



Complementarities between urban and rural areas in promoting employment and social inclusion

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Seminar on

Complementarities between urban and rural areas in promoting employment and social inclusion

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Introduction

Jorma Palola, Permanent Representative, Association of Finnish Local and Regional Authorities (AFLRA)

This seminar, jointly organised by CEMR and the Association of Finnish Local and Regional Authorities, sought to bring together two important areas of CEMR's work: employment and social policy with cohesion policy. These areas addressed the common theme of complementarities between urban and rural areas in promoting employment and social inclusion. Representatives from regional authorities, academia and the European Commission participated in this event.

Globalisation, the EU's internal market policy and enlargement all strongly affect conditions of social and economic welfare. Employment, social inclusion and regional development, the main topics of this seminar, are essential for the well being of all citizens. It is important to emphasise that these areas are closely interconnected. The role of regional and local authorities is also significant in the practical application of these policy areas. Local democratically elected bodies have a specific role in translating the EU's initiatives into local actions and in channelling

local and regional needs into national and EU decision-making. There is significant overlap between these different areas of policy.

Problems of employment and social inclusion can have specific rural and urban features. However, it is evident that these problems are interdependent. For example, in Finland, consequences of substance abuse are often visible in both cities themselves and in their surrounding rural communities. This is one symptom of the interrelations between urban and rural problems that needs to be tackled today. These problems raise the question of how we could create mutually supportive policies and practical measures of implementation to achieve a balanced urban and rural development.

The fact that the European Union is revising its employment, social; cohesion and agricultural policies, in view of the forthcoming enlargement, gives a particular pertinence and context to these discussions today. In the coming months, member states will also discuss and

decide on many national plans and objectives affecting particular EU policies.

CEMR's Cohesion Working Group is working on cohesion policy and regional development, examining the need for a balanced rural and urban development within the European Union and assessing how regions in the next structural funds post-2006 period need to develop their comparative advantages.

CEMR's Committee on Employment and Social Policy is also working in this area. In October 2001, a CEMR conference was held on the Open Coordination Method. Open coordination is a mutual feedback process of planning, examination, comparison and adjustment of the policies of EU member states. This is all done on the basis of common objectives.

The Open Coordination Method leads to national action plans (NAPs) which then result in new guidelines in the areas of employment or social inclusion. CEMR regards the Open Coordination

Method as an instrument having the capacity to link European strategy to innovation on the ground. It is a means through which local and regional authorities are facing the challenge of influencing policy outcome. Employment and social inclusion are issues of great concern to local government. It should be added that local authorities have developed new forms of governance within their territory to drive forward innovative actions in the areas of employment and social inclusion.

This seminar focused on how a balanced development between urban and rural can be encouraged in the areas of employment and social inclusion. The first part of the seminar focused on employment, the second part looked at social inclusion, and the third part addressed the coordination of local and regional government approaches to promoting social inclusion and employment in rural and urban areas. Emphasis is on a bottom-up approach. The seminar looked at practical examples and discussions aimed at drawing out common themes.

PART 1**Initial thoughts on a balanced urban and rural development in promoting employment and social inclusion****1. Introduction**

Balanced urban and rural development is an important element to be considered in tackling employment and social inclusion and should be taken into greater account in the EU funded programmes post-2006. While the prevailing social contexts differ, urban and rural development do not exist in isolation and the practical measures taken to address these problems are often the same. Cooperation and coordination between local government in cities and rural areas can contribute to mutually beneficial solutions and can improve the living conditions of the population in both areas.

1.1. INTERDEPENDENCIES BETWEEN URBAN AND RURAL AREAS

Traditionally, urban and rural areas have often been seen as exclusive areas. EU structural funds projects have, to date, not laid a particular emphasis on integrating the different processes of rural and urban employment and social inclusion. Nevertheless, interdependencies between rural and urban areas have always existed and these have become more complex over recent decades. The increasingly complex relationship between urban and rural areas is caused by greater mobility and accessibility between town and country.

Interdependencies between urban and rural areas can be described in terms of population flows such as movement of people in search for employment, education and training, or recreation. It is also evident that these interdependencies can be described in terms of structures.

Interdependencies between rural and urban areas vary from region to region and are depen-

dant on the spatial and structural context of their respective areas.

1.2. TOWARDS A COMPLEMENTARY APPROACH

Cooperation between urban and rural areas should create comprehensive social and economic benefits. These areas can provide a valuable complement to each other. Urban and rural areas can benefit and learn from each other in terms of the tools and processes used in order to tackle social exclusion and unemployment.

Cooperation and complementary learning processes can be promoted through networks of urban and rural areas. These networks can be of a regional, interregional or trans-national character, and can help to create a more even economic and social development. However, means of cooperation between urban and rural areas might differ according to the varying structural and spatial relationships existing between these two areas.

2. Defining urban-rural relationships and developing indicators for further research

2.1. THE DIFFICULTY OF ASSESSING THE URBAN-RURAL PHENOMENON

Previous academic definitions were considered sufficient to provide a consistent picture of the distinctions between urban and rural areas. Nevertheless, today these differences between urban and rural areas are less clear-cut and there are limits to the theories that have been applied to date. It would seem that no single approach provides an exact definition and the challenge of defining what is 'urban' and what is 'rural' remains.

