

# ESF InfoReview

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## The ESF debates the future

I am very pleased to welcome you to this 6th issue of ESF InfoReview, which is notable for two reasons. Firstly, it is the first InfoReview that covers matters relating to the European Union's Employment Strategy as well as to the ESF - this is in keeping with our recent policy decision to reinforce the role of the ESF as the EU's main financial instrument underpinning the new Strategy.

Secondly, this is the first InfoReview since our successful ESF Congress in Birmingham at the end of May. As a result, much of this issue is devoted to presenting an account of what was a truly memorable and important event for everybody associated with the European Social Fund.

After all, the Congress was the first event in the forty-year history of the ESF that brought together so many key players from all sectors and backgrounds - under the very appropriate motto of Investing in People - to analyse and discuss the important challenges facing us as regards the current operation of the ESF, the proposed reform and the new European Employment Strategy. In all, some 700 delegates from 25 European countries attended the Congress, including representatives from the Member States and applicant countries, the European Institutions, NGOs, the social partners, and of course ESF project promoters and beneficiaries.

The timing of the Congress was particularly apposite, coming as it did shortly after the Commission proposal for a major reform of the ESF post-1999 and shortly before the Cardiff European Council, where the fight against unemployment was one of the main agenda items.

What impressed me most about the Congress was the active and enthusiastic involvement of all the delegates over the three days. Whilst our original objectives in hosting the event had been to raise the profile of the ESF and to provide an opportunity for key actors to meet and exchange opinions and experiences, I have been impressed by the significant contribution the Congress has made to our thinking on future ESF policy.



Pointing to the Future: Pádraig Flynn at the ESF Congress

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Employment & social affairs



European Commission

The feedback from delegates was very positive and has certainly contributed to our understanding of the operation of the Fund 'on the ground', and of the practical difficulties faced by ESF administrators and project promoters. I also saw this for myself during a visit to the ESF-funded TARGET project in the Hockley area of Birmingham on the day the Congress opened. All of this feedback will, in turn, assist us in the difficult negotiations that lie ahead as we put the next generation of ESF programmes into place.

The structure of the Congress was also conducive to lively debate and active delegate participation. The plenary sessions, which opened and closed the Congress, were a particularly useful way of setting the event in its proper context. In this regard, I wish to express my special thanks to the Member State representatives who gave so freely of their time to join me at the opening session: Ministers Arenas, Protopapas, and Smith of Spain, Greece and the United Kingdom respectively, and Secretary of State Péry of France.

I would also like to say how appreciative I am of the fact that President Santer took time to attend the Congress and his thought-provoking address at the concluding session was, for me, one of the highlights.

The thematic workshops on Day 2 also proved their worth as the delegates got down to business on their specialist subjects. The NGO platform also gave those bodies a valuable opportunity to make their voices heard.

Many important policy issues were discussed during the Congress, and a number of real concerns were identified. There are, of course, no simple answers, given the specific cultural contexts within which each Member State develops its own employment, training and human resources policies. But I was greatly impressed by the quality and depth of the dialogue, and by the growing appreciation of the value of trans-national cooperation.

I firmly believe that many of the legitimate concerns raised by Congress delegates will be more than adequately dealt with in the new European Social Fund Regulation that the Commission has proposed for the period 2000-2006. These proposals, which are currently the subject of deliberation and debate, set out to make the ESF more relevant to the needs of our people. As I said in my keynote address to the Congress, the ESF is very much the 'People's Fund', and I for one intend to keep it that way.

Simplification and decentralisation, in the context of an improved partnership with the Member States (and within them), are key features of our proposals, as is a concern for greater efficiency and more effective controls in the administration of ESF funding. From a policy perspective too, our proposals mirror the priorities outlined by delegates in Birmingham, i.e. developing active labour market measures to combat joblessness, promoting social inclusion and equal opportunities for all, enhancing people's ability to find and keep a job, improving their lifelong workplace skills and fostering innovation, adaptability and entrepreneurship.

From what I have heard from delegates at the Congress, my hope that these proposals will be adopted seems to be widely shared.

In conclusion, I would like to express my sincere appreciation to all those involved in the organisation of the Congress. I would also like to thank all of the delegates and participants who made the event the huge success it so obviously was. Whether you were present in Birmingham yourself or simply heard about the Congress through the media, I hope that you will enjoy reading all about it and other recent ESF news in this issue of InfoReview.

Pádraig Flynn

Commissioner for Employment, Industrial Relations  
and Social Affairs

# ESF Committee in search of the European reality (Lisbon, 15-16 June 1998)

Breaking with the tradition of organising its meetings in Brussels, the Committee of the European Social Fund met in Lisbon, on 15 -16 June, at the initiative of the Head of the ESF Mission in Portugal, Mrs Ana Vale. The members of the Committee used this opportunity to participate in an animated debate about the Commission's proposals for the reform of the Structural Funds, and the ESF in particular (2000-2006 period). At the same time they learned about examples of good practice for developing human resources in Portugal.

The members of the Committee were most interested in innovative projects financed by the ESF in the area of health, education, vocational training and social exclusion. By illustrating the diversity and scale of ESF funding in a country still confronting major difficulties of skills acquisition, these projects emphasised the role of the ESF in strengthening and improving the Portuguese education and training system (to which 46% of the funding allocated to Portugal is devoted).

The reform of the Structural Funds, and of the ESF, naturally formed the main focus of the discussions among Committee members at this 'Portuguese session'.

The presentation by Committee chairman, Mr Karl-Johan Lönnroth, Director responsible for employment and labour market issues in DGV, addressed the main principles of the Fund's reform - greater concentration, simplification and reinforced evaluation mechanisms. This provided an opportunity for animated discussion among the Committee members, whose remarks focused on the most salient and innovative points of the Commission's proposals.

## Links between the ESF and the European Employment Strategy

In general, the complementarity between ESF activities and the European Employment Strategy (EES) was warmly welcomed by the Committee members, even though concerns remain regarding its actual implementation.

One of the union representatives, welcomed this coordinated approach and the stronger links between the ESF and the EES, while expressing regret that the Commission had not proposed that all of the Structural Funds (in particular the ERDF) should contribute towards the implementation of the European Employment Strategy.



Focusing on reform: the ESF Committee meeting in Lisbon

Mrs Riesco, assistant manager of the ESF unit in Spain, expressed her view of the complementarity between ESF activities and the European Strategy for Employment:

"Application of the new Objective 3 should be horizontal if ESF intervention under this Objective is to contribute to the implementation of the EES."

Several members of the Committee regretted that the links between the ESF and the EES concerned only Objective 3.

Mr Brüß, ESF Head of Mission for Germany:

"The implementation of the coordinated approach between the ESF and the EES is liable to be thwarted by the fact that the link between ESF intervention and the EES is limited to Objective 3. The crucial problem is, however, posed by the Objective 1 and 2 regions, where the problem of unemployment is particularly difficult to resolve. If we want the ESF to really contribute to implementing the EES, ESF interventions under Objectives 1 and 2 should also be examined in the context of national employment plans".

Mrs Vale, for her part, stressed the need for continuing action to assist disadvantaged groups at risk of exclusion.

Mrs Vale, ESF Head of Mission for Portugal:

"It is very important to adopt a balanced approach and to prevent the ESF from being redefined as an instrument of labour market policy, to the detriment of socially-excluded groups. The ESF has, up to now, played a fundamental role in integrating disadvantaged people, and it must retain this role in the future. Not all EU countries are faced with a serious problem of unemployment (the rate of unemployment in Portugal is relatively low). My country, for example, is facing much more of a general problem of skills acquisition, which the ESF could still contribute to resolving in the coming years. In my view it is extremely important to take into account the specific needs of the different Member States. In general, we must ensure that the preventive approach is combined with a curative one."



Delegates highlighted the need for strong links between the ESF and the EES



Learning from experience: the meeting provided a showcase for several innovative ESF projects

## What is intrinsic to the ESF?

Many delegations questioned the link between the ESF and the European Employment Strategy, stressing that the proposal for the new ESF regulations would extend the ESF's areas of competence well beyond the framework of measures to foster the labour market, for example by supporting measures in the fields of general education systems, the health sector and local services.

Mrs Riesco: assistant manager ESF unit in Spain

"The ESF should concentrate on measures to facilitate access to the labour market. In view of its limited resources, the ESF should not in future turn itself into an instrument to fight exclusion in general. The emphasis placed upon general education, social protection, basic education and health care exceeds the ESF's framework of application as laid down in Article 123 of the Treaty".

This raises the question of the nature and scope of activity of the ESF. Should it be considered as an exclusive instrument of the policy to promote the

labour market, or should it also, in future, be an instrument of social policy?

The ESF's main fields of action after 1999:

- promoting active employment policies;
- fostering social integration and equal opportunities;
- developing education and training systems/promoting a policy of lifelong learning;
- improving systems aimed at promoting a qualified, trained workforce that is capable of adapting; stimulating innovation and the ability to adapt; and fostering an entrepreneurial spirit and job creation;
- increasing women's participation in the labour market.

Certain employers' representatives regretted the new orientation of the ESF, which they saw as diverging from labour market policy. The German repre-



representatives felt that the development of general training systems came within the remit of the Member States. Numerous delegations had doubts about redirecting the ESF too much towards general education systems and social protection, although an employers' representative recalled that the ESF regulation 'is not a social chapter of the Treaty'.

Mr Brüss:

"With regard to financing the training of employees in the framework of ESF interventions related to Objective 4, it is questionable whether the costs incurred by the company should be the company's responsibility. Is the adaptation of the knowledge of workers the responsibility of the state, the employers, the unions or the employees? Each person must realise the necessity of bringing their knowledge up-to-date in order to adapt to the requirements of the labour market. The state should pay for training only for the most disadvantaged i.e., the people who are not in a position to take responsibility for themselves. This is the idea of subsidiarity".

Mrs Vale:

"We should avoid regionalising the human resource policy. Referring to the structural deficit in education which still prevails in my country, it seems to me important that the horizontal nature of Objective 3 should be recognised and mentioned explicitly in the new regulations".

The Commission recalled that it was important to seek a balance between a totally integrated system and a separate system. It stressed that, irrespective of the solution chosen, the Commission would make sure that there was coherence between ESF operations in the Objective 1 and 2 regions to promote human resources and ESF operations under Objective 3.

The emergence of a political debate from this Committee session in Lisbon, as well as the meeting with field operators, "breathed new life" into a Committee whose added value had, in the past, sometimes been masked by an overly "technical" agenda. This debate will certainly pave the way towards a new approach for Committee meetings, focused on pooling the most promising experiences in the field of human resource development.

