

Brussels, 24 April 2002

OPINION

of the

Economic and Social Committee

on the

Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions - Strengthening the local dimension of the European Employment Strategy

(COM(2001) 629 final)

On 17 January 2002, the Economic and Social Committee decided, under Rule 23(3) of its Rules of Procedure, to draw up an additional opinion on the

Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions - Strengthening the local dimension of the European Employment Strategy
(COM(2001) 629 final).

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 10 April 2002. The rapporteur was **Mr Vinay**.

At its 390th plenary session (meeting of 24 April 2002) the Economic and Social Committee adopted the following opinion by 97 votes to 0, with 2 abstentions.

1. Introduction and presentation of the proposal

1.1 The Communication under consideration forms part of the ever increasing attention given by the Commission to the importance of the local dimension in the European Employment Strategy (EES), and follows on from a Communication in April 2000; an extremely wide-ranging consultation took place in that year on that Communication, and the synthesis of the consultation – presented at the Strasbourg Conference – has enriched the new phase of proposals.

1.1.1 The Committee, in the opinion it gave on the previous Communication¹, had made a number of observations: on the local players, among whom it included the social partners, and their roles; on the importance of full information and adequate training for local players; on the problems involved in finding a common definition for the social economy sector; on the need to act at local level in a consistently targeted way for all four pillars of the employment strategy. It notes with satisfaction that some of these subjects have been taken up in the new document.

1.2 The Communication in question, after briefly sketching the background to the subject from the launching of the Luxembourg process onwards, stresses that in the employment guidelines in 2002 the Member States were called upon to support regional and local bodies in drawing up employment strategies, and notes that in nearly all the countries of the Union there is a tendency to decentralisation, to support for the social economy and to the setting up of partnerships. The NAPs for 2001 also show the development of closer cooperation between national governments and local and regional authorities.

1.3 The Commission emphasises the crucial problem of the clearly inadequate information and the lack of systematic involvement of the local level in the NAPs' formulation process and the implementation of the ESF, and expresses the view that the development of a local dimension

¹ Opinion on the Commission Communication "Acting locally for employment – a local dimension for the European Employment Strategy", OJ C 14 of 16.1.2001.

of the EES would make a decisive contribution both to achieving Community objectives on employment and to combating social marginalisation.

1.4 The Commission points out that, subject to the principle of subsidiarity, it is necessary, in developing a local dimension of the EES, for there to be a consistent political will at Community, national, regional and local level. It is essential to establish a constant exchange of best practice, and widespread awareness at local level of the EES and related national action plans, of the NAPs for social inclusion and of the structural fund programmes.

1.5 While suggesting the criteria for the drawing up of local strategies for employment, the Commission also advocates building on experience and making fuller use of the existing instruments, mentioning in particular, apart from the Structural Funds, EURES, Urban and Equal. A specific reference relates to the innovative actions promoted on the basis of Article 6 of the ESF and to the budget heading allocated for 2000 and 2001 to support preparatory actions for local employment initiatives.

1.6 The document envisages a series of deadlines for assessment of the initiatives and programmes in progress, with specific reference to the local dimension, and makes clear that the Commission will regard local development as a priority in assessing the planning period.

2. **General comments**

2.1 The European Economic and Social Committee welcomes the Communication, as it welcomed its predecessor, endorsing the increase in the attention paid by the Commission to developing an authentic local employment strategy, which the Committee has advocated for many years.

2.2 It particularly welcomes the way in which the consultation phase which took place in 2000 has been put to good use. While that phase brought to light many problems which limit the development of local initiatives, the Commission has nonetheless used the document under consideration to identify actions and instruments which would make it possible to tackle these problems realistically, pointing out the practical scope for players at local level and at the same time encouraging greater awareness on the part of Member States of the need to create a two-way flow in the drawing-up of the NAPs.

2.3 The choice of assessing all current planning primarily in terms of its impact on development at local level has an importance which, on the one hand, almost transcends the subject under consideration, but which, on the other, strengthens the need for the employment strategy defined at the Lisbon Summit to be developed to the full, giving precise attention to the local employment plans which are an essential operational part of it.

2.4 The document points out that the role for the local level in the EES was explicitly acknowledged in the Guidelines for employment policies for 2002, and gives a verbatim quotation of guideline 11. However, this guideline appears in the section devoted to the second pillar ("Developing

entrepreneurship and job creation"). In its earlier opinion, the Committee had already expressed the conviction that creating employment development strategies at local level should make it possible – not least because of the many subjects and functions which could contribute to it – to achieve the aims set down in all four pillars of the European strategy. It reaffirms this view and expresses the hope that the Commission may adopt it, as the Communication itself frequently relates to the fourth pillar (equal opportunities).