A new approach to classifying urban and rural areas was recently presented by the European Spatial Observation Network in their first interim report⁽¹⁾ in which they suggest that a distinction is made between:

- regions dominated by a large city;
- polycentric regions with high urban and rural density;
- polycentric regions with high urban density;
- networks of small towns;
- remote rural areas.

On the one hand, this classification illustrates the complexity of the different patterns of relationship between urban and rural areas. It has, on the other hand, been pointed out that this is based on physical agglomeration definition (ie. population density and/or land use) and not on a more functional definition that can potentially include more complex relationships within territories.

2.2. INDICATORS FOR ANALYSING URBAN-RURAL RELATIONSHIPS

In order to be able to analyse urban-rural relationships, it is necessary to develop territorial indicators and typologies capable of identifying and measuring development trends as well as monitoring political developments towards a more balanced and polycentric EU policy.

To date, the ESPON network has developed a comprehensive list of indicators which serve as a pool for the selection of indicators, according to different requirements of the study. These indicators have been assigned to three categories.

- Basic indicators for the first tests of the delineation of urban and rural regions.
- Indicators for the quantitative analysis of urban and rural developments and relationships between them.
- Indicators for qualitative analysis in case studies.

Further analysis would be necessary in order to refine the quality of indicators that could be used.

1. The full first interim report of the European Spatial Observation Network can be found at www.espon.lu

3. How should balanced urban and rural policies for promoting employment and social inclusion be implemented?

3.1. POLICIES FOR COMBATING SOCIAL EXCLUSION AND PROMOTING EMPLOYMENT IN URBAN AND RURAL AREAS SHOULD BE MUTUALLY SUPPORTIVE

- Rural and urban development takes place in close interaction and is mutually beneficial. A balanced distribution of opportunities for employment is crucial for sustainable development in urban and rural areas. Future structural funds programmes should encourage sustainable and integrated regional development and urban consolidation, the growth of small- or medium-sized cities and sustainable rural development by creating labour-intensive projects, training for non-farming jobs and should ensure effective transport, and communications and other essential infrastructures. Decentralisation of administration, expenditure, taxation and services should be considered to facilitate local development.
- On the one hand, long-term unemployment and experience of social exclusion in urban areas is different from that of rural areas. However the practical measures taken to resolving these problems are largely the same, although the opportunities for employment may differ greatly. The tools and measures used in previous and ongoing local employment URBAN and LEADER projects have shown great similarities: they take into account local conditions, resources, networks, civic organisations and the existence of local community facilities. Urban and rural municipalities could take account of each other's experiences in preventing long-term unemployment and social exclusion.
- Moreover, the opportunities offered by new technologies for ensuring continued employment in rural and urban municipalities should be

examined. Telework and other new forms of employment could help to create new jobs and provide opportunities for new ways of working. Telework also provides opportunities for existing employees.

3.2. THE OPEN METHOD OF COORDINATION AS A TOOL FOR A BALANCED URBAN AND RURAL DEVELOPMENT

- As already stated, a “one-size fit all” approach would not solve the problems of social exclusion and employment in cities and the countryside, as the situation varies from area to area. Cultural factors and differences in the physical environment further complicate comparisons. Nevertheless, it is very important to discuss issues related to rural and urban development side by side, in order to be able to assess how EU actions in these areas complement each other. Social exclusion as well as unemployment requires careful analysis in order to be able to assess the often complex problems these phenomena entail.
- The Open Method of Coordination, as initiated by the Luxembourg and Lisbon Summits, is therefore an important tool for combating social exclusion and long-term unemployment in urban and rural areas. Its methods and approaches should be further developed.
- In addition, the national associations of local and regional authorities should be involved in the setting up of the national action plans, as local and regional authorities are often key players in implementing employment programmes and have important knowledge on these matters. Likewise, CEMR, as their European representative, should be consulted in the definition and development of the European Employment Strategy.

- Here, benchmarking is a useful and important tool for promoting employment and social inclusion programmes at the local and regional levels. The availability of comparative data or information on the exchange of experience on particular features of social problems in urban and rural communities, and on approaches towards solving these, can contribute to the development of mutually complementary approaches in different policy sectors. It is important to further develop the tools applied here to make benchmarking more adaptable to the specific needs of the different areas and to simultaneously allow the coordination of a balanced rural and urban development.
- The Urban Audit has produced a great deal of information on the problems and development issues of cities. Although it is important to monitor the development of large cities, the Urban Audit should be extended to include medium-sized cities and the information should, in order to improve the urban - rural balance, be studied from the perspective of the region/rural areas adjacent to cities. Small and medium sized towns are important centres in predominantly rural areas. They should receive more support in order to maintain the viability of the surrounding countryside.