### A new horizontal Objective 3?

The issue of the scope of application for the new Objective 3, which is currently under discussion at the Council of Ministers, raised a number of questions and comments from members of the Committee.

Should Objective 3 be applied throughout the whole territory of the European Union, or only in the areas not covered by Objective 1 and 2, as proposed by the Commission for the 2000-2006 programming period?

# Investing in people : the ESF Congress

It had never been done before. The European Social Fund Congress held in Birmingham on 26-28 May 1998 was the first ever European level Congress on the ESF in its 40-year history, bringing together people from all corners of the European Union and several applicant countries to examine the ESF in all its dimensions.

Focusing on the general theme of 'Investing in people', the Congress had two principal objectives: firstly, to provide a forum for ESF administrators and project promoters to assess the achievements of the European Social Fund to date, and to share productive ideas and approaches which can be translated into effective action in the Member States; secondly, to examine and discuss the future policy framework of the ESF post-1999.

The Congress was attended by 750 delegates from more than 20 European countries. These included five national employment ministers who addressed the Congress on the opening day, more than 180 ESF project managers and over 50 representatives from Non-Governmental Organisations (NGOs). Jacques Santer, President of the European Commission, addressed the Congress on the final day when he joined Commissioner Pádraig Flynn at the closing session.



**Birmingham, 26-28 May 1998**



# A ministerial launch for the first ESF Congress

It was to the sound of rousing music that Pádraig Flynn, European Commissioner for Employment and Social Affairs, accompanied by government representatives from four Member States - Javier Arenas, Minister for Labour and Social Affairs in Spain; Andrew Smith, Minister of Labour in the United Kingdom; Nicole Péry, Secretary of State for Vocational Training in France; and Christos Protopapas, Secretary of State for Labour and Social Security in Greece - made their entry into the main hall of the Centre, decorated with a collage symbolising the ESF. Here they were greeted by 700 participants. This impressive opening was designed to highlight the importance of the event: the first ESF Congress ever held on a European scale.

## Reinventing the European Social Fund

Opening the Congress, Pádraig Flynn stressed that the ESF represented the human and social component of the European Union, being the only Structural Fund to focus on people. Mr Flynn insisted that the Congress was taking place at a key moment. The current programming period would soon be entering its final year and the Commission had just presented its proposals for the new ESF Regulations starting in the year 2000. "The moment has come", he announced, "for the ESF family - all those who are involved in its delivery, from national authorities to project promoters - to turn their attention to what we have achieved together in the past, and to look together to the future to see how we can improve our action still



'Ending discrimination': Andrew Smith



Getting down to business: the opening session

further". Mr Flynn reminded delegates of the importance of the link between the ESF and the European Employment Strategy. He urged delegates to reflect during the Congress on how ESF actions should be focused to combat discrimination, anticipate economic and industrial change more effectively and better equip the work force with the skills it needs.

## More rigorous management and less administration are not incompatible

Nicole Péry stressed the need to improve the ESF's future management by simplifying administrative procedures. She proposed that the regions should be given "greater decision-making autonomy over the allocation and control of funding", whilst at the same time calling for greater dialogue with regional and local players. In her view, the ESF had to focus its action on the following areas: achieving a better match between skills and the needs of the labour market, creating pathways between training and employment, and guaranteeing access to lifelong learning for all.

## Combating discrimination

Andrew Smith gave a presentation of the United Kingdom's efforts to combat discrimination and explained how he thought the ESF could support these initiatives. After praising the impact of the anti-racism plan launched by the Commission, he called upon the other Member States to adopt it as soon as possible.





### Synergies between the ESF and active employment measures

Javier Arenas commented on the reform of the Structural Funds and especially of the ESF, currently under discussion. He underlined the paramount importance of the link between the ESF and the European employment strategy by saying: “if we can be certain of working in cooperation, then we will have a coherent approach for the future”. We must ensure that future Objective 3 measures, like those of the European Employment Strategy, are integrated and horizontal, covering the entire territory of the European Union.

### Integrated approach to developing human resources

Having recalled the importance of the ESF's role in Greece and in all of the Objective 1 regions, Christos Protopapas stressed the importance of taking an integrated approach to the development of human resources, combining investment in infrastructure, in



Promoting the 'people's fund': Pádraig Flynn

education and training systems, and ultimately in the people on whom the success of the economy depends.

## The NGO perspective

“The ESF was created to foster the involvement of all Europeans in the construction of a single Europe”. So declared the report prepared by a group of NGOs working in the social sector which provided a basis for the discussion on the role of NGOs in the ESF.

Representing some of the ESF's key target groups, five NGOs including the 'European Network for the Unemployed', the 'Youth Forum', the 'European Network to Combat Poverty', the 'European Women's Lobby' and the 'European Forum for People with Disabilities', described their vision for the ESF and their role within it. After setting out their key concerns - 'mainstreaming' equal opportunities and social integration, and the full participation of NGOs in ESF decision-making - they placed particular emphasis on the following points:

- vocational training by itself is inadequate to combat social exclusion: a multi-dimensional approach is required which integrates a range of social factors;
- many unemployed people have the skills necessary to fill current job vacancies but require additional

support to facilitate their transition from passive beneficiaries of social welfare to active participants in the world of work;

- despite improvements in the EU's economy, poverty has continued to increase across the EU;
- the National Action Plans (NAPs) should not focus solely on a quantitative approach to employment generation (number of jobs, number of people undergoing training etc.), that risks leaving out a large number of people and excluding them even more;
- equal opportunities should be mentioned “*expressis verbis*” in the forthcoming ESF Regulation.

Finally, the NGOs noted that real and effective cooperation can only be achieved if they are given the necessary financial resources. An exchange of views and experience between all players, including NGOs, is vital for the ESF's continued success.

# Investing in people: Round Table debates



Round Table 1: debating the role of the state

## Round Table 1 - What is the role of the state in providing training?

All of the panellists in Round Table 1 agreed that the state should act as a catalyst in promoting lifelong learning. "Only the state can raise awareness of the importance of lifelong learning, set standards and targets and provide a framework of vocational qualifications that recognise workplace learning", argued Nicholas Tate.

Governments must work together with business to identify and make provision for predicted skills shortages, he explained. "SME's, responsible for two thirds of all jobs, will need special help in providing training, while disadvantaged and excluded groups will require assistance to ensure their access to training." Lisa Skanting agreed, "training and the labour market must go hand-in-hand and public systems for updating professional knowledge must be set up."

Highlighting the situation in France where businesses were "obliged to devote part of the wage volume to continuous training and the provision of training leave", Vincent Merle identified three roles for the state, "to ensure equality (business tends to train those already well trained), validate skills learned in the workplace and provide guidance for individuals looking to improve their skills."

According to Ms. Skanting the need for lifelong learning presents a real problem for the unemployed "training takes place naturally in the workplace, as jobs change and develop. People without a job are often cut off from this process." Lola Licerias agreed insisting that the employability of those without jobs had to be improved. "We have to promote lifelong learning in conjunction with policies for the creation of jobs," she argued.

## Round Table participants

<b>Moderator</b>	Helena Stålnert, Swedish Television
<b>Speakers</b>	Vincent Merle, Cabinet of the French Secretary of State for Vocational Training
	Nicholas Tate, Qualifications and Curriculum Authority, UK
	Lisa Skanting, Danish Confederation of Employers
	Lola Licerias, Committee of Workers, Spain

## Round Table 2 - Individual responsibility versus Solidarity

According to the panellists in Round Table 2, individualism will have to be supported by solidarity from government and employers if lifelong learning is to become a reality for all. Manuel Pimentel explained that workers laid off from declining industries often lacked the skills to compete for new jobs based on new technologies. Active employment policies, he argued, were therefore essential.

Focusing on changing work patterns, Maria André explained that workers were now required to update their skills almost constantly, she predicted that "half of the skills that exist today will be out of date in three to five years". Viewing this as a positive development, Robert Taylor suggested that more heterogeneous employment models offered greater scope for individuals to find jobs matching their needs and aspirations. Unfortunately, these opportunities were not evenly distributed. "In reality training is often confined to employees in management positions or in highly skilled blue collar jobs. Extra training is simply not offered to a large chunk of the workforce" he argued. For these employees to benefit, someone would have to pay. Mr. Taylor recommended that governments should emulate programmes in Germany and Sweden that encouraged business to fund training for employees.

With lifelong learning essential for the EU's competitiveness, Alexandra zu Schoenaich-Carolath believed that business would have to be the prime mover. "Business should be given a free hand if it is to bear most of the responsibility and cost," she argued, "employees must contribute through their personal commitment and a willingness to give up part of their free time".

## Round Table participants

<b>Moderator</b>	François Poulet-Mathis, France 3 Television
<b>Speakers</b>	Manuel Pimentel-Siles, Secretary General of the Spanish Ministry of Employment
	Maria André, European Trade Union Confederation
	Robert Taylor, Financial Times
	Alexandra zu Schoenaich-Carolath, German Employers Association



# Workshop I – Long-term unemployment

## Workshop participants

<b>Rapporteur:</b>	
Nigel Meager	Institute for Employment Studies - Brighton, U.K.
<b>Moderators:</b>	
Jean-Claude Barbier	Centre for Employment Studies, France
Ides Nicaise	HIVA, Belgium
<b>Projects:</b>	
Urpo Salkoaho	Centre for Employment and Economic Development, Finland
Karl Lampert	BAV, Austria
Gilbert Hubermont	Centre d'accueil pour adultes en difficultés, Belgium
Claus Hansen	Hoje-Taastrup Council for Industrial Development, Denmark
Bengt Eriksson	Kunskapshuset, Sweden
Antonio Pons	Deixalles Foundation, Spain



Rapporteur: Nigel Meager

The report written by Nigel Meager on the ESF and long-term unemployment served as a basis for the discussions in the Workshop.

### Why this theme?

Long-term unemployment remains one of the European Union's most pressing and persistent problems. Over half of those out of work have been unemployed for more than one year. Supporting the EU Member States in their efforts to combat long-term unemployment, by improving the skills and qualifications of unemployed people, is one of the ESF's most important roles.

It therefore comes as no surprise that more than 130 people chose to participate in a workshop devoted to this theme. They gathered to review the current status of ESF action and to reflect on ways to improve its impact.



An ESF project in Belgium: helping the long-term unemployed

### The ESF and long-term unemployment – Key elements of the Meager report

- In order to combat long-term unemployment, the ESF is co-financing a wide range of measures: vocational training, pre-training, temporary employment aids, and support for employment and training structures.
- Certain measures are based on a single approach, such as vocational training, but the majority of the measures are developed as part of an integrated programme and a personalised approach (pathways to integration).
- Most of the ESF projects are oriented towards the supply side rather than the demand side: enhancing the skills and potential of the unemployed by means of training, guidance and counselling, job search assistance, placements, and job-rotation in existing employment.
- The ESF gives precedence to practical support for the unemployed, instead of the simple allocation of funding.

