors of success.

The 'Integra-project' of CIOFS-FP/ Catania, which tended to enable unemployed young people to find work through self-employment in the laundry and dry cleaning sector, stemmed from analysis of local needs. The network, which was set up after the analysis, is a 'classical' example of a broad or wide-ranged partnership, including public, third sector and private actors. The latter was represented by an SME's association (APINDUSTRIE) and a laundry and dry-cleaning company. The public sector was involved through politicians (Mayor of Catania, President of the Catania Regional Province) and by different departments of the Municipality of Catania. Also two transnational partners from France and Spain assisted the project. The network was formally organised with practical responsibilities for each partner. Each partner brought their own expertise to the programme. Without this public-private partnership and especially without the support of the company, this project would never happen. However, another key role played an organisation which worked (or still works) on behalf of the Municipality of Catania and which was not a formal member of the Partnership. The expert (Julia Coate from Haringey-Council) and the project manager CIOFS-FP agree independently from each other, that the 'Youth agency', a sort of career service, which provided information, advice in business creation and work experience, was essential for the success of the project. Also the expert noted, that the collaboration between the different agencies was impressive. The team work and the synergy which emerged from this cooperation, are assessed as strong points of the project and the project management agrees: 'The creation of a network between institutions and social operators as well as the involvement of a private company.... gave a significant contribution to the success of Integra'.

From this good practice example we can draw so far the conclusion that 'informal' partners, which were not 'planned' from the beginning, but joined the project during the process, are important. That means: instead of being a 'closed shop' (how SEYFRIED, 2001, described it) partnerships and horizontal networks should be open for new partners through the whole process. Furthermore, clear responsibilities for each partner and complementary giving and thinking are crucial aspects of successful local networks.

The Dublin employment pact can be considered as a splendid public-private, but private dominated partnership, which includes the Municipality, the Statutory Sector, the Social Partners and the Community Sector. Additionally eight working groups are relevant in the different areas of the Pact. The main focus of the pact is tackling exclusion from the labour market, by setting up best practice projects and influencing policies. The long-term economic development is a core element of this pact. Employers are considered an absolutely vital element in partnerships in Dublin and are strongly represented on the Boards of the Pact (Chambers, Business Associations, Enterprise Boards etc.).

But at local partnership level they are additionally often organized separately through distinct 'Employer Networks' where the focus is on the gain available to employers by engaging in local partnership activities. The philosophy of the pact can be described as a strategy giving local responses to local solutions to the mutual benefit of both the community and the employers involved.

For Dublin win-win situations are the key criteria in effective employer involvement. Local employers see them to be the motor of the network, whilst SEY-FRIED and others stress the point, that the public sector has the initial and main role (see above).

Like Dublin, the Hamburg Partnerships of the 'good practice' - examples are also predominantly run by the private sector. The Hamburg 'Round Table' project was implemented by a Chamber which representing private enterprises, the Chamber of Commerce. The whole network (Chamber of Commerce, Chamber of Trade, a bank) has a private character. Other private actors are consultants who support the companies in their 'fight for survival'. The 'round table' project so far can be characterised as an initiative of the private sector which impacts on the local labour market by safeguarding jobs.

The partnership of the Hamburg start-up-programme (hep – Hamburger ExistenzgründungsProgramm) is more mixed: Initiated by five universities and research centres of Hamburg, additionally the above mentioned Chambers, the Department of Economic Development and the Department of Science of the City of Hamburg build the partnership. It is predominantly a network of universities, Chambers and the public sector - a network of science and economy. The strength in this partnership is seen in the co-operation between science, economy and politics.

When we cross check the statements of the Hamburg partners with the point of view of our Sicilian Expert who visited the 'hep' - project we should mention, that according to his opinion the interest of the public entities of the local government is in the foreground: 'hep is the result of the local government will to develop an initiative with the view to creating new enterprises'. The role of the University is seen more in the operational function. He underlines also the meaning of the network, the strong involvement of local actors, Universities in particular. The 'Hamburg network for start-ups' is a 'second network level' (Expert) – a kind of follow-up network which enables the continuation of the contacts and the exchange after having set up a business.

In the Microelectronics Network of Catania we find – similar to Spain and Hamburg (hep) – the type of partnership between universities, research institutes, local authorities, a big company (ST Microelectronics) and small enterprises, mainly as suppliers. According to the author of the good practice example, the ST Microelectronics company (which employs 4.000 people) has an invaluable impact on employment and innovation of the whole region.

The network around the huge company is considered as one of the most important key success factors of the economic and employment development of the Catania region. Moreover, the local development process was strengthened by the collaboration between the company and the surrounding environment for mutual benefit.

Haringey and Hamburg refer to another important topic which is crucial for the social capital of a region as well as for the quality of the relationships between partners: Establishing commitment and trust of local communities as a goal (Haringey) and mutual taking and giving in different projects as the medium (Hamburg) – arguments which are very close to those offered by PUTNAM (see above).

5.2. Active participation of local enterprises

In all pacts, which are compared in this synopsis, one key factor of success is the involvement of enterprises. It is crucial that not only the representatives of employer organisations but the enterprises themselves are involved in pact activities and structures. The research of Prof. Seyfried³¹ underlines this issue. According to his studies, labour market schemes and EU programmes which have been conducted by social partners, chambers of commerce and other associations (or institutions) only, had quite good outcomes in terms of formal results or in a proper use of the expenditure. But they have had a low impact on employment. Only if ‘real’ companies participated in projects or programmes such effects have been evaluated.

In the reports of the ‘good practice projects’ we find both: mostly the organisations and institutions, which represent the enterprises (Chambers of Commerce, Business Associations, County Enterprise Boards etc.) are involved into the pacts or they are part of the Boards and steering committees of the pacts. But there are also many examples which confirm the above mentioned hypothesis, that the involvement of small, medium-sized but also huge companies is one of the key factors for job creation and successful outcomes appropriate to the needs of the region.

The academic spin-off project of Santander, the hep initiative in Hamburg, the Integra project of Catania (self-employment of young, disadvantaged people) and the project ‘Neue GründerZeit’ are examples of the second pillar of the European Employment Strategy: they are devoted to the entrepreneurial spirit. The Hamburg and the Santander project are targeted to graduates of universities whilst the ‘Neue GründerZeit’ and the ‘Intergra’ - project aimed at young local people which are predominantly non-academics.

A sample of projects – like ‘Challenge’ of Berlin, ‘Round Tables’ of Hamburg and ‘Handcraft 2000’ of Stockholm is linked to the fourth pillar of the European Employment strategy: ‘Adaptation’.

³¹ Seyfried, Erwin (Berlin 2001): Erfolgsfaktoren lokaler Kooperation und Vernetzung – Statement held at the AVALON Opening Workshop of gsub mbH on 22.03.2001 in Berlin.

There are also projects which are exploring new ways of Matching (Kista, Stansted Airport, CREATE) and are close to the `employability´ - pillar of the European Employment Strategy or which try to find innovative ways of financing (Service cheque, Cantabria; Neue GründerZeit, Berlin).

5.2.1. Involvement of huge and parent companies

Documenta (Santander, Spain) refers to spin-off concepts (industrial and academic spin-offs), for instance, as job creation schemes. In such cases one or several workers from the same enterprise decide to stop their activity in that enterprise in order to start other similar (or not similar) activity in another enterprise created by themselves, helped by their old enterprise or parent company.

Such parent companies also supported the TEP`s in London-Haringey and Berlin-Neukölln.

BAA, mentioned above, was (and still is) involved in the `North London Stansted partnership´ (NLSP) and the `white goods´ recycling project CREATE´ is supported by the co-operation of the big enterprise DIXONS. DIXONS has been particularly active in the partnership and the relationship with this private partner seems to be important for the project's success, because the company can offer permanent employment for local people. But the project shows also, that it is very difficult to find the right people for such an ambitious project. The Expert, who evaluated this project, seems to be less critical: Through the trainee programme and DIXONS they have obtained contacts with other companies, which frequently visited the CREATE site. `The option to gain work experience and the reference of an employer helps individuals to make the first steps into the more general labour market´. From the same expert we got information about another important detail. DIXON´s motivation to join the project was also caused by anticipated EU regulations (beginning in 2006), which will force the enterprises in this sector to recycle the faulty white goods. `The degassing of refrigerators is a service that the project CREATE offers to DIXON`s in return.´ We realise here again another example of a `win-win´ - situation.

In Haringey the large international telecommunication company NORTEL offered labour places for young Tottenham people with greatest disadvantage to place them in an industry with very high entry standards.

In Berlin the PHILIPP MORRIS company – the biggest local employer at site - declared it was willing to award initial orders to young small business founders, so that they could get their first sales volume in this way and simultaneously get a corresponding reference. One subsidiary, the KRAFT JACOBS SUCHARD company, sponsored 25.000 Euro for the new business and growth fund of the pact. From the beginning of the activities of the Neukölln Employment Pact in 1997 until the middle of March 2000 the private sector has contributed 170,000 Euros. Other large companies, like DEUTSCHE TELEKOM, are members of the `Business and Employment in Neukölln Association (e.V.)´, which is the central platform of the Neukölln employment pact, or, like the construction enterprise ETERNIT, are working actively in the Board of the pact.

The big housing company 'STADT UND LAND' supported the 'Neukölln Trades and SME days' financially and, furthermore, provided long-term employees for the pact activities. The Centre Management of the GROPIUS-PASSAGEN, Berlin's biggest shopping centre, sponsored the 'Neukölln Business Days' three times in order to strengthen the business location of Neukölln and the same company supported – together with several other companies – the Neukölln 'Start-up-your-own-business award'. This has been a well publicised annual event since 1998.

The Cantabria Pact received financial support from FEDER, a big industrial organisation. The 'Caja Cantabria' - a bank – was another important player in the Service Cheque project. The project would not have worked without the financial contribution of this bank.

The Hamburg pact offers task force qualifications around the aviation and space industry, which are occupied with the needs of qualification and potentials.

Catania shows the most impressive example of the importance of a huge company for regional employment opportunities. The whole region profits from the ST Microelectronics company. The huge company and the whole microelectronic network produce a high demand for scientific-technical skills and guarantees grants for postgraduates which undertake research activities. Many of them are then hired.

Such a dependence on one company is on the other hand also risky. If this company folded, the whole region would suffer. Therefore, a local strategy has had to be developed which relies more on the endogenous and sustainable factors gaining a certain independence from this company but using simultaneously all the resources which are available from the huge enterprise and its economical potential. For instance, the current economic prosperity in the microeconomic sector and the outcomes from this side can be used for improving the infrastructure or supporting other sectors. In human resources development, such a large company contributes to the up-grading of skills in the region too.

What are the motivations of huge companies to join local employment or economic development projects and partnerships ?

One comment on this issue we received from the Airport Employment Manager (BAA) in the Stansted project: 'it is not the 'feel good' factor alone, there are real interests of the large companies in joining such partnerships'. We suppose that the following factors are – amongst others – important:

- the lack of a skilled workforce – recruitment problems, which unlocks companies to the potential of helping unemployment problems.(Kista Matching, Stansted Airport project)
- increasing the number of customers and generally the attraction of a business location through pact activities (like the big shopping centre in Berlin-Neukölln)
- getting a better image in the local area (Catania, Micro-Electronics; Philipp

Morris, Berlin)

- finding new suppliers by supporting local start-ups (Berlin-Neukölln, 'Carbone Service'-company in Catania)
- doing a favour for local authorities as an 'investment' in future co-operation (interdependence between the huge enterprises and the local public sector)
- settling in a region with high potential of human resources
- anticipating legislative regulations, for instance in the environmental field (DIXONS in the CREATE project)
- Mass redundancies: huge companies are interested in local partnerships when the employees are threatened by lay-offs
- last but not least: we assume that massive public subsidies 'convinced' or attracted the companies to settle in the specific region

5.2.2. Involvement of small, medium-sized and micro-enterprises

Small and medium-sized enterprises emerge in the reports of the pacts as the most important group on the employer side, as well as the institutions, who represent them.