3.3. GOVERNANCE, NETWORKING AND PARTNERSHIP AS CRUCIAL ELEMENTS FOR BALANCED RURAL AND URBAN DEVELOPMENT

- Keeping in mind the principle of subsidiarity, there should be a greater recognition that local and regional authorities are at the forefront of tackling social exclusion and unemployment and that they have an important role in finding practical and immediate solutions. This has already been demonstrated by URBAN and LEADER programmes where municipalities are often the main actors in implementation processes.
- Cohesion policy should promote and strengthen the roles of the local and regional authorities in

order to further develop its' goal of social integration and to disseminate best practice. Spatial regional planning as well as the creation and testing of the new institutional forms and policy instruments that integrate urban and rural concerns can lead to a better economic development of both areas. Only a comprehensive and integrated network strategy can tackle urban and rural issues. This should also be the nature of a European urban and rural policy, as opposed to a sector-based approach.

- Partnership and networking between rural and urban areas should not only be promoted at regional level but also at the interregional and transnational levels. Good examples for this type of cooperation have already been provided by INTERREG programmes. Networks between urban and rural areas, especially on an EU-wide level, could facilitate mutual learning.

3.4. THE CAP SHOULD EMPHASIZE THE CREATION OF A MORE DIVERSE RURAL DEVELOPMENT

- There has been a strong emphasis on shifting the focus towards rural development in the preparations for the reform of the common agricultural policy (CAP). The CAP, as it is currently constituted, is unsustainable both within the European Union and on a global level. It is therefore necessary to include development measures outside agriculture into these programmes and to support the experience rural areas have in the development of non-agricultural economic activities and other rural developments.
- The opportunities for establishing lasting and viable small and medium-sized businesses in rural areas should be supported. Such businesses contribute to a balanced development of rural areas and their principal towns. Lessons should be drawn from earlier experiences with Article 33 so that development measures outside of agriculture and forestry would be included in this form of aid to a greater extent. This would mean that small businesses in rural areas would

receive support even though they are not directly linked to farming. Extending the LEADER+ initiative and allocating more resources to it would also serve this purpose.

- A simplification of the legislation on rural development, its' implementation and payment requirements is a central objective for strengthening the second pillar. This would mean an increased delegation of decision making to the member states and regions to enable them to better respond to local needs.

3.5. THE IMPORTANCE OF IMPROVING TRANSPORT AND ACCESSIBILITY

- The development of Trans-European Networks (TENs) of transportation provides one perspective on how rural areas and large urban growth

centres can both be given attention. Trans-European Networks also give more peripheral regions of the EU the possibility to have fast and efficient transport access, thus improving their economic competitiveness. Transport connections are an essential factor in the development of rural and urban areas. In order to achieve a more even development of regions, the promotion and development of complementary regional networks of transport could help to improve urban and rural development.

- The economic structures of small and medium-sized towns play a crucial role in the viability of the region as a whole. In addition, the improvement of accessibility would enhance the inherent benefits of these areas thus giving them a better starting point for establishing new businesses and creating employment.

PART 2 Speakers' presentations

SESSION 1

Promoting Employment in Urban and Rural Areas: some case studies

Moderator: Matthias Schulze-Böing

■ Measures to tackle long-term unemployment in urban and rural areas: examples of good practice in Germany

Matthias Schulze-Böing, Head of Department for Employment, Statistics and European Affairs, Municipality of Offenbach (D), and Chair of the CEMR Committee on Employment & Social Affairs

The article provides an overview from the German perspective on measures to deal with long-term unemployment and presents some examples on how local authorities tackle this problem. In Germany, local authorities have over the last 25 years faced increasing social welfare expenses, which comprise around 40% of the annual budget. This in turn has resulted in a number of innovative local employment programmes. A few examples of best practices are presented. Nevertheless, it is concluded that it is necessary to bring these different practices closer together in order to create networks of cooperation between local authorities.

A special feature of the German structure of the welfare state is the so-called dual system. It consists on the one hand of a centralised administration for labour market policy with labour offices in all regions, which are run by federal agencies with labour offices in all regions state. Local authorities on the other hand are responsible for social welfare issues. Small cities, which are hit by high rates of unemployment, can also have a high percentage of social welfare recipients. Severe financial problems are often a consequence. As in the case of the City of Offenbach am Main, experience under this social system can lead to near bankruptcy. About 40% of public expenditure by local authorities is currently spent on social welfare amenities.

This situation was one reason for the local authorities to start local employment initiatives

in the late 1980s and in the 1990s. More than 400,000 people in Germany are today employed by local job creation schemes set up by local authorities. These are mainly funded by local budgets, although in part refunded by the European Social Fund. Another estimated 400,000 people take part in job creation schemes provided by the local authorities.

Local employment policy is today an integral element of employment and labour market policy in Germany; some term it as the second pillar of Germany's employment and labour market policy. Many say that most of the important innovation in employment policy in Germany actually comes from this second pillar.

The European Employment Strategy is considered to be a good framework of reference for the local level. One of the basic principles is early intervention to prevent unemployment. Employment policies should also be inclusive. They should include all members of the potential workforce and they should enhance the function of the labour market through measures that provide a flexible response to change. The European Employment Strategy is comprised of four main pillars:

- employability;
- entrepreneurship;
- adaptability;
- equal opportunities.