### The necessary balance between training and other forms of action

The discussions clearly revealed that ESF measures had for too long focused solely on vocational training. Although this focus was essential, it is not enough in itself and needs to be backed up by support measures in particular by personal guidance and counselling which extend beyond the sphere of the labour market. Participants emphasised that the ESF's boundaries



should be defined more clearly: is the ESF solely an instrument of labour market policy or also one of social policy?

### How can the impact or success of the measures be gauged?

The participants discussed at length how to 'measure' the success of ESF actions. Should evaluation simply be based on labour market results, or should their impact be measured on the basis of broader considerations? The participants felt that it was necessary to improve evaluation procedures, in order to gain a better picture of the ESF's effectiveness. They considered that evaluation at the 'micro' project level was excessive, but found that it was not thorough enough at the 'macro' level of the local and regional economy. Likewise, we should move away from the type of evaluation that is too often short-sighted, towards more long-term evaluations, making it possible to measure the full impact of the ESF.

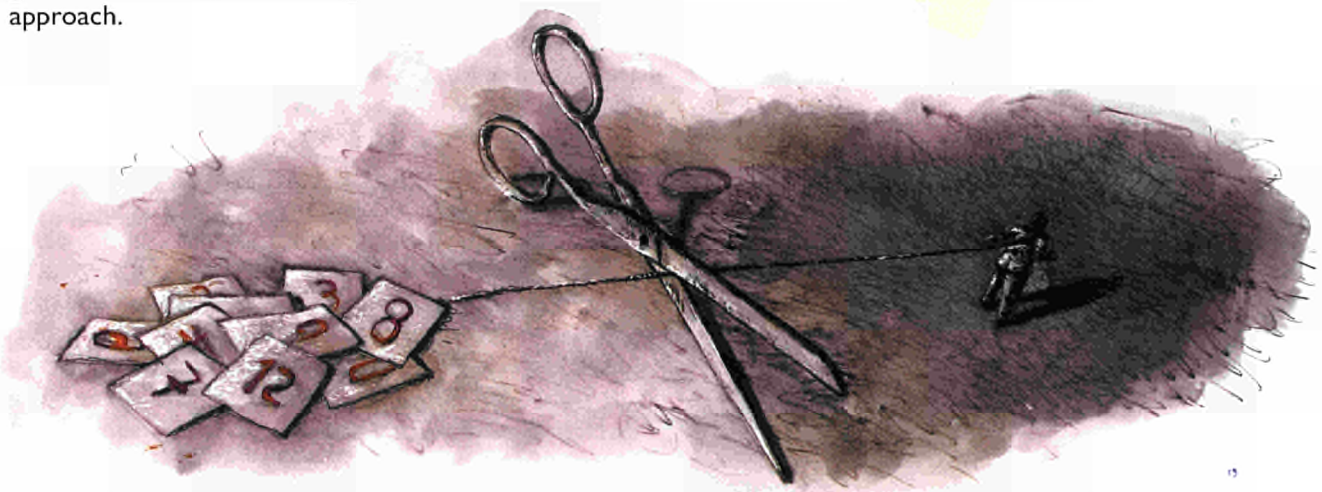
### A better balance between prevention and reintegration

Although prevention and reintegration are both vital, we should ensure that there is not excessive concentration on preventive measures to the detriment of measures aimed at people who have already been unemployed on a long-term basis and are therefore in particular need of support. Moreover it is necessary to clarify what is meant exactly by the term 'prevention' at project level. The planned merger of the current Objectives 3 and 4 will, in all likelihood, make it possible to combine preventive and reintegration measures in a single approach.

### Interaction between the ESF and national systems of social subsidies

It is increasingly common for the ESF to interact with the national social welfare benefits to the detriment of the beneficiaries of ESF measures. The participants went so far as to envisage that the role of the ESF could allow people on unemployment benefit to demand their right to freedom of choice and their right to reintegration. Moreover, we should be wary of the fact that welfare benefit systems can serve as an obstacle to the effectiveness of ESF projects, insofar as the financial support they provide to the unemployed deters the latter from participating in ESF projects.

Many other issues were also raised, including the essential role of company directors who should be much more involved in the projects. Only then will people without a job be able to demonstrate their skills, influence the attitudes of company directors and gain access to the vacancies that really exist. Emphasis should be placed on developing in unemployed people an entrepreneurial approach and the ability to create their own businesses. We should reflect on the type of support structures that need to be set up to provide the jobless with the support they need to enable them to gain access to viable and lasting self-employment.



# Workshop 2 – Young people

## Workshop participants

### Rapporteur

Enzo Mingione Bignaschi Foundation, Italy

### Moderators

Roy Harrison Institute of Personnel and Development, UK

Kurt Brüss Ministry of Labour and Social Affairs, Germany

### Project presenters

Karin-Birgit Nohl Senate for Urban Development, Environmental Protection and Technology, Germany

Pavlos Kollias Volos Municipal Institute for Urban Studies, Greece

Gianni Baratta Arturo Toscanini Foundation, Italy

Paul Kaisman Park Lane College, UK

Ulf Forsell Activa Foundation, County of Örebro, Sweden

Martina Niedderrente Jugendberatungsstelle Waggon, Austria

Jacqueline Fastres Réinsertion Téléformation Animation (RTA), Belgium



Rapporteur: Enzo Mingione

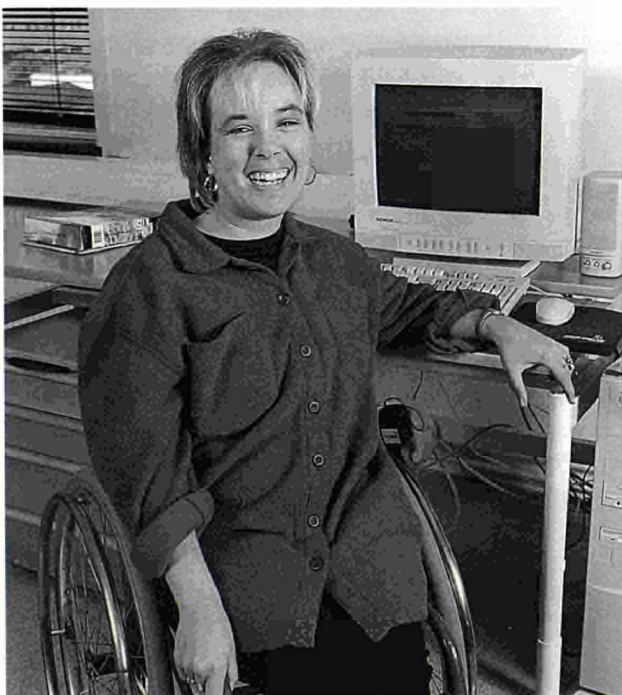
## Why this theme?

Workshop 2 focused on how to improve current ESF practices for helping young people into employment. The discussions took into account the profound structural changes currently taking place in the labour market, as well the EU's overall approach to combating unemployment.

The report written by Enzo Mingione on the ESF and Young People served as a basis for the discussions in the Workshop.

## The ESF and young people – Key elements of the Mingione Report

- Youth unemployment is higher than adult unemployment in fourteen out of fifteen Member States.



The Activa Foundation: helping young disabled people in Sweden

- Many unemployed people are likely to remain out of work for a long time and are at risk of becoming further excluded from society.
- At the Luxembourg Jobs Summit in November 1997 EU governments agreed to provide a 'new start' - a job, training, re-training, work placement or other such measures - for each young person before they have been unemployed for six months.
- The ESF focuses on young people who have dropped out from education or who lack the qualifications and/or experience to find a job.

## Social integration through employment

EU initiatives to tackle youth unemployment were hampered by the absence of an overarching EU youth policy, according to Workshop Rapporteur Enzo Mingione. At present, youth issues were approached horizontally and administered under a range of different programmes none of which were devoted exclusively to the young (e.g. the Leonardo and Socrates educational programmes). The main aim of ESF activities, according to Mingione, "must be to help young people on their path towards employment to ensure that they are fully integrated into society."

## Challenges facing young people

The future for Europe's young people, according to Mingione remained "far more uncertain and risky" than ever before. Rapid technological change, the consolidation of the global economy, and the development of the Single Market were transforming the world of work. These changes, were expected to accelerate in the coming years. The labour market was far more diffuse and heterogeneous and traditional employment structures were on the decline. Young people entering the labour market could expect to change jobs several times in the course of



their working lives, in contrast to the previous generation, who tended to remain in the same occupation for most of their careers.

Not all of Europe's young were daunted by this situation according to Paulina Arola from Youth Forum. She divided young people into three categories: "Those who are well qualified, and have no problems making their way in the modern labour market, those who are less sure of themselves but nonetheless manage to remain on track, and finally, those who drop out and become marginalised." The last group was in need of urgent assistance. The ESF, argued Arola, can identify those youngsters at an early stage and take preventive measures to stop them dropping out in the first place.

### Learning from experience

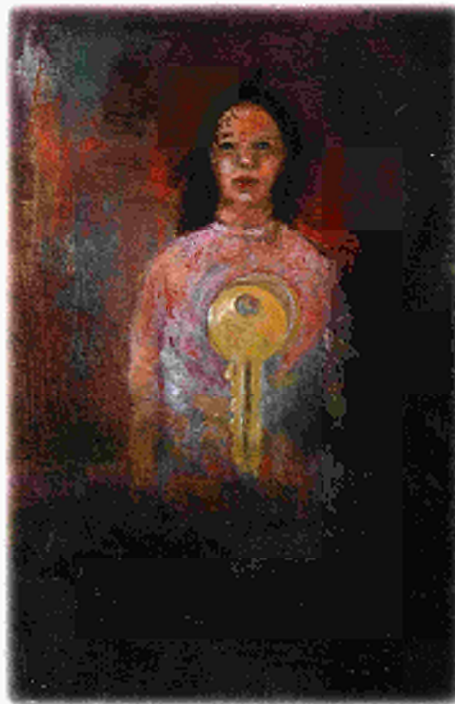
Existing educational and training initiatives were often rigidly locked into the established structures of educational institutions and firms. This resulted in a failure to keep pace with the needs and aspirations of young people, which were not always in conformity with traditional models. This in the opinion of another speaker was the inevitable consequence of a system which was "focused on the needs of the providers and decision-makers rather than the needs of the clients and participants". The ESF was ideally placed to put greater emphasis on "non-formal" learning opportunities to help young people most at risk from becoming excluded from the labour market.