2.4.1 The attention which the document gives to policies on equal opportunities for women and men is consistent with the entirely realistic belief that it is precisely at local level that the conditions which can limit or encourage gender equality are determined, not only through specific active and targeted training measures but also through a growth in cultural and social awareness. In this last respect, the call to local authorities to promote women's employment through "measures to reconcile work and family life" seems inappropriate, since they should be reconciled in the equal interest of women and men. This is taken into account in the Guidelines for employment policies in 2002, where the chapter entitled "Reconciling work and family life" confirms that policies implemented to this end "are of particular importance to women and men"².

2.5 The role of the social partners is given greater importance in the present document than in the previous one, and it is emphasised that they should be increasingly involved in developing the implementation of local strategies.

2.5.1 However, as already stressed in the earlier opinion, this role is not just important in the context of joint social planning – on the development of which an important decision was taken at the recent Laeken Summit – but also as an active element in the partnerships; the latter role has already been played in a positive and creative way in the territorial pacts and in the cross-frontier partnerships operating on the basis of EURES. If, in addition, as already laid down at the Feira Summit, the social partners must play a prominent role in defining, implementing and assessing the guidelines for employment, this acquires even greater emphasis at local level.

2.6 The Commission acknowledges the difficulty – already fully documented by the Committee – which arises from the different ways in which the social economy is understood in the Member States, but stresses that this sector – however it is classified – has great potential in local development initiatives, and points out that the idea of partnerships at local level is maturing under the impetus of the political priorities of the European Employment Strategy. It would, however, be desirable for the Commission to work, within the limits of the possible and of subsidiarity, towards a joint definition of principle, not least with a view to the forum on local development planned for the beginning of 2003.

2.7 Although subsidiarity must of course be safeguarded, the Committee appreciates the Commission's reference to the White Paper on European governance which calls, in general terms but also specifically with regard to employment and cohesion matters, for a strong interaction among the

² Proposal for a Council Decision on Guidelines for Member States' employment policies for the year 2002 – COM(2001) 511 final.

various levels of government of the Union and individual countries and regional and local levels. Such interaction is necessary not only to give the maximum impetus to effective unitary policies, but also to rebuild a relationship between European institutions and the citizen and to enable the latter to be able to make a contribution to the formulation and the quality of political and economic decisions.

3. Specific comments

3.1 Among the various effective European initiatives for developing employment at local level the Commission mentions EURES, an instrument created in 1993: this has been continually renewed because of its acknowledged importance, and a reform of its legal basis is currently under consideration. However, it is strange that in view of its potential the Commission is not proposing a complete reform of it, nor suggesting that it be fully integrated in the EES, and that it proposes a range of criteria and sources of funding rather than incorporating it in the budget of the Structural Funds. As is well-known, the EURES network includes the public services dealing with employment, and the social partners – two groups whose role is identified in the Communication under consideration as being among the actors in an employment strategy at local level. This is a further factor for rationality and consistency which should guide the Commission towards a reform model as suggested above.

3.2 The Commission points out the positive employment impact of Urban, another Community initiative, which covers social and environmental action in extremely problematic districts of city centres. In its opinion on the renewal of this initiative³, the Committee had underlined that, although it was not one of its primary aims, Urban had the potential of benefiting employment. Moreover, the initiative had the important advantage of encouraging strong involvement of the whole of civil society in the planning of activities to be funded. The Committee would hope that in the analysis which the Commission plans of the results of Urban and any other initiative, attention would also be paid to the spin-off effect of the spreading of best practice which is always included in them.

3.2.1 In the Commission's reminder of the potential of programmes and initiatives already in progress to boost employment at local level, the Committee suggests the inclusion of INTERREG III, which mentions this specific theme among the planning criteria.

3.3 In presenting the criteria for implementation of innovative actions funded on the basis of Article 6 of the ESF Regulation, the Commission had already indicated⁴ an explicit link – a natural one in view of earlier experience – with the development of employment at local level. Moreover, it was pointed out that priority would be given to proposals based on the principle of partnership among the various actors, mentioning public authorities, the private sector, the social partners, the third system etc. The Commission communication recalls this background, and entitles one of the priority themes "local employment strategies and innovation". The Committee obviously agrees with all the

³ Opinion on the Communication from the Commission to the Member States laying down guidelines for a Community initiative concerning economic and social regeneration of cities and of neighbourhoods in crisis in order to promote sustainable urban development – Urban – OJ C 51 of 23.2.2000.