FIRST PILLAR: EMPLOYABILITY

In the area of local employment policy in Germany, this pillar is the best developed of the four and has the greatest importance in quantitative terms. The starting point for many local authorities is to tackle long-term unemployment and dependency on social welfare. As a consequence, there have been a number of employment schemes created such as: youth insertion schemes and job creation programmes for the long-term unemployed. These provide the unemployed with the skills to return to the labour market and firms in the local community or region go on to recruit the beneficiaries of this training. Cologne, in particular, is well known for its good practice in this area. This city also serves as a model for the current discussion of the social system in Germany. Other examples include Bielefeld, Bremen, Offenbach and Giessen County. Inclusion policies are also important in this context. In Offenbach, for example, 30% of the population are immigrants and considerable effort is made to bring them into the labour market. Measures include inter-cultural job coaching and specific job creation.

SECOND PILLAR: ENTREPRENEURSHIP

A recent development is the training and coaching of new and potential entrepreneurs among the former unemployed. In Germany there has been surprising success through the building of business incubators. Recent innovations in the field of local employment policy by micro-loan schemes are still at an early stage due to restrictive national law. Nevertheless, local strategies are available to facilitate the building of micro-schemes that can be used by new businesses. University spin-offs are also becoming very important. Local authorities in Offenbach work closely with a local college to try to support students while they receive training in entrepreneurship. Neighbourhood renewal initiatives are being implemented in most German cities and it is becoming increasingly important to incorporate an economic element to these

renewal strategies. One feature of this economic dimension is to support business initiatives and new local businesses.

THIRD PILLAR: ADAPTABILITY

Adaptability can be supported on the local level through the provision of local counselling services for those in employment. Information is provided on successful adaptation to changing requirements within the workplace. The idea of open learning centres has been adapted from the UK and the USA, creating learning facilities in downtown areas in inner cities where people can have free access to e-learning and self-learning material and counselling services. In a number of cities, tailor-made training measures have been designed especially for small and medium-sized enterprises and local authorities. Good practice examples for this can be found in Graz, Offenbach and Stuttgart.

FOURTH PILLAR: EQUAL OPPORTUNITIES

The final pillar of the guidelines prioritises equal opportunities, with the twin social and economic objective of modernising societies so that women and men can work on equal terms with equal responsibilities, to develop the full growth capacities of European economies. It recognises both the social need to counter discrimination and inequalities between women and men, and the economic loss resulting from not making full and effective use of the productive capacities of all sections of the population.

In addition to this focus on closing the gender gap in Europe's economic and social life, this pillar emphasises the integration of people with disabilities into working life. This is an important first step towards recognition that the full integration of disabled people is a fundamental issue of equal opportunities. This, in turn, is also a move towards a wider implementation in the employment field of the important new anti-discrimination clause of the Amsterdam Treaty.

AN INCLUSIVE LABOUR MARKET POLICY

Labour market policy should consist of an integrated package of policies. There are many synergies that can be used by the local level approach. This makes local employment policy not only more effective but also more cost-efficient. An example of good practice for this is the integrated approach taken by the City of Leipzig in Saxony, eastern Germany. In the region of Leipzig, the unemployment rate is very high. However, as a result of local policy, Leipzig is now some steps ahead in tackling unemployment. The City of Leipzig set up a strategy of cluster management and succeeded in locating two industrial plants of BMW and Porsche. They have embedded this into an overall cluster strategy, exploring what the supply industries and the services around these automobile plants are and what kind of skills will be needed in these automobile factories and the suppliers around them. Leipzig started this initiative long before measures were taken for these plants to train people in cooperation with BMW, Porsche and

other companies for future jobs. A large number of this new workforce is recruited out of the former unemployed. The whole project was moderated and coordinated by the City of Leipzig rather than by the National Labour Office or by individual companies. This is therefore an example of successful practice for local employment policy and this model should be adapted in more cities, not only in Germany but within Europe.

CONCLUSION

In conclusion, there is a great variety of practical models in Germany. It is necessary to bring these different practices closer together to create networks between cities with their respective employment policy departments, to enable them to learn from each other, to maybe benchmark practical models against each other and to make implementation of local employment policy more effective and more efficient.

■ Rural employment: Resolving the negative impact of unemployment in Essex

Paul Williams, Rural development Manager, Essex County Council (UK)

The Essex Rural Partnership (ERP) was established by Essex County Council as a direct response to the crisis caused by Foot and Mouth Disease. The ERP is an action orientated group. It brings together actors from different levels of government as well as interest groups in order to improve the living and working conditions of the people in rural Essex.

Why did the Essex County Council get involved in rural partnerships?

Essex County Council got involved in rural partnerships as a result of new local government responsibilities to provide access to local services and facilities, following publication of the UK

Urban White Paper and the Rural White Paper. This means that local authorities are now obliged to encourage growth in their counties. The Essex County Council met these demands by setting up a community regeneration department that focuses on three separate activities: urban regeneration, rural regeneration and social inclusion.