Several workshop participants suggested that the accumulated experience of ESF project managers, whose work stretched back many years, could be exploited more fully. They called for the introduction

of an ESF database, so that those actively involved could learn from the experience of their colleagues, and build up established best practices to cope with particular situations.

### Young people at the centre of ESF policies

The Workshop concluded that all ESF policies must be responsive to the needs of young people. Many existing training courses and projects were based on models of the labour market that were becoming increasingly outdated. In order to tailor training to the realities of the market place, closer links should be forged between the ESF and businesses. Young job-seekers were often most closely in touch with the labour market and their views should be listened to more closely. However, the question of whether the EU needed a specific youth policy was left unanswered, with participants voicing strong arguments both for and against.



Several ESF projects designed to integrate young people into the workforce were discussed at the Workshop, including the following:

The Voluntary Ecological Year project in Berlin trains young people in environmental management. Over 100 young people aged 16 to 27 complete a 12 month course designed to help them find jobs within the environmental field. 95 per cent of the trainees enrolled in 1996/97 found jobs within six months of completing the course.

The Activa Foundation (Sweden) provides training in computer administration for disabled people aged 18 to 35. The project organisers liaise closely with the Swedish Labour Market Institute in order to identify future job vacancies. More than 50 per cent of course participants have found jobs or other training courses.

The Réinsertion Téléformation Animation (RTA) project in Belgium provides people aged 18 to 25 with technical skills demanded by Belgium's audio-visual sector. All participants complete a one-month work placement scheme, and receive practical guidance on how to look for work. Since 1995, 80 per cent of participants have found full-time jobs.



# Workshop 3 – Exclusion from the labour market

## Workshop participants

### Rapporteur

Erwin Seyfried  
Professor of Social Psychology,  
Berlin University for Applied Sciences

### Moderators

Hubert Maly  
Coopérations asbl, Luxembourg  
Ronald Hanak  
Ministry of Labour and Social Affairs, Germany

### Project Presenters

Jean-Benoît Ballé  
Anpéda, France  
Martin Hickey  
Department of Justice, Ireland  
Ana Isabel Carichas  
Varitas Culturais Uma So Vida, Portugal  
Felicity McCartney  
Northern Ireland Voluntary Trust, UK  
Pauline Keegan  
Northern Ireland Partnership Board, UK  
Carole Munhowen  
Zarabina, asbl, Luxembourg  
Anastasia Goedbloed  
Start Holding, Netherlands



Rapporteur: Erwin Seyfried

## Why this theme?

Workshop 3 focused on the ESF's record in tackling the problem of exclusion from the labour market, and questioned whether the planned reform of the ESF would improve its impact in this regard.

The report written by Erwin Seyfried on the ESF and exclusion from the labour market served as a basis for the discussions in the Workshop.

## The ESF and exclusion from the labour market – Key elements of the Seyfried report

- Groups at risk of exclusion from the labour market include the physically disabled, the mentally disabled, single parents, the homeless, former offenders, drug addicts or those recovering from addiction, people living in isolation and vulnerable young people.
- ESF projects recognise that many of these people require a great deal of support before they can be



ESF funding supports the retraining of former offenders in Ireland

fully integrated into the labour market and therefore put considerable emphasis on career guidance, motivation and counselling.

- Excluded groups are also targeted by the INTEGRA and HORIZON Community Initiatives.

## – NGOs, entrepreneurship and social independence

Substantial discussion was devoted to the proposed new ESF regulation. In particular, the future role of NGOs' in ESF decision-making provoked considerable debate. Neil Crowley of the European Anti-Poverty Network argued that since NGOs had the best understanding of the target groups, strengthening their role in the decision-making process would improve the success of ESF projects. However, some delegates resisted this idea, arguing that NGO participation in decision-making had to be limited because NGOs were recipients of ESF funding.

Highlighting the importance of entrepreneurship, Erwin Seyfried argued that “an integrated society cannot be achieved by mobilisation of market forces, or state intervention alone”. “Marginalised groups should be encouraged to take their fate into their own hands. The ESF can help can help them to do this by supporting the development local self-help groups, cooperatives and associations.” He suggested that these so-called ‘third sector’ organisations had the potential to become significant employers in their own right.

## Opportunities through diversification

A number of ESF projects discussed in the workshop demonstrated how the trend towards more diversified and flexible working patterns can be exploited to benefit excluded groups. According to Seyfried “Part time work, and flexible arrangements such as home-



working offer new opportunities for disadvantaged groups such as the disabled, although appropriate social protection rules must be put in place.

### Mainstreaming and targeting

There was general agreement that NGOs should be used to promote mainstreaming as they were well placed to persuade administrative bodies of the benefits of new approaches. However, some NGO representatives argued that better mechanisms were required to incorporate innovation into mainstream policy. The lack of mainstreaming, they pointed out, also undermined efforts to target initiatives towards vulnerable groups with specific needs. Unless the lessons learned from specialised initiatives were incorporated into mainstream policy, targeted groups would find themselves moving from one initiative to the next without ever being offered a route back into work. The absence of a systematic mainstreaming risked condemning the targeted groups to a cycle of maintained poverty. One speaker summed-up the problem by saying "Targeting without mainstreaming leads to segregation".

### Impact of ESF reform

Another substantive issue to emerge during the Workshop concerned the Commission's proposal to withhold 10 per cent of the funding allocated to each programme until it was demonstrated that the money was being spent efficiently. Questioners asked how the Commission intended to evaluate the various programmes, given that reliable and uniform data was almost invariably lacking.

David Coyne, speaking for the Commission replied that according to the institution's latest thinking, a legal requirement would be built into the new regulation for detailed information to flow back up to national and EU-level authorities, so that a reliable database could

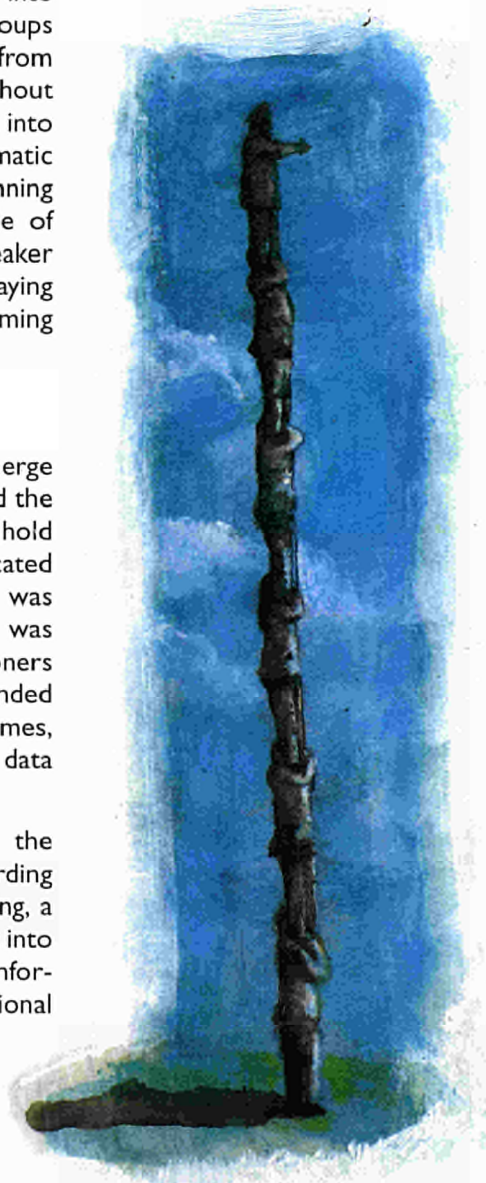
be built up. He stressed that this information would have to be qualitative as well as quantitative, and should include breakdowns into all appropriate categories so that it could be applied across a range of different projects.

Several ESF projects from related to exclusion from the labour market were presented to the Workshop. Some of these are described briefly below:

The Anpéda programme run by the French Federation of Parents of Hearing-impaired Children is an innovative French scheme designed to integrate the deaf into working life. Bringing together a wide range of actors from across France, the programme has revolutionised traditional approaches to rehabilitating deaf people into the workforce. Participants receive vocational training, followed by a work placement programme which often leads to full-time employment.

A programme run in Dublin's Mountjoy Prison by Irish Prison Service Training Unit has been successful in reintegrating offenders into working life after serving their sentences. The programme offers 96 places per year to prisoners nearing the end of their terms, providing vocational training in marketable skills such as electronics and information technology. Most of the courses are nationally accredited, making those who complete them more attractive to employers.

The Detapol project in the Netherlands aims counteract national rules governing sickness leave and disablement benefit, that often dissuade employers from hiring disabled people. Disabled job seekers are assessed in order to discover their abilities and interests. They are then offered specialised training and work placements. Businesses that agree to provide work placements are offered financial subsidies.





# Workshop 4 – Equal opportunities

## Workshop participants

### Rapporteur

Marie-Christine Lefebvre | L Consult sprl, Belgium

### Moderators

Jan van der Velden | Ministry of Social Affairs and Employment,  
Netherlands

Mats Wadman | Ministry of Labour, Sweden

### Project Presenters

Ina Kalf | BUESI, Netherlands

Claudia Klinker | Berufsbildungsstätte Westmünsterland GmbH,  
Germany

Stefano Arduini | San Pellegrino Institute, Italy

Caroline Turner | Breakthrough, Greece

Niels Barret | Byggeteknisk Hojskole, Denmark

Odete Filipe | CGTP-IN, Portugal

Brigitte Zago-Koch | Ministry for Employment and Solidarity, France



Rapporteur: Marie-Christine Lefebvre

## Why this theme?

Workshop 4 focused on equal opportunities for women and men and in particular the reconciliation of work and family life, links between training and full time employment and the accreditation of home-based skills.

The report written by Marie-Christine Lefebvre on the ESF and equal opportunities served as a basis for the discussions in the Workshop.

## The ESF and equal opportunities – Key elements of the Lefebvre report

- Only 65 per cent of women aged between 20 and 59 are gainfully employed, compared to 88.4 per cent of men of the same age.
- Men's salaries are roughly 20 per cent higher than women's.

- The Amsterdam Treaty provides a legal basis for the EU to pursue equal opportunities for women and men.
- National ESF programmes often support projects for equal opportunities. The Community Initiative NOW supported over 1 500 projects since 1994.

