

LOCAL LABOUR MARKET PLANNING

IN EUROPE

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By :  
Institute of Manpower Studies  
BRIGHTON

For:  
The Commission of the  
European Communities  
Brussels

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PROGRAMME OF RESEARCH AND ACTIONS ON THE DEVELOPMENT OF THE LABOUR MARKET

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Institute of Manpower Studies

LOCAL LABOUR MARKET  
PLANNING IN  
EUROPE

(A report for the European  
Commission on the experiences  
of Forward Looking Employment  
Management in local labour  
markets in the UK, France,  
Germany and Ireland)

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Richard Pearson  
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Institute of Manpower Studies, Mantell Building,  
University of Sussex, Falmer, Brighton BN1 9RF  
Telephone (0273) 686751

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## SUMMARY

### 1 Background

The development of Forward Looking Employment Management (FLEM) at the local level is seen by the Commission to be a means of improving the efficiency of the labour market, improving manpower utilisation and reducing the levels and impact of unemployment.

### 2 The Study

The Commission invited the Institute of Manpower Studies to review the application of local FLEM in selected member states in terms of the range of definitions of 'local labour markets' used; the users of the local labour market concept, the extent of the current involvement by the social partners; the information that is used; and to suggest ways of co-ordinating employment activities at the local level.

The work in the UK and Ireland was carried out by the Institute of Manpower Studies, that in France by Madame Pommier, Ministry for Employment Paris, and in Germany by Dr A Peters IIM, Berlin.

### 3 The Report

The report is in two parts. The first provides an overview of the current application of local FLEM, drawing out the lessons from the experiences of the four countries and setting out a framework for progressing the adoption of local FLEM throughout the community. The second part comprises the case study reports on the four countries.

### 4 The Case Studies

The French study highlights the emphasis being placed by the government on new employment policies to deal with the country's economic problems. It details the public institutions most involved with employment policy and definitions used for local areas. It then considers examples of local FLEM in four contrasting employment zones. It concludes with the lessons to be drawn so far from these new experiences.

The UK study highlights the main institutions involved in labour market policy and the principal definitions of local labour markets used. It

(ii)

illustrates the diversity in the application of aspects of local FLEM by detailing four local programmes initiated by the public sector and six started by private companies or other non official agencies. The study summarises the current state of local FLEM in the UK and sets out the issues affecting its future development.

The Irish study concentrates on the official bodies involved there being few significant activities beyond those operated by government or semi state bodies. Ireland has far more 'regional' as opposed to 'local' bodies. This case study suggests that there exists a framework for the development of local FLEM although at present there is as yet no comprehensive programme or strategy for local FLEM.

The German case study concentrates on illustrating the different types of local employment initiatives being started to deal with the growing problems of unemployment.

## 5 The Objectives of Local FLEM

Each country has a very different context within which local FLEM can and might develop. Each has an institutional framework that deals with some aspects of labour market policy at the local level. The majority of local employment planning activities are, however, reactive, responding to specific local problems. Virtually no attempt has been made to link local FLEM with that in individual enterprises.

Specific objectives that have been developed in terms of local FLEM include those relating to (i) expanding the economic base (job creation, replacement, attracting new investment and employment, supporting declining firms and worker co-operatives) and (ii) the provision of training (to meet future skill needs, increase the employability of disadvantaged groups, and young people).

In France, the policies towards decentralisation and collaborative planning are giving great impetus to local FLEM. One example shows ambitious objectives for local FLEM although its newness does not allow its effectiveness to be judged. In the UK the activities are more developed and divers focussing on specific aspects of job creation and youth training. In Ireland local developments are closely linked with national development plans, while the examples presented for Germany focus more on self help groups.

As the precise objectives are particularly dependent on local circumstances and the actors involved it is not appropriate to think in terms of a singular

set of objectives for local FLEM. One particular problem in defining broader objectives is that of achieving a consensus between the social partners.

## 6 Definition of Local Labour Markets

In each country the administrative structure is a dominant feature of data collection, groupings of common interest and the provision of many services. Local FLEM tends to recognise these administrative boundaries. A future need is to consider different 'local labour markets' in relation to the differing objectives of FLEM and local circumstances.

## 7 The Actors

The success or otherwise of a specific initiative is often seen as critically dependent on the individual(s) or organisation starting it. There are many examples of successful schemes that do not involve all the social partners, those being most likely to be absent are the employee representatives. A critical concern for the future will be to balance the involvement of the social partners with the need for a consensus, and for agreed objectives.

## 8 Information Availability and Use

Each country has a data base of potentially useful manpower and related information. However, because of definitional problems, incompatibility of geographical coverage, and the need for localised data, it is not always available and applicable. The majority of initiatives have made only limited use of the available data. A particular stumbling block has been the inability to collect detailed company data due to lack of willingness by local employers. Another is the unavailability of practical approaches to local forecasting has been a major practical limitation in each country.

A particular advantage of a well researched approach is illustrated by two cases in the UK where the data collection was a means to generating the necessary local commitment by the social partners.

A significant deficiency which should be remedied however, is the non-availability of information for monitoring the effectiveness and success of the schemes. This would help point up the relative success of different approaches to local FLEM.



## 9 Resources

The development of local FLEM has not been critically dependent on the application of substantial new resources (people, money, facilities). In France local government and other institutions have been the key source of funds. In the UK extensive use has been made of both government money and from the private sector. In Ireland the state has provided the limited resources that have been used while in Germany many of the schemes described have been 'self-help' activities. All the schemes saw themselves as having a major role channelling information, for example by helping new companies find appropriate advice or money, or individuals find suitable training places.

## 10 Conclusions: The Way Ahead

There are many successful applications of aspects of local FLEM although none is comprehensive in its objectives and many have only recently been developed. There is no uniform pattern either within or across the member states. While the current economic and employment problems in member states highlight the need for local FLEM, it should not be thought of as being a 'temporary' or 'transitory' activity. The need is for an evolutionary policy and programme of activities responsive to the needs of local communities.

Local FLEM should be rooted in the needs of local communities, who should determine its precise objectives. These will be closely related to local economic and social development. The objectives will need, initially to relate to specific problem areas and agreed by the key local actors if the appropriate commitment is to be gained. The State and its agencies cannot alone guarantee the implementation of local FLEM. In the longer term the objectives and associated activities and structures will need to be flexible and be able to respond to changing circumstances.

A critical need for its success will be the co-ordination of the activities in the locality building on the strength of each. The development of local consortia of key actors is a key need. The state and its agencies can contribute significantly by helping establish a suitable framework for, and by servicing the local consortia. Significant levels of new resources (most obviously money) are not an essential pre-condition for their development.

Decisions about the appropriate definitions of 'local' cannot be taken in the abstract, local FLEM will have to be focussed on a cohesive community unit, and these may vary considerably in size and pattern and between localities.

To date only limited quantitative information has been used in the development of local FLEM. A particularly intractable problem has been the inability to

develop useful forecasts or scenarios for individual localities. Improved information and analyses of local problems and circumstances helps put local problems into sharper relief, and can help convince local actors of the need for participation. Initiatives should pay more attention to monitoring their activities and success rates if the strengths and weaknesses of alternative approaches are to be fairly evaluated.

## 11 Recommendations

The Commission and social partners should consider the following actions as a means of further developing local FLEM;

- (i) publicising good examples of local FLEM;
- (ii) encouraging the development of consortia;
- (iii) providing resources to support consortia;
- (iv) developing national frameworks for co-ordination of local FLEM;
- (v) improving information provision and awareness of its value;
- (vi) developing its linkages in the enterprise and national labour market policy
- (vii) monitoring its future development;
- (viii) encourage research into methods of labour market analysis and of local forecasting together with guidelines to aid their use by the social partners and consortia.

Finally, they should consider further evaluating its costs and benefits in a wider range of initiatives across other member states.

## 1 Introduction

### 1.1 Background

The development of Forward Looking Employment Management (FLEM), particularly when it involves the social partners, is seen by the Commission to be a means of improving the efficiency of the labour market, improving manpower utilisation and reducing the levels and impact of unemployment.

The importance of the local labour market dimension in FLEM was widely discussed at the three conferences of the Social Partners, held in Spring 1981 on the topic of Forward Looking Employment Management. The conferences brought out some of the contrasting approaches to FLEM and the different ways in which the concept of the local labour market is interpreted in the member states. The social partners argued that FLEM in the local labour market (local FLEM) was insufficiently developed as compared with FLEM in the enterprise. There did exist, however, many practical situations in which aspects of local FLEM had been successfully adopted. However, there were seen to be a number of practical problems affecting its wider application, including the appropriate definition of 'local' that should be applied, the actors that should be involved and how, and the use and availability of relevant information, including forecasts.

It was proposed, therefore, that a review be made of the experiences of the application of local FLEM in three or four member states in order to draw up a framework to help promote its successful adoption throughout the Community.

## 1.2 Study Objectives

The Commission, therefore, invited the Institute of Manpower Studies to prepare a report:

- to review the application of local FLEM in selected member states;
- to review the range of definitions of "local labour markets" that are used (and their relationship to the concepts of regional and national labour markets);
- to identify the users of the local labour market concept, the useful roles which can be played by different organisations and actors, and the extent of the current involvement by the social partners;
- to identify the range and type of data and information that are available and can be used in local FLEM;
- to suggest, where appropriate, more systematic ways of co-ordinating employment activities at the local level.

The study was to focus on four member states, with reviews being carried out in the **France, United Kingdom, Ireland and Germany**. A separate report by IMS considers FLEM in the context of small and medium sized firms\*.

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\* Institute of Manpower Studies, 'Forward Looking Employment Management in Small and Medium-Sized Firms', report to the EEC, November 1982.

### 1.3 Methodology

The methodology included:

- i) an examination of the relevant literature and discussions with the key organisations and agencies involved in local initiatives, including other researchers; and
- ii) an examination of the available information and current local labour markets activities.

The fieldwork in the UK and Ireland was carried out by Richard Pearson, Ken Walsh and Roger Fox of the Institute of Manpower Studies, that in France by Madame Pommier, Delegation for Employment, Ministry for Employment, Paris, and in Germany by Dr A Peters, IIM, Berlin. The Institute was responsible for the preparation of the overall report.

### 1.4 The Report

This report is in two parts. The main report provides an overview of the current application of local FLEM in the four member states in terms of:

- individual country perspectives;
- the current objectives of local FLEM;
- the definitions of local labour markets used;
- the actors involved;
- information availability and use;
- the resources used; and
- conclusions and the way ahead;

drawing out the lessons from the experiences of these four countries and setting out a framework for further progressing the adoption of FLEM at the level of the local labour market throughout the community.

The second part comprises the case study reports on the four countries, each of which includes:

- an overview of employment policy in that country;
- the 'formal' institutions (potentially) involved in employment policy at the local level;
- the definitions used for 'local';
- examples of local FLEM, detailing the objectives of the initiatives, their geographical coverage, organisations involved, data sources used, resources used and their outcomes;
- a review of these initiatives detailing their strengths and weaknesses and their more general applicability.

#### 1.5 The Case Studies

The French case study first reviews the national context for labour market policy and highlights the emphasis being placed by the (new) government on new employment policies to deal with the country's economic problems including work sharing and special employment programmes. It then details the public institutions most involved with employment policy and the definitions used for local areas before going on to consider examples of local FLEM in four contrasting employment zones. The recent nature of these experiences does not allow for the evaluation of activities as yet. The case study concludes, however, with the lessons that can be drawn so far from these new experiences.

The UK case study first highlights the main official institutions involved in labour market policy and the principal statistical definitions of local labour markets used. It then illustrates the diversity in the application of aspects of local FLEM by detailing four local programmes and activities being initiated by the public sector and six examples drawn from different localities which were initiated and are 'managed', by private companies or other non official agencies. The case study concludes by summarising the current

state of local FLEM in the UK and sets out the issues affecting its future development.

The Irish case study concentrates more on the official bodies involved in labour market policy, there being few significant activities beyond those operated by government or semi-state bodies. Ireland's unique population pattern and density has led to far more 'regional' as opposed to 'local' bodies being set up, although the regions in many cases have small population totals and could equate to 'local' areas in other countries. The case study suggests that while there already exists a framework for the development of local FLEM there is as yet no comprehensive programme or strategy for local FLEM.

In the case of Germany the case study pays less attention to the activities of the official bodies involved in local planning (although with an overview of labour market policy being provided) and concentrates more on illustrating the different types of local employment initiatives being started to deal with the growing problems of unemployment.

## 2 The Objectives of Local FLEM

Each of the four countries, although facing similar problems of low economic growth and rising unemployment, has a very different context within which local FLEM can and might develop. Each country does, however, have an institutional framework that deals with some aspects of labour market policy (usually relating to job placement and training) at the local level and which might in the future provide a framework for local FLEM. Beyond planning the basic provision of services (training, job placement) the majority of local employment 'planning' activities are reactive, responding to specific local problems. These vary greatly in their character, intensity and degree of local concern and interest, both between localities within countries and between the countries themselves. Virtually no attempt has been made to link local FLEM with FLEM in individual enterprises.

The range of specific objectives that have been developed in terms of local FLEM include those relating to:

(i) expanding the economic base and in particular:

- encouraging job creation through small firms;
- encouraging business creation and development in special localities (inner cities);
- job replacement, following redundancies and company closures;
- attracting new investment and employment;
- supporting declining firms and industries;
- worker co-operatives;

(ii) the provision of training and support schemes, in particular:

- to meet the skill needs of the economy;
- to improve the competitive advantage;
- to increase the employability of disadvantaged groups in the labour market (eg ethnic minorities); or
- to give training and work experience to young people.

None of the local initiatives identified covers the complete range of objectives outlined above; most concentrate on one or two aspects of economic development or of training, although some combine both. In **France**, the new government policies towards decentralisation and collaborative planning have given great impetus to local FLEM, and the examples illustrated for Tregor (chapter A4) and Apt (chapter A5) show the broadest objectives including local economic planning, job creating, training and support for problem companies, although their newness does not yet allow judgements to be made as to their long term effectiveness. In the **UK** the individual activities tend to be more focussed in their objectives but at the same time are more developed in terms of activities and results. Good examples are, in relation to job creation (the St Helens Trust, para B5.3) or youth training (Fullemploy, para B5.8). In **Ireland** local developments are closely linked with (and are part of) national development plans focussing mainly on job creation (the IDA, para C2.3) while the examples presented for **Germany** focus more on self-help groups as in Hanover (Paras D3.5 and D3.6) with a new experiment in local forecasting taking place in Augsburg (para D3.3).

All of the schemes' current objectives largely reflect the prevailing economic and social conditions, namely high and rising unemployment and little or no economic growth. In the mid 1970's, however, the employment issues tended to be related more to skill shortages,



inefficiencies in the labour market and constraints on economic development. The most comprehensive policies adopted at the local level in relation to these objectives have probably been those in Ireland, related to the work of the IDA (para C2.3).

The precise objectives of individual examples are particularly dependent on local circumstances and the groups (or actors) involved. As such it is not appropriate to think in terms of a singular set of objectives for local FLEM to be adopted, for all local areas across member states. One particular problem in defining clear and achievable objectives has been that of achieving a consensus. The French conclusions (para A8.2) highlight the issue that the greater the structure the more limited the consensus and hence the achievable (or indeed agreed) objectives. Two of the UK examples (para B5.6 and B4.2) illustrate the potential conflicts involved (also see para 4 below).

### 3 Definition of Local Labour Markets

#### 3.1 Existing Official Definitions

Each of the countries is subdivided into regions and thence into more local communities for the purposes of government and administration. These subdivisions are drawn partly by historical precedent and partly in relation to population and economic centres. While each country has an internally consistent approach, this does not mean that the resultant 'local areas' are always consistent one with another in terms of geographical coverage, population, economic activity or any other criteria. In each country the administrative structure is a dominant feature of data collection, groupings of common interest and the provision of many services, such that attempts to align local FLEM with specific geographical boundaries normally recognise these administrative boundaries.

In France the various state institutions use differing local definitions according to their own needs, usually picking focal points and then aligning the surrounding areas. The 'local' level is regarded as a vaguely defined concept. However, the concept of the Employment Zone (there are 250 in total now being used, being defined by migration flows) and such definitions are providing the basis for the

initiatives in terms of local FLEM.

In the UK much of the employment information is collected on a 'Travel-to-Work Area' basis as defined from travel flows from the Census of Population. These provide the framework for the organisation of the employment services. These TTWA's (380 in total) vary enormously in area and population covered and are often inconsistent with major administrative boundaries, and in many cases, due to the large areas covered, mix very different local conditions. A new concept is now being developed, 'Functional Regions' which again draw on Census data but tie in with administrative boundaries and are of a more consistent size making comparisons between areas possible. This concept has not, however, been adopted yet.

In Ireland local definitions, because of low population densities cause few problems outside the few major cities and mainly relate to local travel patterns and population centres.

In Germany the Federal Employment Agency uses labour market criteria to define its local structure (which includes over 500 local offices) but again these do not always coincide with administrative boundaries.

### 3.2 Definitions used for local FLEM

The use of logically defined 'local labour markets' presupposes a rational and consistent approach to local FLEM. This is not, however, the case. While national policy in France is encouraging the development of local FLEM in terms of the Employment Zones (see chapter A3) as a means of standardising 'local' labour market activities and information, and the development of the 'New Training Initiative' in the UK (para B2.3 and B4.3) is providing a potential framework for local FLEM, the main applications of FLEM (excluding Ireland) have been either initiated or implemented locally. This has meant in effect, that each scheme has adopted the local labour market definition most appropriate to its own needs and the needs of particular objectives. In some cases these have been tied in with administrative boundaries, in others they have had focal points, while in others little attention has been given to defining the precise coverage of the scheme at all. In some cases the focus is on the residents of an area (who need not necessarily work in that area), in

other cases on employing organisations in the area. These are rarely co-incident.

For the future it is more appropriate to consider different 'local labour markets' or 'catchment areas' in relation to the differing objectives of FLEM. Local labour markets should be defined in relation to the use to which the definition is being put rather than in abstract terms. The greatest need for a standardised definition of a 'local labour market' will be where there is a central requirement to delineate a large area (say national or regional) into smaller component parts. In the case of local FLEM this is only likely to be needed if there is greater, centralised, state involvement and encouragement of local FLEM (see sections 4 and 7 below). In practice, in order for there to be some consistency over data collection and co-ordination with local bodies, existing local administrative boundaries are likely to be most appropriate.

#### 4 The Actors

As has already been noted, much of the impetus for local FLEM has come from the local level with little direct intervention by central government other than through the provision of its services.

The main actors in local FLEM have varied according to the particular local objectives and circumstances.

In France, since the new government, there has been much closer involvement by all the social partners with the main impetus coming from the elected representative, although with the subsequent development involving all the social partners. Some concern has, however, been expressed about the involvement and commitment of those major employing organisations and centralised agencies where management decisions are taken outside the local area in question.

In the UK the MSC (para B2.3) is now providing the focus for youth training and has management boards involving all the social partners, although the level of commitment by each varies. The private sector and employing organisations have, however, taken the major initiatives, so far, in terms of many existing job creation schemes, and other youth training schemes, and have the strongest

representation in local FLEM of the four countries. There is little direct involvement by trades unions or employee representatives.

In Ireland the main instigators and actors have been the government, its agencies and the semi-state bodies with, for example, only limited involvement by the private sector or trades unions. The latter are, however, involved in a limited advisory capacity.

In Germany the Federal Employment Agency has local governing bodies who can provide a focus for local FLEM involving the social partners, but in practice many of the examples of initiatives illustrated show different patterns of involvement by the social partners. In some cases, the key actors have been welfare institutions, educational institutions or groups of unemployed workers introducing self-help schemes.

The success or otherwise of a specific initiative is often seen as critically dependent on the individual(s) or organisation starting it and only thereafter have the social partners been involved in its activities and development. There are, however, many examples of successful schemes that do not involve all the social partners, those being most likely to be absent are the trade unions and employee representatives. A critical concern for the future will be to balance the involvement of the social partners with the need for a consensus and for agreed, practical objectives (see Para 2 above).

## 5 Information Availability and Use

Each country has a considerable data base of potentially useful manpower and related information. However, because of definitional problems, incompatibility of geographical coverage, and the need for localised data, it is not always available and applicable.

The majority of initiatives have made only limited use of the available data, partly because they have believed the scale of the problem to be too large or obvious to require precise analysis, partly through a lack of knowledge and experience as to how to analyse and use such data, and particularly because key items of local data are missing. In some instances the resources needed to collect the appropriate data were also not available.

The range of data that has been available and used has included that on:

Population and projections  
Travel-to-work patterns  
Economic activity, strengths and weaknesses  
Employment structure and projections  
Unemployment and Vacancies  
School, College and university graduates  
Special employment programmes  
Redundancies  
Trade unions  
Education and Training facilities  
Housing, Transport, infrastructure

Most use has been made of the unemployment statistics aided by qualitative interpretation of local circumstances especially local economic strengths and weaknesses, as in the UK (para B5.5, B5.8) and in France (A6.2).

A particular stumbling block has been the inability to collect detailed company data due to lack of willingness by local employers. In the case of France this concern was widened to include those companies and other organisations managed from outside the locality who had little interest in co-operating locally. Experiments are now taking place to develop 'employment observatories' to collect and analyse relevant data (para A2.6).

A particular advantage of a well researched approach to local FLEM is illustrated by two cases in the UK (para B5.5 and B5.8) where the study and data collection activity itself was a means to generating the necessary local commitment by the various social partners.

Little or no attempt has been made at local forecasting although many of the Irish examples incorporate five year plans and projections. An experiment is underway in Germany (para D3.3) to forecast employment patterns five years ahead, but otherwise in France and the UK the key issue has been to collect data about the present scale and magnitude of the problems, although some limited attempts at developing

qualitative forecasts have been tried. The unavailability of practical and useful approaches to local forecasting is seen as a major practical limitation in the future development of local FLEM by each country.

A significant deficiency which could, however, be easily remedied, is non-availability of information for monitoring the effectiveness and success of the schemes. Many schemes rely on very crude estimates of, say, numbers trained, people advised or others on measures such as job promises (rather than actual jobs created). Only a few schemes have comprehensive recording systems, mainly those dealing with training where throughput or enquiry or advice rates can most easily be quantified. This is an area that could usefully be improved as it would help point up the relative success of different approaches to local FLEM.

## 6 Resources

The development of local FLEM has not been critically dependent on the application of substantial new resources (people, money, facilities).

Each of the initiatives identified needed in the first instance an individual or organisation to take the lead and provide a basic input of time and support for meetings and publicity. In some cases this required an employer to release a key employee full or part-time, in others it involved an official widening of his responsibilities. Some schemes simply required limited part time involvement of the key actors through membership of committees or working parties. Thereafter the marshalling of resources was not seen to be a significant problem although some difficulties were experienced in France (para A3). There local government and other institutions have been the key source of funds, (especially in the case of Loire Sud para A6 where the local planning department has helped greatly in data collection), approaches are also being made to central government and institutions for funds. In the UK extensive use has been made of Government money via the MSC (para B2.3), or from the private sector (chapter B5) and considerable use has been made of 'secondees', usually experienced managers loaned from local employing organisations. The MSC has also been the major source of detailed local manpower information. In Ireland the state has provided the limited resources that have been necessary although

there have been major pleas for additional resources, while in Germany many of the schemes described have been 'self-help' activities.

All the schemes saw themselves as having a major role of publicity and channelling information, for example by helping new companies find appropriate advice or money, or individuals find suitable training places. All sought to maximise the use of existing government and other schemes, and sources of advice, money and facilities.

## 7 Conclusions: The Way Ahead

### 7.1 The Need for Local FLEM

There are many successful applications of aspects of local FLEM although none is comprehensive in its objectives. Each has developed out of differing circumstances and needs, often leading to contrasting patterns of operation and effectiveness. There is no uniform pattern either within, or across the member states.

While the current economic and employment problems in member states highlight the need for local FLEM it should not be thought of as being a 'temporary' or 'transitory' activity. The requirement is for an evolutionary policy and programme of activities responsive to the developing needs of local communities. The benefits in terms of reducing mismatches and the use of latent resources need to be maximised.

In considering its further development and encouragement across the Community, there are three factors of major importance:

- the objectives;
- the actors and local commitment (including the role of the state and its agencies); and
- availability of resources;

while of less importance, at present, are

- the precise definitions of 'local' to be applied; and
- the information needs.