Five priority areas were identified: the Thames Gateway (from London to Southend), the Haven Gateway (from Harwich to Felixstowe), the M11 Corridor alongside the Stanstead Airport development area, the Harlow urban district and the Rural Renewal Area. Rural Essex comprises all areas outside the major towns and the coastline, including all estuaries and islands.

The changing nature of the rural communities in Essex

Rural communities in Essex have recently changed. 22% of the workforce commutes daily out of the county, which means that rural settlements have largely become dormitory towns. There is an overall reduction in affordable housing as people from London are purchasing second properties as holiday homes or weekend lets. As a result of the loss of agricultural subsidies and markets, there has been a reduction in farm incomes, a loss of traditional rural skills and there are changing skill requirements. All these aspects have a negative impact on the rural economy.

Local government is particularly involved in providing basic social amenities, education and communication, access to rural transport facilities, ensuring availability of affordable housing, maintaining public rights of way as well as the removal of rural social isolation barriers.

This is done in cooperation with districts, boroughs, and town and parish councils. There are 2-way liaisons on all key issues including economic development, social services, environment, transport, planning and tourism.

The Foot and Mouth Crisis 2001

There has recently been the challenge of the Foot and Mouth crisis. The County Council initiated emergency procedures by closing all public rural rights of way and the County Council monitored and evaluated disease control together with the Department for Environment, Food and Rural Affairs (DEFRA) which made recommendations on measures to be taken to the UK Parliament.

The Foot and Mouth Disease had a severe impact on the social and employment situation of the countryside. Farmers were not allowed to move their cattle but they still had related expenses. Moreover, some of the traditional markets were

lost. As a result, a number of farmers and farm workers left the farming industry. The impact of the Foot and Mouth Disease on tourism was felt to a much stronger extent. The number of visitors to the countryside fell. This was further amplified by the impact of 11 September 2001. The result was a huge loss in revenue for the county and an immediate reduction in seasonal employment.

In this very difficult situation, the Essex Rural Partnership was established, which has currently over 160 representatives and decision makers from the rural economy and rural organisations. It is a communication network including all key stakeholders from both inside and outside the Essex County Council, and serves as a forum for the exchange and dissemination of information. One of the first tasks of the Essex Rural Partnership was to subdivide itself into manageable areas such as rural economy, employment, community, transport, the environment and conservation. It has three secretariats for the three sub-groups as well as a coordination body and a rural strategy group which takes advice from people at the ground level as to the form long-term policy should take.

MEASURES TAKEN AND FIRST OUTCOMES

- The establishment of a rural economy and employment hub called Waymark Essex. This serves as a partnership of 150+ agencies, providing advice and training. It is a signposting and problem solving facility which is free of charge.
- Specific help for the tourism industry: £50,000 was invested in an advertising campaign. Support for Agro-Tourism schemes was given ie. craft fairs and food fairs to create extra-seasonal employment.
- The Essex Farm Attractions Group was established to encourage farm diversification, giving farmers the possibility to earn extra income while continuing with their usual farming activities. In addition, they intended to create further jobs

and sustain those jobs that were already there. There was also an educational spin-off and this group succeeded in raising awareness among urban visitors of farming practices.

- The Essex Farm and Country Accommodations Group started its work in order to encourage more tourist accommodation, agro-tourism, eco tourism, the possibility to work together with different interest groups and a re-training scheme for rural workers.
- The Essex Association of Farmer Markets which aims to encourage people to buy locally grown produce. In addition there was a Young Farmers show in May 2002, financially supported by the County Council, whose aim is to raise awareness of current farming activities.
- A further aim is to save and sustain rural community facilities. Village shops and post offices were revitalised. From April 2002, a new pilot programme with Community Information Centre Points was set up.
- Training schemes and work-based courses were initiated. For example, Adult Community Colleges, schools and libraries are used outside the normal opening hours to set up training schemes in rural areas. There are also mobile facilities such as buses travelling around rural communities containing IT equipment with Internet access for their use. It is intended that no one should be more than 10 to 15 km from an accessible training centre. Courses comprise basic skills such as literacy, numeric skills, key life skills and IT improvement skills.

- Specific rural job creation and training undertaken by incubator units and "Rural Enterprises Centres" making use of old farm or utility buildings, water works and so on, turning them into rural enterprise centres and units where small businesses can be set up and have a subsidised rent for one year. New employment opportunities have been created in the tourism sector, subsidised training schemes were established for SMEs and training given in the development of business plans for new and existing enterprises. In the area of farming, there has been wide scale cooperation with other training providers such as the National Farmers' Union. In addition, farm diversification seminars were held in cooperation with the UK Department for Environment, Food and Rural Affairs (DEFRA) and other groups and agencies. Some management training programmes were also run.

CONCLUSION

Essex County found that the best and most cost-effective long term solution to tackling rural unemployment and social deprivation was to engage all of the major stakeholders in the rural economy in a strong and vibrant working partnership, supported by targeted government funding and delivered by local agencies working together to meet local needs.