## Mainstreaming equal opportunities

Rapporteur Marie-Christine Lefebvre began by saying that equal opportunities had been mainstreamed since 1996 because “we were no longer happy simply to finance specific measures for equal opportunities but wanted equal opportunities be taken into account in all areas of ESF action.” Nevertheless, she said, women were still not equally represented in the workplace. “Access to the labour market is not just a problem for underprivileged women, it continues to apply to qualified and skilled women.”



Helping women develop new skills: the Job Club project in France



The need for diversity emerged as a strong theme throughout the discussions. A delegate running a project in Sweden reported that “89 per cent of women registering for courses preferred them to be for women only.” Meanwhile, a delegate from the Institute of Women in Spain said they found that many women “want measures equally for women and men, otherwise they do not want to participate”.

Women should not be viewed as a homogenous group with exactly the same needs and requirements, argued Leslie Sutherland, representing the European Women’s Lobby, “I see no contradiction between our colleague in Sweden who wants to provide all-women courses and our colleague in Spain where professional women are looking for something different. There is a role for the ESF in each case to assist in the equal opportunities agenda.” Lefebvre agreed saying, “you can have some training for women by women within a general programme that does not have any gender specificity.”

### Adapting to change

Discussing the need for employees to be more adaptable Sutherland said, “a woman’s life pattern today is similar to the proposed future working pattern - she will change jobs on several occasions, have periods in and out of work, undertake retraining and become multi-skilled, both in the workplace and in the home.” Lefebvre explained that the reconciliation of work and family life is a key issue for the economy and the labour market. “At the moment women are the ones most involved in these new working practices. We have to do something to counter the negative impact on women and ensure that family responsibilities are shared more fairly between women and men.”

Finding new ways to accredit skills was vital, in order to bring women back into the workforce, according to Caroline Turner from the Dataweb programme. She argued that “in the future, the ESF must complement the EU Employment Strategy by filling the gaps. We must develop methods to accredit prior learning, to motivate the innovative and creative capacity of women and to encourage women with small businesses to network. Small businesses play a vital role in job creation in Europe and women own and run 30 per cent of them.”

Several ESF projects promoting equal opportunities in different countries were presented to the Workshop. Some of these are described briefly below:

The Vocational Education Centre in Germany retrains women returning to the labour market. In a tele-working project, women are given basic commercial training in accountancy which is assessed through an exam. The course covers the basic elements of computer science and provides the women with PCs which they use to learn at home during the week. A flexible schedule allows the women to work independently and make their own decisions about time management.

The Byggeteknisk Hojskole project in Denmark aims to raise the profile of women working in the male dominated construction industry. The project helped 15 qualified women find positions as site managers and encouraged the media to follow their progress. The unemployed architects and civil engineers, were given apprenticeships working alongside site managers. 14 of the women were eventually given full time contracts, and thus became role models for other women to follow. The project is continuing with more articles appearing in the press, some written by the women themselves.

The Jobs Club project in France has been running since 1996, and has helped more than 1000 women to find their way back into the labour market. The clubs help women to develop their self confidence and to become more aware of their skills. The women participate in a four-week, full-time course involving role playing and interview simulations designed to encourage them to develop a positive self-image. The women are encouraged to look for full-time rather than temporary work, and numerous resources are provided free of charge to help them apply for jobs. Of the 377 women who participated in 1996, 218 found work.

# Workshop 5 – Adaptation to industrial change

## Workshop participants

### Rapporteur

Jens Henrik Haahr Danish School of Journalism

### Moderators

Cristina Sacristán ESF Administration Office, Spain

Anssi Paasivirta Ministry of Labour, Finland

### Project Presenters

Abdella Mezzouane AGEFOS-PME IMTE, France

Christian Szylar National Institute for the Development of Professional Continuous Training, Luxembourg

Jeff Taylor West London TEC, UK

Patrick Sullivan Regional Information Society Initiative, UK

Rui Tocha CENTIMFE, Portugal



Rapporteur: Jens Henrik Haahr

## Why this theme?

Workshop 5 addressed the issue of adaptation to industrial change and focused on how the ESF can help to match the demand for skills with appropriate training.

The report written by Jens Henrik Haahr on the ESF and adaptation to industrial change served as a basis for the discussions in the Workshop.

## The ESF and adaptation to industrial change - Key elements of the Haahr report

- The 1993 White Paper on Growth, Competitiveness and Employment underlined the link between workforce skills and growth and employment.
- Objective 4 and the ADAPT Community Initiative aim to equip people who are in work with up-to-date skills and to help companies anticipate changes in the labour market and the impact of such changes.



CENTIMFE helps workers adapt to technological change in Portugal

- Adaptability is an important pillar of the new European Employment Strategy, involving social partners in agreements to seek a balance between flexibility and security which a dynamic workplace demands.

## Strengthening adaptability

Rapporteur Jens Henrik Haahr explained that ESF policy had shifted towards the prevention of unemployment and that many ESF measures were now directed towards employed people. Preliminary results from this policy shift were very promising and new measures promoted by ESF programmes now included ways to anticipate change in the labour market and training in employment. Nevertheless, a number of questions remained to be resolved at both project and programme level, including: “How can we anticipate better the needs of the labour market? What roles should the social partners play in promoting adaptability? Finally, how do we avoid the negative effects of adaptability?”

## Matching supply and demand

Continuous training should be brought into the sphere of labour relations agreements between firms and employees, according to one speaker from the Foundation for Continuous Training in Spain. That would mean that programmes could be adapted quickly and innovation in vocational training would be continuous. “As a demand model, it will help to meet the skills gap coming from technological change and provide for interaction between small firms and public programmes.”

Mr. Haahr added that “the relationship between supply and demand in training is a widely acknowledged problem. ADAPT objectives could support education brokers who guide enterprises in their training needs.



This approach has produced good results in Denmark.”

Discussing the root of the skills gap in Europe, Patrick Sullivan chairman of the European Regional Information Society Initiative, explained that “80 per cent of the technology we use today was not invented ten years ago and 80 per cent of what we will use in ten years has not been invented yet. That is why there is a skills gap. The only way to handle and anticipate these changes is through a partnership with the major companies that are driving innovation,” he argued.

Responding to a question about who should pay for training, Mr. Haahr said that “education and training are essential requirements and should therefore be subsidised by the state”. Nevertheless, he accepted that the private sector should drive decisions about the content and direction of training.

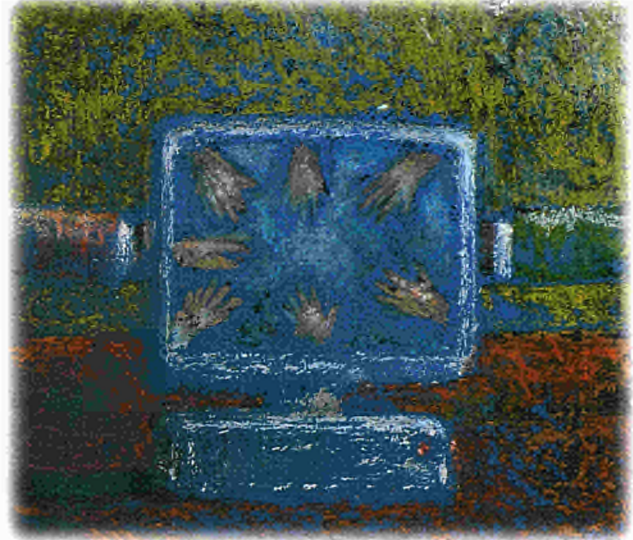
### Involving the social partners

Discussing how to encourage companies to develop training, a participant from the UK reported that, “we have examples of collective agreements with companies to include training facilities within working time. In one company, workers can choose from a wide range of training programmes not related directly to their job and they are given an hour a week to pursue that. A growing number of companies offer open learning facilities, available 24 hours a day. At 2 a.m. in a shift break there will be workers sat at a PC, developing their skills.”

However, another participant from the UK warned that the situation was more complicated for small companies. “The Commission should take a radical look at its contractual processes if it wishes to reach SMEs. They find the time and cost required to complete bureaucratic processes a real disincentive.”

Several ESF projects promoting adaptation to industrial were presented to the Workshop. Some of these are described briefly below.

The Regional Information Society Initiative (RISI), aims to make the information society concept an



integral part of regional development and employment policies in less favoured regions. It has 22 pilot projects to develop consensus and partnership between key regional players. Most have succeeded in raising awareness of the benefits of the information society, identifying key issues and the options for tackling them. RISI's action plans are geared towards the needs of both industry and individuals, to create jobs and improve competitiveness. They focus on the specific needs of SMEs, the prime source of employment opportunities.

The Pro Electronica centre of expertise in Finland was set up to serve the business needs of local companies and promote innovation. The Finnish electronics industry has grown rapidly. The task for Pro Electronica, is to keep production in Finland by ensuring a world-class skills base. The project has close connections with top electronics companies in the region and with training and research organisations. To assess the skill needs of the industry the project closely monitored recruitment advertisements and tailored its training around these needs. The Pro Electronica model will be replicated in several regions in Finland.

# Workshop 6 – The European Social Fund in Objective I regions

## Workshop participants:

<b>Rapporteur</b>	
Vassilis Dertilis	Manager of the National Employment Observatory, Greece
<b>Moderators</b>	
Michael English	ESF Head of Mission, Ireland
Ana Vale	ESF Head of Mission, Portugal
<b>Project Presenters</b>	
José Antonio Gonzales Fernandez	Ministry of Education, Spain
José Sousa Rego	Pilot training programme, Portugal
Kostas Evstratoglou	Employment and Labour Organisation, Greece
Axel Deeke	Institute for the Labour Market and Vocational Training, Germany
Pat O'Toole	FÁS, Ireland
Roland Husson	CEDITI, Belgium

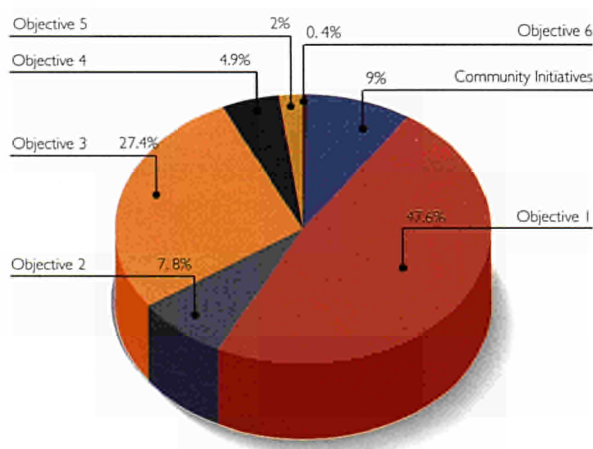


Rapporteur: Vassilis Dertilis

## Why this theme?

Nearly half of the European Social Fund budget is used to co-finance measures in Objective I regions, reflecting the importance attached to the economic development of these regions and the need for cohesion across the European Union. This also explains why it was essential to include a discussion on Objective I at the Congress.