## 7.2 Objectives

Local FLEM should not be thought of as an abstract policy, it should be rooted in the needs of local communities. Different localities are likely to have different sets of objectives. As such the precise objectives, be they involved with training, career preparation, job creation, minimising skill shortages, improving working life or other objectives, should be determined by the local communities. Of necessity local FLEM will have to be closely related to local economic and social development. The objectives will need in the first instance to relate to identified problem areas and will have to be agreed by the key local actors if the appropriate commitment is to be gained. They will have to be realistically and clearly defined. In the longer term the objectives and associated activities and structures will need to be flexible and able to respond to changing circumstances. Consideration should also be given as to how local objectives can be linked to planning, both in the enterprise and at regional and national level.

The successful adoption and development of local FLEM requires the active participation and cooperation of many local actors (although not necessarily all) and most of all requires the commitment of a group of key actors in the community, particularly the employers and representatives of 'official' organisations. The state and its agencies cannot alone guarantee the implementation of local FLEM.

## 7.3 The Actors

Local FLEM will draw on many actors and sources of help and information. A critical need for its success will be the co-ordination of the activities in the locality such that they are carried forward in a complementary way, drawing and building on the strength of each. Fragmentation can lead to inefficiencies and in some circumstances duplication of effort or even failure. Informal contacts between organisations on a regular basis need to be encouraged both as a means of improving information provision and understanding, but also in terms of increasing commitment. The development of local consortia of key actors is a key need for the development of local FLEM.



The state and its agencies can contribute significantly by helping establish a suitable framework of advisory or consultative bodies for the development of local FLEM, which can relate to existing structures. They can also 'service' the local consortia in the first instance.

#### 7.4 Resources

The majority of existing schemes have seen themselves as having a key role in identifying and drawing on existing resources (money, grants, facilities, training schemes) either for their own application or simply as a means of helping individuals and organisations identify the best sources of help and advice. The need for a commitment of significant levels of new resources (most obviously money) was not seen as an essential pre-condition for their development. In some localities injections of additional money will be deemed necessary; their allocation by the state or other bodies would, however, need to be a separate 'political' judgement which cannot be considered in isolation from the prevailing circumstances.

#### 7.5 Definitions

Decisions about the appropriate definitions of 'local' cannot be taken in the abstract, they will not simply be a function of population size, or of geographical area or other factors. It may be that guidelines could be developed for application from the centre (see para 7.7 below), but in the end the success of local FLEM means it will have to be focussed on a cohesive community unit, and these may vary considerably in size and pattern, and between areas and regions.

#### 7.6 Information

To date only limited quantitative information has been used in the development of local FLEM, partly because the local actors have relied heavily on their qualitative judgements about local needs, and partly because at the local level reliable, up-to-date information has often been lacking. A particularly intractable problem has been the inability to develop useful forecasts or scenarios for individual localities. Improved information and analyses of local circumstances would, however, put local problems into sharper relief. It has been

shown that this can help convince local actors of the need for participation, can help identify local priorities for action, and also help in the evaluation of the success of different schemes.

In addition, existing and future initiatives should pay more attention to monitoring their activities and success rates (people trained, jobs found, jobs created etc) if the strengths and weaknesses of alternative approaches are to be fairly evaluated.

## 7.7 Recommendations

It is recommended that the Commission and the Social Partners consider the following actions as a means of developing the application of local FLEM throughout the Community:

- (i) Publicise those good examples of local FLEM already in existence (eg in Tregor, Chapter A4, St Helens, para B5.3, Special Programmes Unit, para B5.5 and Fullemploy, para B5.8).
- (ii) Encourage the development of local consortia as a means of applying local FLEM.
- (iii) Provide resources and support for (new) local consortia to develop local FLEM.
- (iv) Consider the development, in conjunction with member states of suitable national frameworks for the co-ordination of local FLEM.
- (v) Improve local information provision by the social partners, and the means for its collection and analysis, linking in with the local consortia.
- (vi) Improve awareness of existing information and resources already available to help the social partners in local FLEM.
- (vii) Consider how local FLEM might be further developed in conjunction with FLEM in the enterprise and with national policies.

- (viii) Encourage and sponsor research into the development of guidelines for analysing local labour markets and related developments, as an input to local FLEM.
- (ix) Encourage and sponsor research to develop useful methodologies for forecasting and evaluating future change as it is likely to affect local labour markets.
- (x) Monitor the continuing development of local FLEM.

Finally, the diversity of schemes and initiatives already in existence has given a valuable 'test bed' for the application of local FLEM. This report has only had as its objectives to describe them in general terms in the case of four countries. Further research could be usefully carried out to evaluate the costs and benefits, successes and failures of a wider range of these schemes in other member states, such that the lessons learned might be disseminated more widely throughout the community, as a means of further encouraging the adoption of local FLEM.

FORWARD-LOOKING EMPLOYMENT MANAGEMENT

IN THE EMPLOYMENT ZONES

THE CASE OF FRANCE

Paulette POMMIER

Délégation for Employment  
Ministry for Employment, Paris  
Translated by Liz Paisley

The case analyses were made as part of a Ministry for Employment study on the Local Committees for Employment, to be published later.

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## 1 Introduction

### 1.1 Background

We will take forward-looking employment management in the employment zones to mean those initiatives for developing the economic potential of an area - which may be variable in size but is generally speaking between a Département and a Commune - which bring together the main partners and active parties in that development. The latter include locally elected members, companies, represented either on their own account or by relevant institutions, workers' representatives, the cultural or social institutions concerned mainly with training.

The first such initiatives seem to have come into being in France after 1970 in the areas affected by the economic crisis. Several have already been the subject of an analysis (see especially 'Forward looking employment management in the community', CEE, General Directorate of Employment, Social Affairs and Education - Brussels, 1982); we have therefore chosen to give account of, and comment on, a few initiatives that have either only recently been set up or have recently taken on a fresh impetus.

### 1.2 Employment Policies and Their Impact at Local Level

The increase in initiatives in forward looking employment management in the employment zones during the last twelve months can be explained by a certain bias in the government's employment policy.

This bias should be seen within the context of the economic crisis that has obtained in France, as in all industrialised nations, for several years. Faced with an expected growth rate which would be insufficient to absorb all the unemployed (at an equivalent level of employment in the companies), the government has tried to respond by means of a worksharing policy which aims to relax the deadlock on growth and employment.

The measures adopted to affect the volume of jobs occupied are essentially: a (programmed) reduction of average and maximum weekly working hours (the reduction to 39 hours a week took effect on 1.1.82)

and the encouragement to companies to effect this reduction by the introduction of contractual agreements with the State called 'Contrats de solidarité - durée du travail' (solidarity contract - working hours). At the same time, companies are called upon to liberate posts held by employees aged 55 years and over in favour of the unemployed.

Previously adopted specific policies aimed, by means of certain aids granted to companies, to improve the employability of young people overall, but this did tend to prejudice other categories. The present Government has altered this and has adopted more selective measures to compensate for particular disadvantages. Young people of 16-18 years who have left the educational system without any career training are offered career-training possibilities by a dense network of centres for reception, information and orientation, usually situated in town halls. Also, as an experiment, about 50 local communities are being given a much broader brief for both career training and social integration of these young people. These are the 'local Centres' financed jointly by the State and the local communities themselves.

Finally, a programme for the long-term unemployed (more than a year) was put into operation in the Autumn of 1982. This programme is based upon increasing career guidance to these young people and setting in motion initiatives for training and improving career-relevant abilities.

In setting up these programmes, the government has relied to a greater extent than previously on the local community, together with the 'social partners' (companies and trade unions) who it has frequently exhorted to enter actively into the battle for employment.

With this in view, a package of bills that would lead to decentralisation has also been proposed in Parliament. The first law, promulgated on 2.3.82 terminates a period of restriction on direct economic intervention by local communities. Geographically defined entities - communes, departments - are now authorised to assist those companies where jobs are threatened, as well as the companies in those sectors defined as priority sectors in the planning documents.

Further, the Region is called upon to set up a body with local



jurisdiction. Decisions will be taken there by a regional assembly democratically elected in an unrestricted vote. The bill to share competence between the State and the various local bodies which was presented to Parliament in October 1982 will give these local bodies competence to decide in matters of career training. They had already been given powers to decide matters of development and planning by the law of 2.3.82. These institutional changes have the effect of making these sections of the community responsible for participating in the battle against unemployment, and together they constitute factors favourable to the setting up of initiatives on employment management in the employment zones.

## 2 Public Institutions with Competence in the Field of Employment and Their Geographical Organisation

### 2.1 Introduction

Three groups of institution deserve special mention because their relations with the local community give them special status as partners with those involved with opting for and implementing forward looking employment management. These institutional bodies are concerned with the following three main areas:

- dealing with those in search of a job (ANPE, ASSEDIC)
- adult career training
- development of the area.

### 2.2 The National Agency for Employment (ANPE)

ANPE, set up by the decree of 13.7.67, is charged with seeking out available jobs, placing workers, and providing information and career advice for workers on the state's behalf.

ANPE is administered by a council of 16 members comprising:

- a President nominated by decree
- 5 representatives of the State
- 5 representatives of the employers
- 5 representatives of the employees.

It is structured at regional, départemental and local levels.

At regional level - 25 regional centres (CRA) of which 22 correspond to the administrative regions, the three others result from the subdivision of the Ile de France.

At departmental level there are 102 centres in the metropolitan and overseas départements. The most highly populated départements (Paris, Nord) have several centres. Consultative committees have been set up alongside the regional and départemental structures.

At local level, there are about 600 local agencies each with about ten employees, several to monitor jobs, and place jobseekers, one with responsibility for relations with companies and one information officer.

The local employment agencies (ALEs) are appointed by the town-hall to register the unemployed; registration is necessary before unemployment benefit can be paid.

In large conurbations there are several ALEs, but for the rest, each covers an area roughly corresponding to an arrondissement (administrative division of a département - each département is divided into 3 or 4 arrondissements).

Although there are no precise criteria for defining the catchment of an ALE (in terms of population, movements of employment etc) it is generally agreed that outside the conurbations an ALE covers approximately the area of an employment zone (see Chapter 3).

### 2.3 UNEDIC and the ASSEDICs

UNEDIC (National Interprofessional Union for Employment in Industry and Commerce) is an organisation with parity of representation set up when the national administration of the employers' federations and workers' unions signed the Convention of 31 December 1958 creating a national scheme for special allocations for unemployed workers of all professions from industry and commerce.

UNEDIC is the federation of the ASSEDICs, which administer the national fund for compensation and insurance at the local level. The law of 16 January 1979, which instituted a new relationship between the State and the contractual system of unemployment insurance, gave to the ASSEDICs sole responsibility for the payment of unemployment benefit. Since then, the State pays out a lump sum into the insurance scheme which up to then was funded only by the employers' (4/5) and employees (1/5) contributions, calculated on a percentage of gross pay.

The ASSEDICs have thus become the agencies with which the person seeking work has the most direct deal.

to maintain a personal contact throughout the relationships they have with workers. Benefit funds are available at each ASSEDIC to deal with individual cases that arise concerning people within the scope of the system. The help given, which is decided by an ad hoc committee with parity of representation, may take the form of gifts, grants or loans on trust. It can also enable training costs to be met.

As things are, all the ASSEDICs have competence to deal with all types of employment. Their siting takes account of the density of the working population: the Paris region has 7, Nord - Pas de Calais has 4, Rhône - Alpes region has 6, Lorraine has 2. There are 46 in total (ie 1 ASSEDIC per 1.3 ALE approximately).

In order to simplify matters for them, it has been decided that unemployed people should be attached to the ASSEDIC (and also the ALE) which is nearest to their place of residence. For this reason, a number of branches (111) have been opened.

#### 2.4 Vocational Training Services

The main public institutions involved in the area of vocational training are the Ministry of Education which has opened the doors of its technical centres for continuing education, the AFPA (an association under the aegis of the Ministry for Employment, from which it receives its accreditation) and the Ministry for Vocational Training, which has access to funds but no centres of its own. Furthermore there are a number of centres which, although they have the status of private organisations (which is anyway the case with AFPA) are to a great extent financially dependent on public resources. In any case, in financial terms, the contribution made by companies to career training is still greater than that of the State, particularly in view of the law on continuing education which in 1971 imposed on all companies employing more than ten people a minimum expenditure of one per cent of the total salary outgoings on training.

With training resources relatively well distributed throughout the country and with a part of the finances originating from private sources, initiatives could have been chosen based on a very localised assessment of needs. More often, however, a sectorial approach to problems has prevailed over a 'localist' one.

The few training initiatives which are known to have been decided at conurbation or employment zone level have generally arisen out of the wider concern of a co-ordinated development policy. The cases analysed below of Lannion and Apt provide recent illustrations of this, but there have been others which were started earlier. For example, Valenciennes (nord), where the companies and trade unions and elected representatives together drew up a charter in 1972-73 for permanent education with attempts to persuade the companies to make use of permanent education provisions for the purpose of filling specific gaps diagnosed in the qualified workforce at employment zone level.

It must be mentioned however that in certain instances of coordinated development, vocational training is being used as a lever. Training coupled with development is intended to make the local community more aware, to arouse a spirit of initiative, which should result in the emergence of micro-projects capable both of creating jobs and making the most of local resources.

## 2.5 Land Development and DATAR

The only institution for regional development, DATAR (Delegation for Land Development and Regional Initiative) has not been able to ignore specific local economic factors and spatial relationships. However, due to the meagreness of its resources - DATAR is not a department properly speaking and has no external services - it has for a long time dealt with delocalisation within the Paris region only. The break in the trend of growth that occurred in the middle of the last decade has called the institution severely to account. Its action now centres around priority cases - localised crises in employment, the devitalisation of certain rural or mountainous areas, and at the same time development of small areas of intense but precarious activity such as those springing up as a result of nuclear installations. With the 'country contacts' policy (which took inspiration from the policy of rural development plans set in train by the Ministry of Agriculture for rural areas) and the policy of industrial development zones, DATAR appears to be the principal instigator of the initiatives in forward looking employment management at the employment zone level.

The steps DATAR has taken particularly in the industrial development

zones and in certain rural areas have encouraged the coordination of planning for equipment. However, these steps have really only got off the ground where there was already solidarity amongst the population which is rarely the case in an industrial development zone.

## 2.6 Definition of Local Areas

While the notion of the local area, the micro-region, and the employment zone, appear regularly in the latest work on development, they have been far from the minds of the government departments whose preoccupation has been to set up bodies to form networks across the entire country: eg ANPE, Ministry of Education. These various networks, each answering certain specifically defined criteria, crossed and criss-crossed each other and in consequence the economic and social information that they have been able to provide at local level is not generally homogenous. This is the problem that it is felt so important that all the initiatives on forward looking employment management should overcome, often right at the beginning; data on the history, population, economy of any one zone must be gathered and produced for that zone. This is the task of the project known as the 'local employment observatory'.

The public authorities have taken various steps to remedy this deficiency. They are embarking on a division of the country into geographically defined employment zones that all the public producers of information (in particular the population census) will have to use. Such operations, piloted by the INSEE (National Institute for Statistical and Economic Studies) and the Ministry of Employment will begin to bear fruit very soon, since certain data concerning the labour market will be published before the end of the year, using these divisions. In order to respect the needs of the elected representatives, they will not be adopted until after consultation with the regional assemblies. More flexible arrangements are also envisaged thanks to the system under local by-laws which opens up the possibility of the information being used for different groupings/areas as required.

Finally, it has been with the decentralised user in mind that the present work of dividing the country into zones has been undertaken.

### 3 Examples of Forward Looking Employment Management in the Employment Zones

The examples presented below were launched or consolidated - some having begun previously - as a result of the Prime Minister's speech of 15.9.81 in which he called upon the employers and unions and elected representatives to join forces within the local committees for employment in order to combat unemployment.

For this reason, there are not many attempts at forward-looking employment management in 1982 on the employment zone scale that do not bear the title of the 'Local Committee for Employment' (CLE), this title designating the body within which the co-operation is acted out. Tripartite co-operation within the committee is also a feature of the examples given here.

Out of the 250 CLEs formally constituted, the four described here are among those which have succeeded in making some progress, after having sorted out the question of defining representation. It must be emphasised and perhaps this explains the diversity observed in the situations of the CLEs that these initiatives have all had the benefit of technical assistance from outside the CLE itself (developer, sous-prefet, urban agency, local body) which has taken on the organisation, secretarial work, preparation of files and organisation of meetings. While the local representatives of economic and social factors concerned with the development of the zone are the principal actors in the operation, this technical assistance is the mainspring behind it. Conscious of this need, several local communities (in particular certain local councils) have undertaken to pay the salary of a local organiser.

Another point these examples have in common is the geographical area they cover. A large number of the CLEs created in 1982 envisaged working strictly within the local community. The blockages and confrontations that have occurred, in particular where trade union representatives and the locally elected members joined forces in 'accusing' the employers within the committee, have led to the local authorities' laying down normative rules for the CLEs. Thus it has been decided that State aid may be sought only by those who would

respect the condition of pluralism on political and union fronts, and would cover an area containing a number of local communities as large as an employment zone. (cf. circular from the Ministry of Work, 27.1.81). The first assessment that can be made demonstrates that this idea alone is not sufficient in the conurbations - political rivalries between town councils in the centre and those on the edges have made co-operation between elected representatives risky - as well as the fact that in rural areas people's places of work and of residence are often too far apart for employment zones to be defined.

Finally, the last common characteristics which explains their success - the various representatives of local economic life on the committee do not meet together to discuss the theme 'companies in difficulty', but rather the development and fuller exploitation of the area. The company theme is not systematically excluded (Lannion's committee even includes a subcommittee with this title and certain committees have the rescue of companies on their agenda) but the attitude adopted is rather a more general attempt to make the most of the whole of the local economy.



#### 4 The Local Committee (CLE) for the TREGOR Area (Côtes due Nord - Bretagne)

##### 4.1 Some General Characteristics

Meetings were held for the first time in November 1981 on the initiative of the Deputy Mayor of Lannion and the Sous-Préfet of Lannion. The CLE of Tregor is concerned with seven cantons, an area which coincides with an arrondissement (Plestin-les-Greves, Lannion, Parros-Guirec, Leserdieux, Treguier, La Roche Derrien).

The population of this area is 80,000. Traditionally an agricultural and tourist area, it has recently acquired spearhead industries as a result of the decentralisation of the Paris region: CNET (Centre National des Études de Telecommunication = National Centre of Telecommunication Studies) and other electronic and telecommunication companies (CMT, CIT, LTT, SAT.)

##### 4.2 Composition and Scope of the Committee

The CLE at Tregor comprises:

- five representatives of local communities (i.e. the Mayor-Assistant of Lannion in his role as chairman of the committee and four advisors)
- six company representatives - from CNET, CIT, ALCCATEL and advisory bodies (Chamber of Commerce. tradesmens Guilds)
- eight trade union representatives (CGT, CFDT, CFTC, FO)

Also participating in the committee's work, are the Sous-Prefecture, the Départemental Board of Work, ANPE, the ASSEDIC, l'Education Nationale.

##### 4.3 Fields of Action

Working Groups have been set up with a meeting cycle which is in practice bi-monthly; they tackle the following subjects: information, development of economic activity in the Tregor zone, career training

and economic sectors in difficulty.

Initiative on Information and Promotion of the Area

Meetings have been organised with both the mayors of the employment zone (about thirty participants) as well as with heads of companies and workers, in order to present the new machinery for encouraging employment (contracts of mutual responsibility, aids to employment etc.) Other initiatives are planned whose aim will be to awaken the elected members to their responsibilities in the field of employment and to make them aware of the committee's work. There have been working meetings, canton by canton, with company bosses together with the local authority and advisory bodies, to promote the engagement of employees and signing of contracts of mutual responsibility.

The same working party is preparing promotional 'information brochures' about Tregor aimed at investors and the economic world. Its objective is to present the opportunities for companies, possible assistance and the advantages of the area. This is being undertaken in liaison with the industrial federations in the area. A pamphlet will be distributed to the employers in Tregor to acquaint them with the measures 'Pour les Jeunes' (For the Young), contracts of mutual responsibility etc. and invite them to make use of them. A list of products and services to be found in Tregor is also in the process of preparation.

Development of economic activities

Research into new industrial activity, new production fronts, is being undertaken in several directions:

- (i) The development of local trade and of the workforce in the service sector in a rural area:

A three-stage approach is adopted:

- a survey of the needs is made with the collaboration of the mayors. The survey of services in the community (business, health, hygiene, education) made in 1979 by INSEE (National Institute of Statistics and Economic

Studies) is completed by an analysis of the needs according to the experience of the elected members.

- an investigation into statistical and other analyses made by the advisory and administrative bodies, in order to better define the level of population necessary for each type of service and to examine the opportunities for starting new businesses and professions.
- the matching of the data thus gathered, area by area.

The financial institutions that specialise in financing the setting-up of those enterprises which it would appear most desirable to promote with a view to increasing and improving the network of services for a rural environment, will also participate in these working parties.

Desirable new enterprises having been thus defined, a search is being made for:

- available premises (perhaps even by using public buildings)
- candidates for setting up such concerns (through the professional press)
- plans for financing the establishment of the enterprises will be made in conjunction with the banks.

(ii) Promotion of local resources - development of the granite industry (there is an important quarrying industry in the region).

A campaign has been launched aimed at the granite producers, in order to reduce the elements of production (rough extraction) that take place outside the region:

- companies will be regrouped for the purpose of commercial promotion.
- a study will be made of the market, particularly concerning the processing of the granite on the spot, taking future markets into account.

A meeting of granite producers has led to the hope that it may be possible to begin work on a constitution for a co-operative whose aim would be promotion of production in Tregor.

- (iii) Local exploitation of techniques and processes developed by the National Centre for Telecommunications Studies. Liaison between CNET and the small and medium-sized local industries is expected to lead to the setting up of projects whose running will be funded by CNET.
- (iv) Analysis of sub-contracting agreements in the electronics companies in the Lannion area; research into the possibilities of doing the work locally by regrouping the agreements.
- (v) Analysis of the structure of seasonal work associated with the tourist industry; research into ways of increasing job stability - either by developing out-of-season activities in the area - or by means of complementary work contracts (summer-winter) between the coastal tourist industry and the winter sports industry.
- (vi) Studies of development possibilities - particularly in the fields of agriculture/food production, aquaculture, construction (with planned housing programmes).
- (vii) Setting up collective services (restaurants serving more than one company) where a need exists.

#### Initiatives in Training

It is a question here of co-ordinating the requirements in terms of qualified jobs and the training initiatives undertaken.

An analysis (with the help of ANPE) of those seeking work shows that a good number of them are young people with a fairly high level of general education (Bac (A Level) plus 2 years), while the electronics companies, which form the greater part of the industrial undertakings in the area, are looking for a workforce with technical qualifications.

This analysis has resulted in the setting up of three types of training:

- a 'stage' (a period of job experience which forms a normal part of most job-training in France) in information processing for those with a G Bac which will make them 'employable' in administrative departments using information processing;
- a 'stage' in information storage on micro-processors; this is set up by the GRETA of Lannion and is aimed at those who hold a BEP or electronic bac. It takes place at the Lannion electronics school: the materials are lent by CNET; the companies in the region guarantee the 'stage' part of the training.
- a nine-month 'stage' at the University Institute of Technology leading to a DUT diploma, with practically a promise of a job on leaving (there are two jobs available for every student leaving the IUT).

#### Economic sectors in difficulty

The committee is mainly orientated towards small and middle-sized companies and craft industries, with its programme for information and forecasting:

- development of management training;
- improvement of information channels so that those responsible can act more rapidly when problems arise; information on organisations like CODEFI and on expertise available within the advisory organisations;
- less immediate but more general and forward-looking intervention in sectors in difficulty (e.g. construction)
- taking charge of priority regrading of graduate employees for economic reasons.

#### 4.4 In Conclusion

Although still rather new to have many actual activities with which to credit its account, the Tregor local committee has taken steps that provide an interesting illustration of forward-looking employment management at employment zone level:

- the area in question is similar to an employment zone;
- any actions are the result of co-operation between representatives from the main economic and social groups involved together with the active interest and participation of the sous-préfet;
- on the basis of an understanding of the environment, they are taking steps to develop jobs, to adapt the supply to the demand for jobs, and to consolidate existing jobs.

## 5 **The Local Committee for Employment at APT (Vaucluse)**

### 5.1 **General Characteristics**

Situated in the Département of Vaucluse (Region Provence-Alpes-Côte d'Azur), this CLE covers the cantons of Apt, Bonnieux (except the commune of Oppède), Sault, Gordes (except Cabrierre d'Avignon). This micro-region which is essentially rural and centres around the town of Apt (pop. 12,000) contains in total a population of almost 27,000.

### 5.2 **Composition and Work of the Committee**

This CLE is composed of three equal parts - eight locally elected members, eight employers and eight union representatives. It was the local members of Apt who took the initiative to set it up in the autumn of 1981. The committee receives support from ANPEP (l'Association pour le Développement de l'Education Permanente = Association for the development of on-going education) which through its educational activities in the area has acquired solid experience of getting things done. The CLE has its headquarters at the Mayor's Chambers, and the Chairman is the Mayor-Assistant of Apt.