The Community Regeneration Department of Essex County Council aims to consistently create these partnerships with all levels of local government, representatives of rural and urban communities, support agencies, charities and commercial organisations for the common good.

SESSION 2

Social inclusion in urban and rural areas: some case studies

Moderator: Jorma Palola

■ Introduction

Jorma Palola, Permanent Representative, Association of Finnish Local and Regional Authorities (AFLRA)

The reason for raising the issue of social inclusion into today's discussion is that, from a European perspective, the Open Method of Coordination has been developed for social inclusion policy. New National Action Plans (NAPs/incl) are being prepared for social inclusion measures at the national level and working groups have, at least in some of the member states, already been set up for this purpose. It would be interesting to consider how well and to what extent regional authorities are involved in preparing these National Action Plans. The Council of Ministers recently decided to prepare a guide for good practice in facilitating these new National Action Plans. The Social Protection Committee, which consists of high officials from member states, is also preparing common objectives for National Action Plan preparations in member states. National reports are also expected from healthcare services and services providing care for the elderly. This is a good time to start reflecting on the role of regional and local authorities in a social inclusion policy and on the design, implementation and evaluation of such a policy. Mrs Odile Quintin, Director-General of the European Commission's DG Employment & Social Affairs recently stated that the Open Method of Coordination should be streamlined and should

be given an official status. There is a social demand for this and a need to strengthen this kind of welfare policy dimension at the EU level. This is something new for local authorities, especially in the Nordic countries where local government is the level of government responsible for healthcare, education and social policy.

An extensive approach can be taken with social inclusion. In the first session, the focus was on employment policy. It is possible to say that local government has three kinds of roles with regard to employment policy measures: the first of these is the role of local authorities and local government as an employer. The second is local authorities acting as supporters or facilitators of businesses by providing the infrastructure necessary to support these enterprises. The third is the social responsibility of local authorities to assist the most vulnerable in the labour market. This is the link between social inclusion policy and employment policy at the local level. There is also a whole range of other issues of importance to social inclusion policy and its measures at the national and local level such as the integration of refugees, crime related problems, provision of housing, and access to children's daycares services.

■ Combating social inclusion in the City of Helsinki

Jussi Merikallio, Director of Social Services Department, City of Helsinki (FIN)

Since the beginning of 1990's, the social problems that are typical to urban areas in Europe have increased considerably in Helsinki. Several factors have combined to aggravate the situation: economic recession in the early 1990's which brought about funding problems in the public services, the rapid spread of drug use and increasing numbers of immigrants. This has led to an increase in the number of the socially excluded. Two case studies were presented: a project for improving the employability of young homeless people in a suburb and a project for improving the employability and participation of the long-term unemployed in a single suburb.

THE SITUATION

Helsinki is one of the fastest growing urban areas in Europe. It has a population of about 1 million people, 500,000 of whom live in Helsinki and 500,000 who live in the surrounding areas.

Until the early 1990s, Helsinki was a very socially homogeneous city with a low crime rate and without any real segregation. In the early 1990s, however, there was a strong economic decline and unemployment rose to 18% in 1995. When the economy started to improve, the unemployment rate decreased to 9% with the long-term unemployment rate rising to 3%. The recession generated a large mass of long-term unemployed. At the same time, drug abuse increased. Immigrants from Russia and the Baltic countries came to Helsinki. This in turn resulted in an increase in organised crime and drugs became more widely available. Mental health problems also increased dramatically. As a consequence, social problems increased rapidly. The economy began to recover again because of the development of IT technology and the subsequent

demand for jobs that require highly skilled labour. However, while there were many jobs for people with a high level of skills, at the same time there was a large number of long-term unemployed who were not able to find employment.

Combating social exclusion in Helsinki focuses on tackling long-term unemployment and examining what happens in the labour market. Furthermore, the long-term unemployed are in a disadvantaged position in terms of their individual circumstances and it is extremely difficult for them to regain employment. The result is the creation of sub-cultures which further distance them from the labour market and participation in society. Most social workers in the Social Services Centre in Helsinki provide help for the homeless and mentally ill as well as immigrants. Unemployment and social inclusion are matters of economics as well as of individual well-being. These two dimensions have to be linked in order to find new ways to help the unemployed.

MEASURES TAKEN

While classic amenities of social service exist i.e. the provision of healthcare and day-care for children, these services are insufficient in themselves to meet the needs of the long-term-unemployed.

A special programme funded by the EU and the City of Helsinki is applying new approaches. This programme caters for 8,000 people. One of its' sub-projects is designed for the under 25-year old homeless who have never been employed, have received very little education, are drug addicts and homeless. Another project that has had positive results in fighting suburban drug addiction targets middle-aged men who were last employed in the early 1990s.

Measures have been combined that are normally quite separate from each other. Drug addicts are provided with therapy to counter drug abuse and are provided with training in life management skills to enable them to manage everyday life. At the same time, they are provided with an apartment and a package of services is tailored to each individual.