The workshop brought together some 60 people, key players in implementing the ESF in Objective I regions as well as various representatives from the countries of Eastern Europe. They discussed the impact of the ESF, the soundness of the actions that had been developed and the lessons that could be drawn regarding the future role of the ESF in these regions.



ESF funding per Objective (1994-1999)

The report served as the point of departure for the discussions. Six promoters and programme managers also presented their projects and programmes, allowing the discussions to be based on experience in the field.

The report written by Vassilis Dertilis on the ESF in Objective I Regions served as a basis for the discussions in the Workshop.

## The ESF in Objective I regions – Key elements of the Dertilis report

- The ESF is a catalyst for important economic and social changes and supports the development of greater cohesion.
- As ESF measures frequently form part of large-scale human resource development plans, they generally concentrate on complementary activities targeting specific problems.
- Significant improvements in school enrolment since 1989, changes in education systems, and better links between schools and the business sector could all be highlighted.
- Education and training systems had been strengthened through teacher training, the introduction of new educational and vocational training tools and methods, the development of a certification system, and the introduction of means for responding to technological and economic change.
- In some regions, public service operations had been improved by providing training to officials.



### **Economic and social cohesion at the heart of ESF actions**

The goal of economic and monetary union depends not only on the successful launch of the Euro, but also on the effective implementation of actions in the social field, which must be taken simultaneously and be followed-through with equal vigour. The workshop participants unanimously reaffirmed that without convergence of the regions – a sensitive issue for Objective I regions – there could be no Europe-wide cohesion. The ESF had a key role to play in pursuing this objective which must remain a priority for the future.

### **Regional differences require customised action from the ESF**

The workshop participants spent some time discussing how ESF actions should be applied in the different Objective I regions. Acknowledging that the implementation of Objective I measures varied greatly from one Member State to another, depending on its size, the degree of centralisation of its administrative structure and, of course, its needs, the participants reflected on the pertinence of a 'pan-European' approach for the ESF rather than an approach specific

to each region. Although the problems facing these regions are often similar, the solutions to be applied must be adapted to suit the conditions particular to each area. The horizontal approach should provide a framework within which 'tailor-made' ESF actions can be developed.

The ESF's contribution must go well beyond support for the implementation of National Action Plans (NAPs). For the Objective I regions, it is vital to guarantee a high degree of complementarity between economic and social measures and to ensure that ESF measures have a multiplier effect. Including ESF actions in the implementation of the NAPs can contribute to this aim.

However, apart from the difficulty of matching the timetable of the NAPs to that of the ESF, the real problem lies elsewhere. One of the specific characteristics of the ESF in the Objective I regions is that it encourages qualitative measures with a view to ensuring key structural improvements. This fundamental added value is liable to be lost if the ESF becomes a mere tool for implementing the NAPs.

### **Strengthening partnerships**

Several of the projects presented during the workshop demonstrated that it was essential to develop better and more concrete cooperation between businesses, employment agencies, universities and public administrations, in order to guarantee that ESF measures match the real needs of the market. It was also important to develop networking as far as possible – especially among SMEs which, if they remain isolated, are unable to access a range of important services, management facilities and information which may be extremely beneficial.

### **Structural support through education, training and employment systems**

The fundamental impact of the ESF in the area of education, training and employment systems was underscored and clearly demonstrated in project presentations. The need was stressed for more effective forward planning, as well as the optimum use of new technologies and their potential to create jobs.

# Commissioner sees ESF in action

During his trip to Birmingham, Commissioner Flynn visited a local ESF project. The TARGET Supported Employment project, situated in a training centre in the old jewellery quarter of the city, is administered by the Birmingham Rathbone Society. The project helps people with learning difficulties to find secure employment by matching them with potential employers, particularly in economic sectors where local labour market shortages have been identified, such as the hotel and catering industry.

Over the past four years, more than 150 people with learning difficulties have been empowered to achieve full time employment in the local labour market - with an impressive retention rate. TARGET has been particularly successful in highlighting the potential of the ESF to pioneer innovative approaches in this field, in such areas as job brokerage and aftercare support.

Two of the project's employment consultants have been awarded Oxford University accredited Diplomas in Supported Employment, as part of a transnational programme also co-financed by the ESF under the HORIZON strand of the Employment Community Initiative. This has given staff the opportunity to gain a recognised qualification directly relevant to their area of work.

TARGET received approximately ECU 130,000 from the ESF (Objective 3) in 1998 alone, with matching support from a broad range of local partners, including Birmingham City Council, the West Midlands Probation Service and the Lloyds TSB foundation.



ESF funding at work in Birmingham: the TARGET project

On arrival at the Rathbone centre, Commissioner Flynn was met by the Society's Chief Executive, Peter Little and local dignitaries. He was given a guided tour of the building which houses TARGET and other Rathbone projects, a converted pre-war jewellery warehouse. During his visit, the Commissioner – who was accompanied by members of his Cabinet and senior DGV officials – was particularly interested in meeting as many of the project's individual beneficiaries as possible.

The visit was organised with the support of the West Midlands Government Office and received widespread coverage in the local Birmingham media. It also served as a particularly useful counterpoint to the more lofty ESF policy debates and discussions taking place at the Conference Centre. For all concerned, it was a prime example of the ESF in action where it matters: on the ground.



The people who matter: Commissioner Flynn with project participants

# The ESF exhibition – presenting the ESF at work

Speeches, reports and discussions on the activities of the European Social Fund, are not always sufficient to present a clear picture of what the ESF is actually doing 'on the ground'. An exhibition was therefore set-up at the Congress providing a comprehensive 'visual' explanation of the ESF 'at work' in the 15 EU Member States.

The Member States used the exhibition, which ran for the duration of the Congress, as an opportunity to show how they were putting the ESF's priorities into practice and to discover what others were doing. Commissioner Flynn was one of the first people to tour the exhibition, which he believed, provided a clear demonstration of the commitment and dedication being invested by professionals all over Europe in the ESF.



The ESF exhibition: a forum for the exchange of ideas

## An integrated presentation

Situated in a large hall in the Congress Centre, fifteen stands, one for each Member State, were set up around a main Commission stand. Together they presented an impressive picture of the specific actions

being taken by the ESF to improve the employment situation across the European Union. Each of the Member State stands sought to explain ESF programming, thematic areas being addressed and the most important features of the ESF in each country.



Pádraig Flynn meeting exhibitors at the Swedish stand





### Diversity illustrating the specific nature of each Member State

The richness, quality and variety of information and communication products displayed at the exhibition provided proof of the interest that the Member States attached to presenting ESF activities to as wide an audience as possible. The graphic representation and wording of the panels, the publications, the video presentations and the promotional posters all depicted how each individual Member State intends to reach its target groups and what image it wishes to portray for the ESF.

A profusion of publications were displayed, aimed at both the players involved in the ESF and the general public (and often available in languages other than the national language). These imaginative and attractive publications presented the ESF's overall action in the country, as well as colourful project descriptions. Seven Member States screened a video; others displayed CD-ROMs, intended to boost the visibility and public understanding of the ESF. On each of the stands, visitors were greeted by experts well-versed in the subject matter and eager to provide further explanations and information.

Imagination, diversity and above all dynamism are the key words that best describe these stands.

### Presentation of the ESF at Community level

The Commission stand gave an overview of the European Social Fund at Community level by means of numerous panels which presented its development, objectives, the basic principles of its activities,



New technology played a key role in the exhibition



The exhibition presented an impressive picture of the ESF

alongside with budgetary and statistical information. A series of panels was also devoted to each of the six Congress themes, highlighting the key ideas.

The ESF's publications were all available and on display, together with a great many publications relating to other DG V action areas. One stand was also reserved for the Community Initiatives Employment and Adapt. Set up at the entrance to the exhibition, the Commission stand was permanently staffed by Commission officials who were able to provide information and further details about all issues relating to the ESF. The brand-new ESF video was shown continuously, and six monitors were distributed throughout the hall allowing participants to access the ESF internet site and to surf on the ESF sites of the Member States.

### Not just an exhibition, but a rendezvous par excellence

During the Congress, the exhibition quickly became a lively place for people to meet, with delegates, promoters and Commission representatives gathering in the hall between working sessions to discuss and exchange their impressions and ideas.

# Concluding the Congress with a commitment to success

Speaking on the final day of the Congress, Commission President Jacques Santer, Commissioner Pádraig Flynn and Hywel Ceri Jones, Deputy Director General of DGV highlighted some of the key issues to have emerged during the Congress.

The ESF had made "tremendous leaps forward" since its inception in 1958, according to Jacques Santer, President of the European Commission. "To safeguard this success," he continued, "everything hinges on our ability to modernise and pull together our activities in support of jobs. The EU faces internal and external pressures for change, including the Euro, globalisation and enlargement. The ESF is an excellent tool for adapting to change but we need to make it simpler and more decentralised and ensure that decisions are taken closer to the people."

Discussing the proposed reforms Jacques Santer explained, "we are proposing a new ESF that better reflects the needs of people. It will support a more extensive range of activities, while its administrative systems will be simpler and more effective." The new system would "keep payment flows from the Commission to the Member States separate from the stringent controls required on public expenditure, allowing for a more speedy and reliable payments system."

Commissioner Pádraig Flynn highlighted the role of NGOs in supporting local development saying that more could be done to support them. "I have suggested setting aside one per cent of every ESF intervention for capacity building at the local level. We should say to local groups, use the funding. Use it well. Show us what you can do on the small scale, and if it works, we'll see how we can make it stronger and work better." It was Hywel Ceri Jones's belief that NGOs

could play a greater role in the design, implementation, monitoring and evaluation stages of programmes.

All of the speakers highlighted the need for careful monitoring and evaluation. "Progress can only be checked", Pádraig Flynn argued, "if we have a more developed system of information about the type of people who are benefiting". According to Hywel Ceri Jones, this would enhance the visibility of the ESF, improve the dissemination of information and promote transnational cooperation.

On the whole, Hywel Ceri Jones felt that the discussions at the Congress had provided "a strong basis for reforming the ESF." Referring to the link between the ESF and the new European employment strategy, he

pointed out that the reforms would not link the ESF exclusively to the strategy, but that diverse actions combining preventative and curative approaches would continue. However "the link between the ESF and the employment strategy will help to identify gaps in national policies, detected through the annual Luxembourg surveillance process."