### 5.3 **Antecedents of the Committee**

For several years the local communities in the area have taken the initiative in local development projects, both overall and in individual sectors - training, development. This has already been translated into the following existing activities:

- the natural park of the Luberon Region, structured to include several sectors and exploited by various different interests;
- the creation of various co-ordinating and planning structures such as a mixed management association for the communes in Luberon, and two local joint development plans (PLAC) (in the Region Provence-Alpes-Côte-d'Azur the State has not signed any country contract but local joint development plans with similar objectives have been financed by the Region) set up by the Regional Council of Provence-Alpes-Côte d'Azur for two small

areas which themselves constitute a local entity within it.

- the setting up of the ANPEP of Apt which pays two employees and whose role as its title indicates is to promote continuing education starting from local employment problems and projects;
- the launching of a Group for Agricultural Development (GDA);
- the setting up of a 'centre for the reception, information and integration of young people' in response to the government's programmé for young people of 16-18 years (para 2.1).

These institutional initiatives already have to their credit some concrete results, such as:

- a land programme;
- a programme to direct tourism;
- a plan to start up the ceramic industry again, set in motion by the companies together with local administration, at a time when this industry was in danger of disappearing.

#### 5.4 Actions Undertaken

Basing itself upon these achievements, the CLE, which was formally inaugurated at the beginning of 1982, has given itself three objectives:

- to co-ordinate the various approaches and procedures already underway whose common aim is the development of the local economy and employment, particularly emphasising certain important sectors of this micro-region, especially agriculture/food production. This industry, which involves 500 employees and is the determining factor in the primary sector, is in the process of being restructured, beginning with increased integration of cherry production.
- to make known outside, particularly to the national administration, the steps already taken which have not received satisfactory support (especially financially).



- to move towards the setting up of a local planning committee which would present an integrated programme of plans for the various sectors to the Regional authorities, and would thus be eligible to receive the assistance set out in planning law.

The CLE has organised itself into boards benefitting from the structures and work already done:

- a board for job training
- a 'local-development' board regrouping the organisations that support the Natural Park, which is considered to be the motive power behind local development and the two PLACs (local joint development plans)
- an agricultural board which is based on the GDA
- a board dealing with 'companies in difficulty'.

To fulfill its function the committee now needs to have the use of a more solid permanent structure than the ANPEP alone provides, and to use more complete data and information on local developments and difficulties of companies or imbalances on the labour market.

The results of this examination would make it possible at the right time to press forward the necessary steps with the appropriate people at Regional or National level. The development of employment, which is the committee's main line of action, will be complemented by a 'watchdog' function for detecting imbalances.

## 5.5 In Conclusion

Because of its situation in a region whose resources could be exploited further (by developing the agriculture/food production industry, craft etc.) forward-looking employment planning in this case has consisted essentially of promoting jobs by developing along new fronts. Employment forecasting is still only an objective, which needs the region, which is responsible for regional planning, to support those areas of production whose development is being attempted.

## 6 The Local Committee for Employment - Loire-Sud (Saint Etienne/Loire)

### 6.1 General Characteristics

The Saint Etienne employment zone is an industrial micro-region which has developed as a result of its coal reserves but whose industries (textiles, engine construction) are today in decline, and its numerous economic problems have led to the creation of a CLE under the aegis of the Deputy Mayor of St. Chamand. It covers the area within Saint Etienne's sphere of influence.

### 6.2 Composition and Scope of the Committee

This committee comprises about sixty members: elected members, people with positions of responsibility in business, trade union representatives. The political parties have been invited to sit on it under their own flags. The Chairman is the Deputy Mayor of St. Chamand.

Saint Etienne's town-planning committee, which has several paid employees, services the committee. A grant has been paid by the General Council of the Loire to the committee to cover a part of the running expenses.

The CLE has given priority to consideration of the future of the main branches of industrial activity in the employment zone. The reasons for this are the problems encountered by companies and the marked mobilisation of the population through the unions, as well as other activities such as the committees for the unemployed.

This step has received a consensus of the participants - companies and employees, elected members - because working groups which have been set up for the different sectors have brought them together.

Ten boards, whose chairmanships have been shared out among the members of the committee, in particular the company bosses and union representatives, have been set in motion in the different sectors, both those in decline and those capable of development in the region: coal, metalwork, machine-tools, agriculture, construction, textiles,

arms, PME-PMI, tertiary and public sector, development of industrial areas.

The involvement of the town-planning committee is an interesting characteristic of the Loire-Sud CLE, as this organisation possesses great technical resources, with about thirty specialists, including a group for local economic studies. Its widespread information network no doubt at least partly explains the continuity, regularity and type of approach to the problems that is at the heart of this CLE.

The other information examined by the boards is either supplied by the Sous-Préfet, the town-planning committee or by the member themselves who belong to the sectors concerned. On these bases, it has been possible to prepare files for the sectors.

All the same, conscious of the gaps in the present machinery for collecting information, the local committee wants, together with the national administration (Ministry of Work, National Institute of Statistics), to organise an employment 'observatory', which would be somewhere to gather together and keep to hand all the data available on the companies and employment in the employment zone.

A request for finance for this project has been made to the administrative departments concerned. Like every request of this nature concerning a limited geographical area, it has however run against the protected and thus confidential nature of most of the information held by the Ministries on private industries.

This problem would be removed if the heads of the companies would consent to give the 'observatory' the information concerning their firms which would be useful for follow-up studies of the sectors. The solution would therefore be an 'observatory' managed on an equal basis by the social partners.

### 6.3 Direct Actions

As an example, the conclusions reached in a report drawn up by a working party on arms manufacture are summarised below:

'The origins of steel manufacture in Saint Etienne are very ancient.

There was an upsurge in the C16th with the creation of the Royal Factory. A large number of specialised companies developed in the C19th and C20th which led to the creation of a number of dependent industries. The board speaks of change in this sector rather than of crisis, as the demand does not seem to have diminished: 'What the steel industry of Saint Etienne has been lacking is first and foremost unity in the face of imports, a unity that could occur given improved, indeed commonplace industrialisation of production.'

In addition to its analyses of the situation, the Board proposes to revive the industry by creating solidarity among the companies involved, and improving its productivity. It would include:

- the establishment of contracts of mutual responsibility in order to revitalise the workforces in this field;
- an exhibition hall for the New Weaponry at Saint Etienne;
- that the companies of Saint Etienne exhibiting at international fairs should do so under a common banner in order to make the town and its products known;
- the development of a centre for control, testing and research;
- research into the financial backing necessary to maintain the skilled workforce in arms manufacture.

These propositions have been presented to the Ministries concerned and they have been set in motion. Programmes have been worked out similarly for the other sectors of industry, by company chiefs and employees in the industries involved.

#### 6.4 In Conclusion

This committee diverges from the two preceding ones in that it has chosen to concentrate primarily on existing industries, leaving the promotion of new industry to a later date or to other bodies.

Although it is acknowledged that the phase of assessing the situation and making proposals has been very fruitful and gone well, undertaking specific measures on the basis of these proposals would imply that the ministerial departments that decide the plans for aid to industry were in agreement with the CLE. The CLE will only have been effective if its views and those of the State administration converge. After

several months of hard work, relations between the CLE and the State are in the process of being institutionalised. Committee or branch representatives go regularly to put their case in Paris, which is paying this zone particular attention due to its past problems.

## 7 **The Local Committee for Employment for Le Creusot** (Saône and Loire-Bourgogne)

### 7.1 **General Characteristics**

The Creusot employment zone grew up due to the developing of the factories of the Creusot-Loire group, who found the energy resources necessary to their development in this region. Today there are about 21,000 workers (pop. 50,000). The Creusot-Loire group (iron and steel, heavy mechanical equipment, sheet metal) which as recently six years ago employed 12,000 people, now only employs 8,000. Alongside this heavy industry, another sector has developed: clothing. But that also is now losing momentum with a reduction reduction of staff over the last few years which has reached 50 per cent. The earlier growth in the metallurgical group had led to the arrival in the area of a foreign working population. This employment zone is still characterised by a high degree of under-employment of women.

The management of the workforce in the zone (which fully fits the description 'captive' as commonly used) has long been the domain of the principal company - the training of its future employees has taken place within its own educational establishments (centres for apprenticeship and training). The relevant schools in the state system have for this reason remained under-developed and have had to produce children with no likelihood of finding work with Creusot-Loire.

The two principal problems that the elected members who took the initiative to set up the CLE wanted to control are, on the one hand the employment crisis, and on the other the marginalisation of a growing segment of the labour market, the young people with no career training at all.

### 7.2 **Composition and Scope of the Committee**

Those who accepted the invitation from the elected members in the municipality and who are members of the CLE, are the representatives from Creusot-Loire, a representative of PMI who after the committee had been working for some months, initiated the constituting in the area of an association regrouping all the PMEs. (National

confederation of small and middle-sized industries/enterprises).

He now sits on the committee not in a personal capacity but as the authorised representative of the association. Officials in other associations have also been invited to participate.

At its constitution in June 1981, the CLE was very much concerned with the economic objective, but in the spring 1982 when the programme to help untrained young people was launched, it turned itself to dealing with its young-population. The town of Le Creusot proposed itself as a site for a local centre for the reception for these young people, which means that credits from the State and the Regional Council are assured for the organisation of training 'stages', running the centre and paying the organisers.

### 7.3 Direct Actions

#### Information and Motivating the PME's

The PME's felt the need to organise themselves at a local level and have regrouped in a local association (complementary to and not in opposition to their affiliations to professional bodies) which was completely new. About sixty companies are involved. This organisation will work at gathering information on its members' present situation (among others as concerns employment) and needs. Thus the representative of this association of PME and PMI will be able to present the CLE with an analysis of local problems as they are experienced by this type of employer.

The CLE will fulfill an informative function towards small to medium sized companies, in order that they may benefit from 'contracts of solidarity'.

#### Integration 'stages' and reception centre

Since autumn 1981, before the launching of the projects to help 16-18 year olds, local initiatives have been taken in an attempt to shift the grave problems encountered by young people concerning employment and training. The first concrete move has been the establishment of a somewhat experimental 'stage' so-called 'for integration'. There will

be 15 young people, girls and boys, between ages 16 and 21 on this 'stage' at first, which is linked with and will function in tandem with a 'stage' for twelve migrants being run by GRETA FORMAC (Education Ministry). These 27 young people will think and work for several months to complete their career training - inclusive of practical 'stages' in companies - and to give themm an entry into social and working life. Depending on the results of this experiment, it will be followed up and perhaps developed in 1982.

### Economic Action

Faced with a local economic situation which is running down, the local committee does not claim to be able to work miracles. It hopes by means of disseminating information outside the area to attract companies interested by its advantages - express train route since the TGV came into service, and a highly qualified workforce. This promotion is undertaken in collaboration with the Chamber of Commerce and the Committee for Expansion of the Department of Saône and Loire.

But whatever success these steps may have, they will not be able to compensate for the decrease in the number of industrial jobs. The officers of the committee are disturbed that the present organisation of companies in the Creusot-Loire group (eight in number) does not pay special attention to the particular problems at each site in its decisions on investment and the orientation of activities. There is not in fact any local structure provided within the group to manage a retrenchment situation, capable of developing methods for effecting job-conversion.

In the absence of such a local structure which would naturally be in communication with the CLE, economic proposals appear disproportionate in relation to the gravity of the employment problem, or require relationships with central structures whose ponderousness is likely to render them ineffectual.

The presence of members of the group on the CLE might, however, lead to their awareness of their economic responsibility, and result in a specific development policy for the site. If the group did not respond in this way, the CLE would be able to do no more than manage local employment in a very narrow field.



#### 7.4 In Conclusion

This example of forward-looking employment management is without doubt the most difficult of the cases presented here. The disproportion in the size of the various economic factors involved leads one to think that only the Creusot-Loire group could make any real difference to employment in the employment zone. This attitude, however, carries the risk of concentrating co-operation on this objective alone, ignoring the aim of diversification of the economy from the area which is the only real remedy for its present crisis.

## 8 Lessons to be Drawn from these Experiences

### 8.1 Introduction

The various cases presented here reflect the preoccupation of the people with local responsibility - a preoccupation stimulated by the new government setting in motion a vast project of decentralisation and giving priority to the problem of employment - that of better controlling the development of their area and, as far as possible, protecting the equilibrium of the local labour market.

The perspective of time is lacking in which to be able to make a valid judgement of the effect of these different experiences. We will however attempt to draw some inferences regarding the conditions favouring the emergence of attempts at forward-looking employment management at the employment zone level. Then we will ask what the implications might be of applying this to the functioning of our institutions.

### 8.2 Factors Conditioning the Effectiveness of a Programme of Forward-Looking Employment Management

- i) Agreement amongst those involved in local economic development as to the objectives of forward-looking management

The examples quoted all collected together representatives of the social partners: company bosses, employees and public authorities - elected members and/or administrators.

It is a new thing to have such broad structures - up until then in the employment zone committees and the Committees for Expansion, the workers' representatives had a very low-key role, and sometimes the administration occupied a more central position.

Agreement over the determining of objectives (and thus of the direction to give to forward-looking employment management) is a function for the members involved; the greater the structure, the narrower the area of consensus will be, but the more

decisive any action will be.

the area of forward-looking employment management that seems to benefit from broad agreement is training, when that means the adaptation of the demand for work to the offers open (actual or potential).

Another area in which the members of the committee are prepared to commit themselves is that of promoting the employment zones together with the setting up of structures to encourage and attract investors. In this matter, the deterioration of the job situation locally and the continually diminishing rivalry of employers regarding the workforce have modified attitudes in this regard (initiatives taken in the 1970s in a period of good economic growth revealed reservations on the part of certain elements among the bosses towards any activity aimed at attracting new industries to the employment zone. This attitude arose out of their fears of an imbalance that the advent of any new factor on the local labour market could cause, and which by reducing the available workforce risked raising its cost).

Since employees' representatives came into the committees, the follow-up of jobs in the companies has become a new vital element of the work. An attempt to stave off the closures and therefore the organisation of collective forecasting of disasters at the right moment is at the basis of the trade union activity and this has justified the participation of the workers' representatives.

The bosses' reaction to this third objective has been somewhat muted, for the reason that a company whose health is suspect is a company under threat. Quite different reasons, to do with the hegemony of power in the direction of a company are at the basis of this reservation.

In order to preserve the 'management' aspect of local employment alternative formulas respecting 'business secrets' have often had to be found:

- by advertising more widely the public apparatus of aids to

employment in cases of difficulty (ranging from the carrying forward of tax payments or quotas, to direct aid by means of a money contribution); the company having been made aware of these is thus in a position to contact the competent authorities while keeping its difficulties confidential.

by creating a local employment 'observatory' that can be turned into an alarm system which could supply information on the situation of the branches of industry in the area.

- by involving the public authorities more systematically so that at the first worrying signs they could call a meeting of the bosses of the companies concerned.

If forward-looking employment management implies the mobilisation of the participants in common causes, it very soon runs up against the problem of economic and social data, the limits of which we shall now study.

ii) Information and communication of information

In order to take action in the directions indicated, the local responsible people need to be able to call upon machinery for gathering information corresponding to the geographical area with which they are dealing, and which is capable of giving account of:

- developments in the socio-economic system as a whole (aggregated data corresponding to a macro-economic approach;
- developments pertaining to each unit of production (individual data in a micro-economic perspective).

The present situation concerning aggregated data is as follows:

On the intra-regional level, only those sources of information that are representative in their field can be used, as the plans laid down for sample surveys are to meet strictly national needs. These sources

are the general population census and administrative data which, in the area connected with employment, comprise essentially:

- data relevant to the labour market
- the manpower employed in companies subject to certain quotas (ASSEDIC, Social Security)
- the movements of the workforce in and out of companies.

These last two sources, as distinct from the first, have only limited coverage (employees in certain companies, jobs sought and offered through ANPE).

These are central sources used centrally and more often than not their use in a limited geographical context has not been foreseen and is not possible.

The needs expressed by those operating on a geographical scale smaller than a Département could alternatively be met by:

- investigating the possibility of a cuttings service which would be imposed on various producers of information who would supply it regularly;
- the setting up of a 'data bank' for all those geographical areas for which there is potential demand. This last approach which would take into account the diversity of spatial cohesion requires the sequestration of a geographical localisation number for all data registered.

As has already been mentioned, efforts are being made today to improve methods both for the establishment of a scheme for disaggregating data which the various producers of statistics are expected to use, and for the progressive introduction of means of locally based statistics from the different sources, beginning with the data registered by the agency for employment. This latter reform should yield results at the beginning of 1983.

Taking into account the cost of sample surveys or the cost of making fullest use of the detailed lists of the population census, people with local responsibility who do not receive state aid are rarely in a

position to fully appreciate the distortions that are occurring in the pattern of industrial activity in their area and in their system of employment.

Certain researches show that at the level of small areas with a low density of population, this deficiency can be made up, with a risk of error that is acceptable, by interviews with a certain number of observers: staff from the local agency for employment, officials of the unions, social workers etc. Quantitative information gives way to qualitative information.

But in order to be used by the community, it is important that the holder of this qualitative information is in agreement with the user as to its ultimate validity. So it seems that agreement between the partners on the details of forward-looking employment management is an essential condition even for the understanding of factors affecting a limited geographical area.

Access to company data information is in France barred by non-dissemination guarantees (guarantees of confidentiality) which surround all the statistics collected within the national information system. The bending or lifting of this clause concerning certain cases (e.g. the workforce) would provide an opportunity to follow through, company by company, certain characteristic sizes.

The regulations relating to employment control adopted in 1975 and in particular obligations to which companies wishing to lay off or sign on staff must submit, have turned the work and employment departments and the staff representative committees in the company into extremely useful depositaries of information on the movement of labour within the companies.

The local employment study groups are keen to make use of that information not protected by confidentiality (authorised lay-offs, staff engagements which will receive State benefits). It must be emphasised these are limited and too late to be of much use in forward-looking employment.

### 8.3 Limits and Scope of Forward-Looking Employment Management on a Local Scale: Consequences for the Interested Parties on a National Scale

Agreement among the social partners on the direction of any forward-looking employment management at a local level, plus access to precise and up-to-date data, together constitute favourable conditions for launching an experiment. But they need to be complemented by others in order that management proper, capable of altering the course of certain tendencies in the labour market can begin. This is especially true in those employment zones where there are multi-centred decision-makers, eg large companies (or State authorities). This situation is illustrated in the fourth example studied earlier.

The immediate response of the large companies is not to 'cede' to local 'demands' and not to modify their plans for development unless the interests expressed in the overall company plan, and local demands, happen to coincide (whether it be employment or production that is involved).

Only when these demands are taken into account in the companies' production plans can broad definitions be given to forward-looking employment management. But this would assume that the decisions made 'from above' based on more general perspectives and analyses would be replaced by decisions that could be adapted to take account of the workers' proposals (and their savoir-faire). The logic of the marketplace would then give way to that of production. (The demand made by local committees for employment through the CFDT (French Democratic Confederation of Work) coincides with the desire to organise workers so that they can 'exercise their veto against decisions to carve up the market on a world-wide scale by playing about with restructuring').

We must include among the centralised or multi-centred decision-makers those central administrative authorities with a system of decision-making on a national level (eg employment plans, plans for young people, industrial plans) which under-estimate the diversity of the geographical regions and the economic orientation decided locally.

Forward-looking employment management runs up against the centralised practice of these institutions, which narrows down the field of action at a local level. Without questioning the necessity for national plans which give coherence to decentralised initiatives and in particular make it possible to organise the apportionment of the State's financial contributions, forward-looking employment management at a local level calls for negotiation regarding these plans.

As regards decision-makers based within the employment zone, there is no such need for adjustment. They are from the start within the scope of the planning that is undertaken locally, therefore, the establishment of new activities, the support of the workforce, the schemes for the training of jobseekers figure in the list of initiatives undertaken by the organisers in the cases analysed.

#### 8.4 Conclusions

Forward-Looking Employment Management requires articulation between national policies (or national plans, especially industrial plans) and local policies, and this can not occur unless the local bodies receive the official recognition of the public authorities. This recognition, which would be expressed by institutionalising relations between central and local levels, would enable the government to make clear the basis and the macro-economic constraints on national plans, and would make room for opportunities for negotiation over certain parts.

Thus:

- on the one hand the capacity for action and for exploitation of potential which could form the foundation for new wealth, would be safeguarded;
- and on the other hand, the risk of progress being blocked by conflict with the State over new areas of conscious would be avoided.

Only this way will attempts at forward-looking employment management at local level, based upon accord between the parties concerned, become fully effective within a perspective of micro and macro-economic coherence.



FORWARD LOOKING EMPLOYMENT  
MANAGEMENT  
IN  
LOCAL LABOUR MARKETS

UNITED KINGDOM

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Richard Pearson  
Roger Fox  
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© Institute of Manpower Studies

Institute of Manpower Studies, Mantell Building,  
University of Sussex, Falmer, Brighton BN1 9RF  
Telephone Brighton (0273) 686751

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## 1. Introduction

In the UK the Government, its agencies and employers are increasingly identifying the need to adapt their policies and activities to local circumstances and in many cases for labour market policies to be managed and organised at a local level. At the same time the continuing high level of unemployment, particularly as it affects young people, is acting as a major spur to many local communities who are involving themselves in the employment process; as a result a diversity of locally based employment programmes are now emerging. There is, however, no clearly defined, or comprehensive pattern of Forward Looking Employment Management at the level of the local labour market (local FLEM).

There are, nevertheless, many examples of specific aspects of local FLEM in the UK including:

- planning training provision and local employment services;
- developing youth training programmes;
- job and business creation;
- helping redeployment and re-employment after major redundancies;

whilst past years have seen policies and programmes aiming to alleviate local skill shortages.

In some circumstances these programmes are preceded by, or include, a detailed assessment of the local economy and employment prospects, in other cases a less formally structured approach is adopted. The involvement of the social partners varies greatly between the different schemes, although so far there has only been limited involvement by employee representatives. Employers and their representatives are, however, increasingly initiating and involving themselves with training and job creation programmes.

The purpose of this paper is to illustrate the application of those geographical aspects of local FLEM already in existence in the UK. It looks at their objectives, coverage, resources and information used and, where appropriate, their activities and outcomes. In order to

understand the developments that are taking place, and how local FLEM might be developed for the future, this paper first reviews the context within which official employment policy is developed and its role and application at the local level. It also summarises the official and other definitions of 'local labour markets'. The paper concludes by reviewing the current state of local FLEM in the UK and outlines the key issues affecting its future development. The covering report sets out the background to this report and draws comparisons with the development of local FLEM in France, Germany and Ireland.

## 2. Official Institutions

### 2.1 National Institutions

A review of current activities of local FLEM in the UK requires an understanding of the work of the Government and its agencies, and the scope of their activities in the field of employment.

The Department of Employment (DE) is responsible for ensuring that the best possible uses are made of the country's manpower resources. It has overall responsibility for the drafting and implementation of labour legislation. Particular areas of operational concern include: equal opportunities; redundancy payments; payments of unemployment benefit; labour market statistics; work permits; international labour matters; and employment research. Acting as an agency of this Department is the Manpower Services Commission (MSC) which runs the Government employment and training services. The work of the MSC, which is the critical institution in local labour market affairs, is discussed in para 2.3.

Other Government Departments also have an influence on local employment matters. The Department of Industry (DoI) is responsible for Regional Policy whereby firms receive incentives for investment in certain areas of the UK designated as Development Areas. This Department also administers other schemes for payments of grants and for subsidising firms and involves itself with the manpower needs for industrial efficiency. The Department of Education and Science (DES) has overall responsibility for education although the schools and colleges are administered locally by education authorities controlled by local councils, and responsibility for higher education is diffused between independent universities and polytechnics, although with ultimate control in the DES. The Department of the Environment (DoE) is involved through its supervision of the local authorities (see para 4.4). During the past two years the Government, through this Department, has embarked upon an experiment to try and revitalise certain inner city and other areas where urban blight and industrial decay are extremely marked. These have been named 'Enterprise Zones' and are discussed in para 4.6.

In addition to these Government departments there is also a series of national groupings such as the Confederation of British Industry (the employers' national federation) and the Trades Union Congress, who have local representation and involvement with aspects of FLEM at the local level. Their roles are considered, where appropriate, in Chapter 5.