For the target group of long-term unemployed middle-aged men in Northern Helsinki, the basic ideas are similar. This project has been running for 2 years and has reached about 120 persons, around 30 of whom now have a 'sheltered job' with a couple of them employed within the normal labour market. This represents a considerable achievement given the extent of the problems these people have had.

WHAT CAN WE LEARN FROM THE EXPERIENCES IN HELSINKI?

Tackling problems of social exclusion is, firstly, more a question of attitude than of method. It is

attitude that provides the motivation for helping these people enter employment and mainstream society and that argues that these schemes are worthwhile regardless of the number of people they assist.

Secondly, the services system for the target groups mentioned above is directed at individual clients. Social workers have to carefully assess the individual circumstances of their most excluded clients.

Thirdly, we can learn from the cooperation of different types of authorities i.e. local authorities, the Ministry of Labour, healthcare institutions. While these authorities do not always work together, during our project they nevertheless co-operated closely with each other.

However, one large problem remains. The labour market does not need people with low productivity and it remains a considerable challenge to persuade labour markets to accept low-qualified people on to the labour market.

■ Social inclusion in Northern Karelia: a substance free life - an ongoing project

Jorma Palola, Association of Finnish Local and Regional Authorities (AFLRA)

Drug addiction and crime are phenomena present not only in urban but also in rural areas. A cross-border programme in the Finnish and Russian parts of Northern Karelia tries to tackle this problem. Several programmes have been launched such as drug awareness courses for pupils and training schemes for Russian doctors.

One project dealing with social inclusion in rural areas in Finland deals with young drug-addicts. It is a cross border programme comprising the Finnish and Russian parts of Northern Karelia. A joint survey revealed that in one place, in Sortavala, Russian Karelia, adolescents and children, as well as the healthcare services and education and social services employees, were not

especially well informed about the adverse effects of drugs. Furthermore, knowledge of substance abuse prevention and the treatment of substance abuse patients were lacking. In addition, there were no proper facilities for young people to spend their leisure time.

The project was set up with the objectives of increasing expertise on how to deal with substance abusers, increasing children's and adult's knowledge of substance abuse and strengthening their social skills. In addition, it aimed to support civic activities in Russian Karelia. The project is fed by Finnish government funds for cross border cooperation. There are several actors involved, such as the Regional Council of

Northern Karelia, a number of municipalities and the Finnish Nurses' Association, who all work together on this project. Results so far include the training of four nurses in substance abuse prevention and the preparation of material for inclusion on the school curriculum on drug prevention. The organisation "Mothers against Drugs" has been founded in Russian Karelia. Cross-border student exchange visits

have been organised which deal with the theme of preventing substance abuse. There have also been activities to promote social inclusion skills amongst students. A computer classroom with ten computers was established in a school. There have been a number of indirect results as well as those, which are already visible. The streets have become safer as anti-drug education in schools has increased in Russian Karelia.

■ The role of local development in meeting the challenges of unemployment and social inclusion: the EQUAL Initiative

Gerhard Bräunling, DG Employment and Social Affairs, European Commission

EQUAL tests new ways of solving discrimination and inequality experienced by those in work and those who are unemployed. The key principals of EQUAL are: transnational co-operation, innovation, empowerment, thematic and partnership approach, dissemination and mainstreaming. Activities are structured on the four pillars of the European Employment Strategy: Employability, Entrepreneurship, Adaptability and Equal Opportunities for women and men. It is funded by the European Social Fund (ESF).

THE AIM OF THE INITIATIVE

The EQUAL initiative is a response by the European Commission to a number of questions on tackling exclusion, discrimination and inequality in relation to the labour market. It is also designed for those members of the workforce who have problems starting new work due to their social, health or family situation. EQUAL promotes new means of combating all forms of discrimination and inequalities in connection with the labour market through transnational cooperation.

EQUAL is an experimental programme to develop, validate and mainstream new means of delivering employment and social inclusion policy and to undertake this at the local and regional level. This is also a means by which to empower local and regional actors. In other words, EQUAL

is a laboratory for new forms of integrative inclusive employment. As Ms Diamantopolou once said: "If we were a production company, then EQUAL would be our laboratory, our development arm which develops and tests user-oriented elements and implements them into the mainstream policies at regional, national and European level."

At the European level, two major strategies exist: The European Employment Strategy, currently based on the four pillars (employability, entrepreneurship, adaptability and equal opportunities) and the European Social Inclusion Strategy. Both strategies follow a similar pattern of open coordination and try to integrate local and regional actors and their experience. The problem is how this is done and one of the solutions to this is through learning.

EQUAL initiatives bring together all relevant actors. Transnationality is illustrated through a combination of experience, learning from others and learning from experiences in other member states. Secondly, there is the aspect of partnership: there are no single projects. These individual projects are part of a set of projects which are driven by partnership of local and regional authorities, social partners, training agencies, as well as NGOs. It cannot be assumed that partnerships work. Consequently the funding arrangement was changed and a preparation period of at least 6 months was decided on. The idea

behind this concept was to establish the partnership during these six months in order to develop a joint strategy, to mutually define the nature of the problem, and to assess what options for solutions and resources exist and how they can be mobilised. The first instance of this process was undertaken between November 2001 and May 2002.