The project 'Challenge' as one of the Berlin good practice examples raised the question of how existing companies are able to manage the challenges of structural change. The project offered practical help, related to the individual needs of the companies. The goal is to make small and medium-sized businesses capable of mastering the structural change. Furthermore, people threatened with layoffs were placed into new employment relationships. One example within this project – the company WÄSCHETIKETT – is a spin-off of an industrial enterprise (the headquarters and the main production lines were shifted to U.K.). One initial experience of the Neukölln employment pact was at first, that it was difficult to get companies for consultation in general. This could be traced back on a certain 'consultation resistance' which maybe typical for many SME's. Despite having supposed in advance that the costs will be greater than the benefits, after the end of the project 78% of the companies said, that improvements had been made. Generally one can say that in Berlin's good practice examples the involvement of small and medium-sized enterprises is the main factor of success though it was, and is, very difficult to convince the companies to participate in local employment pacts. The reason can be seen in the fact that the companies do not see why they should spend time on those activities. So the strategy is to set up win-win-situations - easily achieved by giving them wage subsidies (public interest: long-term unemployed into work; private interest: subsidised working places). To get their commitment without these grants requires deeper thinking and more elaborate strategies. In the Berlin-Neukölln Territorial Employment Pact some strategies follow this path.

For instance, the association of the pact members organised public fairs in the biggest shopping centre of Berlin, where SME`s could publicise themselves to an audience of about 80,000 customers who visit the shopping centre every day. Meetings can also be held in the premises of selected enterprises.

The Hamburg `Round Tables` experience shows a possible solution to the above mentioned participation problem of enterprises by relying on the official representatives of the Chamber of Commerce, who are involved in the pact. In this case the Chamber motivates SME`s to participate in pact activities. The Hamburg Pact runs – similar to Berlin – a project called `Network for SMEs in crisis`, but the ways of involving the companies is very different: in the Hamburg case the involvement of the Chambers and of an important public bank guaranteed an easier access to the targeted companies, the Berlin project is more bottom-up oriented. In the latter, the districts and their economic promotion departments (bezirkliche Wirtschaftsförderung) have had the key role of accessing companies. It is a more local approach, whilst the Hamburg example is initiated by organisations on the level of the `Land` (or region). In both projects, the role of consultants, experts or godparents is crucial for the aim of safeguarding enterprises facing serious economical problems.

The results of the Adaptation projects in Hamburg and Berlin are similar in terms of their for measurement. In both examples it was also crucial that companies were not charged for services offered. Otherwise the micro-enterprises, especially, would have refused to participate.

However, both case studies – Hamburg and Berlin - face similar problems of evaluation: A known amount of enterprises had been analysed and counselled by a number of experts. But who can say how many jobs have been safeguarded through these activities?

Despite these uncertainties it should be emphasised that even though it is more difficult to measure success, it is just as important to safeguard jobs and improve competitiveness as it is to count the number of start-ups and job brokerage placements. Hence, Hamburg chose the `Round Tables` project as a good practice example because of the `saving jobs and enterprise` argument.

In the Neukölln, the Catania `Integra`-project and especially in the Stockholm local employment pacts hand-craft companies are mentioned as a special group to be considered in local employment pacts. Obviously Craft companies are an important source of job creation in the category of micro-enterprises.

In Stockholm the reason why companies of the craft sector were able to be involved in the Swedish Projects `Handkraft 2000 and 2001` is quite evident: The average age of the 43.000 craftsmen in the city is very high. Therefore, it is important that a new generation will be able to take over. Many of the craft companies are under threat because of the `successor problem`, but even more because of the lack of sufficient skilled labour in the region ³². In Stockholm 1.000 new craftsmen are needed per year for the next ten years.

³² In whole Sweden a need for 100.000 new craftsmen in 300 different occupations during the next 10 years is required

The Stockholm 'Handkraft' – project therefore endeavours to ensure recruitment and a new generation of craftsmen in the craft sector by a) spreading knowledge and information about the craft occupations and b) developing and undertaking education in the crafts sector leading to certification of skills. In the first model phase 50 students in 34 different occupations were trained at 45 SME`s. Overall, the project contributed successfully to an increase by 16.6% of applicants to the craft programme at upper secondary school. By carrying out complete training at the 'Craft Academy' and designing a model for modern apprenticeship training, the project offered important support to the craft sector and – what is more - the project achieved a higher acknowledgement of job careers in this sector.

Related to the leading question of this chapter of our inquiry – the involvement of SME`s in local employment initiatives – the 'Handkraft' project of Stockholm is also very interesting, because 45 SME`s took part and a network for young craftsmen was established. Obviously the companies were attracted by the offer of individually adapted training plans, by the marketing and information material which was issued by the project and – more generally – by the increase of value of the whole craft sector caused by the project.

The fact that about 100 meetings and information events had to be undertaken, to attract companies and students, showed the same difficulty as in the Neukölln 'Challenge' project: it is not easy to convince SME`s to join such projects even if it seems quite obvious that an added value will be achieved or that there is something in it for them. (This conclusion is not entirely correct, since most of the meetings involved authorities, organisations and politicians. The organisation that played the intermediary role in the Handkraft project, Stockholm Crafts Association, has about 1.000 micro-enterprises among their members. Furthermore Stockholm Crafts Association had been training craftsmen for more than seven years before the project started and thus have good relations to a lot of other companies who are interested in taking apprentices.) Interestingly, 60% of the involved companies were brought into the project by the recruited students (who were looking for training places) – a method that shows that participants of projects can also play a role in involving enterprises in local employment initiatives.

An additional motivation for the companies to take part in this project was the financial aspect: Up till now, the apprentice training in Sweden has been undertaken by the social partners and has the form of an employment contract but this model is not sustainable any longer since it is financially unsustainable for small entrepreneurs. Not even institutions can afford to train craftsmen any more.

The more general conclusion drawn by the above mentioned argument could be, that the reluctance of micro enterprises to open themselves for external advice can be reduced (diminished) if their survival is threatened and new solutions have to be found in order to save or to push forward the company. Furthermore, we can assume that the support of staff training, the argument for life-long learning – as a general strategy – should not be pushed to the forefront at the beginning of an approach which tends to involve enterprises at a local level.

It is more favourable to offer solutions accurately defined at the beginning of an individual analysis of the single company and then – later -, as soon as the company itself discovers a demand, providing training and up-grading of skills either for the owner or the staff of the enterprise or for both.

In the 'Kista Matching project' of Stockholm the key success factor was a simple yet ingenious idea: the IT-companies, which had recruitment problems, gave a job-guarantee – in advance and under certain conditions. The immigrants and refugees who were pre-selected through an assessment centre and who were willing to take part in tailor-made training courses had the guarantee of a job. The motivation for the unemployed was enormous because training never started without having an employer, that means a real working place, in the background. Another success factor was the establishment of close, long-term contacts with employers, particularly with temporary staffing agencies. Special consultants drafted the qualifications for the workplace, selected suitable trainees from a pool of applicants and kept in touch with the participants throughout the training phases in and outside the companies and often after it. Frequent contacts with employers were also seen as essentially for the success of the project, applicants were prepared prior to their meeting with the employer.

The comparison of the Stockholm projects shows an interesting difference: 'Handkraft 2000' was initiated by the private sector (Stockholm Crafts Association), and 'Kista Matching' by social departments of a public entity. Perhaps the first example shows the pressure for the private sector to recruit additional staff was the more crucial one, whilst in the second example the pressure of the public entities to integrate unemployed immigrants was higher. In both cases the matching and recruitment problem plays the central role and it could be assumed that the public and the private sector both had strong interests.

Stockholm stresses – by the way - the point of prioritising the regular, private labour market from the point of view of the unemployed: jobs in the real world give them more self-esteem than subsidised jobs.

The Dublin pact recommends 'developing industrial clustering' and 'creating service industry hubs', in order to improve the enterprise environment and to foster the relations between large industrial companies and their suppliers.

In the Stansted Airport project (Haringey) as well as the large company BAA, 20 small and medium-sized companies (May 2001) were involved. Their motivation to join the project emerged from a practical need of unfilled jobs where there no obvious immediate solution owing to 'a severe restraint on growth' for the local population. However, they had to be persuaded that inner city people from disadvantaged areas in London were able to do the jobs. Like in the example of Kista Matching additionally tailor-made training programmes, mentoring and in work aftercare were essential to convince them.

In the background to other projects, Haringey underlines the goal of increasing the participation of refugees and companies owned by ethnic minority people. In the CREATE project mainly black young men, for instance, had the opportunity to get in touch with employers.

This is also a main goal in the Action 3 – vocational training networks – of the Berlin pact. In Stockholm's 'Handkraft' project one of the targets is to avoid a split labour market with low status jobs performed mostly by immigrants.

In the Service-cheque project of Cantabria, two types of small enterprises at the local level can be distinguished: Qualified suppliers who provided the services, paid with the new financial instrument 'service cheque', and a group of retailers in another area (Astillero). The motivation of both groups was the hope of higher demand concerning their services, because they could offer them 30% cheaper (as regularly) to the customer thanks to the subsidy of the Caja Cantabria bank.

In Sicily generally SME's appear extremely various and different, according to the different areas of localisation. Today the SME system constitutes the supporting sector of the Sicilian industry and therefore those types of enterprises – also as a counterpart against the big chemical, petro-chemical and high technological companies – play an important role in the different TEPs of Sicily and Catania.

On the other hand we find in Catania/ Sicily the example that SMEs profit from the presence of a large company which provides them with orders in the micro-electronic sector. 200 small and medium-sized enterprises have been established in the last few years, through the development of the microelectronics sector. Moreover, 5 new enterprises were established by former employees of this large company.

In Catania's Integra project a laundry and dry cleaning company was crucial for the project success, because it provided training and franchising opportunities for young people who were going to be self-employed. Work experience for youngsters given by this company was part of the program. But also the company itself benefited from the project: it was looking for people to enter into a franchising contract.

In many cases, predominantly in Dublin (300 employers network in several industrial estates in the Northside area of Dublin) and Cantabria (retailers), but also in Berlin and Haringey, networks of SME's are involved in the pacts and the networking itself is one permanent goal of the pact activities. In Catania such networks are going to be concentrated in the upcoming micro-electronic sector through pact activities.

5.2.3. Business-start-up projects – shaping new enterprises on a local level

All pacts offer services more or less for business foundation. The start-up assistance for micro-enterprises covers a wide range of activities in the different regions.

In Berlin-Neukölln the project 'Neue GründerZeit' attracted young entrepreneurs or founders by a new tool (at least in Berlin), a local 'start-up and growth fund', which provided grants for companies which were set up in the last three years.

The business founders did not have to pay back this grant and therefore they could use it as risk capital. On this basis they could receive loans from public and private banks (both of the banks were also involved in the steering committee of the project and gave advice to the project management of gsub when they had to allocate grants). The fund was paid by private means which were collected by huge enterprises. The disadvantage of such a non-revolving fund, however, is that it is not 'unlimited' and no money is coming back. After using all the resources which were put into the fund it had to be closed. However the evaluation showed that all enterprises which were subsidised in the beginning still exist. Many of them in the meantime created additional working places. According to the evaluation, which was carried out by a Berlin University (FHTW), the money was allocated quite well.

Another outcome of this initiative can be seen in the fact, that it is very important to support founders not only in the pre-start and start-up phase (as many programmes do) but also in the establishment and growth phase in order to reduce the risks of the first years and to improve the survival rate of the young enterprises.

Deriving from the outcomes of the model project 'Neue GründerZeit' the Berlin Department for Labour, Social Affairs and Women decided to implement a Berlin-wide project in 2001 called 'Existenzgründer-Coaching', which aims at increasing the survival rate of young enterprises through face-to-face coaching, specialised training and series of workshops. So the ADAPT model-project was mainstreamed into the Berlin Labour market framework, transferring it from the district level to the level of the Land. Simultaneously 'Neue GründerZeit' is now going to be implemented in the region of Opole/ Poland.

Another type of business-start-up project is addressed by the group of academic graduates.