## **2.2 Regional and Local Institutions**

At the regional level there are a series of Development Agencies for the development (ie economically disadvantaged) areas, such as Scotland, Wales, North of England, as well as two for the inner city dockland areas in London and Merseyside. Their role is to regenerate their regional economies and they often have an involvement in aspects of local FLEM. (See para 4.7)

In the UK certain services are provided by local authorities (councils) controlled by locally elected members, although Government legislation defines the range of activities over which local councils can act. The services provided include education, housing, social services, public transport, local roads, town planning and environmental health. The involvement of local councils with employment matters has in the past been essentially peripheral, although decisions of local councils on town planning matters, for example, may have a considerable effect on local employment, as also may the impact of local property taxes (rates) which councils impose. The councils are now, however, becoming increasingly involved in supporting training and job creation activities and the work they engage in, which is of interest to local FLEM, is discussed in para 4.4.

There are many other quasi official bodies involved in FLEM and some of these are considered, as appropriate, in Chapter 5.

## **2.3 The Manpower Services Commission**

### **Organisation**

The MSC (1) is the UK Government organisation for official employment and training services. It was established in 1974 and is separate

from Government but funded by it and accountable to Government Ministers and Parliament. The Commission has members drawn from the social partners; the employers, trade unions, local authorities and education services.

The Commission's objectives are:

- to contribute to efforts to raise employment and reduce unemployment;
- to assist manpower resources to be developed, and contribute to economic well-being;
- to help secure for each worker the opportunities and services he or she needs in order to lead a satisfying working life;
- to improve the quality of decisions affecting manpower;
- to improve the effectiveness and efficiency of the Commission.

It has two main operating divisions covering (i) Employment Services and (ii) Training and Special Programmes, supported by a Manpower Intelligence and Planning Division and a series of Regional Manpower Intelligence Units (RMIUs).

The MSC has a Budget of £1.1 billion and staff of over 20,000. As a national body the MSC has a comprehensive organisation throughout the UK with 15 regions, each with a Director, and a series of local offices. There are 88 District Manpower Committees, local bodies advising the Commission; the work of one of these is described in para 4.2. Its Employment Services are operated through a network of about 1,000 jobcentres and employment offices, with direct training carried out at 69 skillcentres.

The MSC is the most important institution involved in local labour market affairs and is also the official organisation most closely involved with the effects of unemployment. It has sponsored numerous schemes in an endeavour to provide training and opportunities for the unemployed and, in particular, the young unemployed. Many unofficial projects aimed at providing employment and training rely on financial



support from the MSC.

### **Activities**

The MSC's Corporate Plan for the period 1982-1986, provides for it to safeguard the provision of skilled manpower for industry's present and future needs' and 'to move to a position where all young people under the age of 18 have the opportunity either of continuing in full-time education, or of planned work experience combining work-related training and education'. The latter has led to the development of the New Training Initiative.

There are a number of major areas of activity of direct relevance to Forward Looking Employment Management in the context of local labour markets.

The Jobcentres assist in the placement of unemployed workers in job vacancies notified to the MSC by firms. Unemployed workers have in the past been required to register as unemployed if they wish to receive unemployment and social security benefits. During 1981/82 the Jobcentres placed 1,340,000 unemployed workers in jobs. However, employers do not have to advise Jobcentres of vacancies and consequently many vacancies (on average about two out of every three) are filled without the MSC knowledge or involvement.

The Training Services Division provides training mainly to meet the needs of individuals (where there is also likely to be a labour market need) but also carries out a limited amount of training on behalf of employers. It operates directly through its own skillcentres and instructors, and through the payment of grants for vocational training in further education colleges. The majority of skills taught are craft, technician or clerical based.

The New Training Initiative (NTI), a key local and national employment initiative, was launched in 1982 (2) and is in part concerned with the provision of initial training for young people. It is a development of the earlier Youth Opportunities Programme (YOP). Plans are being developed to provide up to half a million school leavers with the opportunity to go on a one year integrated programme of training and work experience. Such schemes will be generated and operated at the

local level and will provide a significant focus to the development of local FLEM (see 5.7 for example). To aid the implementation of the programme with local authority education departments, the MSC is defining its local areas for the NTI to coincide with local authority boundaries (see 4.3).

Other schemes include Community Projects, Training Workshops, short training courses, remedial and preparatory courses, and assessment and employment induction courses. The total number of places on all these schemes or their forerunners numbered in excess of 500,000 at March 1982 at a cost of £401 million per annum. Individuals on an MSC programme are excluded from the unemployment statistics.

### Information

To provide their services, and in particular to meet the problem of the young unemployed, the MSC has developed extensive links at all levels with the social partners; employers, trade unions, educational services and the careers services. Local managers of Jobcentres and the training service monitor and will be aware of the economic circumstances in their area and the requirements of the employers. The detailed information collected will depend on the experience and abilities of the local managers and their staff. The Regional Manpower Intelligence Units (RMIUs) (one in each region) are the focal points for manpower and related information, and they normally have information on:

- population;
- travel to work patterns;
- local employment structure;
- unemployment;
- vacancies;
- skill shortages;
- earnings;
- supply from schools, colleges and training centres.

This regular information is supplemented by the results of special research studies particularly into topics such as skill shortages, employment problems of school leavers, and the impact of redundancies. These may be carried out by MSC staff or commissioned from external

researchers. The RMIUs make their information available to all interested parties and publish occasional bulletins or reviews summarising the key trends in each of their regions (see Appendix 1).

### 3 Definitions of Local Labour Markets

#### 3.1 Introduction

The definitions of 'local' operational areas as used by official agencies are not drawn up on a common basis. Each Government Department has its own regional network, normally dividing the county into between 10 and 15 regions. While they have broadly similar boundaries they are not completely standardised. Below this regional level series of 'local' offices and areas are defined usually on a pragmatic basis drawing on existing structures and focussing on the operational needs of the Department or Agency concerned.

Local government is carried out through a series of Metropolitan District and County Councils based on the major conurbations (population usually one million or more) and a further 59 county councils, while more locally there are about 700 District councils. The geographical coverage of these councils is related to centres of population and change only rarely; the last major review was in 1974.

#### 3.2 Travel to Work Areas

There is one set of 'quantitative' criteria that is available to help determine local labour markets and that is the concept of the Travel to Work Area (TTWA). This is the basic statistical geographical unit for Department of Employment purposes and many of the published statistical sources relate to these areas. They are determined by reference to the decennial Census of Population travel to work data. A TTWA is intended to be self-contained economic area with a threshold of 80 per cent of workers living and working in the area. On this basis it is possible to have both small and large towns defined as single TTWAs; they rarely coincide with any other boundaries made by other Government Departments or agencies. Also, for administrative purposes two towns adjacent to each other may be included in the same TTWA even though each is sufficiently self contained to meet the definitional requirements of being considered as separate TTWAs. The MSC are the main users of this concept in determining their local operational areas. There are 380 TTWAs in the UK.

### 3.3 Functional Regions and Other Definitions

A TTWA is one way of considering a local labour market but there are others, perhaps less uniform but which are nevertheless more realistic for employers and workpeople. To a worker, his/her LLM is determined by the available job opportunities within a reasonable travelling time. This means that individual workers' TTWA's are a function of their skills, availability of jobs, availability and cost of transport and their individual preferences. On average, 80 per cent of the population travel less than 13 kilometres to work, although there are major differences between regions and between rural and urban areas. By contrast, to the employer the LLM is the area from which he will expect to be able to draw his workforce. On this basis LLMs can be perceived as having different spatial limits for different groups. TTWAs take into account this variation by drawing an 80 per cent threshold but in doing so they are necessarily aggregates and there will be many local labour markets, as determined by individuals or employers, that do not coincide with these.

One particular problem of analysing TTWAs is that they vary considerably in population size, and comparative analysis is difficult. Another is that they do not coincide with boundaries of bodies such as the local authorities or tie in with current definition of 'communities'. The development of the concept of 'Functional Regions' could supersede TTWAs as a more meaningful way of analysing LLM activity.

This recent proposal has sought to redefine local labour markets in a manner that would coincide with local authority boundaries and travel to work areas. The concept of 'Functional Regions' (3) has been proposed in particular for analysis of the 1981 Census and has the possibility of wider use and is being considered by the MSC. A functionally integrated region constitutes the hinterlands of major shopping and service centres with most people living and working within the same region's boundaries. Using them, Britain can best be divided into a set of about 115 free standing city regions and 20 metropolitan city regions. By further dividing each of the 20 metropolitan city regions into sub-district functional regions clustered around a district functional region a set of over 200

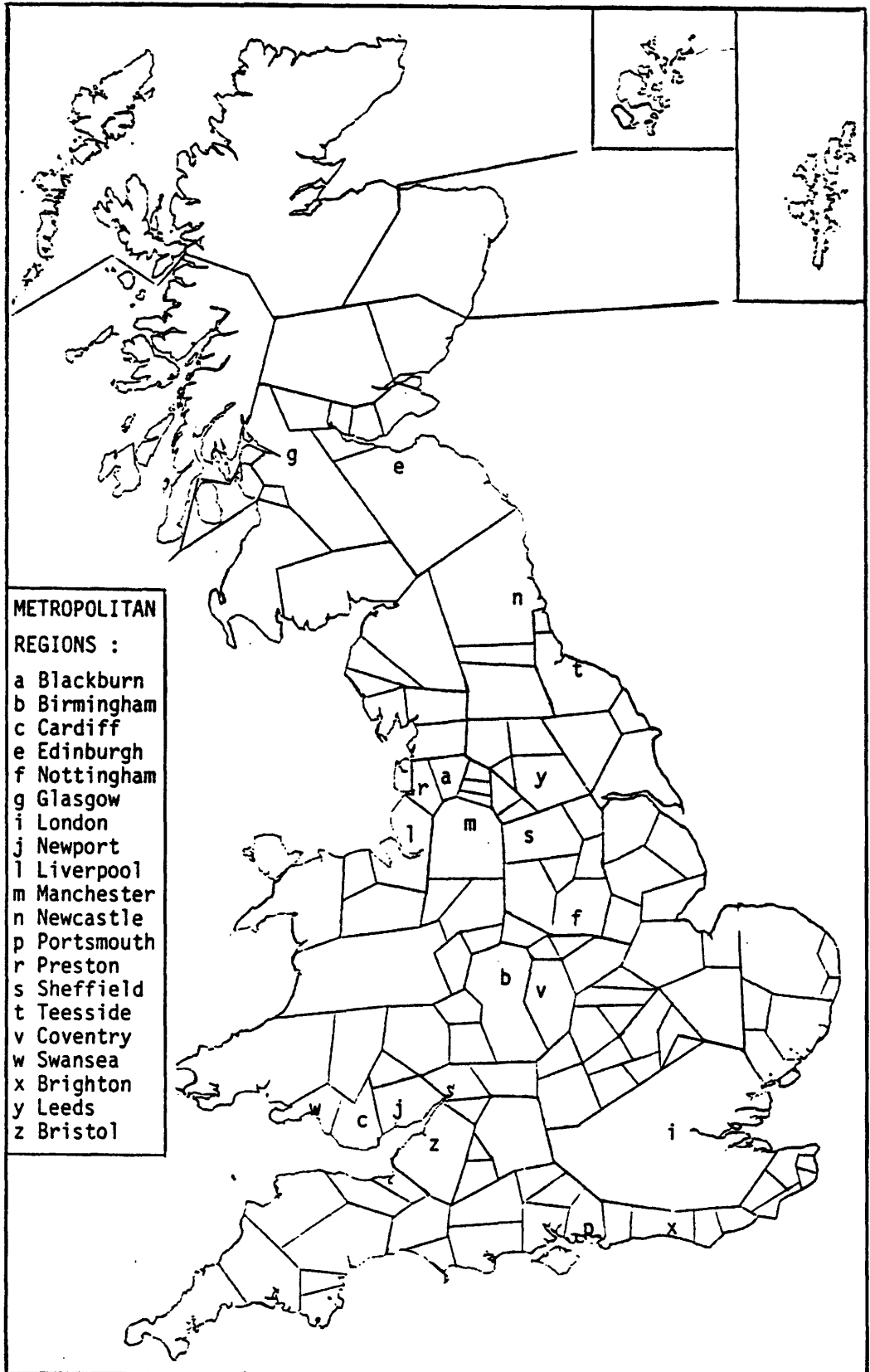
functional regions has been identified. Some functional regions are free standing whilst other possess a more complex metropolitan structure (Figure 3.1).

Each Functional Region is itself made up of a series of separate parts. Each is centred on a Core surrounded by a hinterland Ring from which many of the residents travel to work in the area. Together the Ring and the Core constitute a daily urban system. Some of the larger Functional Regions have an Outer Ring beyond the daily urban system where the journey to work links are less strong.

If the concept of Functional Regions were developed for local labour market analysis and FLEM it could have advantages over TTWAs, as then local labour markets could be analysed on a comparative basis. It would, however, require substantial adjustments to present practice in terms of both statistical analysis and administrative practice.

FIGURE 3.1

Upper Tier Regions



## 4 Some Official Aspects of Local FLEM

### 4.1 Introduction

The previous chapters have detailed the main national institutions that can be involved in local FLEM and considered the general criteria by which they identify and define their local structures. This chapter considers five examples of local 'official' institutions closely involved with local FLEM. These are:

- the District Manpower Committees (of the MSC)
- the proposed Area Manpower Boards (of the MSC)
- a local authority
- an Enterprise Zone
- a Science Park

The next chapter considers a series of local non-official initiatives.

### 4.2 District Manpower Committees

At the local level the MSC has 88 DMC's whose purpose is to advise the MSC in the provision of its local services and to review regularly developments in ongoing programmes and activities. The geographical coverage of the DMC's is related to the MSC's local structure, each region having about 6 DMC's. Each Committee involves the social partners and comprises:

- 5 employers' representatives
- 5 employees' representatives
- 2 local authority representatives
- 2 representatives from professional education
- 1 representative from training
- 1 chairman of the committee for the Employment of Disabled People
- and other co-opted members.

These are all voluntary representatives and they meet up to six times a year and are 'serviced' by local MSC officials. The DMC serves as a link between the local community and the MSC. As an example, the



activities of the Oxford DMC, one of the more active DMCs, are detailed below.

The Oxford DMC covers the whole of the county of Oxfordshire embracing three main towns: Banbury, Abingdon, and Oxford. The area has below average unemployment. The DMC is able to draw on the information from the RMIUs (see Appendix 1). It has also been conducting its own survey of employers to build a more detailed information base. They first set up a sub-committee to look at the data they could readily obtain and then at the new data they would need. Their first requirement was to understand the changing structure of employment in their area so they undertook a survey of local employers to identify their employment levels in 1977 and 1981 in terms of different occupations and travel-to-work areas. They also used the data from the Census of Employment, and the unemployment and vacancy statistics.

They have also been analysing data from the Careers Service about the employment patterns and problems of school leavers and attempting to forecast the future numbers likely to be seeking jobs. One problem they faced was the differing systems of occupational classifications that are used. They have developed close links with the other local agencies including the careers service, local authorities and youth opportunities programme and are now seeking to develop a standardised information framework for use by these different bodies, for example by using common job classification systems. They are also trying to involve the Oxford Chamber of Commerce and employers so that when the NTI commences there are improved communications and the NTI functions better in their area.

In terms of local FLEM their objectives and activities are modest and relate to:

- i) improving the information base
- ii) encouraging participation in giving data
- iii) helping in employment creation
- iv) helping the development of NTI.

It is too soon to evaluate their success.

One concern they have is that any direct involvement with new

industry's growth opportunities (or constraints) or programmes of job preservation would lead them into 'political' areas which they seek to avoid in order to maintain a consensus approach.

#### 4.3 Area Manpower Boards (of MSC)

To meet its future needs, particularly in relation to the NTI, the MSC has decided to establish new Area Manpower Boards (AMBs) to replace the existing DMCs and Special Programmes Area Boards (which assisted in youth employment). The new AMB's will be fewer in number than the DMCs, with 59 in total. Their proposed functions include advising on the planning and delivery of MSC employment training services and programmes in the area, and promoting links between MSC and local bodies whose activities influence manpower. Each AMB would be composed of the social partners, as with the existing DMCs, but with reduced numbers, with three employers and three trade unionists rather than five of each as at DMCs at present. The smaller number of AMBs will mean they cover larger geographical areas than existing DMCs with the population of many being well over 1 million people. The boundaries of the proposed AMBs will, however, coincide with local educational boundaries to make co-operation easier with the careers officers and educational authorities within it. For example, the Oxford DMC will become part of the Berkshire and Oxfordshire AMB - the addition of a county. Each AMB will include a number of local labour markets, however they might be defined.

#### 4.4 Local Authorities

In the UK, local authorities vary considerably in size and character. The functions of all local authorities are closely defined by legislation and there are few areas of discretion. The very large councils - Metropolitan District Councils and County Councils - have substantial budgets, often over £100 million per annum, to fulfill their functions. At local level there are District Councils which are much smaller.

All local authorities have development planning functions and are required by law to draw up plans which indicate the future uses of land within its area. Such plans include information on employment and existing and future land use. Statistics on employment are generally

drawn from existing official statistics which are analysed on a local authority basis. These statistics are not necessarily up to date.

A council which has responsibilities for education will have a Careers Service which is concerned with the placement of young people in jobs on leaving school. These Careers Officers maintain contact with local employers and the MSC and give advice to those young people who request it. The Careers Service can be a crucial source of information and advice about job opportunities and the labour market for school leavers and is directly involved with other development of the NTI.

Many councils have now sought to ameliorate the high levels of unemployment in their areas by instituting MSC schemes and co-operating with the NTI and its forerunners. The range of council participation varies considerably and there are no detailed statistics.

Likewise, many councils have become involved with schemes to attract and support industry and employment in their areas eg by providing sites, premises, money, housing and improvements in infrastructure. This is particularly the case in areas of high unemployment, but not necessarily so. Many London Boroughs, for instance, have appointed Industrial Development Officers to try and offset the loss of employment resulting from industry moving from inner urban areas, and many local authorities in other regions have endeavoured to attract firms as part of a policy of expansion. The net result is that on the surface it appears that councils compete against each other for firms relocating or establishing new branches. An example of the range of activities a local authority might be involved in is given below.

#### 4.5 London Borough of Wandsworth

The London Borough of Wandsworth is one of many local councils who have initiated schemes for business and employment generation in addition to their normal services. Wandsworth is an 'inner city' London borough with a population of about 250,000 which has lost both employment and population in the past decade and consequently suffers from urban decay and acute social problems. The initiatives Wandsworth has started are indicative of the types of activities of many local councils in their local economy. The majority, however, have far less

direct involvement with their local labour markets. Because of the increasing problems experienced in inner city areas throughout Britain during the 1970's - higher unemployment rates and losses of industrial employment are especially marked - the Government, in 1978, gave local councils extra powers under the Inner Urban Areas Act. The Government gives extra financial aid to a local council for the improvement of business premises, improved infrastructure for transport and communications, improvements to the landscape and help to local business in short term difficulty.

The Council have started a number of initiatives covering both business development and training. It first designated an Industrial Improvement Area. This is administered directly by the Council through its Planning Department. Any firm enquiring after business accommodation can immediately be advised of available premises in the appropriate size range required. A register of these premises is kept and monitored by the Council.

In 1980 the Council established in Business Resource Service with the active assistance of the London Enterprise Agency (see para 5.4). This service is designed to encourage business to move to Wandsworth, and has helped new firms to start, and assisted others with advice. Over the last 18 months some 410 firms have been helped with a variety of business problems. It is a small service staffed by people on secondment from large firms through the London Enterprise Agency.

Another response to the difficulties of the local economy was the establishment of Wandsworth Enterprise Development Agency Ltd (WEDA) in early 1980 to encourage common ownership companies and co-operative societies in the Borough. This initiative was taken when the Council was controlled by 'Labour' councillors who believe that other forms of enterprise should be encouraged to replace enterprises that have either moved away or been closed by the impersonal process of the free market system. Although control of the Council has since passed to 'Conservative' councillors WEDA continues to enjoy the support of the local Council. Further encouragement came from Industrial Common Ownership Finance Ltd and the London Chamber of Commerce and Industry.

WEDA is being funded by the Council for five years and is expected to be self-financing thereafter. The funding of the enterprises comes

from the Council and the major national banks. WEDA finds that common ownership enterprises require a certain vigilance in the early start-up period especially in the financial control, marketing and sales, and personnel functions. This monitoring is provided by WEDA although such activity is intensive and time consuming.

WEDA has had a variety of enquiries about business opportunities and can also research such opportunities itself. Those ideas which are not proceeded with on a basis of common ownership are referred to other agencies. In this respect WEDA staff find their own objectives restrictive. On the other hand as WEDA only has a small staff of four full-time members its total capacity is limited. The staff are enthusiastic and energetic. Relations has been established with many London and national organisations to explore various business possibilities. It is close to the Council and responds to local needs.

WEDA's activities are focussed on encouraging new business activity on the basis of common ownership of the enterprise by the workers. It set itself a target of creating 1,000 jobs within five years. This has not proved an easy task; to date only 37 jobs have been created or preserved in five firms with the potential of them creating a further 35 in the future, at a cost of less than £2,000 each. This is, however, an example of low cost job creation. These costs are then expected to be offset by a future stream of rate income from the businesses. A further nine enterprises are in the pipeline with a potential employment of 75/80 people.

In 1980 the Council asked WEDA to carry out a feasibility study for a Training Workshop. This was completed in April 1981 and approved in May 1981. The report envisaged a training workshop supported by the Council and the MSC giving training in a range of skills. With 11 supervisors and 55 trainees per annum at a cost of £130,000 the workshop is now functioning.

#### 4.6 Enterprise Zones

The Government announced early in 1980 the establishment of 11 Enterprise Zones in different locations throughout the UK on a ten year experimental basis. The benefits for firms of locating in an Enterprise Zone are mainly exemption from certain taxes and levies,

particularly local authority property taxes (rates), minimal involvement by Government Agencies, and easier town planning controls. Many of the Enterprise Zones are located in Inner City areas where urban blight and loss of industry and population have resulted in severe problems of both an economic and social nature.

One example of an Enterprise Zone is that at Corby in the Midlands (which is not, however, an inner city location). This is a depressed steel town where steel making was started in the 1930s. The Enterprise Zone covers some 280 acres and as the Corby area is also designated a Development Area (as part of national regional policy) firms moving to the zone also benefit from Development Area status and special grants.

In addition the District Council is seeking to attract firms to the area and, also, BSC (Industry) whose activities are described in more detail in Para 5.7. A number of new firms have already been attracted to the area although none are yet substantial employers of labour. Nevertheless these new firms are diversifying the employment structure from the previous concentration on the steel industry.

The development of Enterprise Zones is controversial with many opponents arguing that they create no additional jobs, merely reallocating them from other (often geographically close) areas. It is, however, too soon to judge the results of these experiments. The evidence so far suggests rising land values and rents within the designated areas thereby reducing their net advantages and the reverse in the neighbouring areas within few additional jobs being created. Further zones are now being designated.

#### 4.7 Birchwood Science Park

The Birchwood Science Park, Warrington (NW England), is a new concept in the UK modelled on the Stanford Industrial Park in California which acts as a focus for the development of high technology companies and hence job creation. Birchwood was established in 1974 by the Warrington and Runcorn Development Corporation. It is in an area of North West England with relatively high unemployment. The Corporation, of which there are a number in the UK, based mainly on New Towns, is sponsored by the Government and has among its responsibilities that of attracting and employment industry to its area. In fulfilling this

function Warrington & Runcon D.C. wanted to maintain a diversified industrial and employment base. Its objective is to create 18,000 new jobs in the area by 1989. Study of the US concept of a science park led to the conclusion that Warrington had many of the locational advantages that a Science Park should have.

The powers of the Development Corporation are important in the context of UK planning regulations and the costs of the development. Once the Corporation obtained outline planning permission further planning controls remain largely in the Development Corporation's own hands as it owns the freehold of the site. The Corporation has its own staff, headed by a General Manager appointed by a management board with only limited involvement of the social partners.

As it wanted to provide an environment to attract high technology companies the Development Corporation took the decision to provide a 70 acre site at Birchwood, which is effectively a rural area, not linked to a specific local labour market. The locational advantages of the Birchwood Science Park include its approximate equidistance, under 30 kilometres, from the major cities of Liverpool and Manchester, 15 minutes drive from an International Airport and closeness to four major technological universities. Furthermore, before the Science Park concept was conceived the Risley Nuclear Centre was already based at Birchwood. This Nuclear Centre is the largest complex of this kind in Europe with approximately 5,000 staff. By developing the adjoining site for the Science Park the Corporation provided the infrastructure of roads, services, drainage, and landscaping. The funding comes from central government and private investors. To date £500,000 has been spent on infrastructure, £20 million on speculative development by the Corporation and £27 million from private investment.

