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EMPLOYMENT, INDUSTRIAL RELATIONS AND SOCIAL AFFAIRS

***PILOT PROJECTS FOR THE LONG-TERM UNEMPLOYED
AGED 40 AND OVER***

1995 General Budget: Heading B2-605

FINAL REPORT

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SUMMARY

The economic and social situation of the European Union is dominated by unemployment: it is a widespread phenomenon, affecting 10.7 % of the labour force in 1997, and it is long term, with half of all jobseekers being out of work for at least a year. In 1995, as a political gesture on behalf of the most marginalised groups, a back-to-work operation was introduced on the initiative of the European Parliament for jobseekers aged 40 and over who had been out of work for at least two years (Budget Article B2-605 with commitment appropriations of ECU 15 million). Between the end of 1995 and the end of 1997, the Commission departments responsible for regional policy on the one hand and social affairs and employment on the other selected sixteen pilot projects in fourteen Member States on the basis of the level of long-term unemployment and the quality of the proposals received.

This report presents the Commission's conclusions. The programme involves the development of a regional and local strategy combined with experiments based on actual projects, an approach which has highlighted the potential of local development and employment initiatives (LEIs). It has also provided the first opportunity to verify empirically the optimum conditions for these initiatives in certain Member States.

From the economic point of view, certain exemplary projects have confirmed the possibility of creating new jobs through collective action combining public, private and non-profit sector resources. The project cost is comparable to the cost of more traditional public policy measures. It may even be possible in some spheres of activity to break even financially in the medium term, whilst in others public support remains necessary for the pursuit of projects. From the point of view of the jobseekers involved, it does seem that the economic path to integration is a valid option, as long as training schemes are integrated with a development project. The cooperative, mutual and non-profit sector provides the most marginalised groups with a stepping stone from exclusion to the traditional labour market.

However, LEIs cannot realise their full potential unless a favourable environment has been created. The specific achievements and problems of the B2-605 programme demonstrate the need for a support policy that is designed to last, wide-ranging, and geared more to creation of activities than to welfare provision for unemployment. From this point of view, partnership is often the condition for a successful initiative. If the partnership idea is not to be a mere formality, it is necessary to have precise objectives and a clear distribution of responsibilities, for each level of action.

The lessons of the pilot projects are worth taking specifically into account in thinking about the future of structural policies. They may also be helpful in the implementation of the regional and local employment pacts. The Commission's investigations and operations since the publication of the White Paper on "Growth, Competitiveness and Employment" show how useful LEIs can be. The time has now come to go one step further, and to devise ways of strengthening their impact by incorporating them in more ambitious arrangements. The Community institutions can play a key role (subject to the principle of subsidiarity), in facilitating discussion, action and the pooling of experience.

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INTRODUCTION

THE EUROPEAN UNION FACING THE CHALLENGE OF LONG-TERM UNEMPLOYMENT

Over the past twenty years or so, unemployment has become widespread throughout most of the Member States of the Union: in 1991, it affected 8.2% of the labour force, and in 1997, 10.7%.¹ This dramatic increase tends to confirm the view that the European economies are floundering in a situation of under-employment. The general outlook for European integration has been placed in jeopardy by this persistent imbalance. Europe is more severely affected than the other major industrialised nations; US and Japanese rates of unemployment are substantially lower (4.9% and 3.5% respectively in 1997).

What is more, European workers sometimes remain jobless for long periods. In 1996, 49% of jobseekers had been out of work for more than one year, and 30% for more than two years. But beyond statistics, the situation behind these comparisons is one where certain groups are permanently excluded from the labour market, and seriously marginalised, especially where the social security system does not guarantee a minimum income. Unskilled workers are the most at risk (their long-term unemployment rate is 50% higher than the average), along with women and workers who have lost their jobs after the age of 40.

The origins of long-term unemployment are to be found in a combination of factors. To begin with, Europe's economy is characterised by fairly low GDP growth rates and employment growth rates in comparison with its principal partners. Job shortages tend to exacerbate competition on the labour market, which penalises the least skilled workers. This has led the authorities to adopt macroeconomic policies for strong and sustainable growth. These policies have not, however, been fully adequate: the long-term unemployment rate continued to rise in 1994 and 1995, despite the moderate recovery in growth.

Moreover, as technical progress speeds up, employers are asking for more specific skills, and evidence of potential for acquiring skills, which contrasts sharply with the disorientation and lack of motivation that generally affects long-term jobseekers. Such workers are not sufficiently employable in the current economic context.

For several years, the European Union has been endeavouring to improve the skills and adaptability of the unemployed, through European Social Fund measures. Pilot programmes such as ERGO, ERGO II and LEDA, now completed, have highlighted the usefulness of measures targeted on the special needs of the unemployed and of the geographical areas concerned.

In 1995, the European Parliament launched the initiative on pilot projects for the long-term unemployed as a political gesture towards those worst hit; it asked the Commission to try out innovative back-to-work schemes for jobseekers aged over 40 who had been out of work for more than two years.

¹ All data are drawn from the Commission's annual *Employment in Europe* reports.

Another aim was to reduce regional disparities relating to structural unemployment,² which involved collaboration between Commission departments responsible for employment on the one hand and regional economic development on the other.

The organisation of these measures was made possible through the LEIs approach (local employment initiatives). The idea of LEIs was put forward in the 1993 White Paper on “Growth, Competitiveness and Employment”; LEIs are a practical application of the concept of “new sources of employment”: the idea is that local business should identify and develop new services and jobs that are insufficiently viable in terms of market requirements in the short term.³ This has a positive impact on long-term unemployment in several ways. Besides helping to remedy the job shortage in the economy, it also tends to improve the employability of those concerned.

By relying on degressive public financing and on innovative economic and social approaches, projects can be freed from the constraints of short-term profitability, and immediate labour productivity gains. These initiatives also enable private and public partners (companies, local and national authorities, development agencies, local elected representatives and municipalities etc.) to learn to work together (“bottom-up” approach) and to get used to new instruments suitable for a tertiary sector economy. The rationale behind the project also provides a suitable structure in which to remotivate those who have unsuccessfully tried numerous traditional “pathways into work”. In some pilot actions, a high proportion of the allocated credits has been necessary for preparing the new regional strategies as well as the establishment of aid schemes and partnerships widened to all concerned actors and administrations.

The LEIs are now a rousing keen interest at Community level, with pilot projects under Article 10 of the ERDF and Article 6 of the ESF; but the “B2-605” operation was the first Community programme in this field. Its special feature is the combination of a forward-looking rationale with a rationale of experimentation.

The purpose of this report is to pass on the lessons learned, after just under two years of research and action. It begins by presenting the description and timetable for the pilot projects (1), goes on to review the strategies adopted (2), and concludes by identifying the conditions for capitalising on the information obtained and transferring experience (3).

² The terms of reference for the pilot projects can be found in Notice 95/C 199/09 (OJ C 199 of 3 August 1995).

³ SEC(95) 564, Local development and employment initiatives - an investigation in the European Union, Commission staff working paper, OPOCE (March 1995), OPOCE CM-89-95-082-EN-C, March 1995; First Report on local development and employment initiatives - Lessons for territorial and local employment pacts SEC(96) 2061, OPOCE CE-07-97-272-EN-C, November 1996; Second Report on local development and employment initiatives - The era of tailor-made jobs SEC(98) 25, OPOCE CC-09-97-220-FR-C, January 1998.

1. THE BACKGROUND AND THE PILOT PROJECTS: THE PRIORITY IS INNOVATION

As recommended by the European Parliament, and in view of the pioneering nature of the operation, the Commission decided to use a new method for monitoring the pilot projects. In the beginning, thinking revolved around three questions:

- at regional and local level, who is most suited to run the pilot projects?
- what is the most appropriate legal and financial framework?
- how can efficient administration be ensured?

The choices made are in line with Parliament's wishes; they aim at helping people from problem groups get back to work in fledgling activities in underprivileged regions.

1.1. The choice of pilot projects: priority to developing regional and local strategies for new job sources and for long-term jobseekers

The European Parliament identified the aim of reducing regional disparities in terms of long-term unemployment. The Commission responded by selecting an initial set of areas eligible for the operation, on the basis of two criteria :

- Suitable "size", i.e. a minimum of 400 000 inhabitants, to strike a balance between the need for proximity with local actors and the need to obtain "critical mass" for the project.
- High (overall and long-term) unemployment rates in relation to the Community average, and also in some cases to the national average, to ensure proper representation of the full range of territories and policies followed in the Union. All the Member States except Luxembourg eventually took part in the programme.

The next stage was a call for proposals to identify recipients under the pilot projects in the areas selected. This call for proposals, published in the OJ of 3 August 1995, explicitly opted for "territorial support strategies". The Commission wished to develop the capacity of regional and local authorities to devise policies to encourage LEIs, and to run them with Structural Fund backing.

Of 35 proposals received, 23 were considered eligible, in that they were from authorities above the local level. Subsequently, a quality assessment of the projects led to the selection of sixteen pilot projects; in some cases this involved persuading two separate authorities, from two different Member States, to cooperate (e.g. in the Spanish district of Cadiz, and in the department of Nord, in France).

In budgetary terms, the initial appropriation of ECU 15 million was subdivided under three headings:

- a subsidy of ECU 1.050 million for each of the twelve best proposals;
- a subsidy of ECU 0.5 million for each of the four proposals considered interesting though less advanced;
- an additional appropriation of ECU 80 000 per measure for the five areas responsible for organising follow-up seminars for the pilot projects.

TABLE 1: Areas in receipt of financing under the pilot projects, and amounts allocated

<i>NUTS level III area</i>	<i>Member State</i>	<i>Recipient authority</i>	<i>Total appropriation in ECU million</i>
Alentejo	P	Comissão de Coordenação da Região do Alentejo	0,50
Attiki	EL	Prefecture of East Attica	1,050
Vizcaya	E	Diputación foral	1,130
Cadiz	E	Junta de Andalucía	1,050
Charleroi	B	Gouvernement Wallon	1,130
Chemnitz	D	Regierungspräsidium	0,50
Groningen	NL	Provincie Groningen	0,50
Hérault	F	Conseil Général de l'Hérault	1,050
Massa Carrara	I	Regione Toscana et Provincia di Massa Carrara	1,050
Merseyside	UK	Merseyside Co-ordinating Committee	1,130
Norrbotten	S	Länsarbetsnämnden	1,050
Nord	F	Préfecture de Région Nord Pas de Calais et Département du Nord	1,050
Nordjyllands	DK	Nordjyllands Amt	1,130
Östliche Obersteiermark	A	Arbeitsmarktservice Steiermark	1,050
Paijat-Häme	FIN	Regional Council and Labour District of Häme	1,130
West Ireland	IRL	The West Regional Authority	0,50

On average, the Community grant covers 68% of the budget for the pilot projects (see attached data sheets).

National financing had to cover at least 25% of the total cost of each pilot project. This rule was complied with everywhere. The attached data sheets present a detailed budget for each pilot project.

1.2. The regulatory and financial framework: flexible implementation to encourage innovation

The conditions for implementing the pilot projects, which are set out in the annex, illustrate the Commission's wish to encourage initiative in the areas concerned.

The eligibility conditions for expenditure were particularly favourable to innovation, enabling promoters to finance both infrastructure investment and productive investment from a single budget heading, as well as training and organisational staff costs at local level.

The only restriction related to civil servants' remuneration, which was to be paid from the national contribution. In general, this freedom has been used in a very positive way by the recipient authorities and promoters of pilot projects. For example, West Ireland chose to target operations on very specific projects, rather than on general measures, such as training activities. This enabled it to achieve significant results.

A system of advance payments was set up to help relieve cash-flow problems.

TABLE 2: Timetable for financing

<i>Payments</i>	<i>As % of total grant</i>	<i>Conditions for payment</i>	<i>Pilot projects concerned</i>	<i>Date of last payment by the Commission</i>
First advance payment	30%	Approval of preparatory report	16	February 1996
Second advance payment	20%	Approval of work schedule	16	June 1997
Third advance payment	30%	Approval of interim report	16	September 1997
Balance	20%	Application for payment of balance	14	31.03.98

The stage now reached is that of sending documentary evidence of expenditure by the public authorities concerned to the Commission in order to claim the balance.

1.3. A partnership to steer the measures

Within the Commission, pilot projects were steered throughout by interdepartmental management, from the selection of beneficiaries to operational management and evaluation. The type of cooperation established answered the need for strong synergies between the different public service departments.

Monitoring of pilot projects began in 1996. In the course of 1997, external technical assistance was organised under the Commission's control, partly to ensure proper project evaluation, and also to facilitate incorporation into general Structural Fund operations (CSFs, SPDs and regional and local employment pacts). Technical assistance was provided by *Europe Innovation 2000*. In April 1997, the Commission decided, at the request of the recipient authorities, to extend the duration of operation by three months, so as to prolong the stage of practical experiment. A calendar of the pilot projects is annexed to this report.

2. THE LESSONS OF THE PILOT PROJECTS : IMAGINATIVE REGIONAL AND LOCAL STRATEGIES TO COMBAT LONG-TERM UNEMPLOYMENT.

The pilot projects enabled the Commission to test in practice its hypotheses regarding the potential of new activities, the integration of long-term jobseekers aged over 40 and the importance of partnership in the LEIs.

2.1. The use of new job sources

In the White Paper on “Growth, competitiveness and employment”, the Commission cautiously estimated that new sources of employment could provide about three million jobs. The results of the sixteen pilot projects show that this is a feasible objective, provided that politicians and the public actively support it, and on the understanding that it is part of an approach involving the gradual transformation of European society.

• *Fields covered and job creation*

The most interesting results involve spheres of activity and jobs created. Promoters reacted in three distinct ways to the list drawn up by the Commission:⁴

- Some systematically explored all 19 fields, finally opting for those most easily accessible or most suitable in their particular area, in view of the limited duration of the operation and of available technical skills and financing. It was often felt that the initial investment required for projects involving the environment, leisure or information technology was too great, and that these fields were not sufficiently labour-intensive. Moreover, it was felt that these fields were difficult to explore in view of the time available for the pilot operation.
- Others took no account of the list, but chose to consolidate traditional craft activities or to respond to the needs of existing businesses (e.g. industrial cleaning, provision of temporary staff).
- A third group confined its field of activity to personal services, without any innovative accompanying supply or demand measures.

The added value of the “B2-605” pilot operation was most evident in the first group, as employment opportunities were provided for people outside the target group in view of potential as yet unexploited in the area concerned.

⁴ Domestic services, child care, new information and communication technologies, assistance to young people facing difficulties, housing improvements, security, local public transport services, revitalisation of urban public areas, local shops, control of energy, sports, tourism, the audiovisual sector, cultural heritage, local cultural development, waste management, water management, protection and conservation of natural areas, monitoring and control of pollution.

TABLE 3: Effects on employment (provisional assessment)

Fields	Number of projects	Jobs created (% of target population)	Number of jobs per project	ECUs per job
Personal services	24	237 (72%)	9,875	21.000
Business services	16	58 (93%)	3,625	28.000
Quality of life	16	88 (68%)	5,5	15.000
Tourism / Culture	10	62 (77,5%)	6,2	30.300
Environment/ Recycling	10	85 (60%)	8,5	18.235
Traditional local products	5	26 (92%)	5,2	24.200
Information society	1	16 (0%)	16	76.700

Note: The figures in the table refer to job-creating projects in effect on 31 October 1997; they do not include projects corresponding to traditional employment policy measures (employment agencies etc.). Figures for costs refer to budget commitments, not to expenditure actually incurred.

The target population mentioned in the table concerns the long-term unemployed aged over forty.

• *The economic outlook for LEIs*

Despite the good figures recorded in certain areas, the outlook for the projects in terms of economic profitability remains limited, irrespective of the legal status of the employer (company, cooperative, local authority). The authorities with responsibility for combating unemployment, dominated by short-term considerations, sometimes monopolised the mechanism by turning it into a social policy instrument.