In Santander/ Cantabria an agreement was signed with Cantabria's University for the promotion of new economic activities coming up from the academic field. The 'spin-off' - idea refers to the early 80's in U.S. when new enterprises were founded using the resources of an existing or downsizing company or the resources of a university. In the light of this and in the framework of the European programme 'ADAPT', in Cantabria an 'enterprise centre' (classrooms, meeting-rooms, service facilities) in close connection with industrial plants had been built up with the aim of offering a multi-purpose infrastructure with low costs of maintenance. The centre provides (1) individual sites and common equipment, (2) grants for new entrepreneurs, (3) seed capital, (4) competition of business ideas, (5) accompaniment and different support measures and (6) training actions. An academic spin-off can start because a person from the University decides to create an enterprise which activity maybe related to the work done in the university. Three prerequisites have to be fulfilled: (1) Existing of an 'enterprise mother' (could be an industrial enterprise or a university), (2) a product, a technique or an idea, (3) Human resources with enterprising wills.

In the hep-project in Hamburg we found a similar type of academic-spin-off as in the Cantabria Region. University students were motivated to develop new enterprises with the help of a group of university experts and scholars.

The matching between technical-scientific knowledge and enterprise management (the Expert) is the special profile of the project. During the start-up phase and after going through an assessment of the business-plan the potential entrepreneur can obtain financing for 6 to 9 months up to 15,000 Euro. He can take advantage of the university facilities or research centres. After this phase the opportunity is given to set up a network of enterprises with common interests under the auspices of the hep-programme (until March 2002). This kind of 'spontaneous' networking is considered as one of the strengths of the project (Expert), because it is not limited to the start-up-phase. To foster enterprise development through the establishment of relations with the scientific world is the main focus of the project.

Another important topic is 'self-employment'. This is the main topic in the 'Integra'-project of Catania. On the basis of the Italian National law – no. 608 – special help is offered to young people who set up their own business. Roughly 25,000 Euro are available for equipment (only 40% have to be paid back), besides costs for rent, bills, raw materials, insurance and advice are eligible. The Italian Government provides a loan up to two million, partly as a grant, with current (2001) interest rates of 1,5%.

Even if it has to be mentioned that the young persons have to fulfil a lot of conditions before being granted, it is obvious that in Italy there is a massive public support for young founders with quite good outcomes. In the last three years in Catania 850 start-ups which derive from this programme have been registered. 82% are still running their businesses. The business creation advice and the financing is conducted by regional, specialised offices which provide 'unlimited' face-to-face sessions for young enterprises.

Surprisingly not only in Germany and Spain, but nowadays also in the U.K., social enterprises, located between private and public sector, are 'fashionable', coupled with Intermediate Labour Market Schemes. They have become in the U.K. a particularly popular form of intervention on the labour market. Social enterprises are seen there as routes to sustainable jobs and enhancing employability, so that workers can compete in the open market after the stay in the Intermediate Labour Market Scheme. For the expert, the project CREATE, for instance, is 'a genuine social enterprise'.

The 'Dubliners' and 'Berliners' (the latter looking back on many years of experience in handling social enterprises in Berlin), in contrast, stress the point that, while there is some third sector involvement, the focus remains firmly on the private sector. There will be no success without the substantial input and involvement of employers. In both pacts, all local employment strategies operate in collaboration with local employers. They are also involved in several working groups of the pact.

5.3. Competitive region – competitive enterprises

Dublin stresses the point of maximising the competitiveness factors of a region: Private companies are oriented to maximise their profits. However, the competitiveness of the local economy is relevant for the profit of every single company too. This correlation leads to a strategy for developing a city economy and maximising the competitiveness factors.

In the Berlin contribution the same topic is mentioned: 'The competitive capability of individual companies is dependent to a certain degree on the competitive capability of the respective region'. Despite the high unemployment rates and the huge amount of social welfare recipients in the district of Neukölln, the Territorial Employment Pact aimed at improving the performance of the region by a number of actions which pushed forward the local economy at the same time. Through 'Business awareness days' (a fair where local businesses present themselves), 'Neukölln Trades and SME's days', through an Internet-based 'Commercial and Industrial space mart', a 'Women's business centre' and through cultural events (Cultural Event: '48 hours of Neukölln') the image of the district as an attractive business location was strengthened.

The Haringey partners recommend that the enterprises need to develop links with the wider market, not only within but also outside their own region, in order to increase their networks, their supply structures and finally their turnover and employment rate. Market research for product and service demand on local level is needed.

A similar argument highlights Catania: the development of Microelectronics attracted other regions and caused an enormous increase in foreign trade. Catania's Microelectronic project is generally a very good example for the interdependence of the prosperity of companies and the competitiveness of a whole region. The boost in the micro-electronic sector since the late eighties created an enormous amount of working places and job opportunities for high-skilled workers and has also led to an increasing number of small and medium-sized enterprises.

In the London - Stansted project we see an example of an interregional project: the modern international airport in the countryside with an insufficient workforce and people from inner London with a multi-cultural, working class and disadvantaged background needing work. To merge these two cultures for the mutual benefit of both regions (the one side gets a job, the other side has to change its attitude in order to accept people that were not adopted before) had taken a long time and a lot of hard work.

This is similar in Stockholm where people from deprived areas of the city were sent to the 'Silicon Valley' of Kista IT-companies. The competitiveness of the IT-companies and the craft sector was (or is) threatened by a lack of skilled workers. Starting from the bottom-up with one project in a Stockholm district initiated by the social department of this district a Stockholm-wide initiative was born based on the success of the local model project. Maybe, strategies which are able to solve problems at a company level are one step away from becoming strategies which can increase the competitiveness of a region.

In Berlin, the competitiveness of the district of the region seems to be strengthened by the local pact as well. The economic orientated actions certainly improved the environment for business foundation and the infrastructure of the district. But there are no criteria available in order to prove this. Neukölln at present is still downsizing traditional industries with high lay-offs as a consequence. This prevents a fall in unemployment and reinforces the long-term unemployment problem overshadowing the successes which have been achieved in terms of strengthening the competitiveness of the region and creating new jobs through start-ups.

5.4. Corporate Identity (CI) and marketing of a region

Closely linked to the arguments above are further key factors of success: the development of common marketing strategies and the improvement of local corporate identity (Dublin). Berlin offers a measure to achieve regional CI, providing services for the local economy. In order to strengthen the business location of Berlin-Neukölln, every year 'Neukölln business days' and the 'Neukölln Trades and SME Days' are organised by assistance of the Pact association and large companies. Local companies take part in an open day at the biggest Shopping Centre of Berlin – and can talk to politicians at the district and Berlin level.

The 'hep' initiative of Hamburg also uses this argument. A foundation has been established and the whole project tends to sell Hamburg as a city of science and an attractive location for graduates who want to set up their own businesses. The 'Round Tables' initiative could be considered as an initiative to avoid 'negative marketing' of the city: the main goal is keeping companies going and to save them from bankruptcy.

The service cheque project of the Cantabria region also appears as a project which improves the corporate identity and image of a region. It attracts enterprises, retailers and customers of a given region through an innovative financial approach which is locally oriented and not-universal.

The Catania region and its booming microelectronic sector is also a marketing dream. Many people look at this region as the 'Etna valley' or the so-called 'Catania model', because it is reminiscent of the success of Silicon Valley in terms of collaboration between companies and the universities / research centres and in terms of employment impact and economic success.

The Berlin pact also specialises in marketing the district, especially local enterprises. Action 6 of the action plan is committed to the goal of strengthening the business location of Neukölln. 'Neukölln Business Days' and the 'Neukölln Trade fair and SME's days', including cultural events as well, have been undertaken simultaneously and annually with the goal of making the Territorial Employment Pact accessible to broader population groups and of advertising for active citizen participation as well as of expanding the existing network with new companies. An Internet-based 'Commercial and Industrial Space Mart' has recently offered commercial premises, in order to facilitate reducing vacancies.

Towards the needs of people – combining social and economic issues

Another sample of arguments refers to social issues and special needs of target groups. Stockholm underlines the bottom-up approach: A local pact should be designed according to the needs of people with social problems. In their good practice projects they have tried to combine social issues with economic needs. In the first case study the initial factor was to bring unemployed immigrants into work and to tackle segregation, in the second the need of new craftsmen was the starting point.

A similar, but wider approach is prioritised by the Spanish side Cantabria/Santander): Employment creation is 'by satisfying populations needs'. This is, for instance, the basic idea of the 'Service cheque' - project, which promotes local trade and simultaneously increases the demand side and the quality of proximity services. Services offered through the cheque are needed by local people.

According to Dublin 'effective social inclusion' is required. The Haringey partners rely on 'empowerment of people' which helps place disadvantaged people into work, based on completing individual action plans.

In the Stansted project young people mainly from ethnic minority communities in inner London were encouraged to seek jobs outside their familiar area (Tottenham). To enhance the mobility of the unemployed and to make it more attractive for them to seek a job outside London, the Stansted network has made use of a deal brokered by BAA with train and bus providers, so that the people from inner London could get to work cheaper and faster. The airport is only 29 minutes away, yet local people had to be convinced to go there, because they had not been used to seeking work outside London. The 'sexy' image of aviation helped to diminish such barriers, for instance by making it an attractive place to go.

In Haringey's CREATE project, young men, mainly black (Expert), aged between 18 and 24 represent the target group. Following three aims – (1) recycling white goods, (2) selling them cheaply to people who cannot afford new goods (3) integrating people into the labour market – the project obviously tried to combine social issues with economic interests in favour of local residents.

In the Integra project in Sicily the overall goal of the activities concerning self-employment is the durable reinsertion of young people running the risk of social exclusion. Special attention is paid to women. For the project leader the project is primarily committed to vulnerable groups of young people, for the expert the beneficiaries of the project were both individuals and companies. Self-employment was suggested as a sensible route for very disadvantaged people who were – for instance – reluctant to go to school or tired of taking traditional training courses. The high drop out rate and finding the right job guidance for the 7 beneficiaries (out of 15) who were not successful in obtaining funding to start up their own businesses were the main problems the external AVALON expert identified by assessing this project from her personnel point of view.

Those arguments led to the general question of 'is it possible to reconcile social targets and insertion needs of disadvantaged young people to the economic realities and personnel capacities which are required in setting up an enterprise?' You need money and you need know-how, both factors which were treated very carefully in the project design, but difficult to achieve for vulnerable groups. Through the participation of the private company as an active partner work experience elements and general support (for instance learning by doing, practical training courses, franchising) was added to the project design. Generally it is impressive how many activities (beginning with research, specialised skills, guidance and unlimited face-to-face sessions, grants, loans and more) the project undertook to provide all opportunities in order to make it easier to motivate disaffected young people to set up their own businesses. The outcomes should be studied more carefully to draw the right conclusions from this project. For instance we should find out which environment has to be created for disadvantaged people to become self-employed and how a permanent system of support in the first years could be introduced. The risk of failing in this challenging and ambitious field is obviously quite high.

Projects which deal with graduates are going to achieve easier good results in this context. The hep – initiative in Hamburg is addressed exclusively to university students and researchers. In contrast to the Catania and Berlin target groups, the students with a university background have (on average) the necessary key qualifications, but no experience in developing business plans.

In this case 'hep can provide an excellent support' (Expert). In the previous two years (looking back from 2001) 100 entrepreneurial ideas have been supported with an outcome of 33 businesses, which created thereby 164 new jobs.

5.5. Improving the local and in-company skill base

One of the main hypotheses in the good practice projects is, that access to jobs is predominantly prevented by the workforce having little or no qualifications. Consequently, most of the partners try to address this issue.

According to the 'Dubliners', the improvement of the local and in-company skill base is required. Achieving flexibility in training and re-integration is one of the main goals of the Dublin TEP.

Development of training for unemployed directly linked to the demands of the industry (tailor-made courses) is also a main issue in Stockholm. Immigrants were trained according to the special needs of IT-Companies, students got additional knowledge in a model project in order to develop and perform education in the crafts sector that led to certification of skills. Additionally, the Handkraft project tended to shift a major part of the vocational training from institutions into the SME's as it is usual for instance in Germany and Austria. Stockholm underlines the aspect of preparatory training and assessment or – more generally - the need to prepare applicants before they meet prospective employers.

Well-designed customised training and training needs combined with business planning are fundamental cornerstones in the Tottenham (Haringey) approach, which generally prioritises 'training and knowledge' as the key elements of successful pacts. In the Stansted project preparation courses helped each client to meet the requirements of every specific employer. The importance of training cannot be underestimated. Linking basic skills training with employers' requirements appears as the most crucial issue of the Stansted partnership. From the perspective of BAA (private) it was furthermore essential that the public sector partners carried out all the recruitment and training processes in house and 'behind the scenes'.