Very little of the financing of the Science Park has been from 'institutional' investors. The mixed uses of some of the buildings has caused valuation and rental growth uncertainties, building densities are lower, and high technology growth companies are reluctant to commit themselves to long leases.

The Corporation has certain controls to maintain the environment of the Science Park. Building standards, site development densities, car parking, and day to day control of the site are in the hands of the

Corporation. The Park is a commercial venture and the costs of the Corporation's management activities are financed by an annual levy on the occupiers. The costs can be seen as high and it is found that new small firms cannot always afford the costs of the Park.

The Corporation, as well as developing and managing the Park has undertaken extensive publicity and marketing companies to attract new industry and investors to its area. In terms of results the growth of the Park has been slow; twenty eight companies have been attracted to it and twenty one of these are in operation on site. Employment in the Park is now approximately 1,500 with further developments expected to expand this figure to 5,000 by 1984. The majority of firms are in the computer, instrumentation, and nuclear fields, 61 per cent of firms are subsidiaries of overseas companies.

It was believed that the concept of the Science Park would encourage links between the local universities and polytechnics, and the companies attracted to Birchwood. However, whilst the presence of these institutions may assist in attracting companies who wish to recruit high calibre staff, there is as yet no evidence of collaboration or interchange of ideas or research facilities that could occur. On the other hand, business links between large and small firms have been forged.

There are a number of similar developments already existing or planned in the UK but given the specialist needs of such Parks they are only likely to be replicated in certain types of environments, most notably those with high amenity standards and proximity to centres of advanced learning and research. They do, however, provide an environment which allows the opportunity to maximise the potential job creation of new technological developments. Each of the Science Parks so far developed or proposed has a different management structure and degree of involvement by the social partners, the key actors are normally local authorities, academic institutions and financial investors. Rarely is there any employee representative or Trade Union involvement. In conclusion while not likely to be a common feature of local FLEM, a Science Park does provide an opportunity for the managed development of certain localities and employment generation.



#### 4.8 Conclusions on 'Official' Initiatives

There are a number of official institutions actively involved with local labour market activities and policies but there are no examples of official comprehensive Forward Looking Employment Management policies or programmes in existence. The nearest approach to a co-ordinated local policy and programme which involves all the social partners is the work of the District Manpower Committees (para 4.2) although they only have very limited objectives. Certain local authorities (para 4.5) are also very active and again only have limited involvement of the social partners. The concept of local FLEM is unlikely to emerge from existing local official structures unless there is much greater government interest in, and involvement with economic planning generally. The official institutions can, however, contribute positively to local FLEM, both by providing a focal point for the involvement of the social partners (the New Training Initiative could provide a suitable catalyst), and in the provision of information, and resources.

In practical terms the development of local FLEM is more likely to evolve in relation to specific, locally identified needs. Some examples of such local activities are given in Chapter 5 while Chapter 6 draws together the conclusions from the existing experiences and the issues affecting the development of local FLEM in the future.

## 5 Locally Initiated Aspects of FLEM

### 5.1 Introduction

Over the past five years, as unemployment has risen, a range of new, often locally based, initiatives have been started which attempt to alleviate the problems of unemployment in a variety of ways. These activities have often been inspired from different philosophies and social attitudes. On the one hand some seek to encourage the entrepreneurial spirit and are based on the regeneration of capitalist enterprise, and at the other extreme aim to encourage co-operatives and community-based enterprises. In between these extremes of philosophical approach there have been examples of employer 'paternalism' and those with a broader social objective in seeking to help a growing and difficult problem. Many are well rooted in local communities with broad community support and well placed to make a contribution to the problem they seek to solve.

Most have resulted from action by an existing organisation, often a large company, group of companies. Further development may lead to independence or the new initiative may remain closely affiliated to its originator. A salient feature of local schemes is the importance of the people involved. The energy, imagination and experience of the leaders of the group appears to make a significant difference to the degree of impact the schemes make and their pace of development. Often an individual acts as a catalyst to get an idea started. Sometimes it is not possible to identify that person afterwards because others have further developed the original idea.

The reasons for the continuing expansion of these local schemes stem from the range of broader and more complex problems affecting the UK economy. The rate at which employment is generated and firms grow will always vary and may not coincide to meet the changes in labour supply. Further complications arising from education and training needs of employers and the problems posed by technological change compound the difficulties of forward looking employment management. These case studies highlight some local attempts to solve local problems; they are, however, largely reactive being 'problem' centred, few attempt to focus on longer term issues.

## 5.2 The Case Studies

Seven schemes have been chosen to illustrate the range of activities being generated, their differing objectives, scope and approaches. As noted earlier there are no comprehensive applications of local FLEM in the UK. There are, however, believed to be over 100 examples of local programmes dealing with one or more aspects of FLEM, the majority concentrating on youth training (often in conjunction with the MSC, para 2.3) or with business and job creation. The initiative for these activities have often come from local employers and only on rare occasions have all the social partners been involved. The trade union representatives have been the group least likely to be involved. The case studies presented below cover examples of aspects of local FLEM in relation to:

- encouraging job creation through small firms (St Helens)
- encouraging business creation and development in the inner cities (L Ent A)
- training programmes for young people (Special Programmes Unit)
- training programmes and job creation for young people (SWIM)
- job replacement following major redundancies (BSC Industry)
- training for disadvantaged young people (Fullemploy)

Each highlights the objectives, the organisations and individuals involved (the actors), the activities undertaken and the progress made. Finally Chapter 6 draws together the lessons of these and the related 'official' developments sets out the issues affecting the future development of local FLEM in the UK.

## 5.3 Community of St Helens Trust

The St Helens Trust is an important innovation because it has served as a model for approximately 60 other Trusts which have been founded subsequently in other parts of the UK. Its basic objective is 'to marshal the resources of the community to create an environment favourable to the growth of business enterprise'. It sees the expansion of employment through the encouragement of business enterprise. The Trust concentrates on the creation of small businesses

as a key ingredient in the job generation process. It offers existing and prospective enterprises a focus for advice and information.

The St Helens Trust is located in the Merseyside town of St Helens in the North West of England, which has a population of 104,000. The firm of Pilkington Brothers Ltd, glass manufacturers, is the town's dominant employer. The town is a distinct community in a part of the UK with strong local loyalties but depressed economically with high levels of unemployment. The Trust focusses its attention on the St Helens area as defined by the local authority boundary. This is partly determined by convenience and partly by the need to link in with local authority services. They do not, however, exclude approaches from people outside the area.

The Trust was started in 1978 by Pilkingtons to attract and develop new business activity in the area as the demand for labour from the company was expected to decline with the introduction of new technology with the prospects of continuing higher levels of unemployment. Initially the Trust was funded by Pilkington who also provided the Trust with premises. It now has a Director whose salary is paid by the MSC and staff who are seconded from other companies including two from major banks. The Trust has a Board of Governors with 13 members drawn from the social partners in the local community and includes 7 industrialists, 2 trade unionists, and 4 from the local council.

The Trust only assists financially in a limited way. However, the seconded bank staff are able to give specialist advice and the Trust channels grants from the Merseyside County Council which has established County Help for Active Small Enterprises (CHASE). The Trust has channelled £440,000 from this source. This is an example of the growth of co-operation between different organisations and agencies active in sustaining local economies.

The need for other specialist organisations is exemplified by the establishment in St Helens of Rainford Venture Capital Ltd. This is independent of the Trust, but it was founded by the Trust and commercial companies. The company is based on a USA model and is an extremely interesting innovation for the area. It acts as a commercial, profit-making venture so clients of the Trust have a

source of funds if their scheme is commercially viable. Where finance is provided an equity stake is taken but less than 50 per cent of the total is to be considered necessary to keep the entrepreneurial spirit alive.

A further local initiative is Industrial Experience Projects (INDEX) which was established in September 1981 again with the support of Pilkingtons. This scheme is intended to provide a longer training programme for school leavers between the ages of 16 and 18 as an extension of the MSC Youth Opportunities Scheme. Over 50 local businesses have been asked to help and currently over 50 trainees are assisted by the scheme.

The Trust has established good relationships with the local agencies of national Government organisations; both the MSC who assist with funding and the Department of Industry are closely involved.

The St. Helen Trust has received attention in the local and national press so that its activities are known locally and thus it can attract clients. Its contacts with official agencies provides such information as it requires. It relies largely on 'local knowledge' rather than hard statistics for its information inputs and has not for example carried out a local labour market study.

By February 1982 over 1,100 clients had sought the Trust's advice and 118 had started a business. In addition 100 clients had expanded existing businesses and 90 clients may still develop as new businesses. It judges the overall results of its efforts by examining the trends of local unemployment. During 1980 and 1981 there were 7,493 redundancies in the town but registered unemployment only increased by 5,424. Since recruitment by other employers was known to be negligible it is assumed that a significant proportion of the short fall of 2,069 on the unemployment register has been accounted for, in part, through business creation fostered by the Trust, although it has not been possible to quantify the actual success rate. The key measure of its success, however, is seen to be the high level of local commitment to reducing the level of unemployment.

In conclusion this Trust is seen as a major innovator in terms of developing community support to alleviate local unemployment problems.

The perceived scale of the problem, and its likely duration, has meant that detailed analyses of the situation were thought to be unnecessary. The personality of the current Director of the Trust is seen to be a key factor in its local success, together with a deliberate policy of involving only top management or civic leaders in order to ensure appropriate institutional support. Only limited attention has, as yet, been given to evaluating in detail the results of the Trust's work nor to ways in which its objectives may be further developed in the future.

#### 5.4 London Enterprise Agency (LEnt A)

The formation of LEntA in 1979 brought the resources of 11 major UK companies to focus on the generation of small business activities in London and particularly in the inner area. It was established as a trade section of the London Chamber of Commerce and Industry and is a private sector contribution to inner city renewal. Its activities have expanded as needs have been identified in the small business sector. The objectives now embrace:

- i) training for potential entrepreneurs who want to start a business;
- ii) counselling for small firms to overcome problems and expand;
- iii) small firm promotions;
- iv) a 'marriage bureau' to bring firms, investors, managers and partners together; and
- v) provision of premises.

A particular advantage of LEntA is the variety of contacts it is able to call upon. Most of its staff are secondees from the large firms who sponsored LEntA and their training, experience and capacities, bring to small businesses a range of expertise they otherwise would not be able to call upon. The staffing level is 14, with a further seven secondees are in small business projects in the London Boroughs such as the Wandsworth Business Resource Centre (para 4.5).

With so many of the staff seconded, the funding of LEntA falls largely on their sponsoring firms. The finance for projects comes from a variety of sources and finance for business ventures from private sector sources. LEntA undertakes public relations exercises to publicise its work to stimulate interest in small business and employment generation.

LEntA is a larger initiative when compared to many others. It has the resources of large firms and covers a large geographical area potentially covering several million people. Essentially many labour markets are involved but because its activities are widespread, and also thinly spread over the Inner London area, problems associated with specific labour markets do not directly influence their work. Little use is made of labour market information as the scale of the problem is perceived to be so great that a more general approach is deemed best.

The agency has a broad range of activities. Counselling of small firms is extensive. Since April 1979 over 650 cases have been dealt with in depth and another 500 have been given assistance. Innovation was involved in 115 of these cases. Training courses for business start-ups is extensive and over 2,500 people have attended conferences on starting a business and 150 have attended the intensive courses. LEntA estimate that they have been involved with 200 start-ups so far. The 'marriage bureau' deals with approximately 150 enquiries of different sorts each month.

LEntA perceived a lack of available premises suitable for small firms in central London and this has drawn them into projects for improving the supply of premises. A subsidiary enterprise has been funded by four of the firms that back LEntA to undertake urban renewal projects. Other projects for the provision of small firms' workshops are also underway.

The original founders of LEntA have decided to back it for a further three years - 1982-85 - as they consider that the initiative has been justified and worthwhile. Apart from a monitoring of enquiries, advice and training given it has not been deemed possible to evaluate the scale of new jobs created.

In conclusion the Agency has been developed in response to labour market problems, however, as with the St. Helens Trust (para. 5.3) it has focussed its activities towards business creation in a broad sense without focussing exclusively on particular highly local areas, or groups of people. It is an example of the business community identifying a problem and then seeking to provide some of the solutions without the direct involvement of the other social partners. It is not intended to be comprehensive in its approach but is seen to complement other local activities and initiatives. (see para. 4.5 for example).

## 5.5 Special Programmes Unit of CBI

### **The Unit**

In 1980 the major UK employers' organisation, the Confederation of British Industry (CBI), established a Special Programmes Unit (SPU) the main objective of which was to help reduce youth unemployment and to provide training opportunities. The concern of the MSC in this area and the need for extra places for YOP trainees was uppermost in people's minds at this time. The SPU is staffed by personnel seconded from member companies, at present over 30 in total, and funded by donations from major companies. The Unit's first activity was to carry out four town 'studies' in an attempt to identify closely the problems at local level. The towns were chosen to represent the spectrum of the employment situation and were in Neath (South Wales), London Borough of Southwark, Redditch (the Midlands) and Preston (North East).

The objectives of the studies were to assess:

- the scale of unemployment currently, and over the next 3-5 years;
- the resources and opportunities of local employers;
- the best means of mobilising a total community response; and
- options and priorities for action.

The studies were conducted by a firm of consultants, together with seconded staff, and financed by outside organisations.



### **The Neath Study**

The study in Neath was intended to provide an understanding of the scale and future pattern of the local problems over the next five years. The study drew heavily on existing published data (see Appendix 1), and a structured questionnaire survey of local employers covering company and employment structure, current and future business prospects, training requirements and experiences of special (MSC) employment and training schemes. A wide cross section of employers were interviewed including major industrial employers, public services, retailers and smaller businesses. Some forty-eight organisations were involved in, or contacted during the study, including representatives of all the social partners. Reports and studies from over 20 organisations were used to provide material. The area covered was the local authority area (the Borough of Neath) which had a population of about 67,000, and a local unemployment rate, in mid 1981, of 14.8 per cent.

The findings of the study were summarised in a report which as well as describing employment in the local area also considered likely trends in unemployment; the potential for attracting new manufacturing investment to the area; the economic advantages and disadvantages of the area; local industrial relations; prospects for tourism; and finally prospects for new jobs in the area. The report recommended that the 'Neath Development Partnership' be created with responsibilities to include:

- establishing a communication network within the area to understand and co-ordinate the resources available;
- preparing strategies for job attraction, job regeneration and tourism;
- translating these strategies into firm action programmes and monitoring the activities;
- generally lubricating the programmes by arranging or expediting funding, commissioning studies, minimising red tape etc;

- providing a clearing-house for problems arising from current employers in order to protect the existing jobs in the area;
- identifying and attempting to supply the needs of new employers;
- promoting the Neath area in a positive and original manner.

The funding of the partnership was to initially come from the company sponsoring the initial study.

The final detail of the programmes were to be left to the Partnership but the following activities under three main headings were envisaged:

i) Job - Attraction

- Prepare a list of resources and deficiencies.
- Decide job - attraction policies.
- Prepare a Neath marketing plan.
- Produce promotional material.
- Agree lobbying/advertising programme.
- Set down employer reception procedures.
- Train the appropriate people in these procedures.

ii) Tourism

- Establish relationship with Borough Sub-Committee.
- Contact all other interested parties.
- Commission Tourism study.
- Prepare Tourism action plan.
- Implement and monitor.

iii) Job - Regeneration

- Agree job - regeneration policy.
- Carry out workshops feasibility study.
- Arrange Partnership/BSC (Industry) liaison.
- Agree funding.
- Set up Workshops.

This was not meant to be an exhaustive list of activities but rather

to provide opening agenda for the Partnership which was to include senior executives representing industry and Neath Borough Council together with other influential people who could provide authoritative and expert help.

### **The Unit's Activities**

The Summary Report of the four studies concluded that (i) there should be separate local organisations led by employers involving all the local organisations to take responsibility for training for school leavers and (ii) scope exists for a more positive, co-ordinated and committed way to bring the goodwill of local employers to bear on the problem. Another conclusion of the case studies was that a catalyst is required to set things moving. The examples of the St Helens Trust (para 5.3), SWIM (para 5.6), and Fullemploy (para 5.8) bear this out. The lack of such a catalyst in one of the towns studied, Preston, and changes in political control of the local council have led to delays in the implementation of the report's recommendations. The council subsequently started a separate initiative which culminated in the Council setting up an enterprise agency 'Lancashire Enterprises Ltd' for the area.

For its future activities the Unit has amended its approach and its first objective is now to mobilise local opinion through a start up meeting of key local 'actors' drawn from the major local businesses, the local council and agencies. This will then provide the focus for the local initiatives. In the first instance these will be directed to identifying training places for young people under the MSC's NTI and in opportunities for work or job creation. Each local initiative will be resourced by secondees from the local firms with some initial guidance and support from the Unit itself. About ten such initiatives are now underway but it is too soon to attempt to evaluate or quantify its success in these initiatives.

The approach to date has highlighted the need for:

- local commitment by the major actors;
- study and agreement on the problems of the area;
- limited practical objectives;
- basic funding and staff.

Such an approach could in the long term provide a basis for the development of local FLEM but such a development would take many years and as the objectives became broadened could lead to a lessening of the commitment by the key actors. (See para 5.6)

#### 5.6 Swale Work Initiation Measure (SWIM)

The employers in an area of North Kent, SE England, established a local organisation in 1979 for meetings, exchange of ideas and sharing problems, its main objectives were to 'collectively to overcome longer term obstacles to wealth creation in the area.' This organisation was named VOICE (Voice of the Industrial Company Employers of Swale). Swale is the district comprising the towns of Faversham, Sittingbourne, and Sheerness with a total population of 100,000. They comprise three fairly distinct, but geographically close, local labour markets. It has a wide spread of industrial activity with some 200 industrial companies, mainly small firms. VOICE held a number of meetings and identified two main areas of concern, first, the lack of employment opportunities and secondly, a disenchantment of employers with school leavers. Seminars and workshops were held involving other organisations including local employers, MSC, the local authority, Careers Service, and Industrial Training Boards. Out of these meetings and conferences arose an initiative to do something to alleviate the growing unemployment among the young - Swale Work Initiation Measure (SWIM) Ltd.

SWIM, therefore, was founded as the result of local community concern, mainly on the part of employers, and although nearly all the social partners are now involved, it is primarily the local employers who lead it. SWIM's initial objective was to provide unemployed young people in the locality with a year's programme of work and practical training designed to extend their skills and interest and improve their employment prospects. At the time of SWIM's foundation, early 1981, 300 young people from Swale were provided with training and work experience by the Kent County Council Youth Project but it was believed that the local community should make efforts to provide for the increased need for places. SWIM's aim, therefore, was to help with the expansion of existing schemes and create new schemes to bring the provision up to 1,000 places. Another objective was to create

employment for 75 adults and a training workshop that would provide an environment for new small business ventures which, if successful, could become independent.

SWIM has a Board constituted to represent the social partners and local community interest, local employers, the local authority, MSC, the Careers Service, Parish Councils etc. It meets regularly and has a full time Chief Executive. In March 1982 it employed 30 staff, 19 running the Youth Opportunities Schemes, 9 employed full time in SWIM businesses and 2 development officers. The MSC is now the prime source of funds (90%) although the local authority was an important initial source. Local employers have also provided funds and equipment. There are small funds for establishing and supporting new small businesses. Once self-sufficient, these businesses will become subsidiary companies and their profits used for further job creation projects.

In terms of its activities SWIM has rapidly sought to meet its targets for training young people. Within a year it had created over 100 training places for unemployed young people and 30 adult jobs. During 1982 it has targeted the provision of 330 training places and increasing its staff to 65 so as to provide for the 1982 school leavers. In the longer term SWIM plans training in carpentry, furniture, upholstery, gardening, forestry, landscaping, building, decorating, printing, engineering, vehicles, textiles, drawing office and computers, all skills believed to be relevant to the area.

The speed with which SWIM has acted has produced some problem areas. The local trade unions are unhappy that SWIM's activities 'will not lead to permanent jobs', and the Careers Service feels that SWIM should not manipulate all training opportunities in the area. There do not appear to be any links with the Further Education Colleges.

SWIM personnel feel that so far the low level of permanent job creation is a disappointment because of the lack of business start-ups. The problem is said to be lack of start-up capital rather than new ideas although many other schemes (see Paras. 5.3, 5.4) have not found this a problem.

In conclusion SWIM can be seen as a community based activity achieving some of its limited objectives. It does not involve all the social

partners, nor does it operate with a complete consensus. It has recognised the need to put training in a wider employment context, including job creation, and its objectives are being gradually expanded. In terms of local FLEM it is still far from comprehensive although could provide a vehicle for future development.

## 5.7 BSC Industry

BSC Industry is a national organisation, a wholly owned subsidiary of the British Steel Corporation, the nationalised steel industry of the UK. BSC Industry was established in 1975. Its objectives are to help regenerate employment in areas of major plant closures and redundancies. It is active in twelve operational areas located in South Wales, Northern England and the West of Scotland. It is a substantial organisation with a budget of £10 million in 1982 seeking to help business and industry to start-up, relocate or expand in these areas.

The nature of BSC Industry, as a subsidiary of a major nationalised industry, enables it to call upon substantial co-operation and assistance from other Government bodies. Many of the closures are in Development Areas and there is Government financial assistance available to new firms under the established Regional Policy. BSC Industry then provides sites and premises, new buildings in appropriate sizes and help for firms locating in its operational areas.

Nationally it activities include major advertising and publicity campaigns and assistance for new and expanding businesses. Before granting assistance it establishes the viability of the applicant's project to ensure that it gets the support and services it needs and also to ensure that sites and premises are for bona fide applicants. It provides a business consultancy service to help do this. In the three years to March 1981 BSC Industry had over 5,000 enquiries and over 500 enterprises were established in their areas. Many of these were relocations from elsewhere but there were also many new businesses. For more detailed information about its activities it is appropriate to focus at the local level.

An example of the work of BSC Industry in one locality is provided by

examining their operations at Consett, County Durham, in North West England. In the late 1970s BSC employed 5,000 people at this works but employment began to be reduced in 1979 with the complete closure of the works in 1980. At this time the MSC (para 2.3) set up a local unit to inform local workers about alternative job and training opportunities although few existed locally. As soon as the first redundancies were announced BSC Industry began by forming a 'Derwentside Strategy Committee' (Consett being a town in Derwentside) of the key local actors which included the senior personnel of local official organisations eg the Regional Directors of the Department of Industry and the Department of the Environment, the Chief Planning Officer of Durham County Council, the Chief Executive of the Derwentside District Council and also the head of English Industrial Estates, a government property agency. The objective of this strategy committee was to develop policies aimed at industrial regeneration and to act as a sounding board with central government, especially in developments in the infrastructure and in relation to new factories.

Reporting to the Strategy Committee is a task force of representatives of the bodies on the Strategy Committee but at a lower level. This task force includes BSC Industry staff, some of whom are seconded from other organisations. This task force handles all enquiries and will call in the MSC whenever necessary.

A total of £24 million was available, £10 million of which came from the Department of Industry for landscaping and clearing the site, and £14 million for English Industrial Estates to develop an 80 acre industrial site, for roads, services and factory units. The availability of funds for new businesses is either from the banks, Department of Industry grants, BSC Industry, local councils who can make small contributions, and European sources, eg ECSC loans. The task force is able to provide advice and contacts for these sources.

The geographical coverage for the committee was chosen to align with the Derwentside District Council area so that activities could fit in with existing local authority boundaries, although in practice most of the activity centres on Consett the main town, with a population of 65,000 people, in a largely rural area.

The Derwentside District Council area, of which Consett is a part, now

has 8,000 unemployed, which is an unemployment rate of over 25 per cent. Consequently, the general strategy is to attract any type of investment, not just that which might be suitable for ex-steel workers, to reduce the chronically high unemployment level.

Because of the large number of unemployed the local Strategy Committee and its task force have not felt the need for local studies to identify the scale of the problem, nor have they closely involved the MSC or engaged in training schemes. As well as operating with the national marketing strategy and activities locally publicity material is prepared relating to Consett. Many people with a wide variety of skills are readily available and they believe their urgent task is to attract firms to their areas as quickly as possible, without focussing on particular groups. There has, however, been an interesting experience relevant to this point. Several clothing firms moved to the area but the skilled machinists they required were not readily available. There were then skill shortages co-existing with high levels of unemployment and one company sought a grant from the Clothing Industry Training Board for training its own staff. More attention is now being given to the types of skills available locally when considering new investors although these judgements are made on a qualitative basis.

BSC Industry have also invested £120,000 at Consett in nursery workshop premises for 25 workshops for new businesses and in short-term training arrangements for local residents who want to set up in business on their own. These are a feature of every BSC Industry area and although small in terms of employment they have become a successful innovation.