Referring to the debate over who pays, who decides and who delivers and how responsibility should be shared between the state, the company and the individual, Hywel Ceri Jones said that the active involvement of all three, working together in partnership, was essential for success and that the ESF should act as a sealant in the process.

On the issue of young people, Hywel Ceri Jones said he had learned a valuable lesson. "The message I am taking from this Congress is that we need to pay much more attention to empowering young people, not as clients of training providers, but as actors and equal partners in the learning process."



Proposing a new ESF: Commission President Jacques Santer

# The Third System and employment – Fiorella Ghilardotti, MEP

We are now witnessing the emergence and development of thousands of experimental projects that combine social and economic objectives and respond to unsatisfied needs, whilst at the same time creating jobs. The organisations behind these experiments belong neither to the public sphere, nor to the world of private enterprise. They are generally grouped together under the heading 'Third System'. Although there is no universal consensus, this term usually covers cooperatives, mutual societies, associations and foundations (known collectively as CMAFs). The pilot action 'Third System and Employment' was created with the aim of exploring and promoting the job potential of the third system and to further the debate launched by the White Paper on growth, competitiveness and employment on a new model of development for the Community.

Fiorella Ghilardotti is a socialist member of the European Parliament and a member of the Budget Committee, the Women's Rights Committee and the Employment and Social Affairs Committee. She was the prime mover behind the 'Third System and Employment' programme launched by the Commission last December. InfoReview interviewed her on the role of the third sector.

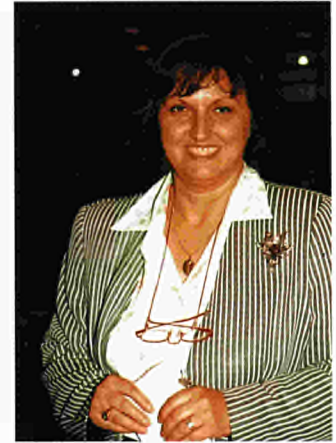
## How do you view the European Parliament's role in social policy?

I see it as a catalyst: the Parliament forces the Council to take an interest in social problems, attracts its attention and brings it back into line from time to time. The Amsterdam Treaty granted the Parliament powers of co-decision concerning the ESF regulation. The Employment and Social Affairs Committee, of which I am part, also plays a major role. It recently published a report on the new European Social Fund in which it called for special recognition of the third sector, the social economy and NGOs. The Commission took this into account and provided for a minimum ceiling of 1% of the total amount of the Social Fund for NGOs at local level. This represents a very important level of recognition.

## Why create a third sector?

There is a whole range of unsatisfied needs in the field of services to which neither the state nor the market currently appear to be capable of responding, for example in areas such as daily social services, initiatives aimed at improving the quality of life and cultural and leisure services. We need to find new ways of

boosting employment. It was against this background that the third sector was created. Although certain responsibilities must remain within the public sector (notably the responsibility for defining, guaranteeing, controlling and maintaining the quality of services) there is no reason why managerial responsibility cannot be entrusted to others. This is where the third sector comes in. Most organisations in the third sector are devoted to providing goods and services and therefore, to some degree, exercise activities of an economic nature. However, they tend to differ from traditional businesses because they are not profit-making.



Supporting the Third System:  
Fiorella Ghilardotti

## What about the private sector?

It would be inappropriate to oblige the private sector to develop a more social attitude without the equal involvement of other sectors. Society has the responsibility of developing a form of social cohesion that is shared between the state and the private sector. The third sector cannot combat the problem of exclusion on its own. The private sector also has a role to play here.

There is increasing talk about European citizenship and civil dialogue; what is your view on this issue?

Although social cooperation such as job creation and responding to unsatisfied needs are key issues, they are only empty words without the participation of citizens. The role of voluntary associations in democratic participation in European construction is extremely important. It has become essential to create a civil conscience because existing forms of democratic participation are now in crisis. Fortunately we now appear to be making headway. During the discussion on freezing budgets, the European institutions came out in favour of stepping up civil dialogue (and not only social dialogue) in all Member States through associations and NGOs. At this level, the third sector and associations of NGOs are making progress on two fronts: by creating jobs which respond to needs, and by encouraging new forms of participation and consultation between citizens and institutions.

# Update on the European Employment Strategy – Karl-Johan Lönnroth

InfoReview asked Karl-Johan Lönnroth, Director responsible for employment and labour market issues in DG V, to provide an update on the new European Employment Strategy (EES).

**Several months have passed since the Commission adopted its communication on the National Action Plans for employment. Can you remind us of the various stages which led up to the EES?**

First of all, we should remember that the European Employment Strategy was developed as a response to a specific situation. Despite an environment in Europe that is conducive to stability and growth, the European Union has only achieved limited success in



Karl-Johan Lönnroth: Director in DG V

improving the predicament of its 18 million unemployed, half of whom have been jobless for more than one year. This situation is due in part to a lack of consultation and coordination between the Member States on employment policy, despite the strategy adopted in Essen in 1994 which sought to encourage the adoption of European solutions, by reinforcing coordination and convergence between national policies.

However, the Treaty of Amsterdam, signed in October 1997, marks a decisive turning point in the develop-

ment of the European Employment Strategy. Whilst the Treaty does not modify the fundamental principle whereby the responsibility for employment policy lies primarily with the Member States, it entrusts the European institutions with a much more important role. It recognises, in particular through its Title on employment, that one of the fundamental objectives of the European Union is to achieve high levels of employment. It creates the framework necessary to monitor employment policies across the European Union and to adopt, at EU level, annual employment guidelines for the Member States. Furthermore, the Treaty creates a legal basis for the exchange of good practices in the field of employment - an area where the European Social Fund has a key role to play.

**In what way can the November 1997 Luxembourg Jobs Summit be considered as a decisive step for employment in Europe?**

The Luxembourg Job Summit, the first to be devoted exclusively to the issue of employment, led to the adoption in mid-December 1997 of the first guidelines for employment policies in the Member States.

This landmark event launched a process of convergence in the field of employment, similar in certain respects to that implemented in the economic and monetary field. This began with the establishment of criteria which each Member State is obliged to satisfy. Furthermore, the Luxembourg process introduced an annual monitoring mechanism within the framework of the National Action Plans, which the Member States must also take into account. Finally, a system of management by objectives was introduced, as witnessed in the adoption of the employment guidelines for 1998. These guidelines are based on the following four pillars:

- **Entrepreneurship:** creating an entrepreneurial spirit in Europe by encouraging the development of self-employment, reducing administrative formalities and identifying new sources of employment
- **Employability:** bridging the skills gap in Europe. Preventing the long-term unemployed and other disadvantaged groups from slipping towards exclusion
- **Adaptability:** boosting the ability of workers to cope successfully with changes in the labour market
- **Equal opportunities:** facilitating the entry of more women into the labour market.



A decisive turning point: The Amsterdam Summit

These four pillars constitute a clear shift towards a more active and preventive strategy with regard to the reintegration of the unemployed. They require, in particular, that all unemployed young people and adults should be offered a new start in the form of a job, training or other measures to facilitate the integration of the most vulnerable groups in the labour market.

**Each Member State was required to send the Commission its National Action Plan in relation to objectives set at European level. Has the Commission made its initial evaluation?**

In its Communication of 13 May 1998, the Commission examined the Member States' projects, the objectives set by the Plans, and their compatibility with the guidelines for employment. Both the process itself and the basic content of the Plans reveal that remarkable progress has been made. The Plans demonstrate a clear trend towards adopting a preventive approach, improving coherence between macro-economic policies and structural reforms of the labour market, as well as towards more coordinated and sustained multi-annual policies.

**How do you assess the impact of the Luxembourg Jobs Summit? Do you believe that the new initiatives adopted at European level are likely to reduce unemployment significantly?**

The Luxembourg Jobs Summit was, of course, merely the first stage in a process that has only just begun. The National Plans reveal certain shortcomings, such

as the lack of emphasis placed, in certain cases, on the practical realisation of active and preventive measures to facilitate access to the labour market, the implementation of an equal opportunities policy etc. More could also be done to restructure government expenditure on employment. Furthermore, the potential added value which the European Social Fund could contribute to the implementation of the European Strategy for Employment is still insufficiently recognised.

There is no doubt, however, that in just one year we have made a great deal of progress, more than we could have imagined. From a succession of declarations by the European Council, Europe progressed to the commitments of the Treaty of Amsterdam, then to the Luxembourg Jobs Summit, to the guidelines for employment in December 1997 and finally to the National Action Plans in April 1998 which will guide the Member States up until 2002. In October, the Commission will examine new draft guidelines for 1999, the main aim of which will be to consolidate the whole process by tightening up the guidelines and bridging some of the gaps they contain.

We are therefore well on the way to achieving the three fundamental objectives of the new strategy for employment in Europe: convergence towards higher levels of employment; multi-annual monitoring of progress; and management by objectives, based on quantifiable and verifiable performance criteria. In this respect, the Commission has an essential role to play in supporting Member States' efforts in the field of employment to help ensure a fair balance between competitiveness and social justice in Europe.

# Promoting good practice in ADAPT and EMPLOYMENT

We are now in a very interesting phase in the development of the ADAPT and EMPLOYMENT initiatives. The 3 750 projects selected in 1995 are near completion and the results will soon be available for evaluation. Many of these projects will have been very valuable in their local or regional contexts, however, it is also evident that the lessons learned from these projects and their transnational partnerships should support the implementation of new and important concepts across the European Union.