In some cases, the development of the LEIs along exclusively semi-public lines has made them more dependent on local politics and weakened private sector involvement (6% of the budget on average).

Less frequently, private promoters have used pilot projects to launch business service projects, taking advantage of lower labour costs and increased flexibility.

It has also been possible, however, to test a third alternative, which ensures the creation of lasting jobs. In several areas, the use of public money ensured the economic viability of imaginative initiatives, responding to a genuine demand on the part of local firms, at a cost comparable with that of the corresponding Community operational programmes.

Such success is often built on the dynamism of the cooperative, mutual and non-profit sector, which is concerned with the general interest and anxious to remain financially independent of government. This sector comprises cooperatives in the Nordic and Mediterranean countries (Spain, Italy), not-for-profit associations in France and Belgium: legal statuses vary, but the underlying philosophy remains the same.

The "Tulsk" project in Ireland: from voluntary work to the cooperative, mutual and non-profit sector

The pilot projects involved financing an association providing services to the elderly and/or to families in a sparsely populated rural area. Employment aid and investment aid of ECU 164 000 was granted to set up a business comprising 16 employees, seven of whom have fairly well-developed skills. The association expects to be able to dispense with public financing in two years' time. Those responsible are hoping to achieve financial balance by diversifying into more profitable services (laundry, catering).

These initiatives hold out the hope that efficiency and solidarity need not be mutually exclusive. Effective regional and local strategies have been developed with the support of a favourable economic and social environment, and of "enabling" public policies.

• *The diversity of the economic and social contexts*

Certain economic and social factors (GDP growth, social welfare, importance of tertiary activities) seem to play a major role in the success of the pilot projects. It is easier for new demand to emerge when the area is economically dynamic with a diversified productive fabric, especially in the services sector. Optimum conditions for exploiting new job sources are met when social welfare systems do not hamper the development of individual initiative and the reintegration of jobseekers.

The following table, based on EUROSTAT data (see annexed maps), shows the importance of the initial socio-economic context for LEI support policies.

TABLE 4: Diversity of socio-economic situations in which pilot projects are implemented

	<i>Share of tertiary activities in total employment less than 70%</i>	<i>Share of tertiary activities in total employment more than 70%</i>
<i>Long-term unemployment rate higher than EU average</i>	Chemnitz Bizkaia Cadiz West Ireland Massa Carrara	Charleroi Attiki Merseyside
<i>Long-term unemployment rate lower than EU average</i>	Nordjyllands Nord Groningen Ober Steiermark Alentejo Paijat-Hame	Hérault Norrbotten

Problems were most serious in the areas combining low long-term unemployment rates with low tertiary employment rates. The more serious the problem of long-term unemployment, the greater the efforts of the authorities to adapt traditional policies to a more innovative stance. There is also a strong correlation between the LEIs and the size of the services sector. Of course this table does not imply any judgment of how the measures were managed; the initial situation should not be understood to exclude a priori any attempt to establish structured LEIs in areas that seem less likely to benefit from them.

Another interesting observation is that pilot projects are applied more dynamically in rural areas. The divergence with urban areas shows up even more clearly when the pilot project involves both a city and the surrounding rural area. The reason is probably to be found in the

strength of older-established solidarity in the countryside. Cities on the other hand seem to be handicapped by the multiplicity of intervention structures and mechanisms, which paralyses action. Moreover, there is not enough cooperation between the authorities of large cities on the one hand, and regional administrations on the other.

• *Methods of exploiting LEIs*

There seem to be three stages in supporting LEIs.

- The first is to identify the specific needs of the area. Promoters have not always understood the requirement for a detailed “area diagnosis”; or perhaps there was no suitable diagnostic method available. At all events, prospection accounts on average for 15% of the budget; in the case of public authorities, it accounts for only 10%, and even less for academic and university promoters. In many cases, spheres of activity were chosen simply on the basis of consultations between partners, sometimes with the help of experts. In no case were any new specific sectoral studies financed for this programme.

- The second stage is to apply economic, social and cultural measures that will assist the emergence of the LEIs. Public action must be very accurately targeted, and must meet a number of conditions :

- support should be long term, to ensure lasting changes in consumer habits, but gradually tailed off to encourage commercial development of services and goods;
- activities should interlock with national arrangements, to avoid “robbing Peter to pay Paul” (e.g. the type of problem that arose in Groningen and Norrbotten, where the relatively unskilled jobs on offer provided less attractive opportunities for integration into work than those available under national schemes);
- action should support existing structures, especially those of the cooperative, mutual and non-profit sector;
- the approach should integrate both supply-side and demand-side measures for new goods and services.

In some areas, the pilot project provided a welcome opportunity to test a combined approach acting simultaneously on supply and demand.

The “regional think-tanks” in Obersteiermark

The organisation of regional think-tanks enabled participants to exchange know-how and pool a wide range of proposals for new services. Its most useful contribution was the establishment of partnerships between applicants and regional and local institutions, which helped to get projects off the ground.

Special fund for the support of “dormant initiatives” in Hérault

Local non-profit associations and cooperatives were asked to trawl for projects. A special fund was set up to finance feasibility studies and employment aid. The pilot project in Hérault created 153 jobs, including 80 for long-term jobseekers aged over 40.

- The requirement for both supply-side and demand-side measures leads to the third stage, i.e. exposure to the market. In general, promoters neglected demand-side measures; it was often the case, of course, that they had no powers to implement them. The only real effort was in marketing the projects. There was little thinking about how to bring the cost of services more closely into line with prices acceptable to customers. The lower the purchasing power of

households, and the stronger the competition from the informal economy as compared with “legitimate” jobs, the wider is the gap between costs incurred and acceptable prices. In Merseyside, the main factor in the development of personal services was in fact better information of potential customers

Counselling service for households in Merseyside:

To enable the experiment to continue, and to fuel effective demand for the services offered, local associations set up a counselling service to help households “optimise” the social benefits to which they are entitled. The pilot project created 66 jobs, 49 of them for members of the target groups.

Some of the pilot projects diversified sources of effective demand by relying on households from outside the area (tourist projects in Cadiz), or supplying the needs of local authorities (Massa-Carrara).

Some promoters tried to target the demand for services from major companies, e.g. pilot projects in the department of Nord, or in Charleroi.

2.2. Social and occupational integration of long-term jobseekers aged over 40

The call for proposals for pilot projects explicitly referred to “positive discrimination” in favour of workers least likely to escape from long-term unemployment, i.e. those aged over 40 who had been out of work for more than two years. Below we consider the nature and the scope of the measures adopted, and the effects of targeting this very specific group.

• *Strategies for employment, training and integration*

The pilot projects encountered their first problem when work began on identifying the target population. In some Member States, e.g. Greece, jobseekers are not registered as unemployed after the first year. This meant carrying out quantitative and qualitative surveys so as to identify those who had been out of work for longer. The active participation of employment services is often essential, although it has been available only for about half the projects.

As a survey carried out in Vizcaya shows, the statistical category of long-term jobseekers aged over 40 is not a homogeneous group. The jobseekers concerned combine a variety of profiles. Sometimes, two specific profiles coexist in the same region. Former white-collar and blue-collar workers from heavy industry, mostly men, hesitate to embark on a new career in the tertiary sector, especially as they are fairly well protected by collective agreements. However, jobseekers from the primary or tertiary sectors, often women, are more likely to take part in LEIs, because this enables them to escape from involuntary unemployment or the informal economy.

Observation shows that the ideal “pathway to integration” into work is based on successive stages.

- An initial stage of remotivation seems necessary in all cases. Unfortunately, some promoters generated disappointment among jobseekers by setting up systems to select project organisers. In one extreme case, out of 3000 persons initially screened, only 36 were finally entrusted with a project.

Remotivation is all the more important as jobseekers aged over 40 are usually well-integrated in their local community, which gives them an advantage when the work involves “social links”. The *serenos* of Cadiz illustrate this point.

Reviving a trade that reinforces the social network: the *serenos* of Cadiz

ECU 75 000 was invested in Cadiz in creating 14 jobs for *serenos*, neighbourhood watchmen contributing to security and the social network. The population welcomed the revival of this old trade.

Most promoters organised sessions for discussion and brainstorming with jobseekers, or exchanges of ideas (Hérault and Alentejo).

The organisation of “project emergence” sessions in Hérault

On the basis of an agreement with the department of Hérault, the official careers service (ANPE) took an active part in the measure, not only helping to identify candidates for the pilot project, but also organising meetings with jobseekers to exchange ideas, called “project emergence” sessions, to stimulate their initiative.

- Learning a trade is another crucial factor in training. The trade can be learned “on the job”, provided that proper structures are provided.

Wide range of recruits for services to the elderly

In Vizcaya as in the west of Ireland, projects financed in this field relied on long-term jobseekers, but also on younger and better qualified job applicants, so as to ensure high-quality care, which is essential for the success of such projects.

The acquisition of management skills, essential to the promotion of self-employment, requires specific training and, especially, advisory services for project sponsors (to deal with management, legal and marketing matters). “One-stop shops” (as in Vizcaya) or tutorship (as in Charleroi) are both effective solutions.

- Lastly, legal systems and social security benefits must be adapted so that the jobseeker does not bear all the risk of setting up a business. Participation in a project can mean losing social security benefits. In certain areas, the social security services agreed to continue paying unemployment benefits during a transition period (Chemnitz, Groningen).

All these conditions, as well as individual monitoring of jobseekers, are needed for if the most underprivileged groups are to achieve integration. The advantage of pilot projects over more traditional campaigns against unemployment lies in the efficient combining of training, integration and work within one development project.

• *Risks associated with “social targeting” of the pilot projects*

By concentrating on a specific target population, the LEIs could be trapped in a self-defeating cycle: on seeing the volume of resources needed for successful integration of an underprivileged target group, some promoters tended to neglect job quality.

Where this strategy prevailed (under three of the sixteen schemes), the jobs created may well compete unfairly with existing firms and jobs. Moreover, these jobs are not in themselves particularly attractive to jobseekers. This can lead to segregation, with women being alone in accepting these low-status jobs.

Ultimately, evaluation has shown in several cases that the “social targeting” of the pilot projects was counterproductive, even though it improved comprehension of long-term jobseekers’ profiles and the measures for their integration. Consequently, some promoters proposed a reversal of priorities: the jobs should be created first, before considering the possibility of reserving them for a target population.

2.3. The decisive role of cooperation and partnership

Defining a coherent strategy is not enough, in itself, to guarantee the success of the policy of support for the LEIs and for long-term jobseekers. For example, some promoters found too wide a discrepancy between the initial choices made and the conditions for their practical application at a later stage. Three levels of cooperation were identified: the decision-making level, the operational level and the project implementation level, with the Commission’s main contribution being to select the promoter and to facilitate the work.

• *Strategic partnership*

The idea of the “regional and local strategy” was at the centre of the operation. Pilot projects confirmed that effective support for LEIs requires action at economic and social level (taxation, rules and regulations, etc.). Without this comprehensive strategy, there is a risk that individual projects will be financed without any knock-on effect on the local economy.

In the circumstances, the authority responsible for defining objectives and means must have powers in three institutional or statutory areas: employment and training; social security, and local economic development. The pilot projects have demonstrated the persistence of very strong partitioning between public service departments. Often, the partitioning between sectors of activity is accompanied by partitioning between different geographical areas. To simplify, and with some exceptions, employment is a matter for the national authorities, while social welfare and economic development are shared between the central, regional and provincial governments, or even with the municipal authorities.

This functional complexity poses a serious problem which aggravates the problems resulting from political obstacles. In one of the pilot projects, the recipient authority suspended operations for a long period, because of a delay in entry into force of legislative arrangements for personal services, in particular to the elderly.

Consequently, external pressure must be exerted on the public-sector partners to overcome such obstacles. The role of provoking and challenging rests with society at large, which must insist upon actively participating in decision-making; but the national and Community authorities must back them up.

A number of groups became involved in the pilot projects:

- Jobseekers were sometimes closely associated with management of the measures, e.g. in Cadiz, where an association of long-term unemployed was created and acted as a “catalyst”, by insisting on cooperation, to which the political authorities are relatively unused.

- The promoters’ main discussion partners were from the cooperative, mutual and non-profit sector, which testifies to a change in mentalities.

- Trade unions were sometimes suspicious of the pilot projects, denouncing “cut-price” jobs or the “dismantling of the public services”. And yet the participation of the trade unions is essential to the introduction of new rules in industry. It probably requires new arrangements for worker representation, e.g. on a regional and local basis.

Employers’ federations and chambers of commerce took a passive stance, their aim being to ensure that the LEIs did not compete “unfairly” with SMEs. The results of the two experiments in business networking, in Chemnitz and Attiki, were therefore fairly modest.

However, both firms and unions behaved in a more realistic manner at the level of the actual projects, e.g. in Norrbotten. The purpose of disseminating “good practice” at Community level is to rise above prejudice and build active cooperation.

- Municipal authorities have played an important role, by bringing together most of the local actors. Despite some interesting experiments, however (e.g. Cadiz, Massa-Carrara), it is a pity that most of the regional centres (e.g. Montpellier, Lille, Bilbao) were absent from the partnership.

Towards a “highest social bidder” clause in public procurement contracts? (the interesting experience of Massa-Carrara)

In this region, the Tuscany BIC encouraged the establishment of “local committees” to help with the negotiation of public service concessions (e.g. forestry maintenance), between jobseekers’ cooperatives and local authorities.

• *Operational partnership*

The second level of partnership is concerned less with defining the measures than with seeking maximum effectiveness in their application. From this point of view, this programme introduced a new distinction, between the beneficiaries and the promoting authority. This distinction proved useful, especially in the regions where the promoter acted as a mediator in cases of conflict (Attiki), or provided technical assistance to the project sponsors.

TABLE 5: Types of promoter and how they performed

	<i>Civil service departments</i>	<i>Local authorities</i>	<i>“Agencies”</i>	<i>Employers’ groupings</i>	<i>Research centres</i>	<i>“Experts”</i>
Pilot projects	7	1	5	1	1	1
Results	Innovation capacity poor	Close involvement on the ground	Useful dynamism	Innovation capacity poor	Excessively theoretical approach	Poor involvement in partnership

• *Project partnership*

No real conclusions can be drawn on this matter, in view of the relatively short experimental phase. However, some qualitative points can be made.

Most of the promoters sought to elicit innovative ideas, especially from jobseekers, but did not always give enough thought to implementing the projects which were then devised.

Legal consultancy services were usually available, but project sponsors were probably not given enough help with seeking private financing, or at the market prospection stage. The idea of providing jobseekers with a professional “external manager” had varying degrees of success. It worked well when those involved were genuinely concerned for the development of the area. The case of Merseyside is a good illustration of this. In general terms, project coordination is an important task for promoters, with the Commission providing support.

• *Tasks of the Commission*

The programme’s lessons for the launching of new pilot projects are clear. When calls for proposals are issued, beyond the choice of recipient authority, the Commission must be able to rely on very precise selection criteria for promoters. Promoters should have three characteristics:

- the capacity to mobilise statutory powers as identified above (employment and training, social security, regional and local development);
- long-standing and recognised presence in the area, without which a relation of trust is impossible;
- previous experience of this type of measure, and possibly also of Community procedures.

The Commission must not try to merge competing applications for such innovative programmes, because of the serious risk that political quarrels will override the concern for effectiveness. However, it could ask promoters to include certain partners whose input is crucial because, for example, of their regulatory powers.

The Community authorities have two separate roles to play in monitoring:

- a role of financial and regulatory control, including monitoring compliance with commitments in accordance with the pre-established timetable;
- a role of continuing technical assistance to promoters and project sponsors, in two ways. First, the Commission must act as a “resources centre”, by helping ideas to circulate, making available the lessons learned from other programmes, and facilitating procedures (through financial management models, methodological guidelines, etc). Next, the Commission must not underestimate co-ordination tasks on the ground. Community influence can, and did in this programme, play a decisive role in persuading certain partners to participate. All these tasks are based on the assumption that adequate human resources will be made available.