By the Spring of 1982 the results of the Committee showed that approximately 1,000 new jobs had been created with another 1,500 hoped for from new firms over the period to 1984. Some 88 companies had been helped at end of 1981 with some £1.5 million channelled through BSC Industry to them.

In conclusion the nature of the problem faced by BSC Industry is such that its considerable efforts only give it the impression of scratching the surface of the problem of major redundancies, yet its achievements are significant. The involvement of the social partners



is limited, as in many other initiatives, the objective being to obtain the direct involvement only of those groups thought able to contribute directly to problem solving. The involvement of other groups, including the trade unions is on a more limited consultative basis. Because Consett is in effect a one company town and a relatively self contained local labour market the strategy committee believe they can take a fairly comprehensive view of local needs and thus their objectives are seen to be more wide ranging than those of some of the other local schemes considered earlier. In the longer term, 1984, it is intended that BSC Industry be wound up and its activities in each area being taken over by newly created local enterprise trusts.

## 5.8 Fullemploy

Project Fullemploy was established to help to provide for the training needs of disadvantaged young people, particularly ethnic minorities. It was founded in 1977 by City of London businessmen, as a registered charity, and seeks to tap the resources and goodwill of the private sector to alleviate the training needs of this particular group so that their employment opportunities are improved.

The philosophy of the organisation is that some groups of young people are at a particular disadvantage in finding and maintaining employment, for example, ethnic minorities. If these young people are not to be considered 'unemployable' then they require basic training to increase their employability. Fullemploy have developed a form of intensive training which is directed at the individual to give him or her more skills: vocational, social, communication, literacy and numeracy. It does not attempt to meet the training needs of all young employed, or to duplicate training provision that already exists in the area. The involvement and support of the social partners and community organisations is sought as a means of strengthening the value of the training.

Fullemploy has been very much the creation of its founder. His energy and drive have played a considerable part in its establishment and expansion. Besides the founder there are two Managing Directors, a Board of Directors, project managers and tutors. It has approximately 100 staff, of whom some 40 are seconded. Its major source of funds and

equipment is the MSC with help also from 350 employers.

The activities of Fullemploy are centred on local areas that coincide, to some extent, with local communities although as they are all based in major cities no precise definitions are possible.

As a first step a feasibility study for possible new centres is carried out in the locality and this is regarded as a crucial aspect of Fullemploy's work. It examines the labour market situation in a locality that may be a local authority area or which already has a focus, obtaining whatever data are available from local sources. By undertaking a feasibility study, judgements can be made on the potential and viability of a new training initiative in an area, and whether it would receive employer commitment and community support. The feasibility study analyses:

- (i) the unemployment situation in the area;
- (ii) vacancies and the job market;
- (iii) existing training provision;
- (iv) the potential for employer support in terms of staff, funds and equipment;
- (v) the commitment from the local agencies and the community, particularly the local authority.

These studies normally take about three months to complete and they make a major contribution to the rapid development of the local strategy when implemented.

To date Fullemploy's activities have centred on training. Basic training courses are now run in seven centres, five in London, one each in Birmingham and Bristol, for 750 young people a year in the 16-18 age range. Many of the participants come from the ethnic minorities. Fullemploy will only open a new centre after a feasibility study has been completed which shows that there will be co-operation from local groups, that unemployment and job opportunities have been properly researched, and that there is a job market. This latter condition is a limiting factor so the organisation is now recognising the need for job creation and widening the range of training.

The contact between Fullemploy and a trainee is on a personal level

and community organisations are seen as valuable links between Fullemploy and individuals who might benefit from training. Applicants for courses are sought through different agencies and community organisations. They are carefully interviewed, and applicants who are refused a training place are carefully counselled on their future. Community organisation can then offer support for both trainees and unsuccessful applicants.

Close contact with trainees after course completion is maintained to observe their experience and results in finding and holding employment. In most schemes over 70 per cent of the trainees eventually find work; this is much higher than many existing youth training schemes. Considering that the trainees are considered 'unemployable' before training and the depressed state of the job market, Fullemploy are regarded as having an impressive record.

In conclusion this case study illustrates a highly effective approach to one of the training aspects of FLEM, involving detailed reviews of the labour market, and the active involvement and support of community interests. The objectives are however limited in terms of local FLEM focussing as they do on one group in the community, the disadvantaged, with mainly a training objective objective (although employment is the longer term aim). This is a highly successful programme although as it only involves selective local interests it is not likely to provide a vehicle for the long development and application of local FLEM.

## 6 Review of Local FLEM in the UK

### 6.1 The Present

Official labour market policy in the UK is organised nationally. UK labour market policy and practice at the local level is essentially reactive. It responds to specific problems and draws in those social partners thought appropriate. There is no existing framework involving the social partners, that deals with the full range of labour market issues in terms of a clearly adopted pattern of local FLEM. There are, however, numerous examples of the application of aspects of FLEM within individual local labour markets. Some of these are developments of public policy which is beginning to focus on the local development and application of employment and labour market policy; others are private sector responses to the growing levels and problems of unemployment.

At present, given the current high levels of unemployment, the main impetus to, and purposes of local 'employment management' centre on:

- business and job creation;
- training and work experience for young people.

By contrast in the 1970's a more limited application of local employment management was evident which focussed on:

- the alleviation of skill shortages; and
- the planning of training provision.

In addition individual companies and agencies have also been involved in planning the management of this own manpower and related resources and activities. A separate report (5) considers FLEM in the context of small and medium sized companies.

An encouraging feature of existing local labour market activities is the growing involvement of, and provision of financial and other resources by companies with the active collaboration of local and national government departments and agencies.

The varied objectives of these activities reflect the differing local conditions, and in particular the differing local stimuli to action, and actors involved. A significant feature is that each of the examples has a limited range of objectives and these tend to be evolutionary. One problem, as exemplified by SWIM (para 5.6) is that it can be difficult to maintain a consensus where different social partners have differing objectives. For this reason the Oxford DMC (para 4.2) decided to restrict its own objectives.

The nature of these schemes are that they are usually 'community' based and as such have little concern for precision or criteria for defining their 'local labour market area' other than adapting to local circumstances. The most common institutional framework used is in fact the local authority boundary as many schemes are dependent on close linkages with the relevant local authority and related institutions.

The activities which the programmes have been involved in include:

- researching and analysing the 'problem';
- identifying local strengths and weaknesses, economic, infrastructure, social and manpower related;
- fostering community support;
- providing funds, staff and specialist advice;
- developing training courses;
- provision of training;
- provision of workshop facilities and premises;
- advising new and existing businesses;
- advertising and marketing to attract new investment and businesses.

The majority of programmes include only a few of these activities.

Some schemes make little use of the existing labour market and related information that is available, although those which have used detailed local studies have found these to be a valuable means of generating commitment and support by the local actors (para 5.5, 5.8). Only limited attempts have been made to evaluate the full benefits and results of these local activities, generally reliance has been placed on simple counts such as 'jobs created' or individuals trained or advised.

The main actors involved are:

- the MSC, particularly through the New Training Initiative and in the provision of information;
- local employers;
- local authorities.

The trade unions and employee representatives have tended to have only a limited involvement, if at all.

The detailed results are hard to measure or evaluate. In some cases the 'measure' is the number of trainees, or the proportion finding jobs, in others it is the number of organisations or individuals 'helped' or 'advised', while in a few cases there have been attempts to count the numbers of jobs 'created'. In each case, however, it is difficult to estimate the position had these schemes not existed.

The MSC through its national framework and the development of NTI is a key potential component of local FLEM (paras 2.3, 4.2, 4.3). The most effective individual schemes are the St Helens Trust (para 5.3) in terms of helping create jobs through small businesses, BSC Industry (para 5.7) in terms of job creation and Fullempley (Para 5.8) through training of disadvantaged young people. The Special Programmes Unit (para 5.5) which is still developing its activities highlights the value of a well researched approach and as a result has the closest involvement of the social partners. It illustrates an approach to developing a more comprehensive programme of local FLEM.

## 6.2 The Future

There is evident need for the application of local FLEM, in one form or another, particularly given that high levels of unemployment are expected to prevail in many local labour markets for some time. Although measures related to reducing and alleviating the unemployment problem are likely to be the main focus for some years, other objectives more appropriate to an expanding economy, such as alleviating skill shortages, improving employment conditions and improving the efficiency of the labour market should not be overlooked when policies for local FLEM are being considered.

In developing local FLEM in the UK the most effective route is likely to be to focus the initial objectives on specific problem areas and only subsequently to broaden the range of objectives and activities towards a more comprehensive programme of local FLEM. The social and political climate is currently such that any attempt to implement a collaborative form of local FLEM in isolation from specific local needs is unlikely to gain local support and commitment, without which it cannot succeed.

For such a policy to exist at the local level requires, first and foremost, the commitment and involvement of the local communities. While government and its agencies, most notably the MSC and its NTI, can develop the framework within which local FLEM might flourish, a successful policy will still have to be the responsibility of the local community involving the local social partners, together with a local catalyst or focal point to provide an initial impetus or starting point. The Special Programmes Unit (para 5.5) provides an example of how such community involvement might be generated, building as it does from the commitment of the local actors in the first instance.

The new MSC Area Manpower Boards and the NTI could in theory provide a suitable institutional framework but their proposed geographical coverage is too great for them to be able to mobilise and engender local commitment without another, more local, tier operating below them. There is no easy way of defining the appropriate localities for the application of local FLEM, particularly in view of the need for community involvement and commitment. The existing TTWAs would seem to be inappropriate, while the local authorities might cover too large an area unless there were more localised groupings. A possible development could be in furthering the 'functional region' approach although more needs to be known about how this might work with increasingly smaller areas. As the development of local FLEM is likely to be evolutionary the best way forward is to seek to identify focal points and for each application to define the precise local boundaries; in practice these are likely to closely relate to local authority boundaries.

At present only limited use is made of research and information in the development of the local employment activities, although local studies

can be the vehicle for gaining community support. The key need in the future is not necessarily for highly detailed quantitative surveys and statistical data collection exercises (which are rarely able to provide up to date data) but for the development of practical information networks for the collection, analysis and interpretation of existing information and knowledge. The main gaps in knowledge at present are in terms of occupational data and hence related training needs, and in the ability to forecast and evaluate future economic prospects. as these will be they key determinants of future employment issues. The most practical way of going forward would be through the development of local consortia which combine the activities of local FLEM with the collection and swapping of local labour market intelligence. Only through a commitment to local FLEM will the related commitment to information pooling become available and the two activities reinforce one another.

A major new need in the future is to monitor and evaluate the costs and successes of the different approaches to local FLEM.

This paper has only been able to review the existing application of, and potential for local FLEM in the UK. The main report draws together these UK experiences and puts them in a broader European context. There are, however, a number of issues that need further consideration. These include (i) the means of co-ordinating local initiatives in a compatible national framework, (ii) the development of a framework and methodology for assessing future local employment trends and (iii) evaluating the costs and benefits of existing initiatives so that the lessons of the most successful might be disseminated and applied more widely.



## APPENDIX 1

## Labour Market Information

In the UK, national labour market statistics of overall employment and unemployment are efficiently collected and published. Each month numbers of unemployed, notified vacancies, inflows and outflows from the unemployment and vacancy stocks are collected from MSC local offices and published by the Department of Employment. These are presented on a national, regional and local basis. Occupational analysis of unemployment and vacancies are published quarterly. Statistics of employment by type of industry were collected through a Census of Employment on an annual basis but this is now to be done on a three year basis. Earnings by occupation are surveyed annually. A census of the entire population is conducted every ten years and gives data on employment by occupation and travel to work patterns. Other statistics on travel patterns, new businesses etc, are also collected by other government departments and agencies. All the main sources are now documented in a single publication (4). The current government policy is to simplify the official administration and as such less employment data are now being regularly collected.

This data is historical in nature and some major sources are published up to three or more years in arrears. The MSC sponsors a forecasting model of future trends in national employment (and unemployment) by industry group but this is not disaggregated beyond the regional level. Numerous ad hoc labour market studies have also been carried out detailing individual local labour markets with the official data being summarised and supplemented by questionnaires to labour market participants.

Not all the above data are available at the local level, many of the disaggregations going no finer than a regional analysis. Unemployment, vacancy and employment data (by industry) are all available for Travel to Work Areas. However, these vary enormously, in terms of population, and area although they often comprise coherent local labour markets. Unfortunately they are not necessarily easily comparable with the presentation of other data collected, for example, by local authorities.

At the level of the local labour market considerable reliance therefore has to be placed on qualitative data, drawing on numerous sources. It is, however, practical to draw up a detailed profile of a locality covering items such as:

Population and Projections

Activity Rates

Travel to work patterns

Employment Structure

Local Employers

Unemployment

Vacancies

School Leaver Supply

College and University Graduates

Special Employment Schemes

Redundancies

Earnings and Costs

Trade Unions

Education Facilities

Training Facilities

Labour Mobility

Housing

Transport

although there will always be major difficulties with regard to future trends.

The main reference sources used would be the

- RMIU (of the MSC) (see para 2.3)
- local authority planning department
- local authority education/careers service.

with many other individual items of data being available from trade unions, transport authorities etc. Other than for occasional one-off

studies, such data are never normally drawn together' within a single source or publication.

Such data, however, are still historical and no effective means has yet been found of developing useful forecasts of local labour market demand in future years. The major stumbling block is the problem of economic forecasting especially in the current uncertain conditions. On the supply side, more progress is possible particularly in respect of young people entering the labour market although in practice few attempts are made to forecasts these trends at the local level.

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FORWARD LOOKING EMPLOYMENT  
MANAGEMENT  
IN  
LOCAL LABOUR MARKETS

IRELAND

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Kenneth Walsh  
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© Institute of Manpower Studies

Institute of Manpower Studies, Mantell Building,  
University of Sussex, Falmer, Brighton BN1 9RF  
Telephone Brighton (0273) 686751

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## **1. Introduction and Overview**

### **1.1 The Irish Context**

In this study for the European Community, the issue is the concept of Forward Looking Employment Management (FLEM) at the 'local' level. However, in the case of Ireland with its very different structure and from the majority of member countries and concentrations of population differences in the concepts of 'local' and 'regional' are blurred.

Apart from Luxembourg, Ireland has the smallest population in the European Community, with about 3.3 million inhabitants. It also has the lowest population density with approximately 47 inhabitants per square kilometer compared to say Italy with 188 or the Netherlands with 339 and a Community average of 170. Therefore, it may be inappropriate to consider the application of FLEM on a local basis in most of the country, with the exception of the three main cities of Dublin, Cork and Limerick. It is much more valid to consider the regional structure as the basis for FLEM based on the nine standard planning regions and this has largely been the basis used by the state or semi-state bodies involved with FLEM in any way. This report is, therefore, essentially concerned with describing these bodies and their regional structures.

### **1.2 The Development of FLEM**

Efforts at co-ordinating employment policy with the more general economic policies adopted by the government through systematic forward looking employment management came late to Ireland.

Previously the main organisations for economic regeneration were the development agencies, in particular the Industrial Development Authority (IDA) which covered the whole country, and the more localised agencies such as the Shannon Free Airport Development Company (SFADC). It was in 1972-73 that the IDA first embarked on a forward-looking industrial plan with projections of target job requirements five years ahead for relatively small sub-regional areas.



The National Manpower Service (NMS) was set up in 1971 with its primary function to provide a separately identified public employment service that would be attractive to both employer and job seeker alike and hence it was hoped would smooth the operation of the labour market by providing a solid information base. Subsidiary roles involved the NMS with the other key government or semi-state (quasi governmental) agencies concerned with employment policy including the IDA in respect of job creation, and AnCo the Industrial Training Authority for the provision of training opportunities. In all cases these bodies operate through a structured system emanating from Dublin and then to a regional set-up, most using the nine standard planning regions.

The deteriorating economic conditions in the late 1970's, when job creation was running behind the growth in labour supply brought about a noticeable change of attitude, the first tangible response to which was the setting up of a separate branch of the Department of Labour to deal specifically with placement.

A fundamental development towards more local involvement in the shaping of an area's employment destiny came in 1978 with the setting up of the Manpower Consultative Committee whose primary function was to advise government on the role of labour market policy in the economic development of the country. It is composed of a membership drawn from a variety of active agencies and concerned essentially with the effects of national policy. However, it was realised that each of the regions and in many cases sub-regions of Ireland experienced their own particular labour market and development problems (though not without some degree of commonality). In particular it was felt that national manpower planning was little more than the sum total of the regional plans which should be the components brought together to form a national strategy. So within two years of the establishment of the National Consultative Committee, Regional Manpower Committees had been set up in each of the nine standard planning regions (March 1980).

The remit of the regional committees was to produce their own manpower plans for a six year period giving due regard to the peculiar characteristics of their regions and their component areas. The plans are discussed in more detail below in para 2.1, but it can be stated that they were a fundamental attempt at bringing together the key

agencies in a local area in order to derive information and exchange views as well as ultimately proposing strategy.

### 1.3 The Key Actors

It is significant that in Ireland all the key actors in the formulation of a manpower strategy are either branches of central government departments (such as NMS, a branch of the Department of Labour) or are semi-autonomous bodies known as 'semi-state' agencies which operate within well defined limits usually laid down by legislation. They include:

- National Manpower Service
- An Chomhairle Oiliuna (AnCo)
- Regional Development Organisations
- Local authorities (especially through their county development teams)

Apart from the NMS, the above organisations are semi-state. In addition to the IDA there are two other bodies providing a similar function though with enhanced power but on a more localised scale, these are:

- Shannon Free Airport Development Company
- Udaras na Gaeltachta

In addition to the listed organisations, a special agency, the Youth Employment Agency has recently been set up on a national basis to deal specifically with the problems of providing employment opportunities for young people. In so far as youth unemployment is an on-going problem, the agency will be involved with analysis of the future trends and co-operation with the other state agencies.

#### 1.4 Other Participants

Apart from the state or semi-state bodies that have been mentioned, there is little evidence of any local independent initiatives or wider involvement by the social partners. Even the most obvious forum for local concern, the Regional Manpower Committees, are mainly composed of representatives from the established state or semi-state bodies with the addition of trade unions and the third level educational establishments, with little or no committee level input from the private sector of industry.

#### 1.5 Local areas of operation

Most of the agencies involved with labour market analysis delineate their local areas of operation by use of existing administrative boundaries. In most cases these are the nine standard planning regions (equivalent to EEC Level III definitions). The boundaries of these regions are co-terminus with the boundaries of the counties (there are 27 of these). Most of the counties are fairly self-contained in travel-to-work terms, each having a centre of population with a surrounding rural hinterland. The only significant complications arise in the case of the main cities and then there are only three of these large enough to cause some problems in definitional terms, being Dublin, Cork and Limerick.

At the very local level there is little evidence of substantial efforts at focussing policy or analysis, though some regular manpower information is available, mainly from the NMS through its network of over 120 local employment offices. The two specialised development bodies covering Shannon and the Gaeltacht areas are perhaps the best examples of locally orientated agencies working in a small area. In both cases their information tends to be self-generated.

The following sections (2.1 - 2.5) describe the activities of the key agencies and report on their activities with regard to forward planning.

## 2. The Key Agencies

### 2.1 National Manpower Service (NMS)

The Irish National Manpower Service was set up in 1971 primarily to provide better facilities for placing job seekers in suitable employment and to assist employers in recruiting suitable employees at all levels of skills. The NMS also provides career guidance for all persons referred to it and in addition is involved with the administration of the various special employment schemes introduced by the Government in the face of rising unemployment. The service operates as a division of the Department of Labour.

The NMS is organised through a regional structure of nine Regional Directors under the overall control of the National Director located in Dublin. The nine regions follow the same boundaries as the Irish standard planning regions as shown in figure 2.1. Each region has local responsibility for the local employment offices within its boundaries. There are 120 of these offices distributed throughout the country.

#### Areas of Operation

The boundaries of the nine standard planning regions encompass the relevant number of counties (of which there are 27 nationally) without overlapping of boundaries, though in the case of Tipperary the county is split into two ridings with the North Riding in the Mid-West region and the South Riding in the South East region. In all other cases the regional boundaries use the county boundaries.

For the largest cities (Dublin, Cork and Limerick) there is a national city catchment area, but the boundaries of this area are determined by the corresponding boundaries of the employment office areas comprising it. The boundaries of the local employment offices are again largely determined by both the administrative needs of the NMS and existing local authority boundaries.

Figure 2.1

Irish Planning Regions and Counties



### Labour Market Information

Being the agency responsible for the provision of public employment exchange facilities, the NMS is in a position to provide valuable data derived as a by-product of its primary services of placement. In the main the information published on a regular basis includes the number of job-seekers registered with the NMS (not all of whom will be unemployed) and the number of vacancies registered and placements made. In addition and especially on a regional level, the NMS office acts as a focal point for enquirers who wish to know other details of the labour market such as unemployment or training places, statistical data initially provided by the Central Statistics Office and AnCo respectively.

### Manpower Consultative Committee

Recognising the need to bring together the key organisations working in the labour market on a national scale, a Manpower Consultative Committee was set up in 1978 with the primary task of advising government on the nature and extent of labour market policy measures. The Committee draws its membership from major employers, trade unions and government departments or semi-state bodies such as the IDA or AnCo, and is usually chaired by the Minister for Labour.

### Regional Manpower Committees

It was through the Manpower Consultative Committee at the national level that it was soon realised that the different areas of the country had different problems and hence would require solutions tailor - made. In March 1980, therefore, it was decided to establish Regional Manpower Committees which would function on a much more local level, though in a similar consultative capacity as the national body. There would be one each for the nine standard planning regions with local representation of the social partners.

As an example of the structure of the local Committee the membership of the mid-west region is given below; the number of representatives drawn from each organisation are given in parentheses:

- National Manpower Service (3)
- Mid-West Regional Development Office (1)
- Shannon Free Airport Development Company (1)
- Construction Industry Federation (1)
- AnCo (1)
- Irish Confederation of Trade Unions (3)
- Department of Education (1)
- Federated Union of Employers (1)
- IDA (1)
- Council of Irish Industry (1)
- Irish Vocational Education Association (1)
- Clare County Development Office (1)

The NMS Regional Director acts as the focal point for the Committee and provides much of its cohesion.

A primary task of the Regional Manpower Committees has been to formulate a strategic plan for the area covering the six years 1981-86. The plans are intended to bring together the available information on supply and demand for labour over this period, with the emphasis on highlighting potential imbalances before they occur.

The plans inevitably draw heavily on the available labour market information from such bodies as the CSO and NMS itself, but with varying degrees of success they have also attempted the difficult task of getting better data on the demand for labour from employers. As a result of the different availability of information as well as the resources within the NMS to tackle it, the plans vary greatly from region to region in their detail and state of completion. The best plans are those for the more populous areas and in particular the plan for the South West region centered on the city of Cork provides a good guide for the potential of the plans.

Information on the following categories is used to show the current situation and, using this detail, the possible situation in the future period covered by the plan:

- population (by sex and age group)
- unemployment (for young people separately and for all by sex and duration, industry, and occupation)
- school and college leaver numbers
- leavers from the third-level institutions (by discipline of study)
- redundancies
- training courses and places available

The general aim of the plans is to provide a data base for all the Rural Districts and the composite districts of any major city boroughs (in Cork, for example, there are six such districts). However, for only a selection of the statistics was it possible to go down to the desired local levels outlined above. In particular the labour force estimates are only suitable for county and county borough areas which leaves deficiencies in the total labour supply picture.

#### Assessment

Given the large variations to be found amongst the nine standard planning regions in terms of their population and industrial structure and hence the feasibility of detailed planning, it is not surprising that there is so much variation in the progress with the plans. In most of the nine regions the plans are progressing slowly, hampered by a lack of resources and insufficient information on the labour demand situation in particular.

One major achievement of the plans has been to bring together the key actors in the regional labour market with a common purpose. This has undoubtedly broadened the exchange of ideas and information on the Committee and created an atmosphere of awareness of what each other is doing or can contribute to the region. However, there is no evidence to suggest that the results of the plans (where they exist) are being used to shape policy in, for example, the provision of training places or educational courses. There may be some reluctance on the part of government to take too seriously the results derived from incomplete information in many cases and so until the information base is improved there seems to be grounds for pessimism.



## 2.2 An Chomhairle Oiluina (AnCo)

AnCo is the Irish Industrial Training Authority and was established in 1967 to provide a body which would have responsibility for promotion and assisting in the provision of training facilities for those skills considered to be essential for the development of Irish industry. The Authority provides support for apprenticeship places in industry and in specialist training centres and through a large staff of training advisers, helps businesses to make efficient use of their of their manpower.