Haringey's CREATE project highlights the need for adequate selection and training. The first trainee course failed because of inadequate preparation and too ambitious goals. But our expert resumes, that the increase of employability of the second target group will nevertheless be achieved through training in social and communication skills, through NVQs in household engineering, through gaining work experience and through entering new jobs (partly).

The Integra-project in Catania was also very ambitious. Vocational re-location and retraining in combination with work experience provided by an established private enterprise, a mixture of classroom (theoretical) training, practical training, job guidance and counselling was developed in order to help young people become self-employed. Since the participants of this project were not used to attending school and reluctant to undertake any training, a special training programme had to be developed, a combination of vocational training and work experience, based on intensive and detailed research in the pre-phase of the project implementation.

All of the participants gained at least technical-vocational skills which helped them to get a new job. However, half of them were not able to achieve the main target of the project - to start a own business – despite all the elaborate and intensive support systems.

This shows that training is an important but not sufficient condition for business starters. This is why the project offered more than this, but bridging the gap between low-skilled people with personal problems and without their own income and the requirements of a successful business remains quite a hard and ambitious job. The AVALON expert puts the question – 'would it not be easier to undertake such projects with younger people who may be less disillusioned with life?'

In the Berlin-project 'Neue GründerZeit' the founders of businesses were not limited to unemployed people. In this project, it was taken into account that only successful young businesses could survive and create new labour places. Similar to Catania, a set of support measures was provided, such as personal advice to set up a business plan, awards for successful entrepreneurs, a hotline which opened access to special tax and law advice, tailor-made training measures, the support by parent companies, Internet-based lessons for those, who did not have time to join training courses and which could be downloaded by the founders and a start-up and growth fund.

The starting point of this approach was dedicated to the economic survival chance and future oriented perspective of the businesses and less to the social situation of the actual person who wanted to start up (although this was one of the eligibility criteria).

Training and up-grading of skills were key elements of the Berlin good practice examples as well. In the start-up-project 'Neue GründerZeit', fundamental qualification training, training on special topics and self-learning materials over the internet, as mentioned above, were offered. The ADAPT-project 'Challenge' of the 'Berliner's' refers to in-company training and organises internships of long-term-unemployed, who are participants in job-creation schemes.

In Hamburg the 'hep' project offered seminars for students which were carried out by the universities as the leading partners of the project. The hep-training - programme is tailor-made to SME's (Expert).

In Berlin-Neukölln a training network alliance is maintained in order to organise associations for vocational training and in order to raise the number of training places for youngsters.

5.6. The role of financing

Another and obviously important issue are arguments around financing.

According to Stockholm, Kista matching financing – in terms of subsidies for the enterprises - is not the main factor. Instead of receiving subsidies for the integration of unemployed immigrants, the employers contributed by giving money for advertising and paying for on-site company training and partly for vocational training. For starting, the initiative grants were taken from the social welfare subsidy budget (in the project Kista matching).

In the Handkraft project on the contrary, subsidies to the micro enterprises was essential for the success of the project, since the micro enterprises in the craft sector are not as financially strong as the larger companies in the IT-sector. The Handkraft project was financed by public means of the EU employment pact of Stockholm (under the former Objective 4, roughly 900.000 Euro). A smaller amount was paid by the Stockholm Crafts Association. Handkraft 2001 will be supported by Objective 3 ESF but there are still problems with the co-financement of the city.

Catania agrees that interventions on a smaller financial scale can have meaningful results. In the case of the micro-electronic project no public funding (at least from ESF) was obviously necessary because the main costs and the economic boost were driven by a huge private company. The Integra project, however, was mainly funded by the European Union, but also in this case a private company contributed in a smaller scale.

The problem – (as in many similar projects, in our sample, for instance, 'Service cheque' of Cantabria region) – is that the project ended after funding and no further funding opportunities existed to continue.

Berlin as well as Hamburg stress the importance of sponsorship by private companies. Stockholm as well as Berlin stress the importance of the technical assistance financed by the European commission. Without this help the pact would not have worked.

Hamburg's hep-project is fully funded by the local government (Expert). Additional funds are expected after the start-up phase (6 to 9 month) which was paid by the program.

In the Stansted project of Haringey it was crucial that the public sector financed on the one hand all the recruitment and training processes for the project, and on the other hand there were given small subsidies to the unemployed (part financing of train tickets, Lunch vouchers) to support their mobility and to motivate them looking for new jobs outside London. The CREATE project is a charity, financed by EU grants (ERDF and ESF), national and local grants. The capital investment was paid to 90% by the National 'New Deal' program. The private sector contributed a full time member of staff from this company and by providing all the raw material, but played in the whole 'financial architecture' (Expert) a minor role. However, in the first phase the project had severe economic problems, because it wasn't making enough money.

In the Service cheque - project of Cantabria the key role in terms of financial issues was played by a bank. The non-universal payment title as an innovative financial instrument at the local level is at the heart of the project.

The meaning of research, evaluation and quantitative targets

In most of the projects and partnerships, research, evaluation and the ability to quantify numbers plays an important role.

In the Academic-spin-off project of Astillero (Cantabria) in the first stage 60 local organisations were asked, if they had anything to do with spin-off processes, including how they understood the meaning of this expression. In the next stage they worked out the advantages of spin-offs for the entrepreneurs and for the local economy. Afterwards two studies were carried out, one with the aim of studying the 'occubability' of young participants in training processes and the other one which consisted of an analysis of the zone's industrial base. In this context businessmen and professionals were questioned (389 polls). Interviews to 42 trainers from formative centres and Craft School workshops were also made. Finally 265 young persons were asked about training issues.

The service-cheque project of the same region was based on different studies which investigated the question if the household related service sector could be a future field of creating employment (Expert).

The Integra project of Catania started with an 'accurate analysis of local needs' (in 1997). As an outcome it was shown that there was room for 20 additional laundry companies in the region. Questionnaires were addressed to educational institutes, to hospitality communities and social centres. All the results were described through a detailed self-evaluation.

In the case of the Microelectronics project (Catania) the impact of this company on the local labour market has been carefully looked at. The profile of Catania's Microelectronics and Integra project is highly dominated by research (in advance of the project implementation - Integra) and by figures, which show impressive detailed and quantified impacts of the microelectronic 'revolution' in Catania Region. Thus figures help to understand the meaning of this development.

In Berlin - Neukölln before the Territorial Employment pact was implemented - a comprehensive analysis concerning the local economic and labour market situation was carried out³³. This analysis tried to compare the Neukölln situation with other European regions in order to gain ideas for new initiatives. In the meantime, in every district of Berlin where gsub is in charge (4 of 12 districts) such analysis has been made. The first six actions of the Neukölln action plan – including the projects 'Challenge' and 'Neue GründerZeit' – have been evaluated through an independent, formative evaluation conducted by different Berlin research institutes and universities.

The Berlin - Neukölln pact was strongly 'committed' to numbers and figures for instance: how many working places can be created by the action-plan ? From January 1998 to March 2000 1.044 new jobs have been created through the six actions of the pact. Additionally Berlin counted the average amount of public money which was paid for one additional working place.

The Tottenham Pact of Haringey Borough recommends to set up three year targets to raise employment rates in local districts. Numbers of training weekes, new jobs created and safeguarded etc feature as 'outputs' by which government funding regimes are monitored.

Whilst quantitative factors have been often criticised as a 'poor' and not appropriate contribution to the assessment of pact activities, collecting data and setting up quantitative goals is nevertheless favourable for planning and monitoring activity.

5.9. The role of the intermediary

SEYFRIED – see also above - outlined the role of the intermediary, which should combine the following features (qualities):

- Same authority and independence as public entities
- Simultaneously more flexible and less bureaucratic than the public sector
- Moderator of the pact and between administration and private sector
- Service-oriented
- Close to the customer
- Provides feed back from the private to the public sector
- Promoter of SMEs
- Disseminator of European policies

³³ Aster/ Corellou-Davidovski/ Rieckhoff – Stadtbezirk Neukölln von Berlin – Analyse der lokalen Wirtschafts- und Arbeitsmarktstruktur im regionalen und europäischen Kontext, gsub Berlin 1998

The partners agree partly with this assessment when they notice, for instance, 'there is a high demand for process leaders in the pacts' (Stockholm) or when they refer to 'commercial agencies with a social agenda' (Haringey), which seem to them to be appropriate in conducting employment schemes.

In all pacts it is clear that intermediaries are required for linking public and private sector interests.

In Stockholm's 'Kista matching', the project itself serves as a co-ordinator among government agencies, individual programme participants, training providers and companies. Four types of intermediaries are used in order to raise, establish and keep close contacts between the public and private sector, between companies and unemployed applicants: a) the Business Consultants, who initiate and keep long-term contacts with employers, b) Recruiters, who work on identifying the required qualifications of the labour places and select suitable trainees c) Outreach workers, who work in the community in order to disseminate information and change attitudes d) The Kista Company Group serves as a mentor on the private level.

In Stockholm's Handkraft 2000 project the 'working group' which integrates private and public actors led by an private actor serves as a kind of intermediary.

In both Stockholm projects the intermediaries are not only committed to tasks of informing and disseminating, organising, collaborating, networking or to financial issues.

The projects also describe 'moral' or social topics as a role of those intermediaries: Influencing and changing attitudes, 'mainstreaming' (for instance: from Kista Matching to Stockholm Matching), tackling discrimination or building a better image of the craft sector.

In Catania's Integra project the project management of CIOFS-FP Catania which set up the network and carried out the research before the implementation of the project can be considered as intermediary. But also the 'Youth Agency' which helped to set up business plans and provided advice to the target groups of the project played a key role and can be seen as an 'informal intermediary'. In the self-assessment of CIOFS the network itself and the role of CIOFS as an intermediary (project implementation activities, setting up the social network) were the key factor of success.

In the Berlin-Neukölln pact the role of the intermediary was played by the gsub service company which works on behalf of the Land Berlin, Department for Labour, Social Affairs and Women. Similar to the Catania example the pact would never be have worked without this intermediary because the administration was not able to bid for the tender of the Commission. On the other side the information about 'Territorial Employment Pacts' was spread initially by the Administration. The gsub recognised the opportunity to set up a local action plan in a very deprived area with high unemployment rates – the district of Neukölln – and took on the challenge. The next task was to convince the local authorities and other important actors of Neukölln to join in this project. The action plan was also drafted by the gsub, but this was only possible through the contributions of the different actors.

While Haringey highlights the argument that one of the tasks of a TEP is bringing demand and supply together, Cantabria mentions the need of an intermediary structure between supply and demand (for instance within the framework of the project ‘service cheque’).

5.10. Transferability and Innovation

The collaboration with other European regions refers to the international networking in terms of developing partnerships between intermediaries or whole pacts. Additionally, a second component is included: the best practice projects of other regions can help to find solutions for the own region and this process – as well as the pact activities in general – should be accompanied by monitoring and evaluation.

The Haringey model project of Stansted Airport, for instance, can be used at other airport locations throughout Europe because the requirements of Airport Employers are quite similar all over the world. Furthermore we can suppose that the ‘image of aviation’ is also an attractive one for unemployed people in all European regions.

The CREATE project of Haringey is also a transferable product. ‘The original idea of CREATE was adopted from France’, the Expert noticed. A similar project in Liverpool supported the implementation too.

The expert recommends the transfer of the project to Berlin, by avoiding the failures which were made previously and if a similar project does not already exist. The innovative aspect of CREATE is seen in the product as well as in the context innovation. Recycled computers, for instance, are given to charities and the combination of satisfying residents needs and simultaneously training young unemployed people and giving them first work experience by the help of a huge enterprise (which pursued also its own interests), seems to be quite an interesting project design.

According to the protagonists of the Cantabria Service cheque project this financial tool can be transferred to other territories, but it has to be adopted to the specific environment of the targeted region, otherwise it will not work because it is not universal.

The expert of the CIOFS project ‘Integra’ concludes that the structured work experience enables an invaluable insight into some of the problems and difficulties that businesses face and is a transferable element. Also, the research element (‘a lot of thought and planning went into the project’), characteristic for this project design, could be used in other regions. Another key factor of success in the Integra – example - concerning the involvement of small and medium sized enterprises and enhancing self-employment – was the help given by transnational partners operating in the textile and laundry sector who transferred their experiences from their own countries.