3. VALUE ADDED OF THE PILOT PROJECTS AT COMMUNITY LEVEL: EVALUATION AND TRANSFER OF EXPERIENCE

As well as providing valuable lessons for local operators, the simultaneous implementation of the pilot projects at European level enabled their effects to be multiplied. To help this process along, the Commission used a set of data derived from the 112 documents produced at the time of the operation (7 reports for each pilot project).

3.1. Evaluation of the pilot projects

Evaluation was designed to be an instrument to help promoters and local project sponsors with decision-making, as well as providing the Commission with a wealth of information. However, the pilot projects suffered from lack of involvement on the part of the official authorities at all three stages of the evaluation process: prior appraisal, mid-term assessment and ex-post evaluation.

Prior appraisal was necessary for a full and reliable regional and local diagnosis. Many of the projects involved surveys of the sociological and psychological profile of long-term jobseekers aged over 40. However, strategies for exploiting new sources of employment were not based closely enough on sectoral data (share of services in the local economy), or on knowledge of the productive fabric (new business start-ups).

The mid-term assessment gave mixed results: while the evaluators appointed by the recipient authorities did provide technical assistance to project sponsors, they did not help the promoters make any progress with monitoring. Proper management charts, with financial schedules, were not often produced.

The ex post evaluation suffered from insufficient methodological reflection, especially in terms of the construction of indicators of the impact of projects financed. For example, to judge the sustainability of the jobs created, consideration must be given to the innovativeness of the jobs and their exposure to competition. Another weakness related to the quantitative assessment of “externalities”, i.e. the indirect and collective effects of the new activities. These externalities are often ignored in simple calculations of the ECU/job ratio.

One special feature of this programme is that the choice of the evaluators was left up to the recipient authorities. This principle enabled project sponsors to call on technical assistance locally, but it also sometimes meant that evaluation was subject to political constraints.

Independent observation of a pilot project was therefore considered essential, and the Commission appointed experts to make on-the-spot visits and provide additional information.

Ultimately, the programme provided a useful set of facts and figures, not only for defining “good practice” but also for identifying obstacles still to be surmounted.

3.2. Transfer and durability of results

The Commission supported various activities for exchange of experience between partners in the operation and the dissemination of results.

The five follow-up seminars helped to encourage an exchange of ideas between partners. Each seminar gave an opportunity to take joint thinking a step further, on matters ranging from theoretical discussion of the idea of “new sources of employment” to practical methods of public intervention. As a rule, opinions diverged widely, with clear divisions along lines of national and regional culture: divisions relating to the concept of innovation (should business services be included as new sources of employment?), between those recommending wage-earning jobs and those who prefer self-employment, between different views on the role and share of public intervention.

Despite its potential, transnational cooperation was rare. This is easily explained: pilot projects needed to begin by showing results and providing operational experience before joint cooperation projects could be set up. It would have been helpful to back up the seminars assembling the 16 promoters with frequent smaller meetings on geographical or thematic lines. However, this would have required more organisation and co-ordination, and a longer trial period. The only seminar where theme-based workshops were organised was the one in Aalborg (Denmark, June 1997).

The promoters of the pilot projects made major efforts to inform the public and communicate with national and regional, and sometimes Community, decision-makers. For example, newsletters were published at Massa Carrara and in Hérault. There were some documentaries and films on the actual operations. The Commission organised a Conference on completion of the pilot projects.

Conference on completion of the pilot projects (15 / 16 December 1997, Brussels):

The aim of this event was a general review of two years’ work; but it was also, and perhaps especially, intended as a convincing demonstration of the programme’s value, both at regional level (invitations were sent to those with technical responsibility for certain employment pacts), and at Community level. The Commission, which was represented by senior officials, encouraged wide-ranging debate by inviting representatives of the Economic and Social Committee and the two sides of industry (ESC/UNICE).

As well as publicising new ideas, close attention was paid to the outlook for durability in practice of the structures, measures and projects financed. If they do not last, then neither will the jobs created.

There seem to be two factors determining the future of the pilot projects:

- First, results are crucial. When promoters came up against operational problems, or in some cases political problems, they were sorely tempted to abandon the experiment.

- Secondly, the nature of the recipient authority is a determining factor. It is clear that some have much easier access than others to sources of financing which can take over at the end of the programme. The future of a pilot project depends primarily on institutional relations (as in Hérault or Mass Carrara) or informal relations (as in Chemnitz or Pajjat-Häme) between the promoter and the most important decision-makers, especially Structural Fund Monitoring Committees or the promoters of employment pacts.

The Commission must give thought to how to strengthen such links. Technical assistance from outside the area can facilitate mediation, as can raising the profile of certain partners. For example, the credibility of a Cadiz jobseekers' association was considerably enhanced when a representative attended the final conference on the pilot projects.

Annex G presents the outlook for future pilot projects. It is clear that the structures, measures and innovative projects launched during the operation are relevant to employment pacts. These pacts are based on a similar approach (the development of regional and local job creation strategies) and often exploit the same new sources of employment. Of the sixteen areas involved in the pilot projects, nine are eligible for an employment pact, and four promoters have already carried on within this framework.

At all events, the Commission has undertaken to continue assessment, exchange of experience and communication with regional decision-makers in all the areas concerned, by holding a series of meetings in 1998.

CONCLUSION

The purpose of this report was to provide a basis for answering Parliament's question: "*What measures could be suggested to the various authorities to enable them to promote and sustain, in a wider context, the creation of new jobs for long-term jobseekers?*"

The pilot projects have shown that there were certain prior conditions for launching and implementing a dynamic process of job creation. The emergence of new forms of employment and new activities for long-term jobseekers over 40 was encouraged not only by the relatively favourable overall socio-economic context, but also by a regional and local strategy based on imaginative partnerships between political institutions, administrations and social and economic actors, at various geographical levels.

On the whole, the effects of successful strategies were not confined to the target population: the more they relied on personalised pathways into integration and the more they mixed different categories of jobseekers, the better they reached long-term jobseekers over 40.

As one representative of a recipient authority said, "*The pilot project has shown beyond doubt that those involved at local level are quite capable of devising and applying solutions to the problem of unemployment through the creation of new activities, if only they are given effective and determined support from above*".

- **The lessons** to be drawn from the operation relate mainly to the sectors, types of regions, promoters, local communities and partnerships which are particularly high performing. Concerning the sectors, the services with a high manual context responding to poorly satisfied local needs are well suited to the exercise. The level of NUTS III, or NUTS II in the very sparsely populated areas, seems to provide an adequate geographical coverage. As regards the promoters, local communities and, above all, the local development agencies combining an economic and social sensitivity are shown to be innovative structures most suitable to federate effectively all the actors of the region. The partnership must be constituted according to the development of the programme : conception, achievement and follow-up.
- The Commission has learned three important lessons :
 - **Community intervention** acts as a catalyst among jobseekers in the areas concerned;
 - an effort is needed to develop common methods of regional and **local diagnosis** for the development of this type of service and to bring them to the attention of those involved at local level;
 - special attention should be paid to the **technical assistance and evaluation**, which are strongly correlated: they require suitable skills and financing.

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**Pilot measures for the benefit of the long-term unemployed
(95/C199/09)**

I. Introduction

Within the framework of the guidelines defined in the White Paper on growth, competitiveness and employment (COM (93) 700), the budgetary authority introduced a new article (B2-605) into the 1995 general budget with commitment appropriations of 15000000ECU. These appropriations, in the chapter for 'other regional policy operations', are intended to finance pilot measures for the benefit of the long-term unemployed.

The remarks in the budget spell out the approach adopted by the budgetary authority:

-to finance initiatives to assess the impact of measures targeting the long-term unemployed, which might be suitable to be transposed or developed on a large scale, e.g. through the Structural Funds, and in particular Community initiatives;

-to help reduce regional disparities in employment, targeting the long-term unemployed of over 40 years of age who have been out of work for more than 2 years, and possibly providing training for access to sectors in the public interest, such as government departments, hospitals, etc., and training for specialized sectors, including services.

II. Context

The combating of long-term unemployment has resulted in an accumulation of wide and varied experience and knowledge. There have been numerous policies, schemes and experiments at national, regional and local levels.

At Community level, the Structural Funds have contributed to the financing of measures directly or indirectly relevant to long-term unemployment through CSFs, SPDs, programmes such as Horizon and Urban under the Employment initiative, or appropriations for experiment and innovation under Structural Fund regulations.

Moreover, analyses and assessments supported by the ERGO programme (but also by LEDA and Pauvreté) have helped combine, assess and disseminate a number of experimental schemes through a network of national correspondents.

Against this background, pilot measures to be financed from the appropriation approved by Parliament should avoid reproducing the work of the experimental schemes financed under other Community programmes. They should serve to explore new approaches, in particular in the framework of the guidelines adopted by the European Council in Essen in 12/1994: the promotion of investment in vocational training, increasing the employment-intensiveness of growth, reducing non-wage labour

costs, improving the effectiveness of labour market policy and improving measures to help groups particularly hard hit by unemployment.

III. The purpose of the experiments

In response to the remarks in the budget and to the above considerations, it is proposed that an experimental operation be launched to evaluate the impact of measures for the exploitation of opportunities provided by new sources of employment for the long-term unemployed.

This operation is therefore also intended to give long-term jobseekers an opportunity to occupy these new jobs through a process of appropriate accompaniment.

The pilot measures to be financed under this operation should find answers to such questions as:

-How can new jobs suitable for long-term jobseekers be made to emerge when they are not spontaneously generated by the market?

-What support or accompaniment do long-term jobseekers need to enable them to create or occupy such jobs?

-What measures could be suggested to the various authorities to enable them to promote and sustain, in a wider context, the creation of new jobs for long-term jobseekers?

With the help of the findings of this experimental operation, new strategies or interventionist policies can be designed at national or Community level to transpose the good practice thus observed to a broader scale, in particular in the context of structural policy.

This experimental operation thus fits into the framework of the guidelines proposed by the Essen European Council (increasing the employment-intensiveness of growth) and should make possible 'the promotion of initiatives, particularly at regional and local level, that create jobs which take account of new requirements'.

It should also help to support measures under another guideline proposed by the Essen Council, 'improving measures to help groups which are particularly hard hit by unemployment'.

IV. Avenues for exploration

The ideas, suggestions and approaches to new sources of employment set out in the 3/1995 report entitled Local development and employment initiatives(1) point up the usefulness of this experiment approach, and indeed provide a

new area to explore and investigate, in order to study the opportunities available to the long-term unemployed.

This report notes the existence of new needs that are not being met in the economic and social fields, and proposes a new approach to job creation at local level. It notes the emergence of new needs that cannot easily find expression: supply does not always automatically respond to potential demand. This means projecting for possible new sources of employment, with a preliminary 'start-up' phase to reveal latent needs and transform them into explicit demand. The next task is to outline the action to be taken, creating a climate of confidence by addressing potential providers of services, or producers of goods, and the beneficiaries.

It is also necessary to plan for personalized support and backing for long-term jobseekers, so that they can effectively create or occupy jobs of this new type.

Innovative forms of promotion and diversification should be explored at local level, on the basis of integrated measures that involve public and private sector partners from the outset, paying particular attention to facilitation, stimulation and experiment.

The report identifies structural obstacles with a determining impact on the effectiveness of these initiatives: the obstacles are organizational, financial, legal, administrative or technical (adjustment of qualifications, skills and working conditions, etc.). It tries to define what the new needs consist of, and points to ways of working towards a global policy for encouraging local initiatives: creating a local framework conducive to such initiatives, setting up another range for financial instruments, improving training and renewing the legal framework.

(1) Commission staff working paper SEC(95)-564 produced by a group led by the Forward Studies Unit in the framework of the proposals in the White Paper on growth, competitiveness and employment).

V. The content of pilot measures

In response to the questions asked in Section III, the pilot measures that the budgetary authority has called for will be promoted in the following from:

The plan is to finance, in a certain number of areas, pilot measures including territorial support strategies based on a coherent set of activities involving prospecting, prescription, promotion and outreach, and testing specific projects so as to verify the relevance of the strategies.

The support strategies and actual projects should:

-explore the opportunities provided by new sources of employment for the long-term unemployed, in particular for those over 40 years of age who have been out of work for more than 2 years;

-test support measures and accompanying processes adapted to jobseekers of this type to enable them to create and actually occupy a new type of job.

The guidelines put forward in the White Paper on growth, competitiveness and employment, the conclusions of the Essen European Council on employment policy, and the approaches suggested in the Commission's report on local development and employment initiatives should serve as a global reference framework for designing the territorial strategies.

Pilot measures should take account of the results and conclusions of all the experiments and initiatives that have already been carried out in this field by various public authorities and competent bodies.

They should be geared to a market-oriented approach, and not simply involve assistance. They should not be based only on public financing of a supply of new services, but should meet a real demand and in the long run be self-supporting. In practice they should fit in with a twofold rationale: that of developing economic activities and creating new jobs and that of giving long-term jobseekers access to these activities.

The pilot measures will be assessed as a whole, not only to evaluate the results but also to refine the analyses in the report on local development initiatives, to test the approaches it suggests and to assess the opportunities they provide for large-scale development.

The overall assessment will compare the results of the pilot measures with those of control groups not involved in these experiments.

VI. The areas invited to submit a proposal for a pilot measure

Allowing for the diversity of the areas concerned and the complexity of the problems relating to long-term unemployment, pilot projects should enable new sources of employment to be investigated and exploited in appropriate areas (those with a large number of long-term unemployed) which are large enough for territorial support strategies to be attempted but small enough for a useful assessment of the results achieved to be undertaken after 1 year.

A list of areas has been defined having regard to the budget available and using the following criteria:

-a high overall rate of unemployment;

-a high rate of long-term unemployment as a proportion of total unemployment;

-adequate representation for the purpose of the experiment of the various situations which exists at Community level: areas where development is lagging behind, areas undergoing industrial conversion, urban areas, rural areas and a variety of administrative or legal backgrounds;

-a restricted number of zones in order to have a reasonable amount of propositions that would assure experimentation quality.

Based on these criteria and the statistical information available, the resulting areas are the following:

Member State, Areas (NUTS III region)

Belgique, Charleroi

Danmark, Nordjyllands Amtsk.

Deutschland, Chemnitz

Deutschland, Dortmund (krfr. Stadt)

Ellada, Attiki

España, Cadiz

España, Vizcaya

France, Hérault

France, Nord

Ireland, West

Italia, Caserta

Italia, Massa-Carrara

Nederland, Groningen

Österreich, Ostliche Obersteiermark

Portugal, Alentejo

Suomi/Finland, Päijät-Häme

Sverige, Norrbottens Län

United Kingdom, Cleveland

United Kingdom, Merseyside

VII. The content of applications for assistance

The public authorities with economic or social responsibilities for these areas may submit an application for assistance to implement a pilot measure.

These authorities must designate the authority or body to be responsible for the pilot measure ('the promoter').

The promoter of the pilot measure may be any public authority with territorial responsibilities or any public or private body undertaking activities in the public interest which are concerned with local development and/or the promotion of employment and able to manage the pilot measure effectively.