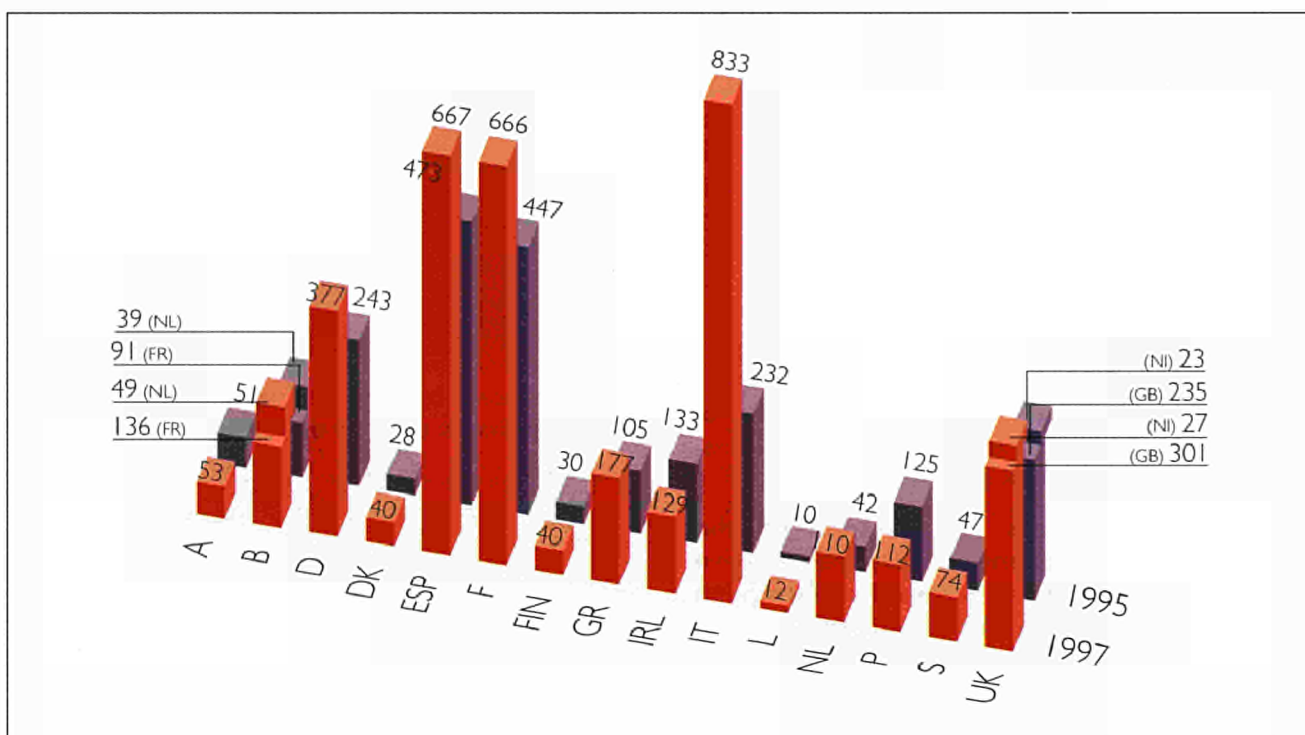
Job rotation has been promoted by ADAPT projects in all Member States. INTEGRA and HORIZON projects have developed tailor-made 'mediation' approaches to finding jobs for people from disadvantaged groups. YOUTHSTART projects in many Member States have built comprehensive pathways for the social and vocational integration of young people - often against a background of fragmented or conflicting provision. From NOW, a 'European Model of Good Practice in Women's Entrepreneurship' has emerged. This is by no means the full picture, as these are simply a few examples to indicate the potential impact of the Initiatives. Indeed, it is possible to find a direct relationship between the work carried out by projects and partnerships and all four pillars of the European Union's Employment Strategy. Similar links

exist with most of the 19 Employment Guidelines and many of the priorities which Member States have established in their National Employment Action Plans.

So it is not surprising that the Commission and the Member States are anxious to explore and exploit this rich mine of good practice (which will be enhanced when the 6 500 projects selected in 1997 begin to show results). To do this, they have agreed a joint strategy for thematic and visibility activities at European and national level and have chosen nine key themes.

A Focus Group has been established for each theme, to identify, analyse and disseminate models of best practice, and to create a structured framework for action to increase the visibility and impact of the Initiatives. Each Focus Group is led by a Member State with the participation of representatives of other Member States which consider that theme to be particularly relevant to their national priorities.

But it is important to have a two-way flow of information about what is going on. Two new mechanisms have therefore been put in place at European level to ensure that project promoters from both the 1995 and 1997 generations can keep in contact with and contribute to the thematic work.



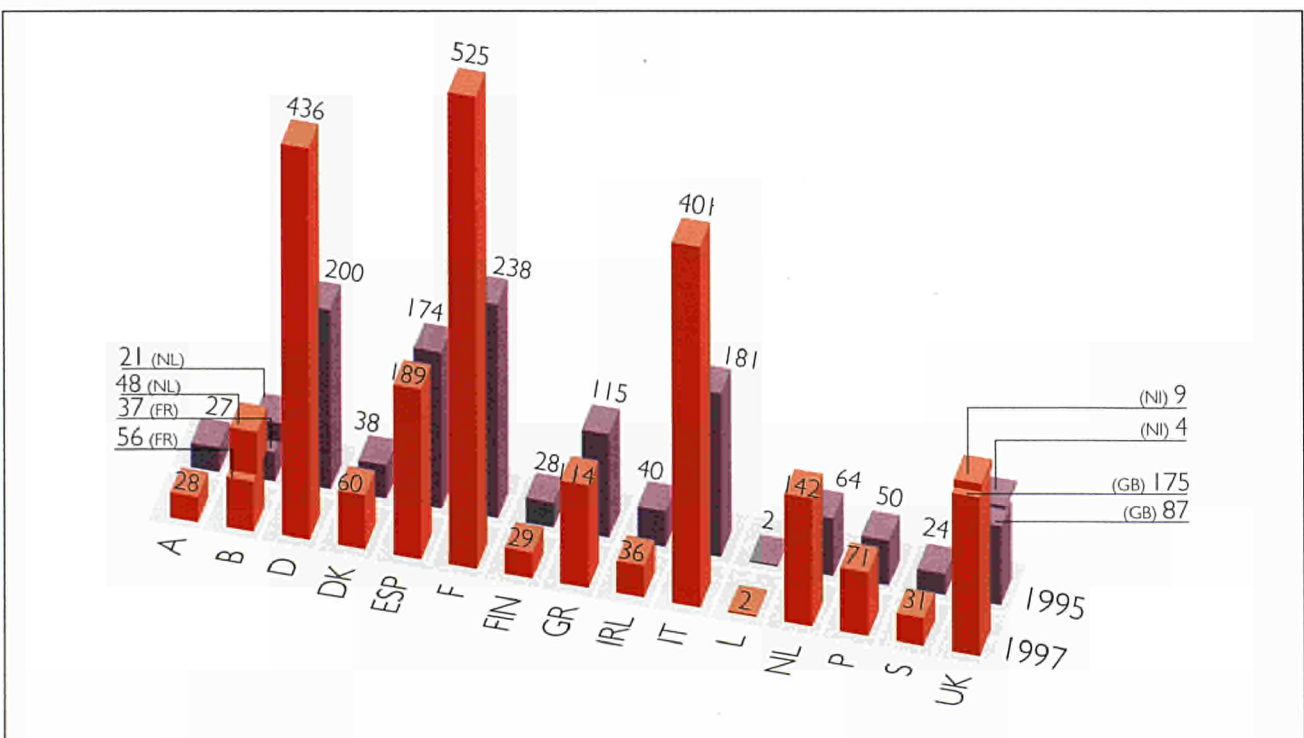
Projects Employment in the Member States

The first is a newsletter appropriately entitled Initiative. This will appear three times a year in English, French, German, Italian and Spanish. This new newsletter aims to make the achievements and successes of ADAPT and EMPLOYMENT more visible, especially in relation to their potential links with the Member States' employment policies and programmes. It will provide information to political decision-makers at all levels, and to social partners, NGOs and the media. But its main purpose is to keep all promoters from both the first and second round of projects up-to-date with what is happening in the Initiatives.

The second information mechanism is a revised version of the ADAPT & EMPLOYMENT website which will keep all those involved in the Initiatives informed about the outcomes of the thematic work. Being an interactive site, it will enable participants to take part in the discussion forums, thus widening the range of potential contributors to the thematic work. A wide range of experts who could not have taken part in meetings in one single location are now going to be able to participate in the work of the thematic focus groups; by commenting on documents that are available for consultation and downloading, or taking part in specific e-mail discussions.

The database which compiles all the information on each of the 10 000 ADAPT and EMPLOYMENT projects of the 1995 and 1997 generations has also been upgraded and is available on-line. Moreover, a new section named 'Project Corner' offers the opportunity for projects to enter their own description of activities, outputs and planned events. Considering the number of visitors on the ADAPT & EMPLOYMENT site (around 80 000 between August and December of last year), it is a unique opportunity to maximise the visibility of projects.

Along with these two innovative aspects, the site has been graphically improved, in order to ensure a faster connection and a greater user-friendliness. Most elements of the original site have been maintained: the downloading of publications, consultation of databases of addresses and useful links on-line, etc. In addition, all internet users will find regularly updated press releases, and a special 'Events' section informing them of the activities in their respective Member States. All in all, this new tool will help create a network which includes all those involved in the ADAPT and EMPLOYMENT Community Initiatives since the very beginning



Projects Adapt in the Member States

# Local capital for social purposes: pilot projects under Article 6 of the ESF



Fostering creativity at the local level

Sharing knowledge and experience about successful employment initiatives became a top priority for the Member States following the Amsterdam Treaty and the November 1997 Luxembourg Jobs Summit which highlighted the need to coordinate national employment policies.

Article 6 of the ESF Regulation aims to improve the design, testing and evaluation of projects which develop innovative methods and content for active measures promoting employment and social integration. The projects currently being funded cover new employment opportunities, as well as activities related to the information society.

At present several factors hinder the access of local players to programmes co-funded by the ESF. These include the complexity of administrative procedures, which sometimes discourage the most needy individuals and associations from applying for funding; monitoring systems which are poorly-suited to the special needs of micro-projects (and are more favourable to large organisations); the lack of local structures capable of providing support; and other obstacles to securing funding whether during the design/start-up phase or during the subsequent development phase.

In order to overcome these difficulties, it is vital to set up flexible systems which encourage economic and social entrepreneurship by supporting the people and organisations working to setup local projects. Over the years to come, Article 6 should help the ESF to fulfil its role as a catalyst by testing, on a regional and local scale, the new pilot action, 'Local Capital for Social Purposes'. The management of this pilot project will be entrusted to intermediary bodies comprised of non-profit-making organisations. Access to the services provided by these bodies will be reserved either for the unemployed and people in a situation of exclusion, or for small associations and local communities which promote the socio-economic integration of disadvantaged groups. The role of the 'Local Capital for Social Purposes' projects will be to develop new measures and to explore new ideas at the 'grass roots level', which could then be put to wider use by the ESF.

These pilot actions recognise the need to mobilise the people who are close to the 'grass roots' level and able to understand local strengths and weaknesses. It is they who are best placed to foster local creativity by exploiting existing or potential talents and resources.

Under the scheme, promoters of micro-projects will benefit from three types of support: participatory follow-up involving them in all phases of the project; assistance with technical and logistical advice, with the specific aim of boosting the autonomy of the weakest communities; and financial support with a maximum of ECU 10000 per individual project.

The success of these pilot projects, setup within the framework of 'Local Capital for Social Purposes', could determine the wider application of this approach under the new Objective 3 of the Structural Funds, and more particularly Article 4 of the new ESF regulation proposed by the Commission for the 2000-2006 programming period.

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