The innovation aspect of the ‘Integra’ is the network between institutions and social operators involving a private company at the same time. The roles and

contributions of all partners were clearly described. Moreover, CIOFS – as the intermediary - gained a quality assurance system (ISO 9001) as an outcome of this project.

The Berlin project of ‘Neue GründerZeit’ is an example of inter-regional transfer. The origin and basic idea stems from the Newcastle – based and U.K. wide launched project ‘Lifewire’ (mainly financed by Shell U.K.). A collaborator of the gsub studied this project in Newcastle, came back full of enthusiasm and implemented this idea in Berlin. Now the project is not only operating in Berlin but has been ‘exported’ to one of the Enlargement countries – to Poland. The strength of this project is in the fact that it is not dependent on national or regional legislation or on special national programmes or schemes. It can be disseminated with all elements to every European region. The innovative aspect is due to the composition of the single elements which enable dealing with many of the problems local start-ups are facing ((1) lack of knowledge, (2) lack of capital, (3) isolation) and in the construction of the private financed start-up and growth fund combined with the integration of a public and a private bank.

The results of the project ‘Challenge’ of the Berlin partners will be converted or continued in an EQUAL approach which aims at widening the ADAPT model-project to a bigger extent adding additional innovative elements to the original concept.

According to our Sicilian Expert the Hamburg hep-initiative can also be transferred, because in other countries very similar projects of fostering enterprise creation had been carried out and therefore the Hamburg good practice example could be easily adopted. He combines his assessment with the proposal to widen up this idea to the creation of ‘scientific – technological parks’ (Expert).

5.11. Summary

Complementary networks require different actors, amongst them the local authorities and the private enterprises are the most important. But which one has to play the key role? The public sector or the enterprises? And who is the initiator? Concerning the ‘Territorial Employment Pacts’ it is clear, that the European Commission took the initiative. In this case, the public sector or the intermediaries in charge of the public institutions dominated the initial topics. But in other cases, the initiative can also be taken by the private sector. However, it is more important, that both – the public and the private sector – are actively involved; in most cases, organised and driven by an intermediary. Without a flexible and professional intermediary, there is no guarantee that the agreed actions will be carried out in an appropriate and useful manner. Besides, such an actor is required in order to mediate between the different cultures of the private sector and the public sector and to keep the process going.

Some of the central factors of success of 'Territorial Employment Pacts' or 'Local Action Plans' are:

- The integration of companies on the local level,
- the provision of support structures to micro-businesses and small to medium-sized businesses right from the beginning through the establishment and growth phase to measures accompanying employment security of these companies
- large enterprises contribute as parent companies and sponsors to local employment activities.

To summarise: Improving the birth, the survival and the growth rate of small businesses, and, therefore, offering appropriate professional and efficient low-cost services in order to achieve these goals, are main factors of involving enterprises and simultaneously tackling unemployment and fostering job creation.

However, it is not so easy to convince companies to take part in local employment initiatives. Thus, it is important for each pact to look for win-win-situations, i.e., so that there are offers and strategies for enterprises, which makes it difficult for them to remain reluctant.

There are a lot of other aspects – that are mentioned above – which make local pacts attractive in terms of job creation and solving access problems, such as concentrating on the competitiveness of the region related to the competitiveness of the single enterprises, promoting the corporate identity (CI) and marketing of a region, according to the needs of the people.

A main task for TEPs – in the well known framework of lifelong learning and knowledge-based society – is improving the local and in-company skill base.

6. Transnational Cooperation – Evaluations, Conclusions and Recommendations

6.1. Putting Theory into Practice – Results achieved compared with initial Objectives

We started with the hypothesis, that 'company support for better employment prospects and integration of locally acting partners and their resources are indicators of success of local networks'. We suggested, that the results arising from current projects will be developed by AVALON into a general and transferable strategy. We raised the question – which should be answered by AVALON - 'how can an entrepreneurial spirit be aroused in districts with a high unemployment rate and severe social problems'.

As the methods applied in the AVALON project were planned as:

- An opening workshop
- Secondary and comparative study and synopsis (including 'good practice'-projects)
- Setting up an evaluation scheme for factors of success of local employment pacts
- Conference
- Transnational exchange of experts
- Final workshop
- Final conference

In the last analysis, the assessment of whether we – the applicant and the transnational partners – achieved these goals will be made by the Commission.

The project was implemented as planned. All methods were applied. (Additionally a benchmarking process was carried out, which was not part of our application). All events were held (two workshops and two conferences, expert exchange) and we achieved – taking in account the short time of seven months³⁴ - more than we expected. We were also proud that we proceeded exactly along our foreseen timetable.

Two additional partners, apart from the four transnational partners mentioned in the application form – the TEP of Dublin and the Europaforum of the City of Stockholm – joined the AVALON project.

They were so interested in this project, that they took part mainly at their own costs. We would like to thank our Dublin and Stockholm partners for this contribution.

It was very important, that these two additional MetroNet - partners joined the project, because the Cities of Stockholm and Dublin are very different in character to the original sample (Cantabria, Sicily/ Catania, Berlin-Neukölln, London-Haringey, Hamburg) and gave us very interesting, additional insights, presenting also very useful good – practice projects. This 'extra- participation' could be considered as an 'added value' in itself.

³⁴ The official beginning was the December 30 in the year 2000. But we couldn't start before February when the initial conference in Brussel was held. The real effective working time dated from February to September 2001.

The following section summarises results achieved from Chapter 5 and turns them into recommendations for a transferable local employment strategy:

According to our comparative analysis, the following factors can be considered as the most important elements of a successful local employment strategy:

1. Build up complementary, horizontal networks and partnerships, on local level and on a trans-national level
2. Activate local enterprises – not only the organisations, which represent them - to join the local development initiative or the pact. (Involve large and parent companies as well as small, medium-sized and micro-enterprises)
3. Foster and support business-start-up projects, but take care of existing enterprises too. In other words: improve the birth and survival rate of enterprises on local level
4. Consider the interdependence between the competitiveness of a region and the competitiveness of the enterprises in the region
5. Enhance corporate identity (CI) and the marketing of the region
6. Take in account the needs of the residents – combine social and economic issues
7. Improve the local and in-company skill base
8. Take care of financial issues: combine different resources – including private means - to gain synergy
9. Analyse local conditions before implementing the local development strategy (feasibility study), organise formative evaluation and focus your local development project from the beginning at qualitative and quantitative targets
10. Choose a well-prepared, professional and committed intermediary (can be private or non-profit)
11. Develop an action plan devoted to increasing employment, transferability and innovation

If we rank these factors according to their importance in the examples of good practice studied in Chapters 4 and 5, we find the following result:

1. Complementary and horizontal networking (public-private and cross sector partnerships)
2. Involvement of enterprises – improving the birth and survival rate of the local firms (especially business-start-ups and micro-enterprises, but also large and medium-sized companies)

3. Consideration of the needs of the residents – combining social and economic issues
4. Professional, efficient and committed intermediary

As a consequence of these findings, we will develop our transferable local employment strategy mainly along this four pillars, but being aware of the other success factors as well.

6.2. Designing elements of a transferable, local employment strategy

Setting up public-private and cross-sector partnerships

What are the prerequisites of a good working network for local employment development ?

To create a local employment strategy, the main action should be spend first and foremost on setting up a complementary and horizontal network, which involves the most important public and private actors on local level. More precisely this means, that the organisations that should be taken in account, are those that can contribute to the goals of job creation, improving the competitiveness of the region or matching supply and demand. Generally partners are needed who can contribute to the solution of economic, social and labour market problems by enhancing the endogenous potential or social capital of the region.

This may seem to be obvious but in reality it is not easy to find appropriate private partners as well as committed public institutions.

Public bodies are sometimes reluctant because of the simple reason that it means additional work. Besides they usually have their traditional ways of decision making, their rules, their legislative and executive regulations, their everyday-routines. Often they are used to work in 'vertical networks'³⁵. Why should they be engaged in an initiative which costs additional energy without knowing at the beginning what will be the result at the end ?

It is a major task to overcome such barriers because without the public sector a local employment partnership will have limited success. In this context one has to be aware of another underlying issue: Setting up a new type of local partnership beside the traditional institutions means the establishment of a second structure (and – perhaps - a second power) which could be seen as a 'disturbing element' and an alternative to the traditional way of government decision making. Thus it is very important to connect the new structure or partnership with the traditional institutions or – at least – to give them information and the opportunity to participate (this applies to institutions like government departments, elected bodies, local members of parliament, local politicians, chambers of commerce, parties and social partner organisations). However, the network

³⁵ See Chapter 5, PUTNAM

cannot be limited to these traditional organisations, because progress would be prevented and success very limited.

The second important group of partners in the local economy, private companies, do not engage because they assume, that it will be a waste of time joining in local employment processes. The process appears inefficient to them and not relevant to the business issues they are predominantly interested in.

Before looking at how both sides can be engaged, we have to deal with the question of who should take the initiative ?

In our report we find different initiators: sometimes the public partner overtook the initiative, by implementing European, national or regional schemes of local development. This is one possible answer to the question raised above how local authorities can become involved as funds are only available if a local employment initiative is implemented.

In some cases we also find examples, of the private sector starting a local employment initiative and playing the primary role in the process. Their motivation usually emerges from practical, economical business concerns.

But most frequently an intermediary is necessary to start the process and to keep it going. Such intermediaries can be engaged by the European Commission, by local authorities, by private partners or - bottom-up - by local groups.

In our project we started with the assumption that the public sector as a 'neutral partner' has the main role by developing horizontal networks (according to SEYFRIED). What we found is that private initiatives of large enterprises or business networks, universities or intermediaries, supported by the European Commission, are also able to play the lead role and to initiate local development networks.

Such networks should be mutually beneficial because only through the expertise of different partners, through different ways of thinking and working local employment projects will be successful. They should be horizontal, bringing together equal partners. It is crucial, to find the common ground between partners' different interests.

The main task of the intermediary is to work as a process moderator. The intermediary's first task is to set up such a complementary and horizontal network.

The process-moderator (which could be an intermediary, a public institution or a private institution; we recommend the latter as the most effective and simultaneously public controlled body,) has to create win-win situations in order to convince both public and the private institutions and companies to join the initiative. This part of the local employment strategy will be only successful if both sides can see advantages (for instance: recruitment needs on the side of the private partner, employment needs of members of targeted social groups as a motivation, to reduce social support costs, on behalf of the public body).

After setting-up a public-private partnership as the core element of a local network the partnership should be enlarged to other groups. The partners should be chosen very carefully. In our comparative analysis we find examples: Journalists, who follow the process and ensure publicity; cultural groups, because culture is more and more an endogenous, economic factor as well as a element of the attractiveness of an area. Schools, colleges and adult further training institutions (Volkshochschulen) which play an important role in the transition from education to work and provide access to `life-long-learning´ or vocational training. We also found successful partnerships which were started by universities, or which are - more generally - based on science, economy and politics. Housing agencies or companies can play an important role – their tenants are often identical to the unemployed target groups of a region and their resources can be combined with labour market or ESF and ERDF funds. It goes without saying, that Social Partners should also be involved – preferably from their local bases. Furthermore, it is important to involve the Third Sector: non-government organisations, job creation companies, charities and organisations run by the church or other groups, especially those who care for ethnic minorities. Finally, we also found an example where a representative of the unemployed was a member of the steering committee of a local pact.

The latter example raises another issue: it is the `human factor´ which plays an important role in local networking whatever organisations are included. Our knowledge shows that successful networking is highly dependent on hard-working people who are especially committed to the pact and are permanently driving it. There are also `gate keepers´ and `key persons´ in a given local area or region who are indispensable.

However, it is important to recognise that if the number of partners/people is too large, the network will be confused and not able to be managed.

The problem of a large number of partners wishing to be involved (which is something desirable and worth striving for) can be solved partly by setting up an action plan. Every action or project (like we did it in our good practice examples) can establish a own partnership which is related to this particular activity while simultaneously linked to the region's main partnership.

This leads to another important issue for successful networking: the question of organisation.