Each proposal for a pilot measure must include:

a) the name of the promoter, including status, functions and policies for economic and social promotion already implemented;

b) a description of the area selected for application of the strategy, with particular reference to points from which the relevance and usefulness of investigating whether the long-term

unemployed can make use of new sources of employment can be assessed in advance;

c) other economic or social factors justifying the selection of this area, with reference to the administrative, legal and political background at regional or national level against which the strategy will be developed;

d) a brief description of the territorial support strategy for the long-term unemployed to be developed, in its various stages. Each stage should include the specific objectives, the content of the activities to be implemented, the resources to be used, the responsibilities to be laid down and any provisions to be inserted for ensuring effective implementation;

e) an initial outline of the specific projects which could perhaps be supported under this territorial strategy and the conditions attached;

f) the local actors and partners who will be associated with the various stages of the pilot measure with details of the procedures or provisions adopted to ensure their effective participation;

g) a precise timetable of the main stages defined for implementation of the measure, with each main stage lasting no more than 18 months;

h) a detailed budget of the costs of the pilot measure, with details of the assistance requested.

Each proposal should also indicate the measures to be taken to ensure overall monitoring of implementation of the territorial support strategy and ongoing and ex-post assessment of its results. To carry out this work the promoter will select an independent expert who will also contribute to the overall assessment of the operation undertaken by the Commission.

The territorial support strategies and specific projects financed should be designed so as to ensure the feasibility and comparability of the assessment exercises, with particular regard to the objectives of the experiment, the methods and resources to be used, achievements and results expected and the estimated impact.

The choice of pilot measures to receive financial support from the Commission will be based on how the proposals measure up to the aims of the operation, the quality and consistency of the proposals, the capacity and experience of the promoters and the degree of transferability which it is considered will ensue.

The public authorities responsible for the application for assistance must send the Commission every 3 months a brief progress report enabling it to monitor how the measure is proceeding and take any adjustment decisions required. A full final report must be submitted no later than 6 months after completion of the pilot measure.

The promoters of the territorial support strategies must ensure that all documents concerning expenditure incurred and checks carried out are available to the Commission departments concerned for 3 years following the last payment.

VIII. The Community contribution to financing the territorial strategies

The total cost of each pilot measure must not exceed 2000000ECU.

Community assistance will not normally exceed 75% of the total cost of the pilot measure.

Assistance may take the form of advances and final payment in respect of expenditure actually incurred.

Such expenditure may relate to all essential costs in the preparation and implementation of the various stages of the pilot project: studies and analyses for design of the territorial strategy, preparation, promotion, management and operation of

the experiment of the specific projects concerned and monitoring and assessment of results.

IX. Submission of proposals

The public authorities invited to submit an application for assistance may send their proposal for a pilot project to arrive on 30.9.1995(12.00) to:

M. Eneko Landàburu, Director-General, Directorate-General XVI, Regional policy and cohesion, Commission of the European Communities, rue de la Loi/Wetstraat 200, B-1049 Bruxelles/Brussel

Requests for information may be sent to M. Molsosa by facsimile (32-2)2966235.



EUROPEAN COMMISSION

**Pilot Measures
to Assist the Long-term Unemployed**

1995 General Budget: Item B2-605

**IMPLEMENTATION CONDITIONS
AND FINANCIAL PROVISIONS**

I. IMPLEMENTATION CONDITIONS

Bases on the content of the proposal submitted b the beneficiary authority, and in the light of the Community aid granted, the pilot measure should begin as from 1 January 1996, for a period of 18 months, respecting the following implementation conditions:

A – Reiteration of the objectives

The overall objectives of the pilot measure is to contribute to the evaluation of the possibilities which new sources of employment might offer, in a market-oriented approach, to the long-term unemployed, in particular those over 40 years of age, who have been out of work for more than 2 years. bases on the results of similar pilot measures financed in different European regions, this evaluation should make it possible to determine, at Community level the feasibility of promoting and sustaining this type of action in the future.

In order to ensure a correct evaluation of the possibilities of new sources of employment, the pilot measure will prepare and develop in the area selected, a territorial support strategy for the different local participants, to encourage and help them in exploiting new sources of employment for the long-term unemployed.

B – Two preparatory stages

The preparation of this territorial support strategy for local partners and participants will comprise a coherent series of activities, organised in the following stages:

First stage: Analysis an verification of the relevance of the experts' and institutions' proposals on new sources of employment.

This conceptual and prospective exercise, to be undertaken with the body of partners and participants within the area, possibly assisted by experts, is designed to clarify the definitions of new sources of employment, to identify their characteristics and the obstacles, difficulties and conditions involved in meeting a real demand which is, in the long run, self supporting.

Drawn up within the partnership, this exercise should inform and engender awareness amongst all the participants concerned.

Second stage: Analysis of the possibilities of applying the conclusions of the preceding stage to the reality of the pilot area.

This exercise of diagnosis and prescription should make it possible:

- to identify the possible new sources employment existing in the area;
- to identify the obstacles which are effectively preventing their exploitation (financial, administration, legal, technical, ...) at the national, regional or local level;
- to devise measures which allow these obstacles to be overcome, and justifying intervention by the public authorities, especially those at regional level;
- to fully appreciate the characteristics, qualifications and skills of the long term employed, in particular those over 40 years of age in the area;
- to devise specific guidance and training measures for long term unemployed to enable them to take up these potential jobs;
- to devise support measures for the supply of services or for the creation of new enterprises.

A report is to be provided by the promoter to the beneficiary authority at the end of these two stages. This report will cover a description of the actions carried out, those responsible for their organisation, difficulties encountered in their realisation, those who have participated, results obtained, resources used and costs.

This first report will also include a qualitative appraisal of the results of the two stages, with an indication of the most positive and negative aspects, together with any conclusions which could be useful in the future for the organisation of similar actions.

If, in the pilot area, certain of these actions have already been organised or realised they should not be repeated and the report should simply present an assessment thereon, with results and conclusions following the same layout proposed in the preceding paragraphs.

The report should not exceed 20 pages. Associated documents may be attached as annexes. The beneficiary authority will send this report to the Commission with its own comments and appraisal.

Based on the results of these preparatory stages, and on available resources, the promoter will prepare the definitive work plan for the three following stages (promotional activities, experimentation on specific projects and final evaluation of the strategy with the corresponding calendar and budget.

The beneficiary authority will present this definitive workplan of the following stages to the Commission for appraisal and acceptance in terms of its consistency with the objective of the pilot measure.

The promoter will ensure that the workplan respects the principle of equality of treatment for men and women.

C - Implementation of the definitive workplan

The territorial support strategy will then consist of the implementation of this workplan, taking into account any recommendations from the Commission, an following the three following stages:

Third stage: preparation, promotion, development of support to specific projects.

Based on the results of the preceding stage, this will involve:

- preparing and implementing at regional or local level the measures necessary raising and promotion necessary for the experimentation of the projects concerned;
- preparing and implementing the specific measures of awareness raising and promotion necessary for the experimentation of the projects concerned;
- preparing the training and accompanying measures for the long-term unemployed;
- any other measure considered necessary for preparing and facilitating the effective exploitation of new sources of employment for the long-term unemployed.

Fourth stage: supporting the experimentation of a number of projects

The objective is to verify the existence of new sources of employment in the area, in particular those over 40 years of age who have been out of work for more than 2 years.

The support covers any helping measure whether at the level of latent demand or at the level of offer: promotion of services, training, guidance and support to the unemployed, technical, legal and financial assistance in formulating the demand, devising the offer or in the creation of enterprises.

The report on implementation of the plan will be sent to the Commission, detailing the activities carried out in the third stage of preparation, those responsible for their organisation, the difficulties encountered in realising them, the partners who have participated, the results obtained, the resources used and the costs.

The report will then detail the projects adapted, those responsible for their implementation, a brief description of their characteristics (type of job, partners involved, participants of beneficiaries, cost), as well as the support given by the promoter.

D - Overall assessment of the territorial support strategy

Fifth stage: overall assessment of the pilot measure. This evaluation should cover:

- firstly, the assessment of the results of the project experimentation; results of the activities of project preparation and promotion, results of the projects themselves, results from the point of view of the unemployed involved in the projects. This evaluation should enable a comparison to be made between these results and those of unemployed persons having the same profile but not benefiting from support under the pilot measure.
- then, an overall assessment of the pilot measure based on the results of the different stages of the territorial support strategy adapted. This evaluation should include the opinion of the partners and beneficiaries who have participated in the different stages of the strategy.

The objective of this assessment exercise is not one of control. Rather it seeks to gather in a systematic way information on: the existing problems in the area compared to the possibilities of new sources of employment, the resources in appraisal and programming at the disposal of the authorities and partners, the strategic preparatory and management measures devised, the methods employed and the results obtained.

Based on this information, a critical analysis of the positive and negative aspects of the strategy adapted will enable conclusions and proposals to be drawn up to improve it.

This overall assessment is effected by one or more experts working throughout the life of the measure under the direction of the beneficiary authority. All evaluation reports are sent to the Commission.

The beneficiary authority will, on the basis of the evaluator's report and on the final report prepared by the promoter, present its own conclusions to the Commission. These reports and conclusions will be forwarded to the Commission before 30 September 1997.

To facilitate the work of cooperation and of monitoring at Community level, the different reports, of necessity simple, will be accompanied by a French or English translation.

E - Participation in joint monitoring of pilot measures

The beneficiary authority and the promoter will participate in periodic working sessions organised, at the request of the Commission, by certain of the beneficiary authorities, in order to monitor the operation at Community level. In each session, the beneficiary authority of the promoter will present a document synthesising the state of progress of their strategy. The working session will normally last 2 days.

The organising authority will bear the attendance costs of the participants, together with those relating to the material costs of the session (meeting room, interpretation into French and English, experts, ...).

Travel costs will be at the charge of each participant.

II. FINANCIAL PROVISIONS

In order to contribute to the realisation of this pilot measure, the beneficiary authority will receive financial aid of 500.000 ecu from the European Commission, according to the following provisions:

1. The financial aid granted is a maximum amount. In no case may this amount be exceeded.
2. The aid will be used exclusively for the financing of activities strictly essential to the effective and efficient implementation of the pilot measure and according to the conditions set out at point I of this annex.

As a basic rule, eligible expenditure is that strictly necessary for the effective and efficient implementation of the pilot measure and which enables the objectives of the experimentation action initiated by the Commission to be satisfactorily achieved.

For example, expenditure on the following items would normally be eligible for Community aid:

- study, analysis, preparation, organisation, technical assistance, evaluation activities;
- information, awareness-raising and training in new approaches, seminars, symposia, publications, etc.;
- the promotion of specific projects designed to enable the long-term unemployed to exploit new sources of employment;
- the purchase or rental cost of minor material or equipment necessary for the implementation of the pilot measure;
- financial support for implementing these specific projects, for instance, the expenditure set out in the Articles 1.1a and 2.1 of the ESF Regulation (Council Regulation (EEC) No 2084/93), and in the Articles 1.a, 1.c and 1.f of the ERDF Regulation (Council Regulation (EEC) No 2083/93).

As in the case of the Structural Fund interventions, the salaries of officials taking part in the management of the pilot measure cannot be directly financed by Community aid. However, for the purposes of calculating the total eligible cost of the pilot measure, the salaries of these officials may be included therein, pro rata to their direct participation in the pilot action.

The legal and financial commitments are considered eligible as from the date of award of Community aid, until 30 June 1997 at the latest. Payments relating to expenditure actually incurred may extend until 30 September 1997.

3. Community aid will not exceed 75 % of the total cost of the pilot measure. If, when the measure is completed, the total actual cost is less than its total cost foreseen, aid will be limited to 75 % of the total actual cost.
4. The financial aid will be disbursed in the following manner:
 - a first advance of 30 % upon receipt by the Commission of the declaration duly signed by the beneficiary in respect of the implementation conditions and the financial provisions;
 - a second advance of 20 % upon presentation of the report on the first two stages and its acceptance by the Commission;
 - a third advance of 30 % upon presentation of the definitive workplan for the following stages, and acceptance by the Commission in the light of the coherency of the plan and projects with the overall objectives of the pilot measure;

- payment of the balance upon receipt of and acceptance by the Commission of the final report on the pilot measure.

The beneficiary authority will forward to the Commission, in three copies, and by 31 December 1997 at the latest:

- * a request for the balance;
- * a final statement of certified expenditure for the total of expenditure incurred, separated by stage, by type of activity and by category of expenditure;
- * details of the corresponding income, including the amount of Community aid.

Should this deadline not be respected, the beneficiary authority agrees to waive payment of the balance due to it, and to reimburse the advances, except where an additional, justified, delay has been requested before the end of June 1997, and accepted by the Commission.

5. Should the actual total of expenses not justify the utilisation of the whole amount of financial aid granted, the beneficiary authority agrees to repay to the Commission, upon request by the latter, the non-justified amounts which have already been transferred.
6. The payments will be made to the Bank Account indicated by the beneficiary authority in the latter's declaration of recipient of financial aid.
7. Aid may not be ceded to other entities.
8. The Commission and the Court of Auditors will verify the use of Community aid according to the provisions of the Financial Regulation of 21 December 1977, applicable to the General Budget of the Union, as last modified on 18 September 1995.
9. If for certain actions the organisations, institutions or physical or legal persons fail to adequately demonstrate sufficient progress in the work foreseen, they will not receive the payments allocated for the implementation of these activities, independently of any legal action which the beneficiary authority may initiate. These amounts non due will be reimbursed by the beneficiary authority to the Commission or used for other actions fulfilling the objectives of the measure, subject to the prior agreement of the Commission.
10. The beneficiary authority undertakes to keep, for a period of three years from the last payment, all original supporting documents for control purposes.
11. In all documents circulated or published on the pilot measure and in all actions organised in connection therewith, an explicit reference to the Community contribution will be made.
12. Failure to respect these conditions will authorise the Commission to reduce or to cancel the aid granted by the present decision. The Commission may in such a case, demand the total or partial repayment of the aid already paid to the beneficiary of the decision.