The operation of AnCo is governed by a Council comprising a Chairman and thirteen members from the social partners appointed or approved by the Minister for Labour. Usually there are five members drawn from employers or their representative trade associations, five from trade unions, one educational member and two further members selected directly by the Minister for Labour. In addition there are Industrial Training Committees set up using specialists in particular fields of industry and these guide and determine the direction of training support. There are seven such Committees at present covering the industrial sectors of:

- textiles
- clothing and footwear
- food, drink and tobacco
- construction
- engineering
- printing and paper
- chemical and allied products.

Membership of these Industrial Committees is widely based with people drawn from industry, education and other appropriate areas for the particular sector.

### Areas of operation

The main work of AnCo is devolved through a network of training centres spread throughout the country. There are 18 such centres at present in Dublin (4), Athlone, Ballina, Cork (3), Dundalk, Galway,

Gweedore, Limerick, Shannon, Sligo, Tralee, Waterford and Wexford. Each training centre is geared to the skill needs of the local industry, though given their small numbers spread over the whole country, it is inevitable that their catchment areas are fairly large. However, most of the training need will be in the larger towns and cities where industry and population are concentrated.

Delineation of the catchment areas for operational purposes is vague and AnCo as such does not operate with any strong sense of local compartments. Nevertheless, the organisation has recognised that there are local needs and in an effort to more sharply define them has attempted to analyse local labour markets with an overall objective of determining course provision.

AnCo Regional Studies

As an example of the series of Regional Studies carried out by AnCo, the one for the North region has been selected to provide an example of the material covered and sources of information used. The study(1) was carried out in 1979 by the Research and Planning Section of AnCo and the main objective was to provide a comprehensive set of regional statistics to assist the region in implementing the appropriate training needs.

The report was essentially a forecasting tool which would permit, within the confines of the available statistics, some notion of the demand for trainees in the sectors of industry where AnCo could help. The report at no stage makes recommendations on the policies AnCo should adopt in order to meet the perceived needs of the region. In the main the data was derived from readily available published sources with additional information coming from such local sources as the regional development organisations (there were three involved with this study since the AnCo North Region consists of three standard planning regions, Donegal, North East and North West), county development officers (six counties were covered), local offices of the IDA, and chambers of commerce. National data came from sources such as the Confederation of Irish Industry and the Central Statistics Office.

However, the main data came from readily available sources and these are conveniently summarised in Table 2.1. The report makes it clear that the available information is in many cases inadequate to provide a reliable basis for making local estimates of future training requirements and, as well as pointing to the problems associated with the external data (in particular it is critical of the unemployment series based on the registrations for benefit) it also suggests that AnCo could do more to enhance the data base. In particular the training centres could collect and use their own data more than was the case at the time of the study.

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(1) Published as Regional Descriptive Studies, AnCo North Region, Anco Research and Planning, Dublin, October 1979.

## Assessment

The AnCo Regional Descriptive Studies represent a useful attempt at providing a data base for better manpower planning by using the existing statistical information. One major problem for those examining the future manpower situation in Ireland is knowing what is available and how it can be used in conjunction with each other. The report achieved this objective and at the same time highlighted the many deficiencies in the data sources.

Many of these information deficiencies can only be overcome with special analyses involving the existing employers in the local area, but this becomes an expensive exercise and of itself does not guarantee wholly accurate information. An interesting point from the report was that stating the inadequacy of most of the regular survey data from such sources as the biennial Labour Force Survey carried out on behalf of the EEC. These are essentially national surveys which have sample sizes too small to provide reliable sub-national data in most cases.

### 2.3 Industrial Development Authority (IDA)

The Industrial Development Authority (IDA) has been in existence under various guises since 1949. At the beginning it was part of the Department of Industry and Commerce but later gained autonomy to its present semi-state status. Its primary function is to encourage both home - grown and foreign - owned industry to set up manufacturing operations in Ireland, with particular encouragement being given to those with export potential. The work of the IDA only covers manufacturing industry.

Table 2.1

AnCo Study Data SourcesSTATISTICAL SOURCES FOR THE REGIONS: NATIONAL

Data	Source	Use
Population	Census of Population (COP) 1971 Labour Force (LF) Survey 1977 NESC Reports	Population by Age & Sex Trends in Urban/Rural Population Projections Based on Trends in Births, Deaths and Migration.
Labour Force	Census of Population (1971) Labour Force Survey (1977)	Analysis by Industrial Sector and Occupation Derivation of Activity Rates
Unemployed	COP (1971) LF Survey (1977) Live Register	Analysis of Unemployed by Industry
Employed	COP (1971) LF Survey (1977)	Trends in Employment by Sector/Occupation
Education	Dept. of Education Dept. of Labour School Leavers Survey.	Nos. in Education (Stock Figures) Destination of School Leavers
Agriculture	Statistical Abstract COP (1971)	No. of Males Engaged in Farmwork. Trends in decline of Agricultural Employment
Redundancy	Department of Labour	Only National Estimates of Redundant Workers by Industry
Industry	AnCO Manpower Survey (1976) IDA Annual Survey (Unpublished) IDA Plans 1973-77, 77-80 IDA Annual Reports	Structure of Industry. Targets for Job Creation Analysis of Grant Aided Industry
Occupational/ Skills	AnCO Manpower Survey (1976) Dept. of Labour Occupational Analysis	Occupations in Decline/ Increasing
Training	AnCO Trainee Update File	Data on trainees by type course etc. Placement Rates

The work of the IDA is carried out through a network of nine regional offices in Ireland and an additional 18 overseas offices. These overseas offices are a vital part of the success of the IDA in encouraging foreign-owned industrial growth in Ireland. However, when the IDA presents the case for industrial expansion to overseas firms, the possibilities of Ireland as an industrial location is presented as opposed to a particular part of the country. The eventual choice of location is then decided at a later stage and may involve some attempt at equalising the distribution of new investment across the regions, at the same time taking due regard of the clients personnel preferences. However, preferences can be swayed by the application of better grants and incentives to make some area more financially attractive than others.

#### Areas of operations

The nine regional offices of the IDA have boundaries corresponding with the nine standard planning regions (see Figure 2.1). Within the boundaries, the areas of the Gaeltacht (the Irish-speaking areas) are excluded being covered by the Udaras na Gaeltachta, the areas' own development authority (see 2.4 below), and in the Mid-West region the administration of many of the IDA grants, etc, are now handled by the Shannon Free Airport Development Company (SFADC) (see 2.5 below), though there is still an IDA regional office located in Limerick.

The requirements of the country in terms of new jobs and hence industrial development are determined using the regional structure. In fact the components of the whole country's needs are determined on a much more local basis, with the planning regions further broken down into smaller catchment areas using the larger towns as their foci. In most cases these sub-regional areas are relatively easy to identify, each using the limited amount of travel-to-work information available from in the main the decennial Census of Population. Each sub-regional area does not have distinctive boundaries as such, however, and identification of an area can be only approximate.

### IDA Industrial Plan

The IDA Industrial Plans set the targets for the desired job creation numbers over a five year period. The first plan was developed for the period 1973-77 with subsequent plans following on for similar five year periods. The basic philosophy was to bring the jobs to the people through a comprehensive set of incentives geared to the target number of jobs derived from the plan. The overriding objective is to sustain Irish economic growth but to try and spread this over those regions more susceptible to recession and the associated hardships.

The regional targets are arrived at in the main using the findings of the IDA's own employment survey of manufacturing establishments. The survey not only provides details of actual current employment and expected growth/concentration, but also enables the IDA to monitor closely the performance of its own measures to create jobs.

In addition, some use is made of the available data on:

- population structure
- unemployment
- employment (now and anticipated)

Most of the relevant data is available from the published material of Census or CSO/NMS data. Efforts are made to ensure reasonably accurate local statistics where this is possible, though the best local data naturally comes from the annual survey.

The first IDA Plan of 1973-77 has provided a basis for other plans. The targets set out in this first plan are listed in Table 2.2. It shows that overall only five per cent of the net job target for the whole country was realised. However, on the individual regional targets substantial success was achieved in four of the less developed regions.

Table 2.2IDA Plan 1973-77; targets and achievements

Region	Net Job Creation Targets	Net Change in Manufacturing Employment	% of Target achieved
Donegal	2,000	800	40
North West	1,300	1,100	85
West	4,200	5,150	123
Mid-West	3,800	-	-
South-West	7,000	1,000	14
South-East	3,200	2,750	86
East	10,300	-11,050	-
North East	3,400	- 1,000	-
Midlands	2,800	3,150	113
Ireland	38,000	1,900	5

Source: IDA Industrial Plan 1978-82, p.43.

Subsequent plans have been careful to set attainable targets of numbers of jobs that are needed and are possible to achieve, but of course any forecasting exercise will be less than satisfactory if the information base is weak.

#### Assessment

The IDA is committed to a policy which attempts to distribute the new jobs to those areas in greatest need. The needs of the local areas are determined to a great extent by information generated from its own annual survey which must be more reliable than the available published data at a sub-regional level, through equally suffering from the inevitable problems of relying on one data source. However, employer-generated data can lead to sometimes erroneous forecasts given the fact that some employers' perceptions of the future may be far removed from reality.

Nevertheless, the IDA Plans are perhaps the most established example of FLEM in practice in Ireland and has much to commend it. The setting



of local targets in particular recognises the need to bring industry to the workers on an area by area basis and it has been very successful in persuading firms to locate where it wants them to.

The success of any of the IDA initiations, however, must depend on the co-operation of the other manpower agencies at work in the local labour market, such as AnCo, the NMS and the County Development Teams. Because of this the IDA has established consultation practices with its fellow organisations and this must be a key to its success.

#### **2.4 Shannon Free Airport Development Company (SPADC)**

The Shannon Free Airport Development Company was established in 1959 on the site of the then existing airport on the northern bank of the River Shannon estuary about 15 miles west of the city of Limerick. The airport was developed in the post-war period as a staging post for European - North American flights and was the pioneer for the now familiar 'duty-free' shops. It was this duty-free status which provided the initial impetus for the setting up of a customs free zone around the airport to enable industries to set up free from tariffs that might otherwise inhibit exporting, and ultimately the establishment of the SFADC.

The SFADC is a limited company with the Irish Government holding the share capital. Its area of operation now extends beyond the airport site to the new town of Shannon (the 1980 population was about 9,500), primarily developed to provide local housing for the companies locating on the industrial site. At present the airport itself is run by the Irish Airports Authority, but the free zone is under the SFADC.

The company has assumed the role of the IDA in its own geographical area of operation and for certain grants the Company has extended its area of influence to include all the composite counties of the Mid-West Region. Within this area the SFADC pays and administers grants within the IDA scheme. However, the IDA represents the SFADC ahead, handling all the external publicity until handing over control to the SFADC when the prospective employer has settled on Ireland as a location.

The SFADC differs from the IDA in that it covers all types of

industry, both services and manufacturing, and the Company is also involved with building houses in the Shannon town development (with the co-operation of Clare County Council, the local authority). The SFADC also runs a number of tourist facilities including four castles and a selection of holiday cottages.

The SFADC is governed by a Board of Directors appointed by the Minister for Industry, Commerce and Tourism after consultation with the Ministers for Finance and Transport. There is a permanent staff of around 226 (at the end of 1980) based in the Company's new headquarters in the centre of Shannon town.

#### Areas of operation

The SFADC operates within the specific limits of the tariff-free airport zone and the new town boundaries, except where some IDA grants are concerned in which case the area is extended to the whole Mid-West region. The boundaries of the area are therefore fairly well defined. The SFADC operates in co-operation with the local authority of Clare County Council where housing developments are concerned.

There are no formal committees which bring together the appropriate local bodies or social partners to discuss the work or future direction of SFADC, though an IDA representative sits on the board. However, the degree of co-operation between the semi-state bodies such as AnCo is substantial. AnCo established their first training centre at Shannon and are ready to fund further specific training ventures. The regional manpower committee of the NMS also has SFADC membership and though the information provided by the NMS is used to a certain extent, it is clear that most of the more useful information is self-generated.

THE SFADC conducts a quarterly census of all Shannon companies asking for details on employment, and there have been more detailed ad hoc surveys to provide back-up information. The area is fairly small and data from the national sources would be generally inadequate at such a local level.

The present employment at Shannon breaks down as shown in Table 2.3. Most are employed on the industrial estate, accounting for 59.6 per

cent of total employment, this being adjacent to the airport where 22.6 per cent are employed. Future employment targets are set by the IDA in consultation with the SFADC and are incorporated into the IDA's five year Industrial Plan (see 2.3). Thus the Shannon area is seen as part of the region though with an independent focus.

Table 2.3

Employment at Shannon  
(as at December 1980)

Area	Employment	% of total
Shannon Industrial Estate	4,724	59.6
Smithstown	271	3.4
Ballycasey Craft Centre	17	0.2
Shannon Town	792	10.0
Shannon Airport	1,792	22.6
Construction	334	4.2
Total	7,930	100.0

Source: SFADS Annual Report 1980

## Assessment

The SFADC operates in close liaison with the IDA in the Mid-West Region, though maintaining its autonomy over its small area of operation. Future manpower requirements are set by the SFADC and differ from most of the other areas in that the targets set are not necessarily arrived at as a result of a need to provide jobs for existing residents. More it is perceived as an attainable and desirable target of new growth for the area. The new industrial growth has to be met with an adequate supply of housing and other social amenities and the SFADC takes on this responsibility as well.

The SFADC therefore represents a unique situation where one body is looking at the total needs of the Community and setting development targets accordingly. But Shannon is a unique area in terms of both of its location and its unique status as a new town and with a tariff-free industrial zone. Its example, therefore would not be appropriate to other areas in most cases.

### 2.5 Udaras na Gaeltachta (UnG)

The Udaras na Gaeltachta is the semi-state body with responsibility for the economic, social and cultural development of those areas where the Irish language (in addition to English) is spoken, known as the Gaeltacht areas. The Authority covers a disparate group of areas scattered throughout the country but mainly concentrated on the West Coast, as illustrated in Figure 2.2. About 70,000 people live in the Gaeltacht areas.

The areas were first seen as special cases in the 1930's, largely because of the relatively poor quality of the land which inhibited agricultural development. As a result the local population found subsistence difficult and hence began to drift away. The first specific development authority for the regions was established in 1959, the Gaeltarra Eireann, to be replaced by the present UnG in 1979 (2). The primary function of the authority is to create employment of a kind appropriate to the needs of the regions and its people.

The authority is governed by a board of 13 local representatives elected by the residents of the Gaeltacht. Membership consists of industrialists, teachers and some members appointed by the government including an IDA representative. The UnG represents the IDA in the Gaeltacht areas.

Much of the finance for the UnG comes from grants through the European Commission and others through the existing Irish governments' machinery for encouraging economic development (such as those through the IDA). The authority also works closely with other bodies such as AnCo on the training side. For example, a training centre was established in Donegal and there has been progress with course development at local colleges. The main problem has been met by the authority building houses to encourage experienced people to move to the Gaeltacht areas.

#### Areas of operation

The Gaeltacht areas are officially defined by the 1956 and 1967 Gaeltacht Area Orders and are a fairly loose conglomeration of areas (see figure 2.2) with sometimes arbitrary boundaries. They are fairly self-contained areas in terms of travel-to-work patterns, mainly a result of the isolation of the areas from alternative sources of employment.

#### Assessment

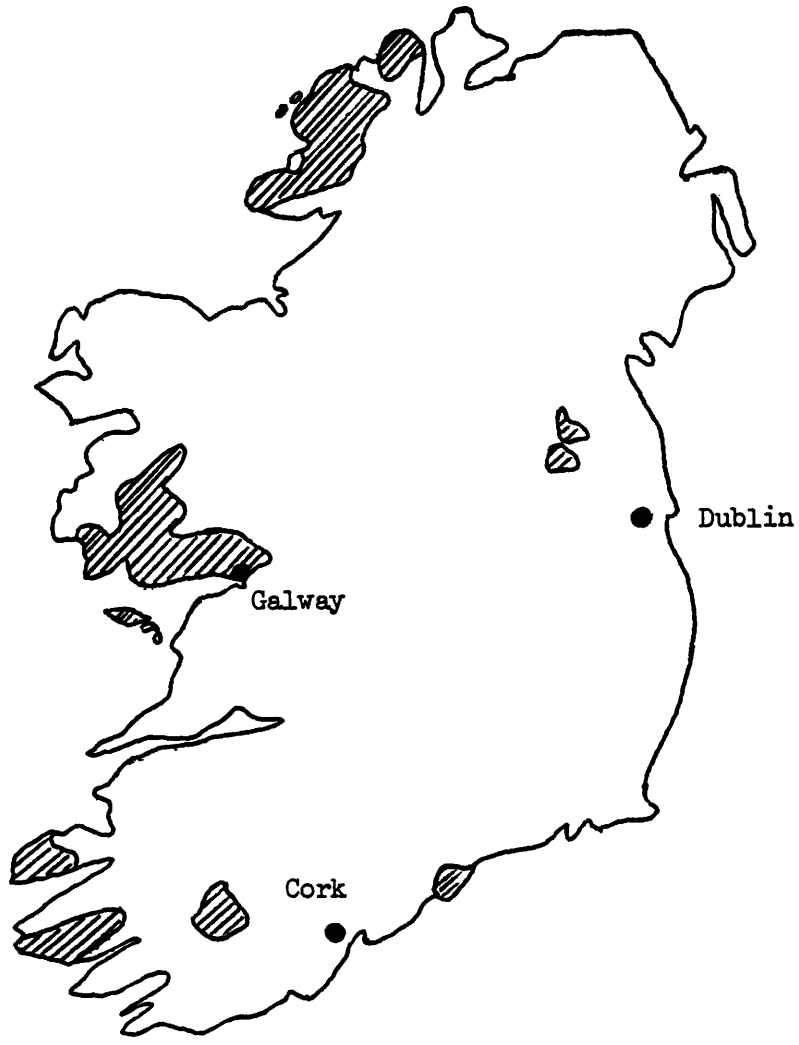
The Gaeltacht areas have special problems which need to be tackled through particular measures if the areas are to sustain their populations. In this way the UnG has been successful by tackling not just the causes of the economic decline of the areas but also the social and cultural problems so much a part of the whole scene.

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(2) Through the 1979 Udaras Na Gaeltachta Act of Parliament, Number 5 of 1979, published by the Government Stationery Office.

Figure 2.2

THE GAELTACHT AREAS



The Gaeltacht areas  
are shaded

The requirements of the future are determined by the authority on an area basis and taking into account the needs of the resident population in terms of work and using their innate skills. This usually requires making estimates of the local population seeking work over the next five years as an input into the strategic industrial plans developed by the IDA. The data base is mostly derived from a regular employment survey held every two or three years. This is supplemented by the regular statistics from the NMS on employment and unemployment in the main. The emphasis is on small local industry and as well as providing the necessary financial and operational help to new or existing firms, the UnG does participate directly in the running of certain concerns by holding some of the equity capital. This is only done, however, when it is considered essential to the well being of the concern.

## 2.6 Other Bodies

Apart from the main agencies already described, there are additionally some initiatives in specific local labour markets in response to a perceived local problem. These have mainly been, in the case of special reports highlighting local problems and issues, put together by trade unions or other interest groups and draw in the main on the published labour market information (derived from national sources) to illustrate their case. In most cases, however, the readily available local information is found to be inadequate and so if the organisation does not have the resources to provide its own information base, then the case will be limited by the quality of the data. There are no active examples of local FLEM, the emphasis is in gaining the support of the official agencies for programmes, training and investments.

### 3 Conclusions

The relatively small population of Ireland and its concentration in a few urban centres has perhaps created an atmosphere where manpower planning particularly at a highly local level is not a fundamental issue. Any attempts at forward planning have been recent and initiated by central government or one of its derivatives. Thus there is no evidence of private employer initiatives in, for example, job creation as has been the case in the United Kingdom, leaving the key actors as the official agencies.

Of the government or semi-state bodies actively involved with manpower issues, the IDA emerges as having the most established programme which attempts to match locally forecast employment needs with future development. The five-year Industrial Plans represent an understanding of the problems of the local people in their abilities and work aspirations and has resulted in a fair degree of success in bringing jobs to the people.

However, the IDA plans tend to be one-dimensional in that there is little involvement from the key actors in the local labour markets. This aspect is better observed in the recently (1981) established Regional Manpower Committees of the NMS, where all local agencies including some employers are asked to input into the formulation of a plan which is geared to the needs, as perceived by the Committee, of the local area.

The Regional Manpower Committees, to be fair, are still in an experimental stage, but despite this they have two main limitations. Firstly the plans vary widely in their state of completion from region to region and this will inevitably cause difficulties to those attempting to assess (at a national level) the distribution of aid proportionately across the nine regions according to some notion of need (though it must be said that there is no evidence of the Government's intention to use the plans for this purpose).

The second drawback with the Committees as they now stand is that they do not appear to be backed with sufficient resources to either complete adequate data collection exercises or to act upon the results



of their findings. This can only come about if there is a stronger commitment to the local Committees from Central Government.

Given the above considerations it is clear that the operation of local FLEM may only be practicable in a small number of areas where population concentration permits useful planning. FLEM at a standard regional level is a prospect, though spatially regions are sometimes large and it may be difficult to reconcile the needs of smaller areas within the regions themselves. With the present structure of state and semi-state bodies dominating any attempt at FLEM, the best prospect for initiating more active policies must lie with the Regional Manpower Committees organised under the auspices of the NMS, though such a move would necessitate considerable expansion of their present role in the local labour market.

FORWARD LOOKING EMPLOYMENT  
POLICY IN GERMANY

Aribert B. Peters

Institut für Management und Verwaltung des  
Wissenschaftszentrums Berlin, IIMV/Arbeitsmarktpolitik  
Platz der Luftbrücke 1-3, 1000 Berlin 42  
Tel.: 030/6904-1

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## 1. Introduction

In looking forward to the future conditions in the labour market the general perspectives in Germany are extremely discouraging. Whereas the overall level of employment will decrease in Germany unless economic growth exceeds two per cent, the size of the labour force will increase by three million people (Klauder 1982) by 1990. The other EC countries are facing similar problems. It seems highly questionable whether economic policy can prevent a dramatic general increase in the level of unemployment in the near future. Given an unsuccessful general employment policy it is reasonable to ask how unemployment will be regionally distributed, and to what extent local initiatives can diminish the labour market disequilibriums? There are prominent examples in the history of the 30's, both in Great Britain and in Germany, of how local actions can be successful when general employment policy fails (Graham 1933, Lederer 1933, Lester 1933). It will be shown that similar tendencies can be observed today. To enable an understanding of the institutional setting of these initiatives it is first necessary to outline the institutional and regional organisation of German labour market policy.

## 2. Institutional and Regional Organisation of Labour Market Policy

First we will distinguish between labour market and employment policy. Employment policy deals with the overall level of employment, whereas labour market policy focusses on the regional and personal distribution of demand and supply of labour, and skills, at a given level of overall employment. The interaction between the two is obvious and relevant.

But nonetheless the distinction makes sense, especially where different agents are responsible in both areas. The employment policy as part of general economic policy is performed by means of fiscal and monetary policies in a global way, but with major impacts on the regional and structural distribution of unemployment. The main actors are the government, the political parties, the trade unions, the federal bank and the employers' associations.

Labour market policy falls mainly under the auspices of the federal employment office (Bundesanstalt für Arbeit) in Nuremberg and its local offices. However, the main actors are at individual labour market level. Besides the workforce and employers there are also trade unions, chambers of commerce, employers' associations, chambers of handicrafts, parties, communities, government bodies, special individuals, special persons, ie MP's, mayors, all of importance in pursuing the interest of their 'clients'. It is beyond the scope of this paper to describe the organisation and the policy lines of all the mentioned smaller actors that are subject to changes over time and differ from region to region. For example, in some regions trade unions encourage public service employment measures, whereas in other regions they are restricted (cf. Scharpf et al., 1982, p.249). Instead the two major political organisations that influence the local labour market situation will be described (ie federal employment legislation and instruments of regional policy).

The Federal Employment Office (Bundesanstalt für Arbeit) performs and implements the employment policy of the government. It is legally independent of the federal government and is self-administered by councils (Board of administration) that include members of the government, the trade unions and employers associations. Thus the state can only intervene by legislative amendment and not by direct

regulation. The Federal Employment Agency was set up in 1952 with a monopoly of job placement. The emphasis on stronger 'active manpower policy' increased as full employment was achieved and led to the Employment Promotion Act in 1969 (Freiburghaus 1979).

The Act transferred the payment of Unemployment Aid and of Child Benefit to the Agency. The agency provides in addition the following services:

- job counselling and placement;
- vocational counselling and placement in training;
- reintegration policy for disabled;
- compensation for short-time working;
- support for winter construction;
- job creation programmes;
- labour market reports and labour market research.