In our good practice examples and the underlying partnerships we find all kind of organisations. `Round Table´ networks, informal networks as a forum of all participants in a wider network, a network organised as a charity, a partnership organised as an association (German: Verein, e.V.) with a board, a steering committee and general meetings. The organisational strength of our networks, discussed in Chapter 5, is seen to be a good and efficient organisation. But the meaning of informal networking is also underlined and good team work is seen as an important factor as well.

Whatever kind of organisational form is chosen, we recommend clear responsibilities for each partner. But the `strength of weak (informal) ties´ (PUTNAM/ SEYFRIED) shouldn´t be neglected.

In addition, it is essential to find ways of transparent and fast decision making in balance with a high (democratic) participation of all partners. The organisation should also work as a tool for the dissemination of European and local employment policies and as a source of information for residents.

There is another `rule´ for convincing private companies to take part: the organisation of the local partnership must be efficient, time saving and forward oriented with clear goals and timetables. It should be clear that the results that can be achieved in a given time and clearly explain the advantages of participating for the enterprises involved.

In addition, `soft´ factors should not be neglected. We found out, that commitment and trust and mutual give and take are key success factors of local networking.

Being open to new partners should also be guaranteed.

The mutually supportive network should give local responses to local solutions and pursue common goals.

However, this also means, that strong links to national and regional (Germany: Land) representatives, politicians, institutions and organisations (Chambers, Federal social partner organisations) should be established. In some of our regions there are only weak ties between the local and the regional or national level. Local approaches are not (or only a little bit) part of the employment strategy of the specific Member State. In other regions the local approach is not only connected to the European employment strategy but also supported by and included in nation-wide programmes (with different degrees of emphasis). It is obvious that the latter situation is more favourable for success on local level.

Involvement of enterprises – improving the birth and survival rate of the local business

Since we started our AVALON project with the hypothesis, that the involvement of enterprises is a main factor of success of local development projects, it is not surprising that this success factor is strongly advocated in our conclusions and recommendations.

But our comparative analysis gave us deeper and trans-national insight as to why this is.

Firstly, we have to remember a simple fact: if it is true, that the micro-enterprises are the only class of enterprises on European level, which create additional jobs, it is self-evident that they should be at the centre of a local employment strategy. However, assuming this and making it a reality are two different 'ball games'.

It is a hard work to convince local enterprises to play an active role in local development and employment partnerships or projects. But without involving them, we will have a low impact on employment in our local development strategy.

According to our good practice examples, the involvement of large enterprises as parents of local branches is a key success factor .

Large enterprises

Large enterprises produce, for instance, a high demand for scientific-technical or generally high qualified skills. In Chapter 5 we listed reasons why large companies could be interested in joining the local partnership of a region, ranging from environmental legislation to lay-offs and their consequences.

Despite the risks inherent in a region being dependent on one or several large enterprises, the potential of such powerful organisations should be actively used in `Territorial Employment Pacts`. They can contribute by sponsoring or in-kind. They can offer facilities for young entrepreneurs or provide funds which can be used for local development projects. They can be partners in charities or employers for disadvantaged target groups. Around large enterprises, networks of SME`s can be established. They are able and they can be willing to influence local political decisions. The local pact should use this influence to strengthen the pact's activities.

A very important issue is the involvement of public and private banks. One should endeavour to integrate those institutions because as suppliers of credit for the local economy and for the third sector as well, they are the most important single partner in most start ups.

Small and medium-sized enterprises (SME`s)

Another group of enterprises which can back a local pact and which simultaneously should be backed by local development projects are small and medium-sized enterprises and predominantly micro-enterprises. This issue is based on the experience that SMEs and micro-enterprises are generally (and especially at the beginning of local employment activities) not ready to join such partnerships. Sometimes they cannot see any advantage in participating.

The main problem is to enhance their competitiveness to create jobs. How can this be done?

The best way to engage business seems to be through the Chambers of Commerce or Employer organisations at the local level. In addition, local authorities provide services for SME`s in several departments such as Economic Development and Environment. Many people working in these organisations have close contacts with local enterprises. Job Centre programmes may provide wage subsidies and other kind of support for SME`s. All these institutions can be very helpful in accessing local enterprises.

However, the argument of SEYFRIED in Chapter 5, is that only involving institutions which represent companies or which have close contact with them is not enough to achieve an impact on local employment figures. Thus it is important, that every local employment strategy develops ways how to involve companies themselves.

The strategy, we recommend in this respect, is connected with an analysis of the individual company. For example, how can the company cope with its present problems, for instance with structural change. Whatever this means at the level of the single company will be revealed by an individual analysis. It is crucial to develop a solution oriented strategy on a company level which is predominantly connected with issues like business management, management strategies and tackling technological problems. Starting with topics like `employment`, `job – creation`, `customised staff-training` or `life-long learning` often does not meet the subjective needs of SME`s. But if the local partnership provides solutions to their problems as the SME`s themselves see them, it is possible later on to raise such other issues.

Anyone who tries to involve SME`s in a local employment strategy will also be confronted with the `waste-of-time` argument. In response, it is important that the help provided by the TEP or the local partnership is free of charge, at least at the beginning and as long as it does not include professional advice on technological or management issues which would usually be bought on the market.

Another practical `unlocking strategy` is to organise meetings of the pact members focused on specific enterprise. This leads almost unavoidably to a level of commitment to the local partnership because the enterprise has the opportunity to market itself. In addition, events can be organised where the SME`s come in touch with (potential or actual) customers (for instance fairs, marts and through dissemination material, brochures and/or web-sites) or where they can get in contact with local politicians to talk about their problems, needs and ambitions.

Furthermore, we recommend the integration of representatives of SME`s in the local employment initiative's organisational functions, on the board, steering committee, general meeting or, for instance, as treasurer, if the local partnership is organised as an association.

Our suggestions for involvement are also dependent on the activities of the SME`s. IT-companies, service companies, retailers or craft companies require different approaches to involvement.

There is also a correlation between the economic strength of a region and the issues in which companies are interested. In high developed areas (in our sample especially Stockholm and Dublin) the problems of recruitment are crucial. SME`s have a lack of good skilled workers. Hence they are interested in finding the appropriate collaborators to help upgrading skills. In deprived areas with high unemployment rates and severe social problems raising skill levels may also be important. In addition, the SME`s frequently have survival problems. At the centre of their interest are market requirements or financial problems caused, for instance, by a lack of orders or a lack of spending power in poor neighbourhoods. They tend to dismiss personnel instead of hiring employees. In these cases a survival strategy is required and should be provided by the local employment pact.

According to the statement of Mr. Brouwers ³⁶, Head of the department for company-related labour market policies in the Land Berlin, the management of the structural change is the most important thing.

What kind of support can be offered for such companies ?

We would like to present as an example the current (2001) company-related support policies of the State of Berlin:

Purpose of Support
To supported crisis, consolidation and rehabilitation consulting for small companies. Business management consulting targets the restructuring and preservation of the company and thus of its jobs
Organisations eligible for Support
<ul style="list-style-type: none"> ➤ Small companies with no more than 20 employees and a seat of operations in Berlin. ➤ Women entrepreneurs with small and medium-sized companies that have their place of business in Berlin
Draft of the framework of the Labour Market policies of the Land Berlin

and – for employees and companies threatened by mass redundancies:

Transfer of personnel
Purpose of Support
Support for a consulting infrastructure for companies threatened by personnel reductions and personnel restructuring. Qualification measures are also supported by funds from the budget of the Federal Institute for Labour (SGB III) and social plan funds from the companies in question.
Organisations Eligible for Support
Institutions that have been active in the Berlin labour market for many years. Companies including holding companies threatened by personnel reductions and personnel restructuring.
The ideas of the chambers and the social partners will be considered during the delivery of the programme.
(Draft of the framework of the Labour Market policies of the Land Berlin)

³⁶ relation held in Rome, May 2001

Apart from this special Berlin approach, the most frequent activities in our case studies providing labour-market or employment related support for SME`s were:

- recruitment and skills matching problems (more in high-developed areas or branches)
- tailor-made (customised) training programmes and on the job training
- survival strategies in terms of financial help or business management advice, marketing advice and solutions in case of mass redundancies (more in deprived areas and down-sizing branches, see example above)

Support for local enterprises should be based on close, long-term contacts with the enterprises themselves. Such close contacts enable a lobbying strategy to be established for micro-enterprises as the most important employment providers of a region. This is also a core element of a local employment strategy.

Business-start-ups

The local approach to business start-ups should take in account the most frequent reasons for preventing successful start-ups: i.e. lack of knowledge and a lack of capital. Especially in poor neighbourhoods (districts or areas) the latter is the key problem to be solved.

In our comparative analysis we found at least two types of entrepreneurs starting businesses: graduates and non-academic, local people.

For graduates, universities or research institutes could serve as an incubator or, as our Spanish partners named it - `spin-off –mother`.

Professional guidance in terms of management knowledge is required, and one way of providing this is through face-to-face coaching by experts from the university or from outside. The business `founders` take advantage of university or research centre facilities at the start. Leaving the university, a network of business founders can be established to provide mutual support.

It is much more difficult to develop a responsible local start-up scheme to provide support for non-academic local people who are unemployed, facing social problems and have little or no capital. Several additional modules can be developed as we discussed in Chapter 4 and 5.

The key elements of a local start-up strategy are:

- Implementing a start-up-your-own-business award, in order to disseminate entrepreneurial spirit at a local level
- Setting-up a training scheme for basic issues (like financing, controlling, marketing, human resources development)
- Providing support for preparing a business-plan

- Establishing a local network of parent companies, training providers, consultants and banks (private and public), and, if available, universities or research institutes
- Adding an advanced and supporting training scheme after business set up (evening or weekend-courses, distant learning via Internet)
- Setting-up a local fund providing venture capital
- Giving online and telephonic advice (lawyer, tax consultant, insurance expert)
- Organising individual coaching (long-term)
- Creating networks of business founders

It is important to support new enterprises not only in the pre-start and the start-up phase, but also in the maintenance and growth phases.

As a result of the evaluation of the ADAPT project “Neue GründerZeit’ (see Chapter 4) The Land Berlin mainstreamed ‘the individual coaching’ module mentioned above in the following way:

<p>Purpose of Support</p> <p>To support consultation and coaching for start-ups in the company’s growth and consolidation phases in order to manage changes in the organisation and its costs structure that affect the growth phase of the company, the development of new market strategies and the realignment of financial affairs.</p> <p>The insights gained through consultancy will be disseminated to potential start-ups to encourage them as well as start-up networks. The consultation is independent of the creditor bank.</p> <p>Organisations Eligible for Support</p> <p>BusinessStart-ups in the consolidation and growth phases with no more than 20 employees who operate in Berlin.</p> <p>(Draft framework of the Labour Market policies of the Land Berlin)</p>
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Based on model schemes implemented in U.K., in Italy and also in the Land Berlin, it would be desirable, when long-term national or regional programmes, co-financed by ERDF and ESF are concerned, to establish a structure on a local level which provides these services on a permanent basis.

Three conclusions arise to do with company-oriented local or regional employment policy:

- Support of start-ups and assisting start-ups through long term consultancy
- Placement of unemployed – matching employers needs with the individual circumstances of the unemployed – through a training and selection procedure
- On the job training of employees in order to secure their employability mainly in the area of information technology. Especially, as these qualifications will skill people for the knowledge-based society

The needs of the residents – combining social and economic issues and setting up an action plan

Every local employment strategy would fail if the needs of local residents were not taken into account. A local employment strategy should be designed according to the needs of local people. Social issues should be combined with economic needs. Many of our good practice projects – as we showed in Chapter 4 and 5 – are based on this ‘philosophy’.

This implies that the existing institutions and traditional ways of decision making are not tackling the problems emerging at the local level.

What are the implications for a general, transferable approach ?

To achieve higher local employment rates on local level we need to combine social issues with economic interests to benefit local residents.

Pre-research or a feasibility study will help find out what the residents want and what the crucial issues of a region are.

This feasibility study should give us an overview of current information about the situation (economic, social, labour market, environmental and cultural) of a given region. It is not necessary to collect all this data from original source. Local authorities, social partners, Chambers, experts or academics in the region can provide much of the necessary data. Some information which is not available from these sources may have to be collected in addition.