TIMETABLE OF PILOT PROJECTS**1996**

- January* ➤ **First interim report to the European Parliament**
 ➤ Preliminary meeting with the persons responsible for the measures in Brussels
- April* ➤ First monitoring seminar in Bilbao (Spain)
- June* ➤ First work session with the appraisers in Brussels
- July* ➤ Second monitoring seminar in Charleroi (Belgium)
- September* ➤ Approval by the Commission of the reports on preparatory activities for each pilot project
 ➤ Third monitoring seminar at Pajjat-Häme (Finland)
- December* ➤ Second work session with the appraisers

1997

- January* ➤ **Second interim report to the European Parliament**
- February* ➤ Fourth monitoring seminar in Liverpool (United Kingdom)
- March* ➤ **Postponement by three months of final stage of pilot projects**
- April* ➤ Technical assistance contract with *Europe Innovation 2000*
- June* ➤ Fifth monitoring seminar in Nordjylland (Denmark)
- September* ➤ End of the period of eligibility of budget commitments
- October* ➤ Third work session with the appraisers in Brussels
- December* ➤ **Closing conference on pilot projects, held in Brussels**
 ➤ End of period of eligibility for payments

List of the benefiting authorities

COMISSAO DE COORDENACAO DA REGIAO DO ALENTEJO
Carlos FIGUEIREDO
Presidente de la Comissao
Estrada das Piscinas, 193
P - 7000 EVORA

PREFECTURE OF EAST ATTICA / The OFFICE of NOMARCHIS
Demetrios FRANGOS
NOMARCHIS
Marathonos Avenue, LYRA Factory
GR - PALLINI 15344 ATTICA

DIPUTACION FORAL de BIZKAIA
Patricia FERNANDEZ
Directora general de Asuntos Relacionados con la CE
Obispo Orueta, 6
ES - 48009 BILBAO

JUNTA DE ANDALUCIA / CONSEJERA DE TRABAJO Y ASUNTOS SOCIALES
Antonio TORO BARBA
Director general Formacion profesional y Empleo
Avda, Heroes de Toledo, s/n
ES - 41071 SEVILLA

GOUVERNEMENT WALLON
Basilio NAPOLI
Conseiller
Rue Moulin de Meuse, 4
B - 5000 BEEZ

CHEMNITZ DISTRICT GOVERNMENT BOARD
Norbert TAUTZ
EU-BEAUFTRAGTER
Altchemnitzer Strasse, 41
D - 09120 CHEMNITZ

PROVINCIE GRONINGEN
Frank MENNEGA
PO BOX 855
NL - 9700 AW GRONINGEN

CONSEIL GENERAL DE L'HERAULT
Jean Paul STORAI
Chargé de mission
Hôtel du département
1000, rue d'Alco
F - 34087 MONTPELLIER

THE WEST REGIONAL AUTHORITY
Jim MAC GOVERN
SECRETARY
County Buildings, Prospect Hill
IRL - GALWAY

REGIONE TOSCANA
Gino FANTOZZI / Luciano FALCHINI
Dirigente Servizio Lavoro
Piazza Liberta, 16
I - 50122 FIRENZE

FIVE METROPOLITAN AUTHORITES OF MERSEYSIDE
James KEIGHT
Chairman of the Merseyside Local Authority co-ordinating Committee
Municipal Buildings PO BOX 21
HUYTON / KNOWSLEY / MERSEYSIDE L36 9YU / ROYAUME UNI

PREFECTURE REGION NORD PAS DE CALAIS
Rémi THUAU
Secrétaire Général aux Affaires Régionales
2, rue Jacquemars Gielée
59309 LILLE FRANCE

LÄNSARBETSNÄMNDEN LULEA
BJÖRN PETTERSSON
COUNTY LABOUR BOARD DIRECTOR
Storgalan, 11
97127 LULEA / SUEDE

NORDJYLLAND AMT

HENNING MADSEN
COUNTY DIRECTOR
Amtsgården / Niels Bohr Vej 30 Postboks 8300
9220 AALBORG ØST/ DANEMARK

ARBEITSMARKTSERVICE STEIERMARK
HANS KAISER
MANAGING DIRECTOR
Bahnhofgürtel, 85
8020 GRAZ / AUTRICHE

THE REGIONAL COUNCIL OF PAIJAT-HÄME
PEKKA HOPEAKOSKI
EXECUTIVE DIRECTOR
P.O. BOX 50
15111 LAHTI / FINLANDE

LIST OF APPRAISERS

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<p>Philippe VALDENNAIRE ABRAXAS Consultants 41 Bd de Valmy 59650 Villeneuve d'Ascq FRANCE</p>	<p>Universit� de Evora EVORA PORTUGAL</p>
<p>Arne Forsman Lulea Tekniska Universiteit 97187 LULEA SUEDE</p>	

List of the promoteurs

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<p>CONSEJERIA DE TRABAJO Y INDUSTRIA Esperanza PEREA ACOSTA Avda. Héroes de Toledo, s/n ES - 41071 SEVILLA</p>	<p>INSTUTUTET UNGDOM OCH FRAMTID Kjell HANSSON Skärsvägen 1 S - 95532 RANEA</p>
<p>DEPARTEMENTO FORAL DE PROMOCION ECONOMICA Y EMPLEO Patricia FERNANDEZ Directora General de Asuntos con la CE Obispo Orueta, 6 ES - 48009 BILBAO</p>	<p>REGIONAL DEPARTMENT OF NATIONAL EMPLOYMENT SERVICE Bente MJELVA Head of Section AF-Nordjylland Vestre Havnepromenade, 15 - Postboks 8 DK - 9100 AALBORG</p>
<p>BIC/TOSCANA SCPA Geris MUSETTI / Luisa PUCCIONI Administratore BIC Via Dorsale, 13 I - 54100 MASSA</p>	<p>Pernille KOUSGAARD Blackburn Chambers PO BOX 196 Dale Street UK - LIVERPOOL L69 2AJ</p>
<p>ETAP Ninetta CHANIOTOU 7 Academias Street GR - 10671 ATHENS</p>	<p>ARED/ASSOCIATION FOR REGIONAL EMPLOYMENT DEVELOPMENT Erich WEBER Project Manager Schinitzgasse, 2 AUS - 8605 KAPFENBERG</p>
<p>Comité subrégional de l'emploi et de la Formation Marc DEBOIS Président Avenue Général Michel, 1A B - 6000 CHARLEROI</p>	<p>CONSEIL GENERAL DE L'HERAULT Ms Cathy BOUSQUET Chargé de mission au Conseil général de l'Hérault Hôtel du département 1000 rue d'Alco F - 34087 MONTPELLIER</p>

List of the promoteurs

<p>AFPA Mme Brigitte KARPINSKY 3/5 rue Denis Godefroy BP 2021 F - 59013 LILLE Cedex</p>	<p>REGIONAL COUNCIL OF PAIJAT-HAME Marja KOIVULA PO Box 50 FIN - 15111 LAHTI</p>
<p>THE WEST REGIONAL AUTHORITY Mr Jim Mc GOVERN Secretary County Buildings, Prospect Hill IRL - GALWAY</p>	<p>COMISSAO DE COORDENACAO DA REGIA DO ALENTEJO Sr. Carlos FIGUEIREDO Estrada das Piscinas, 193 P - 7000 EVORA</p>

HERAULT (FRANCE)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Knowledge of Structural Funds</i>	<i>Contacts</i>
Recipient authority	Conseil Général de l'Hérault	Social affairs		
Promoter	Mission d'Insertion par l'Economique	Social affairs	Yes (civil service)	Jean GATEL Director of the MIE 1000 rue d'Alco 34087 Montpellier - F

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>				<i>Private finance</i>
	<i>EU</i>	<i>Member State</i>	<i>Region</i>	<i>Local authorities</i>	
1.64 million	61%	Use of assisted contracts	30%		9%

Partnership: limited to traditional relations between the recipient authority and the promoter (no involvement of the municipality of Montpellier).

LOCAL STRATEGY

Methods for selecting new sources of employment: Selection based on an empirical study of 1995

Main transversal measures in support of new sources of employment

- Supply of new goods and services: Setting up a permanent "Support fund" (75% for recruitment aid and 25% to finance studies) / 16.5% of total budget
- Demand for new goods and services: Communications measures (pilot measure newsletter etc.)
- Measures in favour of the target group: Agreement with the National Employment Agency (ANPE) - sessions to get projects off the ground

EXPERIMENTAL ACTIVITIES

Project selection criteria: no specific criteria
Selection of jobseekers: In partnership with the ANPE

Fields		Daily life	Lifestyle	Environment	Total
Number of projects		7	4	5	16
Firms	Created				
	Assisted				
Public bodies	Created	5	1	1	7
	Assisted				
Cooperative, mutual and non-profit sector	Creations	2	3	4	9
	Support				
Jobs at end of 1997 (including target group)		61 (46)	43 (19)	49 (15)	153 (80)
Level of skills		variable	variable	fairly simple	
Budget in ecus		554 000	18 500	27 200	61.7% of budget

Plus 48 jobs (including 23 for the target group) in the field of housing.

GENERAL ASSESSMENT OF THE PILOT PROJECT

The pilot project in the Hérault has led to the implementation of a genuine territorial strategy, backed up by complementary measures (financing, communication and partnership with the ANPE). The future territorial employment pact to be implemented with the region of Languedoc-Roussillon will benefit from experience with this pilot project. However, closer partnership with municipalities would enhance value added even further.

MERSEYSIDE (UNITED KINGDOM)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Experience of Structural Funds</i>	<i>Contacts</i>
Recipient authority	Five Merseyside local authorities	Local development	good	Pernille KOUSGAARD Blackburn Chambers PO Box 196 Dale Street UK - Liverpool L69 2AJ
Promoter	Ad hoc steering structure			

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>			
	<i>EU</i>	<i>Member State</i>	<i>Region</i>	<i>Local authorities and private financing</i>
1.94 million	71%			39%

Partnership: local employment services, jobseekers.

LOCAL STRATEGY

Methods for selecting new sources of employment: study by a university, discussions

Main transversal measures in support of new sources of employment: No transversal measures, but for each project a battery of support instruments. In particular, certain project promoters have sought to enhance effective demand by introducing a counselling service to help households maximise their income from social transfer payments.

EXPERIMENTAL ACTIVITIES

Project selection criteria: Call for proposals with very detailed specifications

Selection of jobseekers: On a project-by-project basis

Fields		Housing renovation	Recycling	Personal services	Urban regeneration	Total
Number of projects		2	1	2	1	6
Firms	Created					
	Assisted					
Public bodies	Created					
	Assisted					
Cooperative, mutual, non-profit/mixed sector (Local agencies)	Creations	2	1	2	1	6
	Support					
Jobs at end of 1997		22 (22)	10 (10)	27 (10)	7 (7)	66 (49)
Level of skills						
Budget in ecus		465 600	295 800	606 200	504 300	83.9% of budget

GENERAL ASSESSMENT OF THE PILOT PROJECT

The Merseyside pilot project is a good example of a "relevant area", suited to the development of a shared approach to the project with the support of those involved locally. The very limited purchasing power of households in this area is a particular source of difficulty. The promoters also point out that the unemployed run the risk of losing entitlement to their social security benefits when they embark on business projects.

WEST IRELAND

MANAGEMENT OF THE PILOT MEASURE

	<i>Institution</i>	<i>Responsibility</i>	<i>Experience of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	West Regional Authority	not extensive (lack of decentralisation)	some (LEADER initiative)	Jim Mac GOVERN County Buildings, Prospect Hill Galway - Ireland
Promoter	West BIC (Business Innovation Centre)	SMEs		

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>				<i>Private finance</i>
	<i>EU</i>	<i>Member State</i>	<i>Region</i>	<i>Local authorities</i>	
0.7 million	71.5%	6%	6.5%		16%

Partnership: "Community development" (voluntary work, local authorities), Western Health Board (health agency) for one project.

LOCAL STRATEGY

Methods for selecting new sources of employment: No specific empirical data

Main transversal measures in support of new sources of employment: No transversal measure, but a project-by-project approach, because the legal powers of the recipient authority are not sufficiently extensive for it to implement a territorial strategy. However, there have been fairly systematic measures relating to communication, to customer prospection and to training (management/trade apprenticeship).

EXPERIMENTAL ACTIVITIES

Project selection criteria: Viability of the project, and long-term capacity of the promoter
Selection of jobseekers: On a project-by-project basis

Fields		Personal services	Tourism	Total
Number of projects		2	1	3
Firms	Created	1		2
	Assisted	1		
Public bodies	Created			
	Assisted			
Cooperative, mutual and non-profit sector	Creations		1	1
	Support			
Jobs at end of 1997 (including target group)		30 (26)	12 (5)	42 (31)
Level of skills		intermediate	low (handicapped persons)	
Budget in ecus		388 500	161.000	78.5% of budget

GENERAL ASSESSMENT OF THE PILOT PROJECT

The case of West Ireland demonstrates the importance of the choice of the promoter: in Ireland, the regional dimension is not relevant to the design of comprehensive local development strategies. But promising projects have been introduced. They include setting up a mini-golf course managed by handicapped persons, and support for an association providing services to the elderly, which has been able to develop into a business.

VIZCAYA (SPAIN)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Experience of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	Diputación de Bizkaia	Department for economic promotion and employment	yes	Patricia FERNANDEZ, Directora Gal de Asuntos Relacionados con la CE Obispo Orueta, 6 ES - 48009 BILBAO
Promoter	"Fondo Formación"	Training and employment	yes	José Manuel RUIZ, Delegado Zona Norte Crtra Barakaldo -Trapagaran, Km 10 ES - TRAPAGARAN

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>			<i>Private finance</i>
	<i>EU</i>	<i>Member State</i>	<i>Region</i>	
1.4 million	75%	Assisted contracts	25%	The jobseekers have invested their own funds in the project (31.52%)

Partnership: The partnership includes all the local, regional and national institutions with responsibility for employment. No private firms could be persuaded to participate.

LOCAL STRATEGY

Methods for selecting new sources of employment: Experts' reports (mainly qualitative)

Main transversal measures in support of new sources of employment: **50.57% budget + aid other than B2-605**

- Supply of new goods and services: Investment aid, recruitment aid, marketing aid, "one-stop shop" for business consultancy, tutorship.
- Demand for new goods and services: Communication on actual projects
- Measures in favour of the target group: Motivation (370 hours), training in management and in specific trades (2 600 hours)

EXPERIMENTAL ACTIVITIES

Selection of projects: By a consultancy practice (67% of initial ideas regarded as viable)

Selection of jobseekers: On the basis of information from the INEM, the promoter contacted 350 jobseekers, and selected 200.

Fields		Leisure Tourism	Housing renovation	Agricultural products	Personal services	Business services	Total
Number of projects		4	8	2	3	4	21
Firms	Created	4	8	2	3	4	21
	Assisted						
Public bodies							
Cooperative, mutual and non-profit sector							
Jobs at end of 1997 (including target group)		11 (11)	16 (12)	4 (4)	8 (6)	12 (9)	51 (42)
Level of skills		medium / low	medium	low	medium	medium / high	
Budget in ecus		63 800	166 100	35 900	64 500	118 700	32.12% of budget

GENERAL ASSESSMENT OF THE PILOT PROJECT

Despite the difficulties, the partnership induced the Basque government to adopt recruitment aid in the cooperative, mutual and non-profit sector. Most of the actual projects have yet to prove that the degree of innovation will be sufficient to ensure their survival in the marketplace. This experience seems to have made a difference to the attitude of the local authorities and institutional partners towards long-term jobseekers, which has become more favourable.

CHARLEROI (BELGIUM)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Experience of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	Region of Wallonia			
Promoter	ACADEL / Sub-regional committee for employment and training	Employment Training	no	Marc DEBOIS, Président Avenue Général Michel, 1A B - 6000 Charleroi

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>				<i>Private finance</i>
	<i>EU</i>	<i>Member State</i>	<i>Region</i>	<i>Local authorities</i>	
1.41 million	75%		25%		

Partnership: very wide (two sides of industry, local authorities), but beset by operational difficulties; to solve these problems, a restricted technical team has been set up within the ACADEL.

LOCAL STRATEGY

Selection of new sources of employment: decided in the framework of the partnership, the basic idea being to awaken “dormant jobs” in Wallonia (projects that lack an opportunity to emerge).

Main transversal measures in support of new sources of employment: no transversal measures, but rather a micro-economic approach in support of actual initiatives, through development agents responsible for project promotion. Moreover, ACADEL’s strategic choice was to complement the existing horizontal arrangements, in particular for integration and training.

EXPERIMENTAL ACTIVITIES

Project selection criteria: Criteria of economic viability.

Selection of jobseekers: Priority given to creating new activities rather than integrating the target population.

Note: here we analyse only the projects under way in October 1997, i.e. those for which workers had been recruited. Out of the total of 13 projects considered for the pilot measure, five correspond to this definition.

Fields		Business services	Personal services	Local products	Building renovation	Total
Number of projects		2	1	1	1	5
Firms	Created	2	1	1	1	5
	Assisted					
Public bodies	Created					
Cooperative, mutual and non-profit sector	Creations					
Jobs at end of 1997 (including target group)		3 (2)	2 (1)	1 (1)	5 (1)	11 (5)
Budget in ecus		52.6% of the budget spent on the experimental stage (projects)				

GENERAL ASSESSMENT OF THE PILOT PROJECT

The pilot project had an interesting spill-over effect on other partners (public sector, voluntary associations etc.), who decided to launch several projects of the same type. The pilot project led to the development of a specific methodology for action, which contributed for example to the launch of local development agencies in 40 groups of municipalities in the region of Wallonia.

CHEMNITZ (GERMANY)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Experience of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	Governmental district Chemnitz office	Regional authority	yes	Mr Tautz, responsible for European affairs
Promoter	Chemnitz technology agency	Firms Innovation	no	Klaus STIEBNER Project Manager Bemsdorfer Str., 210-212 D - 09126 Chemnitz

RESOURCES MOBILISED

<i>Total budget</i>	<i>EU</i>	<i>Local authorities and private funds (the data provided do not allow a distinction)</i>
0.663 million	67.3%	32.7% (mostly private sector)

Partnership: The "platform" constitutes a network of 13 firms around the project team (technology agency, ATB GmbH Chemnitz, SFR-Röhrsdorf), with the institutional partners on the "periphery" (e.g. social security body).