In each of these areas, numerous activities are undertaken by the agency, at different regional levels (see below), that are relevant examples of forward looking employment management (see example 3.1).

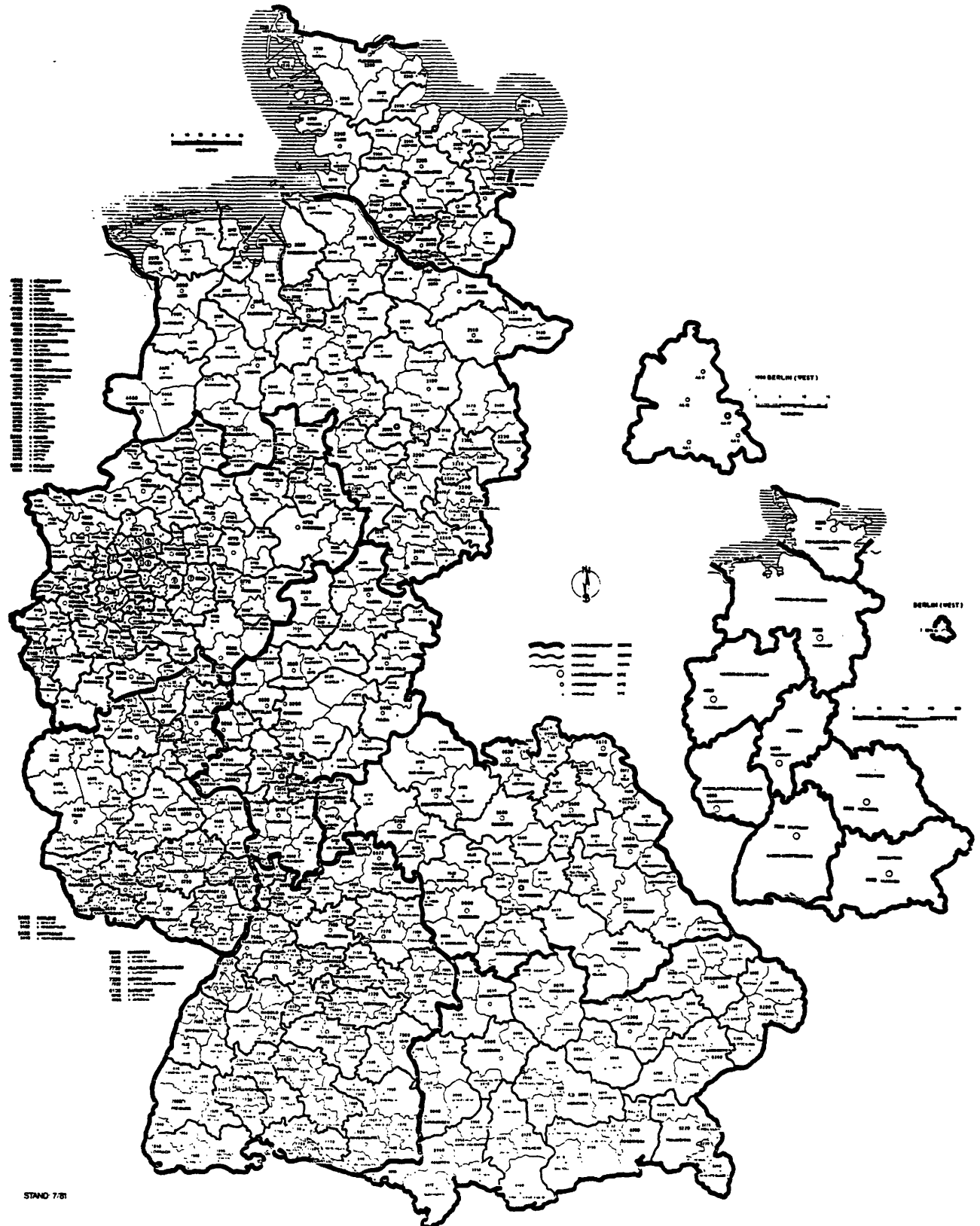
The Federal Employment Agency is organised on three levels:

- The main office in Nuremberg is responsible for the policy of the agency, the provision of finance, personnel etc.
- The nine regional (Lander) Employment Offices which correspond to the federal states (Lander combined in some cases) are responsible for coordination and supervision of the individual Employment Offices located in the area.
- 146 Employment Offices plus over 500 auxiliary sub-offices are implementing most of the measures in practice (map 1). The Employment Office Districts combine a number of communities according to labour market criteria, which often do not correspond with regular administrative boundaries.

LANDESANSTALT FÜR ARBEIT

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LANDEsarbeitsämter, Arbeitsämter und Nebenstellen



STAND 7/81

Map 1: Employment Office Districts

At each level the agency is controlled by a self-governing body, where delegates from the social partners, associations of employers and employees and the state are equally represented. Although it would be possible, the local self-governing body has little influence on the local actions of the agency. The local manpower policies are much better coordinated by informal meetings that are organised by the local employment agencies ('Arbeitsmarkt gesprache'). The impact of such meetings can hardly be evaluated. The strategy of fiscal consolidation in a period of weak economic performance led to cuts in the measures of active labour market policy ('Arbeitsförderungskonsolidierungsgesetz' AFKG). Because of the high level of unemployment the Agency runs into large deficits that formally justify the cuts. At the same time a high unemployment level calls for active measures in order to prevent structuralisation of unemployment. The cuts hit the terms and level of the job creation programme. Those measures are of particular relevance for local initiatives.

The second way in which federal policy deals consciously with the regional labour market situation is the regional economic policy that is implemented both at the federal and Lander level

The policy emerged from the need to reconstruct regions with heavy war-damages or high percentages of refugees and the new border-regions with eastern Germany. In the sixties the emphasis changed. Instead of urgent help, attention was given to the spatial development differentials.

In 1969 the joint regional economic policy of federal and Lander government was legally structured as 'Gemeinschaftsaufgabe' (Furst, 1976). The planning committee that equally represents federal and regional level selects the subsidised regions. For this purpose the 8,000 communities were grouped together to 170 labour market regions (Klemmer-regions) by minimising interregional commuter flows. All regions are then ranked according to their scores of predicted unemployment, income and infrastructure and the regions with highest rank constitute the programme-area. The programme-regions include both remote rural areas as well as industrial regions facing structural problems. The total programme-area is not allowed to cover more than



34 per cent of the total population, whereas about 61 per cent of the total country is covered by the programme. The Lander develop the global programme into specific measures for their respective regions. Allowances are focused to growth-towns of different ranks. The programme subsidises private investment (between seven per cent and 25 per cent of total investment) and give cheap loans to small and medium-sized firms.

The programme also finances projects that improve the regional economic infrastructure (roads, tourist infrastructure, parks). The basic idea is -that lower costs of production in problem areas would induce movement of firms to these areas. The evaluations of the programme came to contradicting results (Krist, 1980). The federal structure gives much competence in economic policy to the Lander and the Lander use this power to establish special economic development and employment programmes (example 3.4). Another example is the effort of Baden-Wurttemberg to stimulate technological innovations.

The physical planning process at the different levels of administration is poorly coordinated with the regional economic policy measures. Furthermore both fields are organised and administered in completely different ways. On the federal level the physical planning law (1965) sets out the general framework, whereas each of the 11 Lander set distinct planning laws. Planning is organised in most of the Lander on the regional levels (state, region, community). In 1975 the federal government and the Lander agreed in a Programme for Physical Planning at the Federal Level ('Bundesraumordnungsprogramm'). Based on a forecast of population and employment until 1985, and the existing infrastructural discrepancies, regions with predicted major outmigration tendencies that were believed to be politically undesirable and economically-forced were identified as the focus for regional development. The analysis is based on a subdivision of the federal republic into only 38 regions each containing at least one major urban centre. Although the federal government and the Lander declared their intention to distribute financial means wherever possible according to the programme, its impact has been rather small because it failed to mobilise the necessary political power. Because the 38 regions are too big in size, regional disparities have been analysed on the base of 75 regions that coincide with the regional planning areas at the state level (Kroner, 1976).

It has been shown that labour market, regional economic and physical planning policies establish three branches of policy that are different in their goals, legislation, administrations, systems of regions and implementations. Major divergencies in the regional focuses is one of the obvious consequences.

Other policy fields with impacts in regional labour markets are:

- economic policy to support small and medium size firms;
- economic policy to promote technical innovations;
- town planning and urban renewal programmes;
- traffic network improvement programmes;
- education and training programmes;
- agricultural programmes;
- health service programmes;
- environmental protection programmes.

Some examples of specific initiatives are given in the following section.

### 3. Examples of Forward Looking Employment Policies in Germany

#### 3.1 Introduction

Whenever the discrepancy between demand and supply on local labour markets increases and surpasses certain thresholds, it creates a political need for action. These actions might be introduced either by the government on the federal or regional level, or by other political actors (parties, trade unions) and by the people, firms and associations afflicted. Furthermore, actors might react to present or predicted future problems.

Neither of these distinctions is waterproof. Government measures need to be implemented and their success depends, therefore, on the co-operation of local actors. Local based actions have to fit somewhere into the legal, financial and administrative framework of general employment policy. This provides the close link between the actions at different regional levels and of different groups. Moreover only in the case of big firm closures will the predicted unemployment result in political actions.

In most other cases, present labour market problems create the political pressure that is a precondition for actions, whereas the future prospects might shape the measures in detail. It matters, therefore, whether the problems are created by an increase in the number of people looking for a job or by a decrease in the number of jobs offered in the region. The second development is easier to predict in the short run, whereas the first can only be forecast by detailed and organised forecasting methods.

It is difficult to know to what extent a specific action was caused by labour market disequilibrium because every local action reacts on the present as well as the future labour market situation. Therefore not every action that would not have been undertaken under a different labour market situation can be considered as a measure of forward looking employment management.

### **3.2 The Special Programme of the Federal Government for Regions with High Unemployment from 1979**

While West Germany experienced a slight economic upswing in 1978/1979, at the same time in some regions the situation got even worse. In order to prevent increasing regional labour market discrepancies, the German federal government introduced special measures for the problem regions (subsidies for vocational training in firms, hiring and wage subsidies). 47,000 people took part in the programme. The measures reduced the number of unemployed by about 10,000 to 20,000. Only 23 out of the 142 employment districts (those with the highest average rate of unemployment in 1978) were eligible to take part in the programme (Schmid/-Peters 1982).

### **3.3 Employment-Forecast of the Augsburg-Region**

Augsburg is a town in southern Germany close to Munich with about 200,000 inhabitants. Since 1979 the University of Augsburg and the INIFES economic research institute have undertaken a major effort to predict the level and structure of employment in the economic region for a period of five years ahead. The economic region is defined as the employment office district of Augsburg, and is nearly coincident with the commuter-oriented Klemmer region of Augsburg. The project is supported by the chamber of commerce, vocational training agencies, unions, employment office and public administration. Because the regions experience a fast rate of structural change, it is of importance to adjust the education system to the future demands of the labour market. To this end the future qualification structure is computed out of the future employment structure and this is then compared with the capacity of the education system. All firms are interviewed about the present qualification structure, the prospects of the firm and the future demand for qualifications. In this way qualification bottlenecks will be conceived before they occur and hold up economic development. At the same time a similar analysis is performed based on aggregated data. In the end both approaches will be compared.

### 3.4 **Berlindienliche Forschung (Research in the interest of Berlin City)**

In 1979 the Senate of Berlin gave extra money to the Free University of Berlin to finance social science research projects related to the City of Berlin. Students of Berlin universities, after passing final examinations, can apply for the grants and they are paid over a two year period. The intention was to reduce academic unemployment and to provide professional skills. The project came into being after the limited professional prospects of social scientists were realised.

### 3.5 **'Neue Arbeit GmbH', Hannover**

Since 1978 the clerical welfare institution "Diakonisches Werk" founded several local enterprises scattered over the Federal Republic of Germany in order to sustain people that are hard to employ under present labour market conditions (Maier 1982). One of the firms is located in Hannover. There is neither a legal nor a strong informal connection amongst these firms. The firms' foundation were much more the result of individual initiatives than of a planned strategy.

The concept comprises

- creation of employment opportunities with regular conditions and payment that are adapted to the performance capacity of the individual worker;
- vocational training components;
- psychological and/or spiritual advice and guidance during worktime and leisure.

The firms are financed by selling their own products, services and by subsidies under the Federal Employment Act (AFG). It is intended to improve the skills and the performance of the hard core unemployed until they can rejoin the regular labour force. About eight such persons are under fixed contract in the Hannover firm. All of them reside in the Hannover employment office district. Up to 30 per cent found regular jobs after being trained by the 'Neue Arbeit GmbH'.

The enterprises redecorate, do gardening, repair cars. One enterprise concentrates on elderly unemployed. Furthermore they carry out a

research project where all self-help activities of unemployed persons in Germany are compiled.

### 3.6 Arbeitslosenzentrum Hannover

The rectory of Hannover initiated the foundation of a centre for the unemployed which is also supported by the City of Hannover and by the Hannover employment office. The centre is a meeting point for the unemployed where they can contact each other, get counselling and can also stay for a certain period. The centre publishes a newspaper and is the origin of many other activities (cf. 3.2, 3.4 and 3.10). Six persons are paid mainly by the employment office for coordination of the activities, most of them former unemployed. The centre offers training and information courses especially for disabled unemployed. Nearly 3,000 people contacted the centre during one year, 85 per cent of them from Greater-Hannover (Macke, 1981). The regional coverage of the centre is larger than just the employment office district because the centre is also well known in the countryside and counselling is also possible by telephone. The labour market information (level and structure of the unemployed) that is used by the centre is provided by the employment office and by special research that is done within the area.

The Centre is a prototype of an organisation that can also be found in many other cities. The first initiative was in many cases taken by unions, communities or individual persons or groups. A list of some centres is enclosed (Appendix 1).

### 3.7 Arbeitslosenselbsthilfegruppe - Linden-Nord e.V.

Eight young unemployed started an initiative in 1979 where they joined together and took over occasional trades like bicycle-repair, furniture removal, painting and gardening. Such activities stabilised the group and their constituent individuals. Seven persons later started retraining measures, eight entered into regular jobs. The amount of orders is of critical significance for the group. The group is financed by subsidies from the city, the government, and the church by providing rooms, materials and a full time manager. Its regional scope is a district of Hannover.

### 3.8 Joiners Co-operative Ludwigshafen

In 1980 six young people founded a cooperative joinery after their apprenticeship. They met in the union and their goal was to translate their political ideas about equality into reality by means of their work. The enterprise was financed by private loans. The co-operative comprised twenty people in 1982 and a car repair branch was recently added. The group suffered from lack of experience. The advantage above other groups is the high level of skills and their absolute financial independence. The co-operative members have fixed working contracts but the salary is adapted to individual needs and the firm's revenue. Another self-help group of six people in Ludwigshafen is also independent and is renovating furniture.

### 3.9 Werkhof in Berlin

In 1972 a free adult college was founded (Forum Kreuzberg) by private initiative and without any public subsidies. The group bought a house and eventually organised a one year orientation class. In 1980 a joinery, a metal shop and a potters workshop was organized (Werkhof). The workshops sell their products to the local market in Berlin.

Also formal vocational training for up to twelve apprentices is provided in the workshops. In addition special programmes for unemployed were introduced in 1978. Because the Forum is located in a major housing renewal area, the group were engaged in renewal and redecoration.

### 3.10 Association for Voluntary Contributions Against Unemployment

Because government employees and self-employed do not contribute to the unemployment insurance in Germany, associations were founded in several towns that collect a comparable percentage of wages on a voluntary basis. The money is used to finance self-help projects of the unemployed. In the region Niedersachsen about 200 people belong to the association that sponsor 14 projects. Most of the projects train young unemployed in special workshops. Additional money is given to the projects by the community and by the labour administration. A similar association exists in Berlin. The action is located in Hannover but the membership covers a very large area (ie the 'Land')

Niedersachsen).

### 3.11 UFA-Fabrik in Berlin

A group of about 60 young people took over, in 1979, the large area of a former film studio (UFA) in Berlin. They reconstructed the buildings and started different activities: a bakery, a shop, a potter's workshop, a circus, a film theatre, a free school, courses for adult education, tailoring and farming. The group lives together in the area and gets no public finance. Because of the many activities, it functions as a cultural centre for the neighbourhood. The size of this project is remarkable and also the broad range of activities and the high degree of coherence among the project members in the private and professional area.



#### 4. Summary and Conclusions

The different examples might be most efficiently summarised by turning back to the analytical distinctions that have been developed at the beginning of part 3. Thus important features concerning the actors involved, the geographical coverage, the data and resources used can be compared and conclusions about the further promotion of initiatives might be drawn.

First the scale of the initiatives will be discussed. The special employment programme (3.2) is a centrally planned government action. There are also programmes at the level of Lander (Example 3.4 - there are programmes of that kind in most of the other Landers). Examples of initiatives at lower regional levels are 3.3 and 3.6. At the federal level such actions are well planned and supported with aggregate information by the Federal Employment Agency.

This is also the case at other regional levels. As shown in example 3.3, the provision of additional information of a more detailed character is in itself a measure of forward looking employment policy that takes place also at the Lander level. Government initiatives at community level are implemented as a support of reintegration or training measures (examples 3.8 and 3.4) or as job-creation measures (example 3.7). In both cases the government actions rely on the local network of other actors (intermediary actors) and small initiatives (welfare organisations, trade unions, churches, training centres, examples 3.4 and 3.2). The existence and survival of initiatives at the lowest local level constitutes, therefore, a necessary precondition for the success of measures at all other levels.

The regional scope of small scale measures is obviously limited by the size of the action itself. Such initiatives at the neighbourhood-scale do not depend on information on a macro-scale because the problem at hand is already obvious to the actors (example 3.7, 3.8). The provision of additional information might not be the best way for supporting initiatives of that kind. Much more of critical importance is the logistic support through provision of assembly-rooms, space for workshops, management advice etc.

There are other actions of a more intermediate local range that are in the first instance not directed to the provision of skills or job creation at a local level, but support actions of this kind (examples 3.6, 3.3 and 3.10). Such actions have a larger local range.

Besides supported actions there is an increasing number of independent unsubsidized activities that create positions for people that would be otherwise unemployed (examples 3.8 and 3.11). In both examples the actions are not a reaction to the labour market situation but to the prevailing system of values and the organisation of the society.

Actions of such kind are important for the reduction of local unemployment. They deserve definitive government support through cheap loans and provision of rooms.

There is only one example of an action that reacts more on future than on present problems (example 3.3) whereas all other initiatives are caused by actual problems.

The relevance of local initiatives is stressed by the following reasoning:

'If each local community could succeed in reducing the local unemployment by 50 per cent, that will halve the national level of unemployment. This is not a tautology but a promising way of looking after local job creation initiatives'.

## LIST OF LOCAL UNEMPLOYMENT ACTIONS

BERLIN Berliner Arbeitslosen-Zentrum  
Emdenerstr. 6  
1000 Berlin 21

BIELEFELD Arbeitslosen-Treffen Bielefeld  
Altstädter Kirchstr. 12  
4800 Bielefeld  
Tel. (0521) 63070

BOCHUM Arbeitslosen-Treffen Bochum  
Querenburgerstr. 47  
4630 Bochum  
Tel. (0234) 37575

BOTTROP Arbeitslosen-Treffen Bottrop "LADEN"  
Essenerstr. 19  
4250 Bottrop 1  
Tel. (02041) 25816

BREMEN I Arbeitslosenzentrum  
Grenzstr. 122  
2800 Bremen  
Tel. (0421) 395297

BREMEN II Aktionsgemeinschaft arbeitsloser Bürger e.V.  
AGAB-Laden  
Schwarzer Weg 24 a  
2800 Bremen 21  
Tel. (0421) 6163 209

HANNOVER Arbeitslosen-Zentrum Hannover  
Lange Laube 10  
3000 Hannover  
Tel. (0511) 14551

STUTTGART Arbeitslosen Initiative Stuttgart  
Sarweystr. 40 B  
7000 Stuttgart 1  
Tel. (0711) 81463039

LUDWIGSHAFEN Arbeitslosen Initiative  
Kaiser-Wilhelmstr. 62  
6700 Ludwigshafen  
Tel. (0621) 515914

SIEGEN Arbeitslosentreffen Siegen  
Info- u. Begegnungsstätte f. arbeitslose  
Frauen u. Behinderte  
Weidenastr. 241  
5900 Siegen 21  
Tel. (0271) 45908

DORTMUND Vereinigte Kirchenkreise  
Frau Thea Verkerk  
Jägerstr. 5  
4600 Dortmund  
Tel. (0231) 719502  
(0231) 818906

GELSENKIRCHEN Arbeitslosen-Treffen  
Industrie- u. Sozialpfarrer Kurt Struppek  
Pastoratstr. 10  
4660 Gelsenkirchen  
Tel. (0209) 15451

HOF Hofer Arbeitslosenzentrum  
Amt f. Industrie- u. Sozialarbeit der Ev.-  
Luth. Kirche in Bayern  
Theresienstr. 17  
8670 Hof 1 / Saale  
Tel. (09281) 3554

MARKTHREDWITZ Kontaktadresse f. Arbeitslose  
Erich Geyger  
Bahnhofstr. 31  
8591 Waltersdorf bei Markthredwitz  
Tel. (09231) 71205  
(09231) 71865

KAISERSLAUTEN AlZ - Kaiserslauten  
Pfaffplatz 7  
6750 Kaiserslauten 1  
Tel. (0631) 82201

HANAU Initiative f. arbeitslose Jugendliche  
6450 Hanau  
Phillippsruhe-Allee 6  
Tel. (06181) 21100

MINDEN Arbeitslosentreffen - Minden  
Stiftstr. 4  
4950 Minden  
Tel. (0571) 26291

RECKLINGS-  
HAUSEN Karl Wecking  
Am Sägewerk 85  
4270 Dorsten

LIPPSTADT  
SOEST Arbeitsloseninitiative von Behinderten  
Poststr. 32  
4780 Lippstadt  
Tel. (02941) 78770

HAMM Beratungsangebot f. arbeitslose Frauen  
Frau Elke Kuhlmann  
Martin-Lutherstr. 276  
4700 Hamm 1  
Tel. (02381) 20091

MÜNCHEN Münchener Arbeitslosen-Zentrum  
München Arbeitslosen-Initiative  
Blutenburgstr. 65  
8000 München 19  
Tel. (089) 19 40 16/17

HAMBURG Matthias Lubig  
Eppendorfer Landstr. 49a  
2 Hamburg 20

LEER Jugendzentrum Leer  
Friesenstr. 18-20  
2950 Leer

FRANKFURT Rosalie Müller-Jentsch  
Blumenstr. 9  
6000 Frankfurt/Main

WUPPERTAL Arbeitsloseninitiative Wuppertal  
Reiner Hoffmann  
Elberstr. 31  
5600 Wuppertal 2  
Tel. 0202/64 28 19

HAMBÜHREN Christel Beckmann-Hink  
Bixförder Str. 23  
3101 Hambühren  
Tel. 05084/36 1 88

MÜHLHEIM Arbeitskreis zur Verminderung der  
Jugendarbeitslosigkeit e.V.  
Delle 47  
4330 Mühlheim  
Tel. 0208/39 05 85

HUSUM Treff und Beratungshaus für  
arbeitslose Jugendliche  
Nordbahnhofstr. 34  
2250 Husum 1

BIELEFELD Verein zur Einrichtung und Förderung eines  
unabhängigen Arbeiterjugendzentrums  
Heeperstr. 132  
4800 Bielefeld 1

HAMELN Jugendwerkstatt Hameln  
Hastenbecker Weg 8  
3250 Hameln 1

FRANKFURT Selbsthilfe Gruppe "arbeitslos"  
i.V. Gertraud Siebert  
Hainer Weg 10  
6000 Frankfurt 10

HANNOVER           Arbeitslosen-Initiative  
                  - Andreas Seibert -  
                  Ricklinger Stadtweg 54  
                  3000 Hannover

FRANKFURT           Arbeitslosen-Initiative Frankfurt  
                  c/o DGB Jugend Frankfurt  
                  Wilhelm-Lenschner-Str. 69  
                  6000 -Frankfurt

OSNABRÜCK           Arbeitslosen-Selbsthilfe-Gemeinschaft e.V.  
                  c/o Lore Müller  
                  Natrupp Str. 75  
                  4500 Osnabrück

GÖTTINGEN           Peter Rosemeyer  
                  Breite Str. 12  
                  3402 Bördel (Göttingen)

HAMBURG            Arbeitsloseninitiative Hamburg  
                  Gottfried Eich  
                  Henriettenweg 4  
                  2000 Hamburg 6  
                  Tel. 040/4043 83

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