Our experience was that it was surprising how much data was available but how little was disseminated and widely understood. For instance, the government’s social department has ready information about the circumstances of social welfare recipients, but does not know anything about the economic situation. Similarly, the department for economic development has a lot of data about the regional economic situation but does not communicate it to the social department. The labour market situation is well known in the Government’s employment service but not considered often enough by local decision makers. In addition, the responsibility for information is often located at the national or regional (not local) level.

Because of this, it is worth ensuring that the the local partnership has a shared understanding and analysis of the local situation. Moreover, through this process of building a shared understanding from local data and agreeing the priorities based on this analysis, the organisational development of the partnership can benefit. In this process the residents can participate through public hearings and assemblies.

At the end of this process we then have a report which is accepted by a wide range of local agents and local people which sets out the most important issues the local area has currently to deal with. From this report emerges a definition of the areas (Handlungsfelder) in which action should be undertaken. As soon as these are defined again local residents' participation can be organised.

A call for proposals in the local press or a poster in frequently visited places will inform the public (audience). Residents can make proposals or present their ideas for local projects. The next step is to set up an action plan by selecting the best of the proposals or by developing good ideas from the residents into projects which will be carried out by professional providers.

What is described relates to PUTNAM's fundamental issue of how democracy works.

Professional, efficient and committed intermediary

In chapter 5 we worked out what the tasks of the intermediary should be according to SEYFRIED (2001) and why it is necessary to have one.

The roles of the intermediary – based on the arguments of the good practice examples in Chapter 4 and 5 - are:

- Acting as a moderator between the public and the private sectors and between the various Departments involved at a local and regional level
- Setting up the network
- Providing technical help in implementing the action plan/ preparing the action plan
- Driving the process forward (getting local representatives and local companies involved)
- Developing financial support by combining several national, regional and European funds with private resources
- Involving the private sector and setting up public-private partnerships
- Financial management of project resources
- Dissemination of the European Employment Strategy

We agreed in a schedule for the four workshops and conferences within AVALON.

The next step in trans-national co-operation was the Opening Seminar in Brussels 'Preparatory measures for a local commitment for employment', where all selected projects were invited (February 8th and 9th). In Brussels the Commission again emphasised their interest in learning about strategic approaches to sustainable development at a local level. Other issues, communicated later in gsub's 1st Newsletter (the Newsletter was one of the Communication tools between gsub and partners), were the structure of and the expectations for the final report and elements of the methodology including the evaluation as well as budget and financial issues.

Gsub prepared a timetable for the first conference and asked the partners to send an initial statement on entrepreneurs' involvement in the different pacts and additionally information on the local area and the pact itself.

Three weeks later gsub requested a more detailed description and a presentation for the first workshop in Berlin.

Transnational aspects of the opening workshop in Berlin March 22nd and 23rd:

The opening work-shop started with a statement of the permanent secretary (vice-minister) for Labour and Health Care of the Land Berlin. He spoke about the Berlin labour market situation and the dramatic downsizing of Berlin industries in the last ten years. Berlin companies have had to face the process of structural change away from manufacturing towards a service-oriented society. Together with the economic problems arising from German reunification, and the abolition of the 'Berlin-aid' from the German government, there were decisive consequences for the former western part of the city (where the unemployment rate is nowadays higher than in some districts of the former East Berlin).

The end of the subsidy on basic jobs, has had resulted in companies moving, or closing down altogether. The prospects of job creation are more likely in the service sector. He emphasised the very different situations in different parts of Berlin and concluded that a European local approach would be very useful in tackling these problems.

Dr. Reiner Aster and Bettina Papenburg introduced the transnational partners of AVALON to Gsub and the guests at the conference and presented the aims and tasks of the project. Professor Seyfried, Forschungsstelle für Berufsbildung, Arbeitsmarkt und Evaluation, gave a theoretical introduction concerning 'Success factors of local co-operation and networking'. His approach served later as theoretical framework for our comparative analysis (see Chapter 5).

Peter Walch und Sabine Lauterbach, who are the persons in charge of ESF-administration in the Land Berlin, gave an overview of this operational programme and the work of the Berlin ESF administration.

A critical note on the question of whether or not SME`s could be attracted by local employment policies, was made by Mr Brouwers, head of the department for preventive and company-oriented labour market policies.

Afterwards, a discussion with three employers revealed the expectations of this group regarding the administration and what they expected from local networking.

The manager of a `new economy´ IT-company had a good experience of a social welfare recipient he hired, but complained about the lack of support from public institutions during his starting period. It was evident that his main concern was recruitment problems (as we discussed in Chapter 4 and 5). Another employer from the craft sector highlighted the inefficiency of the government and made it clear, that he preferred professional partners (intermediaries), because they were more flexible and efficient in comparison to the government.

Another topic he raised was the lack of co-operation between the Department of Labour and the Department of Economic Development as well as differential wages in Berlin and the surrounding Land Brandenburg which resulted in unfair competition. He also reported on a network of small and medium-sized enterprises which organised joint purchasing, marketing and common control strategies.

Bidding for public tenders and the difficulties which result (for instance, offers from less serious bidders which win the tender by “wage dumping” and thereby spoil the chances of `honest´ bidders) was the most urgent issue for these enterprises which led to intensive discussions and requests to the government.

Afterwards the international partners presented their pacts and their good-practice projects concerned with employer involvement, in some cases the same projects as we set out in this final report and are not repeated here.

The opening workshop showed that the involvement of businesses in local employment pacts is an issue of great interest to all public and private partners. But it was also clear that there was no common understanding of a local employment approach and big differences between the perception of the government, academics, employers and the trans-national partners. The Land Berlin, suffering under enormous budget problems, seemed to be unable to provide additional funds for the 12 Berlin districts in order to finance local action plans even though they implemented a locally oriented employment strategy (see Chapter 4). Meanwhile it changed. On August 14 the Berlin government decided to continue the ‘Berlin District Pact’ – strategy and listed resources, which can be used by districts and Action Plans.

There was also confusion about the general approach of a local employment strategy and what the practical advantages for enterprises could be, although the model project ‘Territorial Employment Pact of Berlin-Neukölln’ was widely accepted.

It was difficult to connect the trans-national approaches with the practical needs and interests of local Berlin enterprises.

The hidden agenda for the event was – ‘What can we learn from other regions?’ Part of the audience was convinced that lessons could be learnt but others were not. It was obvious that it remains a big task to persuade local enterprises and representatives of public bodies of the value of the European Employment Strategy, in local employment approaches and in the development of other European regions because the ‘added value’ is not instantly obvious. Participants are often limited to their every day problems and the horizon of their local area.

What we recommend to overcome these barriers is supporting international networks or – better - trans-national regional networks between the different regions (this strategy obviously is also transferable to other European networks). A practical starting point could be, for instance, a common bid for a European tender from an inter-regional SME-network in a certain employment sector (for instance craft sector, IT-sector) and simultaneously providing services through trans-national pacts to enable this. Another proposal is to promote EEIG`s (European Economic Interest Groups) as an organisational framework for the co-operating of trans-national enterprises – a strategy which could be supported through services provided by local pacts and trans-national structures between European regions.

However, the opening workshop was a success because the trans-national working made a further step. We now knew much more about the social, economic and labour-market situation of the other regions, how their pacts developed and how they were organised, about good practice projects and their outcomes in terms of employers’ involvement and the general success factors for these projects.

Furthermore we discussed - without the audience on the second day – contracts and the budget. Since we had decided in our application form to share the budget partly with the other regions, it turned out, that it was very difficult to set up a detailed budget for every region which was in precise agreement with the approved budget of the Commission. The very complicated and extremely detailed financial table the Commission approved caused a lot of problems because of its inflexibility.

Through the whole process, the percentage of time we had to spend on financial issues was much too high in terms of the time available for the whole project. We devoted a lot of time and energy to financial administration which would had been spend better on the substantive business of the project.

At this stage we started to organise the exchange of experts (whom was to visit whom and when).

AVALON Rome Conference 21st and 22nd of May

Our Italian Partner CIOFS-FP (Centro Italiano Opere Femminili Salesiane – Formazione Professionale) organised a very fine and fruitful first conference in Rome.

The gsub presented the first comparative analysis drawn from the partners' reports of their experiences of involving entrepreneurs in employment pacts.

Three Italian Representatives of Economy and Science introduced the Italian, and especially the South-Italian approach to local employment policies. They presented two specific projects from Sicily. In Sicily ten local employment pacts existed, three of them supported by the EU and seven by a national scheme. They stressed the interdependence and synergy between businesses and local development strategies. One participant (Alda Salmone, ISFOL) dealt with the role of 'mediator' for territorial employment pacts; identifying which skills are required from a sociological point of view and ending with the conclusion, that a special training scheme for facilitators for local employment strategies should be implemented. Facilitators have to be professionally educated because taking on this responsible role requires a lot of qualifications and knowledge.

The transnational partners gave a more detailed description of their pacts and good practice examples (part II), but this time with the emphasis on 'Innovation and Transferability.'

The second day of the conference was predominantly devoted to the methodological framework of AVALON.

It was opened by a statement from an official of the Berlin Department of Labour who –amongst other things - set out his expectations regarding AVALON. It should be more than a mere description of a subsidy programme. AVALON has to show how companies can be included in the political discourse about employment. In addition, this debate has to be designed in such a way that the governmental participants receive incentives for the development of their programme and take the concerns of business into consideration. Because AVALON targets the local level, conditions have to be investigated with regard to how mutual partnerships involving companies and the government can be set up locally, below the national/central government level. The AVALON initiative should also pass ideas to the European Commission. In this way it might be possible that the "efficiency reserves" which the European Social Fund will allocate in 2003, could be distributed to Member states or regions that have conducted special initiatives below the national level. The Berlin official argued that AVALON could initiate such an initiative.

The U.K. partner presented a model benchmarking process which was developed to compare the local pacts in terms of innovation, cohesion and the role of the intermediary.

The Hamburg partner had prepared a questionnaire for the expert exchange. This questionnaire was discussed by the partners and then agreed. Later the experts used it conducting their expert interviews and in the report.

The gsub presented the final structure of the report, chaired and directed the meeting.

The London workshop – 5th and 6th July

The London workshop was a very practical meeting providing the partners with 'to-do-lists' prepared by the main applicant in order to fill any gaps in the final structure. What additional work had to be done ? What contributions were needed from the partners?

Another part of the workshop considered the reports of the experts (see Chapter 4)

- Julia Coate, the expert from Haringey Council reported about her experience in Sicily, evaluating the the Italian partner's project 'Integra'
- Bettina Papenburg, gsub mbH Berlin, gave an overview about her experiences and the knowledge she gained by visiting the Stansted Airport project of the North London Stansted Partnership which includes, inter alia, Haringey Council and the BAA (British Airport Authority)
- Vincenzo Asero, CIOFS-FP Catania, set out his impressions from visiting the "hep"-project in Hamburg
- Gema Diaz, Santander/ Cantabria, reported on the start-up project 'Neue GründerZeit' she visited in Berlin.
- Dorothee Kodra, Lawaetz Stiftung Hamburg, detailed the 'service-cheque' project of Astillero in Cantabria

A third part of the London meeting was devoted to a presentation from 'Reed in Partnership'-an arm of a large commercial organisation, which is a member of the Haringey / Tottenham partnership. Their main message for the AVALON agenda was that the key to successful recruitment lies in precisely dovetailing the needs of the employer with the abilities and aspirations of the job-seeker. Many examples and methodological details were presented about how to achieve this ambitious goal, through the framework of the current U.K. 'Employment Zones' programme.