LOCAL STRATEGY

Selecting new sources of employment: In relation to the Commission's guidelines, the promoter concentrated on businesses' need for staff (the "industrial sphere" is regarded as a new source of employment in the context of the decline in production in the new Länder).

Main transversal measures in support of new sources of employment: the network of businesses is supposed to ensure better adjustment between the supply of jobs in existing firms and the skills of the jobseekers. The social security organisation allowed benefits to continue throughout the duration of the projects.

EXPERIMENTAL ACTIVITIES

Selection of projects: As a function of the needs of the partners on the "platform".

Selection of jobseekers: Of 125 people initially contacted to join the "platform", the promoter has announced 93 jobs.

Fields	Industrial sphere	Tourism	Culture	Environment	Daily life	Total
Number of projects	8	1	2	1	1	13
Firms	8			1	1	10
Public bodies		1	2			3
Cooperative, mutual and non-profit sector						
Jobs at end of 1997	41 (39)	1 (1)	13 (11)	10 (10)	60 (32)	125 (93)
Level of skills	Priority given to worker adaptability					
Budget in ecus	234 500	15 600	36 000	20 400	33 750	51% of budget

NOTE: THE FIGURES ABOVE ARE THOSE OF THE PROMOTER; THE COMMISSION'S EXPERT COUNTED 30 ACTUAL JOBS, 50 PROSPECTIVE JOBS IN THE MEDIUM TERM, AND 100 IN THE LONGER TERM.

GENERAL ASSESSMENT OF THE PILOT PROJECT

The question raised by this project relates to the concept of innovation. Is it innovative, given the situation in Chemnitz, to use public money to finance firms' out-sourcing strategies? The low ecu/job ratio in the projects confirm that this option is more relevant to enhancing the flexibility of the labour market than to a rationale of local development. The substitution effects in relation to existing jobs have not yet been assessed.

CADIZ (SPAIN)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Experience of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	Junta de Andalucía (Region)	employment / training department	yes	Antonio TORO BARBA Director General of Training and Employment Avda Heroes de Toledo, s/n 41071 Sevilla - ESPAÑA
Promoter	Diputación de Cadiz		Yes	

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>			<i>Private finance</i>
	<i>EU</i>	<i>Member State</i>	<i>Local authorities</i>	
1.66 million	64.7%		35.3%	

NOTE: FUNDS WERE NOT TRANSFERRED TO FINAL BENEFICIARIES UNTIL SEPTEMBER 1997.

Partnership: While there was some latent conflict between the recipient authority and the promoter, the institutional differences were resolved thanks to the presence within the partnership of municipalities and jobseekers' associations.

LOCAL STRATEGY

Selection of new sources of employment: By discussion within the partnership, since no pertinent statistics are available at this level of regional breakdown.

Main transversal measures in support of new sources of employment: microeconomic approach (project by project), but with a rationale of systematic support for project promoters. A system of tutorship was introduced for work on approach to customers and legal and financial consultancy. The municipalities provided cooperatives with physical resources (premises and means of transport).

EXPERIMENTAL ACTIVITIES

Selection of projects: Within the steering committee of the pilot project (central and local government).

Selection of jobseekers: A variety of methods, differing from place to place (general information, applicants for specific projects, cooperation with the national employment agency (INEM), etc.).

Fields		Tourism	Recycling	Personal services	Safety, neighbourhood services	Agriculture and Fisheries	Total
Number of projects		5	1	1	1	2	10
Firms	Created						
	Assisted						
Public bodies	Created						
	Assisted						
Cooperative, mutual and non-profit sector	Creations	All the projects were implemented by launching cooperatives.					10
	Support						
Jobs at end of 1997		25 (20)	5 (5)	5 (5)	96 (96)	22 (20)	153 (146)
Level of skills							
Budget in ecus		545 000	46 800	35 400	75 000	266 300	58.4% of budget

GENERAL ASSESSMENT OF THE PILOT PROJECT

The close involvement of the local authorities (municipalities) and jobseekers' associations was beneficial, both in terms of partnership and in terms of financial and technical involvement (offsetting delays in the transfer of financing). It is to be seen whether the jobs created will be lasting, which also supposes that support from public financing will continue.

ALENTEJO (PORTUGAL)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Experience of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	Comissão de Coordenação da Região do Alentejo (central government)	Economic development	yes (management of Community structural operations)	Paolo SILVA Estrada das Piscinas, 193 P - 7000 Evora
Promoter	Partnership including the CCRA and the IEFP (employment agency)	Employment		

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>				<i>Private finance</i>
	<i>EU</i>	<i>Member State</i>	<i>Region</i>	<i>Local authorities</i>	
0.663 million	75%	25%			

Note: Because the CCR of Alentejo depends on the central government, there have been delays in transferring funds to final recipients. The political situation (election campaign) also delayed the launching of projects.

Partnership: Very broad, but this led to strong ideological conflict, especially between the two sides of industry. This factor also affected the progress of the project.

LOCAL STRATEGY

Selection of new sources of employment: the prospection stage absorbed about half the budget, a symptom of the theoretical divergences between partners on the definition of new sources of employment.

Main transversal measures in support of new sources of employment: because of the shortage of time and of means, priority was given to the introduction of practical projects. A tutorship system is planned, but limited to three months.

EXPERIMENTAL ACTIVITIES

Selection of projects and jobseekers: the steering committee for the pilot project entrusted the experimental stage to three associations of municipalities in the region (four projects) and to a local development association (IDEAS, four projects).

Implementation of the projects: the eight projects planned are still being developed (they actually started in June 1997). **25% of the budget** is devoted to these projects. Three projects relate to traditional products (20 jobs hoped for), two to architectural heritage (13 jobs), one to the environment, one to neighbourhood services and one to tourism.

GENERAL ASSESSMENT OF THE PILOT PROJECT

The main achievement of the pilot project in the Alentejo region is the introduction of interdependence between partners with no experience of cooperation, against a background of weak decentralisation of public policies. Despite differences of opinion between the two sides of industry on theoretical matters, the prospect for the local projects leading to concrete pragmatic cooperation is hopeful. The case of Alentejo shows that the priority need in some areas whose development is lagging behind (in this case infrastructure and training) may not be the development of "new" activities often associated with rural development in the field.

MASSA CARRARA (ITALY)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Experience of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	Region of Tuscany	Various	yes	
Promoter	Tuscany BIC	Support for SMEs	yes	Luisa PUCCIONI / BIC Via Dorsale, 13 54100 Massa / ITALIA

RESOURCES MOBILISED

<i>Total budget</i>	EU	<i>Member State</i>	<i>Local authorities and private financing (indistinguishable in the information provided)</i>
ECU 1 312 million	75%		25%

Note: The transfer of funds to final beneficiaries was delayed, owing to the need to route them via the central ministries. Partnership: partners were the province of Massa, municipalities, an association of cooperatives, and both sides of industry. Specialised committees were set up for the various new sources of employment.

LOCAL STRATEGY

- *Selection of new sources of employment:* On the basis of existing data and discussions between partners.
- *Main transversal measures in support of new sources of employment*
 - Supply of new goods and services: employment aid (21% of total budget).
 - Demand for new goods and services: communication to set up specialised committees involving municipalities and firms to determine the means of out-sourcing certain services, services vouchers. (27% of total budget).
 - Measures in favour of the target group: pathways to motivation (12% of total budget).

EXPERIMENTAL ACTIVITIES

Selection of projects: within specialised committees.
Selection of jobseekers: altogether, 239 jobseekers followed pathways to motivation, but the drop-out rate was high.

Note: The strategy followed in Massa centres on general measures rather than concrete projects. In October 1997 it was estimated that **29** jobs had been created as a result of transversal measures.

Fields		Cultural heritage	Neighbourhood services	Building and renovation	Total
Number of projects		1	2	1	4
Firms (Jobs at end of 97)	Created		1	1	2
	Assisted				
Public bodies					
Cooperative, mutual and non-profit sector	Creations	1	1		2
	Support				
Jobs at end of 1997 (including target group)		9 (9)	19 (8 or more)	1 (1)	29 (18 or more)

GENERAL ASSESSMENT OF THE PILOT PROJECT

The idea of out-sourcing of certain services by firms and municipalities should be further tested. From this point of view, the establishment of "specialised committees" in the pilot project area is an interesting innovation. However, the system of transversal aid sometimes seemed too rigid, and it was not always simple to conclude contracts for concessions between municipalities and cooperatives. One very positive effect of the pilot project was to draw attention to the idea of new sources of employment in the region. Tuscany has introduced specific measures in the 1997-99 SPDs for Objectives 2 and 5(b) with a global financial allocation of ECU 18.2 million for new businesses and recruitment in the sources identified by the pilot project. In the province of Massa Carrara, the first phase of measure 1.5 received appropriations of ECU 1.3 million: of 149 applications received, 39 business projects were financed, leading to the creation of 112 new jobs.

OBERSTEIERMARK (AUSTRIA)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Experience of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	Steiermark employment agency (AMS)	Employment	Yes	Mr Friedrich UITZ AMS - Bahnhofgürtel 85 A - 8020 Graz
Promoter	Association for regional development and employment (ARED)	Created for the pilot project	Yes	Erich WEBER ARED - Grazer Strasse 18,A A - 8600 Bruck/Mur

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>				<i>Private finance</i>
	<i>EU</i>	<i>Member State</i>	<i>Region</i>	<i>Local authorities</i>	
1.497 million	63.26%	35.7%			1.04%

Partnership: mainly the employment agency (AMS) and the training agency, along with both sides of industry.

LOCAL STRATEGY

Methods for selecting new sources of employment: Over 200 partners, including regional and institutional partners (politicians, workers' and employers' representatives, schools, municipalities, employment agencies) and individuals (jobseekers) took part in "ideas workshops". About 30% of the budget was devoted to this prospection stage.

Main transversal measures in support of new sources of employment: a system of tutorship and training and motivation courses for jobseekers were set up.

EXPERIMENTAL ACTIVITIES

Selection of projects and of jobseekers: from a panel of 400 jobseekers selected by the employment agency, successive selections led to 32 of them being appointed as "project leaders".

Fields		Personal services	Information society	Environment	Total
Number of projects		6	1	1	8
Firms (Jobs at end of 1997)	Created	4			4
	Assisted				
Associations (Jobs at end of 1997)	Created				
	Assisted				
Cooperative, mutual and non-profit sector (Jobs at end of 1997)	Creations	2	1	1	4
	Support				
Jobs at end of 1997 (including target group)		13 (13)	16 (0)	5 (3)	34 (16)
Budget in ecus		366 800	15 300	72 900	44% of budget

Note: These costs do not include financing from outside the pilot project, such as financing under Objective 3 of the Structural Funds.

GENERAL ASSESSMENT OF THE PILOT PROJECT

The pilot project in Ober-Steiermark involved financing individual projects on the basis of the regional needs that emerged from the "ideas workshops". The introduction of new methods to reintegrate long-term jobseekers and identify local needs seems to be accepted. The idea of an economic pathway to integration for long-term jobseekers has been taken up by the institutions responsible for employment.

NORD (FRANCE)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Knowledge of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	Secrétariat Général aux Affaires Régionales	Coordination of national, regional and departmental measures	Yes (programme management)	Rémi THUAU SGAR Nord Pas de Calais
Promoter	Vocational training association (AFPA)	Training	Yes	

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>				<i>Private finance</i>
	<i>EU</i>	<i>Member State</i>	<i>Region</i>	<i>Local</i>	
0.956 million	49%	51%			

Partnership: initially, there were two proposals, one from the region and the other jointly from the central government and the department of Nord. The Commission decided to entrust the measure to central government management, through the agency of the Prefect of the region. This solution did not really lead to cooperation. The initial budget was revised downwards, to under ECU 1 million. The promoter did not enjoy ideal conditions for involving local participants, in particular the employment catchment areas or major conurbations (Lille, Roubaix), because of the shortcomings of the main partner.

LOCAL STRATEGY

Methods for selecting new sources of employment: on the basis of national policy preference for personal services (1994 five-year employment act). There was no prospection of local demand.

Main transversal measures in support of new sources of employment: the measure was based entirely on the application at the level of the department of two national measures, the "dependence allowance" and the "service payment order" (TES). However, the decrees introducing the allowance contradicted and annulled the agreement signed between the department and the employers' associations in the sector. Consequently, only the communication measures for the dissemination of the TES were implemented. They accounted for over half the final budget.

EXPERIMENTAL ACTIVITIES

Selection criteria for projects and jobseekers: the committees for the job catchment areas managed concrete projects, but they were not given much support, which explains the wide differences in selection criteria. The percentage of jobseekers initially contacted who eventually underwent training ranged from 6% to 40%.

Results in terms of jobs: the result is on the whole very poor compared to what was originally hoped. Upon completion of the pilot project, **75 long-term unemployed people had been trained in the provision of personal services. 34.5% of the final budget was spent on such training.**

GENERAL ASSESSMENT OF THE PILOT PROJECT

The pilot project did not solve this region's specific problems with institutional cooperation. The priority given to measures on a national scale led to major delays at first, and later to insurmountable contradictions, because one of the parties involved at regional level had not correctly foreseen the content of the legal provisions adopted. Consequently, the strategy implemented was not really based on the potential of the area concerned.

NORDJYLLANDS (DENMARK)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Knowledge of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	North Jutland County Council	Development	yes	NORDJYLLAND AMT Henning MADSEN Amtsgarden / Niels Bohr Vej 30 Postboks 8300 DK - 9220 Aalborg Ost
Promoter	National employment services	Employment		

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>			<i>Private finance</i>
	<i>EU</i>	<i>Member State / Region</i>	<i>Local authorities</i>	
1.470 million	75%	25%		

Partnership: an association of the national training agency (AMU) and the employers' associations. Projects were managed by a municipality and by a housing association. Cooperation with trade unions was difficult; the unions are responsible for paying benefits to 75% of jobseekers (those covered by collective agreements).

LOCAL STRATEGY

Methods for selecting new sources of employment: The new sources of employment were selected by the partnership, with almost exclusively public sector partners.

Main transversal measures in support of new sources of employment: training measures and investigation of suitable legal forms (setting up cooperatives). There was a problem in the early stages due to competition between these arrangements and existing programmes for integration, especially those run by the trade unions. It was eventually solved.

EXPERIMENTAL ACTIVITIES

Selection criteria for projects and jobseekers: selection was carried out by a panel of jobseekers chosen by the employment agency, with a view to facilitating the emergence of initiatives.

Note: of three projects launched, one was abandoned en route. Another resulted in the training of only 24 people.

Fields		Personal services	Tourism	Total
Number of projects		2	0	2
Firms	Created			
	Assisted			
Public bodies	Created	1		
	Assisted	1		2
Cooperative, mutual and non-profit sector	Creations			
	Support			
Long-term unemployed trained		24	0	24
Budget in ecus		1.04 million	0.04 million	73.5% of budget

GENERAL ASSESSMENT OF THE PILOT PROJECT

The case of Nordjyllands illustrates the problems when several promoters exploit the potential of new sources of employment, beyond initiatives by jobseekers themselves. As the improvement in the national employment situation reduced numbers in the target group, the low level of skills shown by applicants resulted in the experiment being limited to traditional social fields with a poor outlook for commercial viability.