⁴ Communication from the Commission on the implementation of innovative measures under Article 6 of the European Social Fund Regulation for the programming period 2000-2006 – COM(2000) 894 final.

above, but points out that the invitation to present proposals is for the moment confined to relevant public authorities or territorial administrations.

3.3.1 This creates a sort of implicit hierarchy among local actors, which could also be followed in the field of the Communication in question, while both in the first Commission document and in the current one, a wide range of participants are mentioned under the "local actors" heading. It is not clear whether an initiative for a local employment strategy can be drawn up, proposed and presented by any of these actors organising a targeted partnership, or whether the prime mover of any initiative must always be a public or administrative authority at local level.

3.4 The document emphasises the need to activate a strong flow of information to the local actors on EU and national policies – something which is obviously essential to encourage initiatives and strategies which are not only practicable through instruments and resources activated at Community level, but also consistent with the policies defined at European and national levels. However, in sketching out the constituent elements of a local strategy for employment, it neglects one point which the Committee regards as essential and which it had already stressed in the earlier opinion: that of training.

3.4.1 The key procedural sequence proposed by the Commission is as follows: defining the area; diagnosing the points of strength and weakness; identifying the potential actors; analysing the opportunities and threats for employment in the territory concerned; involving the regional and national authorities. It is important to emphasise that points of strength and weakness, and opportunities and threats for employment, can lie not only in the socio-economic, infrastructural, productive or organisational conditions of a territory, but also – to a large extent – in the need for training to facilitate employability, support the development of entrepreneurial skills, encourage the adaptability of workers and enterprises, and promote steps towards gender equality, both in terms of professional skills and in terms of socio-cultural awareness.

3.4.2 The Committee wishes to emphasise that training, alongside education and lifelong learning, are essential components of any initiative to develop employment at local level. Of course there can and will be projects which have training (specific, albeit diffuse training) as an objective for a local strategy, but Annex 2 to the document takes up the proposal, put forward by the Committee in its earlier opinion, to encourage "territorial training initiatives and agreements". This is still the need which the Commission should take into account, as part of a wider strategic approach which is essential in formulating any initiative.

3.5 The Committee endorses the Commission's decision to organise a Forum on local development next year, and declares even now that it is interested and prepared to make its contribution at a time of wide-ranging reflection. The document would suggest that this event is planned for the beginning of 2003, and it is stated that around the middle of that year an assessment of the 89 territorial pacts launched as pilot projects in 1997 will at last be available. Since the two deadlines are only a few months apart, and the Forum is intended to be a place for exchanging experience and information, it would perhaps be better to make them coincide.

3.6 As indicated above, successful transposition of the EES to the local level and active participation of civil society in identifying strategies and courses of action constitute a strong instrument for promoting a sense of belonging in European citizens and for rebuilding a link between them and the institutions. Nonetheless, it is necessary for employment policies to remain faithful to the principles laid down in Lisbon and further enriched by the recent Laeken summit. Thus on the one hand *lasting, high-quality* jobs must be created (incidentally, it is worrying that the Commission acknowledged in a recent document that the concept of "high-quality work" lacked definite, effective points of reference); on the other hand, the European social model should be defined, supported and promoted: these two aspects are essential to maintain social cohesion within the Union and strengthen it with a view to enlargement.

3.6.1 However, the European economy is showing clear signs of slowing down, and expectations of a recovery are very cautious. The local level cannot be treated separately from the national and Community levels. Decisions are therefore needed to revive economic and employment growth decisively, as a matter of priority.

3.6.2 There is scope for manoeuvre, which should be used decisively, and at the same time there should be measures to consolidate a sustainable development model in both environmental and social terms; both aspects require guarantees and safeguards. At all levels – from Community to local level – these two basic points of balance must be identified and respected.

3.6.3 The local level is a microcosm in which the most immediate and real opportunity and risk are combined in a single aspect: the capacity of the individual citizen to verify directly the effectiveness in practice of political choices. Thus the success of the choices covered by the Communication in question will also depend, in the shorter and in the longer term, not only on the effectiveness of the proposals to which we have attempted to contribute, but also, fundamentally, on the choices for progress which will have been made at the highest level.

Brussels, 24 April 2002.

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of the
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