The following summary shows the contributions of all partners concerning the AVALON project:

**Lawaetz-
Stiftung Ham-
burg:**

- Presentation and 'thick description' of two good practice examples
- Development of the questionnaire for the expert exchange
- Expert report on the service-cheque project in Cantabria
- Participation in all conferences and workshops

Haringey Council London (with associated partner CONEL)

- Presentation and ‘thick description’ of two good practice projects
- Development and evaluation of the benchmarking process
- Preparing and organising the second and final workshop
- Expert report on the INTEGRA – project in Sicily
- Participation in all workshops and conferences
- Editing the draft final report

DOCUMENTA, Cantabria

- Presentation and ‘thick description’ of two good practice projects
- Expert report on the Berlin ‘Neue Gründer-Zeit’ (start-up) project
- Participation in all workshops and conferences

CIOFS-FP, Rome/Catania

- Presentation and thick description of two good practice projects
- Expert report on the ‘hep’- project in Hamburg
- Preparing and organising the first conference in Rome
- Participation in all workshops and conferences

The Partners have learnt the following lessons from this project

Methodology

We thought we had designed a clear methodological approach in our application form which was appropriate to the short time and to the financial framework, e.g. not too theoretical but more practically focused. (Starting with two clear and limited questions, moving from initially unconnected, transnational inputs to a ‘thick common description’, expert exchange to assess the good practice projects from a third party view and comparative analysis).

This framework was very useful. However, it turned out, that it was not possible to develop a stringent, tight methodological approach that included all these activities. We lost the opportunity to do this at the beginning because we thought our tools were clear enough. Good methodological ideas were raised at the Rome conference (May)³⁷, but this was too late to discussing them in depth and integrate them in the project. The pressure from project deadlines was too great.

³⁷ Bergs-Winkels, Dagmar – A synopsis of relevant qualitative and quantitative research methods for the analysis of examples of good practice; Shellard, Chris – Benchmarking Innovation in AVALON programmes; Prepared Questionnaire of the Lawaetz-Stiftung

In future, more time and resources should be devoted to developing a coherent methodological approach and well thought out activities.

The statistics of the different regions are not strictly comparable. Their sources and the way they are defined and compiled are often different between the regions. Thus uncertainty remains about the validity and reliability of cross-national comparisons using our locally derived statistics.

The benchmarking process we started should be considered as a first step. Additional work would be necessary in order to achieve more useful results.

Content

As we mentioned above our theoretical approach was not very detailed with regards to academic studies. Nor was it our aim to do this. Time was too short to make a synopsis or to assess the literature in this field. We would recommend that in future a Commission expert who has a good overview of this subject provides such material for local employment projects/ applicants. This would be more efficient than individual research by every applicant.

Up to August 2001 when we finished the final report we received only one questionnaire from the external evaluator organised by the Commission. (We responded just in time, sending all the material we had at the time). As a result the external evaluation will have given us no help and will have had no impact on our project.

But we got a deep insight into the local approaches of the different regions and the national or regional background. For instance, many elements of the Haringey regeneration strategy and its neighbourhood management agenda could be transferred to Berlin, where a similar strategy called "Quartiersmanagement" was developed two years ago and vice versa. In Tottenham and Berlin Neukölln there are large ethnic minority communities, especially Turkish and Kurdish. This situation provides a wide range of trans-national co-operation opportunities for despite big differences in national contexts and social security systems. The good practice examples offered a lot of knowledge which can be transferred to other regions. For instance, the idea of job guarantees by IT-companies for individuals from disadvantaged groups on the condition that they take part in customised training schemes (Kista matching project), or the subsidies, projects and the whole approach which is offered through the self-employment programme in Southern Italy. This latter situation was compared to the more limited resources which are available for instance in London- Haringey or in other regions. The Stansted Airport partnership can be transferred, for instance, to an EQUAL partnership in Berlin-Brandenburg, which provides services for involving local SMEs and unemployed persons in the construction site of the planned Berlin-Schönefeld International Airport. Other European Airports could also be included. From Dublin we learned how broad, wide-ranging and intensive a local partnership could be organised. Cantabria, Catania, Berlin and Hamburg offered start-up schemes with support programmes addressed to different target groups.

Altogether we developed a common, trans-national understanding how SMEs and also large enterprises could be involved in local development partnerships. We also learnt how – from the point of view of employment and labour market policies – networks of micro-enterprises, from the IT- and service sector, from the craft sector to retailers, could be set up and successfully managed, including the barriers which have to be overcome whilst doing this.

Through the presentations and through both official and informal communication, the language competencies of all partners involved developed. The partners wrote their contributions in English and this ‘forced’ the main applicant to write the whole report in English. Afterwards the native English speaking U.K. partner went through the text to improve it. These were incidental benefits which shouldn’t be underestimated.

Finally, all partners received a draft of the whole document to make their final comments.

We would recommend the following points gained from our net-working to others:

- Transparency in the budget between all partners setting up and sharing a trans-national budget is complicated, because of different tax regulations, for instance). It causes a lot of additional work. But this approach leads to a deeper insight into the financial control and book-keeping systems of foreign companies – a small step towards adoption of common regulations and common understanding is by appreciating the differences that still exist.
- Clear responsibilities and rules for trans-national work-sharing are essential. Each partner contributes its own expertise. But the discipline of following deadlines needs to be improved. For example, partners need to be realistic about their ability to deliver outside the timeframe of the transnational events. This type of project is a kind of horizontal networking which requires a lot of communication and mutual understanding.
- Face-to-face communication is the most important ‘tool’ ; distant communication by simple e-mail, phone and newsletters is more effective than ‘High-tech’ methods (Video conference, web cam. Our web-cam trial failed).
- Including participants from enterprises, local authorities, universities or research institutes throughout the process is very useful and necessary.
- Expert exchange between the participating regions is valuable in order to get in touch with, to ‘feel’, and to assess the other partnerships and to understand the different cultural backgrounds.
- Organising small workshops is more effective than big conferences – the dissemination process should be implemented through other tools, not through conferences.’

- Internal and formative evaluation should take place through the whole process. (This we missed out on, for although we were prepared for external evaluation by the Commission, this has so far failed to materialise, see above).
- It is worth devoting more time to planning the project methodology.
- More support from the Commission would be helpful. For instance, there should be a person available to provide information about all the programmes methodological and financial conditions.

7. The Benchmarking Process: A Comparison of the Regions in respect of the Partnership Structures and Innovation

The benchmarking exercise was discussed at the Rome Conference and a number of principles were agreed regarding the process.

It was recognised that benchmarking was a useful tool which assists planning and helps set credible and easy to reach targets. It also supports continuous learning and quality improvement.

AVALON partners were in favour of a process of self-review, acknowledging that this was an important aspect of continuous improvement in the operation of employment partnerships and the delivering of employment projects.

A questionnaire was designed to enable Avalon partners to review their own progress and compare the results in each of the participating regimes. The benchmarking approach sought to address the concerns of Avalon partners with regard to the variation in priorities within each of the participating regions.

A benchmarking questionnaire was designed to address both issues of importance and performance for each of the employment partnerships. In order to accurately reflect the views of the organisations involved in each partnership, Avalon project co-ordinators were asked to administer the questionnaire with at least five different partners involved in the employment partnership. Each participant was asked to complete a questionnaire ranking each question relating to importance and repeating the exercise ranking each question with an assessment of performance.

The five organisations in each region to be involved in the benchmarking process were: private sector/SME, NGO, Local Authority Training Provider, Intermediary Agency and Employment Service/Agency.

The benchmarking exercise was carried out in a relatively short period, which did not allow sufficient time for piloting the questionnaire. There were a number of minor problems associated with the translation of the question from English into German, Italian and Spanish. The project co-ordinators also experienced some difficulty in completing the exercise with the degree of rigor normally associated with a benchmarking exercise.

The results of the exercise are set out on the form of a grid which seeks to identify the main strengths, areas for improvement, opportunities to redirect resources and where no change is required.

The key themes identified for the benchmarking process for each partnership were

- An understanding of local conditions for employment
- Partnership working and involvement of the private sector
- Managing innovation and the role of the intermediary.

It is apparent from the results that all of the Avalon regions had clearly defined target groups for local action for employment; each of the target groups in each region had different rankings for importance. Haringey was the only region which ranking refugees as high in relation to a target group. However even though refugees had been identified as a target group, performance in delivering of employment programmes required improvement. In two regions Catania and Hamburg women were identified as target groups, but performance required improvement.

In the area of partnership working all regions were identified as having a clear strategy, however there were significant variations in the level of involvement of key partners in particular the private sector. All regions recognise that mechanisms for involving the private sector required a more detailed consideration to identify conditions for success.

All the questions relating to innovation were ranking high in each of the regions, with three regions recognised for the creativity of the staff involved. There were variations in each region with regard to who should perform the intermediary role with high ranking for a dedicated agency in Berlin and greater emphasis on intermediary action, being more to do with a partnership process in Haringey. Mainstreaming innovation was identified as a strength in Haringey and Santander whilst senior management commitment for innovation was identified as a strength in Haringey, Santander and Catania.

The employment partnership in each region agreed that the bench marking process was a useful exercise. There was also recognition that the process would require refinement and could be extended to include comparative analysis for regions.

Benchmarking Good Practice – Haringey

<p>High Importance</p>	<p><u>Local Conditions</u> refugees as a target group</p> <p><u>Partnership working</u> all agencies committed resources private sector involvement in meeting involvement of SMEs/large companies private sector resources for projects</p> <p><u>Innovation</u> Intermediaries understanding of innovation</p>	<p><u>Local Conditions</u> partnership access to data analysis of need clearly defined target groups</p> <p><u>Partnership working</u> clear local strategy involvement of all agencies</p> <p><u>Innovation</u> senior management involvement creative staff mainstreaming strategy</p>	
<p>Low</p>	<p>Performance</p>	<p>High</p>	

Benchmarking Good Practice - gsub

<p>High Importance</p>	<p><u>Local Conditions</u> <u>partnership access to data</u> women as a target group</p> <p><u>Partnership working</u> agreed roles and responsibilities private sector involvement – large companies private sector involvement in projects</p> <p><u>Innovation</u> management and staff time high level involvement strategy for mainstreaming</p>	<p><u>Local Conditions</u> clearly defined target groups young people as a target group</p> <p><u>Partnership working</u> private sector resources partnership strategy private sector representation</p> <p><u>Innovation</u> - intermediary has clear strategy intermediary role carried out by agency.</p>	
	<p><u>Local Conditions</u> refugees as a target group</p> <p><u>Partnership working</u> private sector involvement in meeting</p>		
<p>Low</p>	<p>Performance</p>	<p>High</p>	

Benchmarking Good Practice – Documenta

<p>High Importance</p>	<p><u>Partnership</u> involvement of private sector in meetings involvement of SME's and large companies</p>	<p><u>Local Conditions</u> analysis of needs clearly defined target groups identified growth employment sectors long term unemployed as a target group</p> <p><u>Partnership</u> includes all agencies clear partnership strategy agreed roles and responsibilities effective communications</p> <p><u>Innovation</u> senior manager involvement creative staff intermediary role mainstreaming strategy</p>
	<p><u>Local Conditions</u> access to data local action for refugees</p>	<p><u>Local Conditions</u> local action for black and ethnic minority communities</p>
<p>Low</p>	<p>Performance</p>	<p>High</p>

Benchmarking Good Practice – CIOFS-FP

<p>High Importance</p>	<p><u>Local Conditions</u> Local action to target women</p> <p><u>Partnership</u> private sector provides resources</p> <p><u>Innovation</u> high level of involvement of partners</p>	<p><u>Local Conditions</u> access to data analysis of local needs young people as a target group growth employment sectors</p> <p><u>Partnership</u> clear strategy representation from agencies private sector involvement</p> <p><u>Innovation</u> intermediaries role in innovation skilled and creative staff</p>	
	<p><u>Local Conditions</u></p> <p>local action to target black and ethnic minority groups local action to target refugees</p>		
<p>Low</p>	<p>Performance</p>	<p>High</p>	

Benchmarking Good Practice – Lawaetz

<p>High Importance</p>	<p><u>Local Conditions</u> access to data identified growth employment sectors local action for women</p> <p><u>Partnership</u> private sector involvement SME's and large companies all partners commit resources</p> <p><u>Innovation</u> effective communications high level involvement from partners mainstreaming innovation</p>	<p><u>Local Conditions</u> clearly defined target groups</p> <p><u>Partnership</u> includes all agencies clear strategy defined roles and responsibilities</p> <p><u>Innovation</u> senior management commitment intermediaries understand strategy staff time to support innovation</p>	
	<p><u>Local Conditions</u> local action for black and ethnic minority communities local action for refugees</p> <p><u>Innovation</u> intermediary role carried out by agency</p>	<p><u>Partnership</u> private sector provides resources</p>	
<p>Low</p>	<p>Performance</p>	<p>High</p>	