ATTIKI (GREECE)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Knowledge of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	East Attiki prefecture	Development		
Promoter	ETAP (body under the authority of the Athens chamber of commerce)	Business services	Yes	Ninetta CHANIOTOU ETAP, Academias, 7 10671 Athens, GREECE

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>				<i>Private finance and chambers of commerce</i>
	<i>EU</i>	<i>Member State</i>	<i>Region</i>	<i>Local authorities</i>	
1.4 million	75%	9.58%			15.42%

Partnership involved private or semi-private partners, such as chambers of commerce or consultants. The federation of industries, which was originally involved, withdrew from the project. The trade unions were hostile from the start. However, the employment agency (OAED) was increasingly involved in the pilot project, to the point of providing finance to enable it to continue in 1998. Three municipalities managed projects on the ground, with the help of consultants. Operations were **interrupted for six months in 1997**, because of delays in financial transfers from the Ministry of Economic Affairs.

LOCAL STRATEGY

Methods for selecting new sources of employment: The promoter (ETAP) went for a strategy of matching the needs of firms, jobseekers and the region.

Main transversal measures in support of new sources of employment

- Supply of new goods and services: The main measure involved setting up a “mixed network of firms and jobseekers’ cooperatives”, but this initiative did not arouse much interest from firms (for 300 contacts made, only 25 led to anything). Local employment centres were also set up, but they lacked human and financial resources.
- Demand for new goods and services: no special measure to report.
- Measures in favour of the target group: the training provided for members of cooperatives did not concentrate sufficiently on management. It was decided to entrust the management to outside managers, as the jobseekers lacked the necessary skills. Four out of ten withdrew from the projects.

EXPERIMENTAL ACTIVITIES

Selection criteria for projects and jobseekers: because of the institutional context, projects and persons were allocated between the municipalities on the basis of consensus.

Note: in view of the delays, in particular in financial terms, only the training phase could start. According to the Commission’s expert, some **30 to 60 jobs** might be expected eventually.

Fields		Housing renovation / public works	Childcare	Tourism	Total
Number of projects		4	1	1	6
Cooperatives	Created	4	1	1	6
	Assisted				
Numbers trained		60	20	20	120
Level of skills		low	low	high	
Budget in ecus		ECU 530 000 altogether (39% of the budget for the pilot project)			

GENERAL ASSESSMENT OF THE PILOT PROJECT

Despite the difficult background, marked by opposition from the trade unions, reticence on the part of firms, and major institutional obstacles, the promoter showed genuine dynamism which bodes well for further action in 1998, in particular through a contract with the municipality of Lavrion. Jobseekers are no longer registered as unemployed after the first year; the involvement of the employment agency (OAED) on behalf of long-term jobseekers is a real step forward. The municipalities have also become aware of the interest of such local development projects.

NORRBOTTEN (SWEDEN)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Knowledge of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	County Labour Board (region)	Development	Yes	LÄNSARBETSNÄMNDEN LULEA Björn PETERSSON Storgalan 11, 97127 Lulea SWEDEN
Promoter	Employment agency	Employment	Yes	

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>				<i>Private finance</i>
	<i>EU</i>	<i>Member State</i>	<i>Region</i>	<i>Local authorities</i>	
1.386 million	25%		75%		

Partnership: The arrangements set up by the promoter, whose preferred approach concentrated on integration rather than a rationale of creating new activities, were supplemented by three municipal employment agencies. This approach probably explains why the other partners were more passive, in particular the socio-economic partners. The trade unions were rather hostile, taking the view that the pilot project created competition between jobseekers and employed workers.

LOCAL STRATEGY

Methods for selecting new sources of employment: As in other pilot projects, the promoter considered that the ideas for projects put forward by the jobseekers themselves coincided with the new sources of employment. No specific study was carried out to identify the fields meeting a social demand from the majority of those living in the region.

Main transversal measures in support of new sources of employment: reception facilities for jobseekers were set up in three municipalities, to act as relay stations for the implementation of individual or (less often) collective projects. Several weeks of training were provided, along with high-quality psychological monitoring. As far as possible, project leaders continued to receive their welfare benefits. Apparently, a major legal measure is in preparation. However, the economic outlets for initiatives were not sufficiently taken into consideration, in a country where households frequently feel that family or health services are the prerogative of the Welfare State.

EXPERIMENTAL ACTIVITIES

Selection criteria for projects and jobseekers: 300 long-term unemployed people were contacted initially, and after a training and selection period, financing was granted to 32 people to set up projects.

Note: Three municipal structures were set up. As each one financed several projects, it is difficult to present the results as a function of specific fields of activity. However, it seems that most of the initiatives involved the environment, culture and tourism. It is preferable to give figures for the number of participants in these structures, rather than for the number of jobs created. The **costs given below include the cost of maintaining welfare benefits**, which were financed by the social security funds, not from the budget for the pilot project.

		Project 1	Project 2	Project 3
Firms	Created			
	Assisted			
Public bodies	Created	1		
	Assisted			
Cooperative, mutual and non-profit sector	Creations		1	1
	Support			
Members at end of 1997 (including target group)		7 (7)	10 (10)	15 (15)
Budget in ecus		477 000	671 000	403 000

GENERAL ASSESSMENT OF THE PILOT PROJECT

In Sweden households and trade unions are wary of LEIs because the State is still in a position to provide individuals with high-quality services. This may partially explain why priority was given to the integration of jobseekers, although that was also the consequence of a choice on the part of the promoter. If adopted, the prospective change in the law governing cooperatives (which would enable new businessmen to continue in receipt of unemployment benefits) will be a step forward.

GRONINGEN (NETHERLANDS)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Knowledge of Structural Funds</i>	<i>Contacts:</i>
Recipient authority	Province of Groningen	Development / employment		Frank MENNEGA Provincie of Groningen P O Box 855 NL - 9700 AW Groningen
Promoter	Centre for Labour Market Studies (university centre)	Research	no	Arjen EDRES Grote Kozenstraat 31 NL - 3712 TG Groningen

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>				<i>Private finance</i>
	<i>EU</i>	<i>Member State</i>	<i>Province</i>	<i>Municipality of Groningen</i>	
671 500	74.4%		23.8%	1.8%	

Partnership: structured around the managers of concrete projects, who include the promoter, the municipality of Groningen and the regional employment bureau. Partnership was thus limited to the public sector and the university.

LOCAL STRATEGY

Methods for selecting new sources of employment: an employment plan was devised for the province of Groningen before the pilot project was introduced. However, the strategic choices made (priority to unskilled jobs in the field of personal services) did not take account of cultural resistance to this type of employment. Moreover, the "Melkert" plan, a nationwide plan based on a much wider consensus, was in direct competition with the pilot project.

Main transversal measures in support of new sources of employment: the pilot measure did not really enable a territorial strategy to be applied. The four projects financed were based on an experimental rationale, which involved testing ideas of activating social security benefits, job creation through the "recombining" of tasks scattered among different businesses, etc.

EXPERIMENTAL ACTIVITIES

Project selection criteria: there was one project for each partner in the pilot project.

Selection of jobseekers: it was sometimes difficult to persuade jobseekers of the value of the projects. In one case, for example, of 140 people initially interested, only eight women accepted the cleaning jobs offered.

Fields		"Cooperative, mutual and non-profit sector"	Placement agencies	Neighbourhood services	Total
Number of projects		1	2	1	4
Firms	Created	Research project led by the municipality of Groningen.			
	Assisted				
Public bodies	Created		2	1	4
	Assisted				
Cooperative, mutual and non-profit sector	Creations				
	Support				
Jobs at end of 1997 (including target group)		0	68 (37)	8 (8)	76 (45)
Level of skills		-	Medium	low	-
Budget in ecus		60 000	184 000	534 000*	778 000

* The costs mentioned include activation of welfare benefits, which are not covered by the budget of the pilot project.

GENERAL ASSESSMENT OF THE PILOT PROJECT

The pilot project in Groningen was certainly adversely affected by the rather too "experimental" approach. Partnership was very selective, and did not lead to a territorial strategy taking account of specific features of the situation in the Netherlands (in particular, the "Melkert" plan). The projects gave priority to measures to improve labour market flexibility, which did not

have the hoped for impact. Firms, who are in theory the main beneficiaries, did not show any special interest in the scheme. None of the jobs created was in any way original.

PAIJAT-HÄME (FINLAND)

MANAGEMENT OF THE PILOT PROJECT

	<i>Institution</i>	<i>Responsibility</i>	<i>Knowledge of Structural Funds</i>	<i>Contacts</i>
Recipient authority	Paijat-Hameen liitto (local authorities)	Development	Yes (programme management)	Marja KOIVULA Paijat-Hameen liitto PO Box 50 FIN - 15111 Lahti
Promoter	A consultant	Business management and strategy	No	Juhha-Pekka RAUTANEN Saimaankatu 58B, 23 FIN - 15140 Lahti

RESOURCES MOBILISED

<i>Total budget (ECU)</i>	<i>Public finance</i>			<i>Private finance</i>
	<i>EU</i>	<i>Member State / region</i>	<i>Local authorities</i>	
1.576 million	66.2%	33.8%		

Partnership: The choice of a promoter led to tension within the partnership. There was a succession of assessors. The employment services (TVP) were associated with the partnership, but were not prepared for an experiment of this kind. The trade unions were also hostile. The chamber of commerce adopted a fairly passive attitude.

LOCAL STRATEGY

Methods for selecting new sources of employment: After discussion between partners. According to the Commission's expert, useful work could have been done in the fields of sport and culture.

Main transversal measures in support of new sources of employment: Measures were taken to provide jobseekers' cooperatives with training and consultancy. Priority was given to demand from local authorities (municipalities), while households' demand was ignored.

EXPERIMENTAL ACTIVITIES

Project selection criteria: Local public demand

Selection of jobseekers: as project selection

Fields		Recycling Environment	Personal services	Development of small export businesses	Total
Number of projects		2	5	5	12
Self-employment		1		4	5
Public bodies	Created		1		1
	Assisted				
Cooperative, mutual and non-profit sector	Creations	1	4	1	6
	Support				
Jobs at end of 1997		11	24	6	41
Level of skills		low	medium	medium/high	-
Budget in ecus		313 000	603 000	195 000	70 5% of budget

Note: According to the Commission's expert, between 5 and 20 jobs are viable over the long term once public financing has been discontinued.

GENERAL ASSESSMENT OF THE PILOT PROJECT

The pilot project did not take advantage of the fact that the cooperative, mutual and non-profit sector is developing strongly in Finland, with the creation of a number of cooperatives and the gradual decentralisation of employment policy. The choice of promoter gave rise to considerable opposition, which prevented effective collaboration in the region.

**Note on the debates at the closing session of the conference
pilot actions for the long-term unemployed**
- Brussels, 15 and 16 December 1997 -

Due to a plenary session in Strasbourg, the MEPs could not be present. However, the managers of the pilot actions, representatives of the Economic and Social Committee, the social partners (ESC / UNICE), experts, as well as representatives of various Directorates-General of the Commission, examined in succession the assessment of these actions and lessons to be learnt from them for the EU policies of insertion, of employment and of regional development, in particular at Community level.

1. ASSESSMENT OF THE PILOT ACTIONS (MONDAY 15 DECEMBER 1997)

Mr **Landaburu** (Director General of DG XVI) opened the debates, by pointing out the basis, the objectives and the first results of the pilot actions: these operations experienced a number of difficulties since they linked zones in crisis, disadvantaged people and areas of activity that were particularly innovative.

Nevertheless, a third of the pilot actions confirmed the positive impact of the regional support strategies for new employment sources. It seems that extensive public support, though decreasing is an essential condition of success, in particular in the regions where the productive fabric and households buying power are weak. The three theme-based workshops made it possible to study in greater detail these introductory remarks.

1.1. Exploration of new employment sources

During the first workshop, chaired by **Jérôme Vignon**, Director of the Forward Studies Unit of the European Commission, discussions covered the potential and the operating conditions of the new employment sources.

Mary Braithwaite, expert, and **Peter Lloyd**, rapporteur, outlined convergent ideas which collected a general consensus.

First, the short time available for experimenting (2 years) largely limited the type of new employment sources which could be exploited. This time constraint partly explains the priority given to areas with “low value-added”, low technological content and poor qualifications, to the detriment of areas like the environment or the information society. According to Mr **Théry**, evaluator for Hérault, this shows that the new employment sources follow different development logics, in particular as regards definition of the territory on which to operate.

In addition, several conditions have to be met to allow the use of the new activities.

a - there must be a “preliminary” territorial diagnosis essential in view of the diversity of the situations (problems urban / rural; economic growth/decline; tertiary market disruption/organisation). The case of **West Ireland**, a rural region, showed for example that distance constituted a barrier to development of personal services.

b - a long analysis / implementation phase of the scheme is necessary, by seeking practical means of removing obstacles to the consumption of new services, in particular the difference between the real cost and the price sought, which is often influenced by the tariffs in force in the informal economy. In **Merseyside (U.K.)**, a system of maximisation of social incomes was established to improve local buying power.

c - good coordination of public policies, between the local level where needs have to be identified and the national level (macroeconomic, tax, policies of insertion, employment, regional planning ...).

The cases of **Hérault (f)**, of **Merseyside**, of **West Ireland**, of **Cadiz (e)** show that jobs can be created at a competitive cost, when the public authorities rely on a network of persons well established locally, in particular in the social economy sector. The question remains if these structures can in the long term form part of the market economy. A part from some exceptions Chemnitz, D), the weak involvement of business strengthens this uncertainty.

1.2. The socio-professional insertion of the long-term unemployed

Mr Barbier, rapporteur for this workshop chaired by **Luis Riera** (Director in DG V - Implementation of the ESF), identified a series of common principles for employment policies:

a - priority on insertion as opposed to the activity does not give positive results, because it produces effects of competition, between public and between national and local mechanisms. Thus, in **Norbotten (S)** or in **Groningen (NL)**, the pilot actions resulted in much less attractive jobs than those proposed by national mechanisms ALU”, “Melkert plan”).

b - this finding did not prevent the participants from stressing the role of active policies in the labour market, in order to go beyond the standard unemployment support mechanisms. The possible methods nevertheless vary considerably, up to the proposal by the promoters of **Chemnitz** of a obligatory involvement of the unemployed in return to work programmes.

The cases presented made it possible to go into more in detail into the profiles of the unemployed and into the practical measures to be applied. The heterogeneity of this target public is large, as much inside the same region (former managers of industry and unemployed surviving thanks to the informal economy **Bizkaia, Spain**) as between the areas (“industrial” and male unemployment in **Chemnitz**, rural “and” female unemployment in **Alentejo**).

The projects undertaken in **Cadiz (e)** show in addition that certain long-term 40-year unemployed people over 40 years of age can sometimes rely on their experience to work in “relations services”.

In **Bizkaia**, the priority granted to independent employment rather than salary based led to many abandonments, the older unemployed being not very receptive to the entrepreneurial concept.

1.3. The partnership in the pilot actions

Under the chairmanship of **Graham Meadows** (Director in DG XVI for Regional Interventions in Germany, France and the United Kingdom), all the participants stressed the decisive character of cooperation, in particular between the various administrations and society, but also within the administrations themselves. The issue of partnership highlights in particular the possibility of outsourcing of public or private services to help the unemployed. Thus, according to Jorge Aznar, expert, the value added by a good partnership can in a pilot action exceed the benefits generated by the setting up of some concrete projects.

The question of the composition of the partnership gave rise to more clear-cut discussions. The absence of the major population centres is a general tendency within pilot actions, which **Jorge Aznar** explains by the initial choice of the Commission to give priority to the provincial level (NUTS III). **Edith Brickwell**, rapporteur, put forward the idea of greater anonymity and of the difficulty of establishing solidarity in urban areas. She also noted the low level involvement of the unemployed in the decision-making process, which can induce a representation partnership of “representation without responsibility”.

Lastly, to make the partnership effective and constructive, we must, in the light of the experiences examined (Alentejo in Portugal, Charleroi in Belgium and Massa Carrara in Italy), and according to Edith Brickwell's **expression**, “invent methods of managing of complexity”. Various cooperation methods have to be established, according to the aims pursued and to the decision levels appropriated. We can thus distinguish between partnerships which are of conception, of management or of intervention. The design, management or intervention partnerships are thus distinguished.

2. THE PROSPECTS FOR THE PILOT ACTIONS AND THE LESSON FOR THE FUTURE OF THE STRUCTURAL FUNDS (TUESDAY 16 DECEMBER 1997)

Jean Charles Leygues, Director for the formulation of regional policy in DG XVI, chaired this second day. Initially, the debates made it possible to consult the representatives of the social partners on the sensitive subject of the new employment sources.

Differences of opinion were evident. Mr **Lesellier**, of UNICE, spoke about the potential and about the dynamics of outsourcing of proximity services, assumed up to now by families. He compared this phenomenon with the development of services to businesses. In answer, Mrs **Ramos**, of the European Confederation of the Trade unions, warned against dismantling public services and stressed that the externalisation of

certain family services ran up against the current distribution of value added, which works to the detriment of salaried employees.

A compromise seems nevertheless possible in view of the statements of both sides. To remove cultural barriers and to penetrate the intimacy of the family circle, Mr **Lesellier** stressed the importance of a genuine professionalisation of the new jobs, in particular by the establishment of an employees statute within the providing companies.

Mr **Masucci**, of the Economic and Social Committee, provided another course of conciliation. According to him, the new jobs have two advantages: a relative decoupling from world competition on the one hand, a way of moving out of the informal economy on the other hand. But to build bridges between this second labour market and the first, the role of collective bargaining is crucial.

The second part of the morning was of a round table where the representatives of the pilot actions could largely react to the analyses of the experts and of the representatives of the European institutions.

With regard to the measures to be taken to exploit the new employment resources, Mr **Shortley**, of the associative sector in Merseyside, considered that the measures eligible under the structural interventions did not allow any policy of making solvent demand, but only a policy of offer. Mr **Legall du Tertre**, academic in Paris IX Dolphin, came back to this topic by considering that a permanent modification of the systems of consumption had to be encouraged, in favour of personal services, in particular based on a new monetary system "dedicated currency", like the services voucher).

Mr **Théry**, appraiser for Hérault, laid stress on the need to give priority to the activity rather than to insertion, and he regretted that the recent guidelines submitted to the European Council of Luxembourg do not adopt this way of thinking. Mrs **Jouen**, of the Forward Studies Unit, answered that the Luxembourg initiative mentioned local Development and Employment Initiatives, in the chapter "developing entrepreneurship".

Lastly, numerous participants questioned the Commission on the perspectives of continuity in the Structural Funds.

The conclusions drawn by **Jean Charles Leygues** answered this query. The pilot actions have to find their follow-up in the general interventions of the Structural Funds (regional and Community initiatives programmes) as well as in the territorial employment pacts.

It is for the beneficiaries of the pilot actions to make the appropriate contacts. A number of areas indeed have already found continuity within this framework. The technical assistance under Article 7 of the ERDF could, on a case by case basis, help promising pilot actions. In addition, Mr **Leygues** pointed out the commitment entered into the day before by Mr Landaburu, according to which the Commission departments would encourage the Member States and the regions to envisage possible follow-up (transfer of certain intervention methods, of individual projects, taking into account partnerships formed under this action) within the limits of the competences which they have.

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Location of pilot project	Main regional and local arrangements for transferring measures	Follow-up measures defined on 31.12.97
<i>1 - Measures which may or may not have a follow-up</i>		
Alentejo	Employment pact, CSF ("PPDR": local development programme)	
Vizcaya	Objective 2 SPD	
Charleroi	Employment pact Mons-Charleroi-La Louvière	
Groningen	Objective 2 SPD	
Norrbottn	Objectives 2 and 6 SPD	
Nord	Employment pact Lille-Roubaix-Tourcoing	
Nordjyllands	Objectives 2 and 5(b) SPD	
Obersteiermark	Objective 2 SPD	
<i>2 - Measures with follow-up for certain specific projects or operations</i>		
Attiki (East)	Employment pact, for certain projects only (pact concerning Attiki (West), CSF, national measures	National measures "Third system and employment" pilot project
Cádiz	Employment pact Bahia de Cádiz	Employment pact (probably)
Massa Carrara	Objective 2 and 5(b) SPDs	Objective 2 and 3 SPDs
Paijat-Häme	Lahti employment pact	Employment pact
West Ireland	National measures, LEADER II	National measures and LEADER II
<i>3 - Measures extending the pilot project (projects, management structures, partnership)</i>		
Chemnitz	Chemnitz employment pact	Employment pact
Hérault	Hérault employment pact	Employment pact
Merseyside	St Helens employment pact	Employment pact



EUROPEAN COMMISSION

Pilot Measures to Assist the Long-term Unemployed

1995 General Budget; item B2-605

GUIDELINES for promoters of pilot measures

06.95

I - Introduction

Within the framework of the guidelines defined in the White Paper on growth, competitiveness and employment (COM(93)700), the budgetary authority introduced a new article (B2- 605) into the 1995 general budget with commitment appropriations of ECU 15 million. These appropriations in the chapter for "other regional policy operations" , are intended to finance **pilot measure for the benefits for the long-term unemployed**.

The remarks in the budget spell out the approach , adopted by the budgetary authority.

- to finance initiatives to **assess the impact of measures targeting the long-term unemployed** , which might be suitable to be **transposed or developed on a large scale**, e.g. through the Structural Funds, and in particular Community initiatives;
- to help **reduce regional disparities in employment, targeting the long-term unemployed of over 40 years of age, who have been out of work for more than two years**, and **possibly providing** training for access to sectors in the public interest, such as government departments, hospitals etc., and training for specialized sectors, including services.

II - Context

The combatting of long-term unemployment has resulted in an accumulation of wide and varied experience and knowledge. There have been numerous policies, schemes and experiments at national, regional and local levels.

At Community level, the Structural Fund have contributed to the financing of measures directly relevant to long-term unemployment through CSFs, SPDs, programmes such as Horizon and Urban under the EMPLOYMENT initiative, or appropriations for experiment an innovation under Structural Fund regulation.

Moreover, analyses and assessments supported by the ERGO programme (but also by LEDA and PAUVRETE have helped to combine, assess and disseminate a number of experimental schemes through a network of national correspondents.

Against this background, pilot measures to be financed from the appropriation approved by Parliament should avoid reproducing the work of the experimental schemes financed under other Community programmes . They should serve to explore new approaches, in particular in the framework of guidelines adopted by the European Council in Essen in December 1994; the promotion of investment in guidelines adopted by the employment-intensiveness of growth, reducing non-wage labour costs, improving the effectiveness of labour market policy and improving measures to help groups particularly hard hit by unemployment.

III- The prupose of the experiments

In response to the remarks in the Budget and to the above considerations. It is proposed that **an experimental operation** be launched **to evaluate the impact of measures for the exploitation of opportunities provided by new sources of employment for the long-term unemployed**.

This operation is therefore also intended to give long-term jobseekers an opportunity to occupy these new jobs through a process of appropriate accompaniment.

The pilot measures to be financed under this operation should find answers to such questions as:

- how can new jobs suitable for long-term jobseekers be made to emerge when they are not spontaneously generated by the market ?
- what support or accompaniment do long-term jobseekers need to enable them to create or occupy such jobs?
- **what measures could be suggested** to the various authorities to enable them **to promote and sustain**, in a wider context, the **creation of new jobs for long-term jobseekers?**

With the help of the findings of this experimental operation, new strategies or interventionist policies can be designed at national or Community level to transpose the good practice thus observed to a broader scale, in particular in the context of structural policy.

IV- Avenues for exploration

The ideas, suggestions and approaches to **new sources of employment** set out in the March 1995 report entitled Local development and employment initiative¹ point up the usefulness of this experiment approach, and indeed provide a new area to explore and investigate, in order to study the opportunities available to the long-term unemployed.

This report notes the existence of new needs that are not being met in the economic and social fields, and proposes **a new approach** to job creation at local level. It notes the emergence of new needs that cannot easily find expression: supply does not always automatically respond to potential demand. This means **prospecting** for possible new sources of employment, with a preliminary 'start-up' phase to reveal latent needs and transform them into explicit demand . The next task is to outline the action to be taken, creating a climate of confidence by addressing potential providers of services, of producers of goods, and the beneficiaries.

It is also necessary to plan for personalized support and backing for long-term jobseekers, so that they can effectively create or occupy jobs of this type.

Innovative forms of promotion and diversification should be explored at local level, on the basis of **integrated measures** that involve **public and private sector partners** from the outset, paying particular attention to facilitation, stimulation and experiment.

The report identifies structural **obstacles** with a determining impact on the effectiveness of these initiatives the obstacles are organizational, financial, legal, administrative or technical (adjustment of qualifications, skills and working conditions, etc.). It tries to define what the new needs consist of, and points to **ways** of working, towards a global policy for **encouraging** local initiatives: creating a local framework conducive to such initiatives, setting up another range of financial instruments, improving training and renewing the legal framework..

¹ Commission staff working paper (SEC(95)564) produced by a group led by the Forward Studies unit in the Framework of the proposals in the White Paper on growth, competitiveness and employment.

V - The content of pilot measures

In response to the questions asked in Section III, the pilot measures that the budgetary authority has called for will be promoted in the following form.

*The finance, in a certain number of areas, pilot measures including **territorial support strategies** based on a coherent set of activities involving **prospection, prescription, promotion and outreach** , and testing specific projects so as to verify the relevance of the strategy.*

The support strategies and actual projects should

- *explore the opportunities provided by **new sources of employment**, for the **long-term unemployed** ,in particular those over 40 years old who have been out of work for more than two years:*
- *test support measures and accompanying processes adapted to jobseekers of this type, to enable them to create and actually occupy a new type of job.*

The guidelines put forward in the White Paper on growth, competitiveness employment, the conclusions of the Essen European Council on employment policy , and the approaches suggested in the Commission's report on local development and initiatives should serve as a global reference framework for designing the territorial strategies.

Pilot measure should take account of the results and conclusion of all the experiments and initiatives that have already been carried out in this field by various public authorities and competent bodies.

They should be geared to **a market-oriented approach, and not simply involve assistance**. They should not be based only on public financing of a supply of new services but should meet a real demand and in the long run be self-supporting. In practice, they should fit in with a two-fold rationale: that of **developing** economic activities and creating new jobs, and that of giving long-term jobseekers access to these activities.

The pilot measures will be assessed as a whole, not only to evaluate the results, but also to refine analyses in the report on local development initiatives, to test the approaches it suggests, and to assess the opportunities they provide for large-scale development.

the overall assessment will compare the results of the pilot measures with those of control groups not involved in these experiments.

VI- The areas invited to submit a proposal for a pilot measure

Allowing for the diversity of the areas concerned and the complexity of the problems relating to long-term unemployment, pilot projects should enable new sources of employment to be investigated and exploited **in appropriate areas** (those with a large number of long-term unemployed) which are **large enough** for territorial support strategies to be attempted but **small enough** for a useful assessment of the results achieved to undertaken after one year.

A list of areas has been defined having regard to the budget available and using the following criteria:

- a high overall rate of unemployment;
- a high rate of long-term unemployment as a proportion of total unemployment;
- adequate representation for the purposes of the experiment of the various situations which exist at Community level: areas whose development is lagging behind, areas undergoing industrial conversion, urban areas, undergoing industrial conversion, urban areas, rural areas and a variety of administrative or legal backgrounds.
- a restricted number of zones in order to have of a reasonable amount of propositions that would assure experimentation quality.

Based on these criteria and the statistical information available, the resulting areas are the following:

MEMBER STATE	AREAS (NUTS III REGION)
BELGIQUE	CHARLEROI
DANMARK	NORDJYLLANDS Amtsk.
DEUTSCHLAND	CHEMNITZ
DEUTSCHLAND	DORTMUND (krfr. Stadt)
ELLADA	ATTIKI
ESPAÑA	CADIZ
ESPAÑA	VIZCAYA
FRANCE	HERAULT
FRANCE	NORD
IRELAND	WEST
ITALIA	CASERTA
ITALIA	MASSA-CARRARA
NEDERLAND	GRONINGEN
ÖSTERREICH	OSTLICHE OBERSTEIERMARK
PORTUGAL	ALENTEJO
SUOMI/FINLAND	PÄIJÄT-HÄME
SVERIGE	NORRBOTTENS LÄN
UNITED KINGDOM	CLEVELAND
UNITED KINGDOM	MERSEYSIDE

VII - The content of applications for assistance

The public authorities with economic or social responsibilities for these areas may submit an application for assistance to implement a pilot measure.

These authorities must designate the authority or body to be responsible for the pilot measure ("the promoter").

The promoter of the pilot measure may be any public authority with territorial responsibilities or any public or private body undertaking activities in the public interest which are concerned with local development and/or the promotion of employment and able to manage the pilot measure effectively.

Each proposal for a pilot measure must include:

- a) the name of the promoter, including status, functions and policies for economic and social promotion already implemented;
- b) a description of the area selected for application of the strategy, with particular reference to points from which the relevance and usefulness of investigating whether the long-term unemployed can make use of new sources of employment can be assessed in advance;
- c) other economic or social factors justifying the selection of this area, with reference to the administrative, legal and political background at regional or national level against which the strategy will be developed;
- d) a brief description of the territorial support strategy for the long-term unemployed to be developed, in its various stages. Each stage should include the specific objectives, the content of the activities to be implemented, the resources to be used, the responsibilities to be laid down and any provisions to be inserted for ensuring effective implementation;
- e) an initial outline of the specific projects which could perhaps be supported under this territorial strategy and the conditions attached;
- f) the local actors and partners who will be associated with the various stages of the pilot measure with details of the procedures or provisions adopted to ensure their effective participation;
- g) a precise timetable of the main stages defined for implementation of the measure, with each main stage lasting no more than 18 months;
- h) a detailed budget of the costs of the pilot measure, with details of the assistance requested.

Each proposal should also indicate the measures to be taken to ensure overall monitoring of implementation of the territorial support strategy and on-going and ex post assessment of its results. The promoter will select an independent expert to carry out this work who will also contribute to the overall assessment of the operation undertaken by the Commission.

The territorial support strategies and specific projects financed should be designed so as to ensure the **feasibility** and **comparability** of the assessment exercises, with particular regard to the objectives of the experiment, the methods and resources to be used, achievements and results expected and the estimated impact.

The choice of pilot measures to receive financial support from the Commission will be based on how the proposals measure up to the aims of the operation, the quality and consistency of the proposals, the capability and experience of the promoters and the degree of transferability which it is considered will ensue.

The public authorities responsible for the application for assistance must send the Commission every three months a brief progress report enabling it to monitor how the measure is proceeding and take any adjustment decisions required. A full final report must be submitted no later than six months after completion of the pilot measure.

The promoters of the territorial support strategies must ensure that all documents concerning expenditure incurred and checks carried out are available to the Commission departments concerned for three years following the last payment.

VIII - The Community contribution to financing the territorial strategies

The total cost of each pilot measure must not exceed 2 million Ecus.

Community assistance will not normally exceed 75 % of the total cost of the pilot measure.

Assistance may take the form of advances and final payments in respect of expenditure actually incurred.

Such expenditure may relate to all essential costs in the preparation and implementation of the various stages of the pilot project: studies and analyses for design of the territorial strategy, preparation, promotion, management and operation of the experiment of the specific projects concerned and monitoring and assessment of results.

IX- Submission of proposals

The public authorities invited to submit an application for assistance may send their proposal for a pilot project to arrive by 12:00 am on 30 September 1995 to:

Mr Eneko Landaburu
Director-General
Directorate-General XVI, Regional policy and cohesion
Commission of the European Community
200 rue de la Loi
1049 Brussels
Belgium

Requests for information may be sent to M. Molsosa by fax: 32.2.296.62.35