EQUAL is built on the principles of transnationality, partnership and empowerment. In addition there is also the principle of innovation which means that one has to find new ways of organising and connecting work with other aspects of life: a new means of working which facilitates a balance between family life, leisure, training and work is being initiated. Finally an important element that has to be integrated from the beginning is mainstreaming, that is to say the integration of what has been learnt should be put into practice at every level. Under ADAPT, there were a number of projects in the field of job rotation. This was first developed in Denmark where unemployed people are recruited for a limited period of time to work in companies, on a temporary basis, to replace existing staff who were being trained. This again is an interface of how to combine those institutions dealing with unemployed people and those institutions that deal with training, as well as how to find funding arrangements combining the two. Different types of models have been applied to small companies, large companies, and to urbanised rural areas. These experiments have been successful where they have found a way to validate the results and discovered an approach to overcoming the obstacles in the current legislative regime. In some member states, platforms and associations were formed to lobby parliamentarians. This in turn resulted in new legislation, for example in Portugal, Italy and Germany.

WHAT HAS BEEN ACHIEVED SO FAR?

In the first round of the EQUAL initiative, member states who implement this programme have selected 1,500 development partnerships in nine thematic fields which were agreed upon by member states as being problem areas where it is necessary to cooperate and to learn from one another. Between November 2001 and spring 2002, 1,500 development partnerships have been established. They have developed a strategy and have agreed on a work plan that commits all partners for the next two years. Thematically speaking, there is a concentration on the facilitation of access to the labour market, especially for the long-term unemployed. More than half of these partnerships are regional or local partnerships, which means that they all work in the same region and they tackle a specific problem that is evident in one of these regions. Approximately ten partners work together in each of the partnerships and most of them include a local or regional authority, one or more have strategic or operational partners, and a number of them have managed to include NGOs. In addition, platforms have been set up for the validation of experience and for the identification of good practice already implemented. It is intended that European networks, where the coordinators of the partnerships meet organisations working at European level, work together on a number of specific issues which are relevant to the political agenda. These platforms are also intended to provide an exchange of best practice. Different member states have different experiences. Some of them are outside EQUAL and the Commission is trying to integrate these in order to facilitate progress. It should not be forgotten that although EQUAL represents only 5 percent of the European Structural Fund in absolute terms, this programme accounts for around 3 billion euro. Complementary national funding also exists.

SESSION 3

Partnerships, networking and project management

■ Building and driving partnerships: how does it work? “The Essex Experience”

Paul Williams, Essex Rural Partnership

- Traditionally, it has been difficult to organise cooperation between different levels of government. One of the achievements of the partnership in Essex is that it brings together technical experts from local and regional levels. In addition, the end customer is present in these discussions. If, for example, a member of the agricultural community has difficulties in diversifying his farming interests ie. moving from production to tourism, technical experts are available to discuss the problems he is facing. Within this partnership, representatives of all regional bodies of national agencies are included, e.g. the Government Office of the Eastern Region, the Department of Environment, Food and Rural Affairs (DEFRA), the Countryside Agency East of England Development Agency, and the Environment Agency.
- Each district and borough in Essex has its own forum for discussing rural development. Information from these forums is fed into a larger partnership with Essex County Council. At the village and town levels, parish and town councils serve as a means by which the general public can be involved. This is a mechanism through which Essex Rural Partnership can provide input from the local level to national government. For example, information is distributed upwards from towns and parishes, through districts and the county level to a regional rural affairs forum. This forum, in turn, presents the information to a national forum, which provides input to government policy.
- One of the key aspects of the success of rural partnership in Essex is publicity. It is also important to have local rural information points to distribute information. Furthermore, events or campaigns, organised in connection with other actors from either the private or public sectors, can help to create better publicity.

■ The partnership in the LEADER rural development programme

Catherine de Borchgrave, European Association for Information on Local Development (AEIDL)

The AEIDL (European Association for Information on Local Development) has been mainly working on the LEADER programme, for which partnership is an essential concept. LEADER I was a pilot programme launched by the Commission in 1991 and covering 217 territories, mainly in objectives 1 and 5b areas. LEADER II generalised this programme from 1994 onwards, covering more than 1,000 territories in objectives 1, 5b and 6 areas. One of the main features of the LEADER programmes is the instrument of partnerships, bringing together different social and economic partners.

The LEADER+ initiative is based on 7 aspects:

1. area-based approach (area of less than 100,000 inhabitants, which has excluded the participation of medium-cities with which some rural-urban partnerships could have been developed);
2. bottom-up approach;
3. partnership approach and intervention for management and animation of a local action group (LAG);
4. innovation;
5. integrated multisectoral approach;
6. networking and co-operation;
7. local financing and management.

The LEADER approach is based on two principles:

- the convergence between those responsible for interventions and potential beneficiaries;
- and establishing links between the activities of the territory, between the territories and between the sectors (for instance between the tourism and production sectors).

The partnership in LEADER is an obligation. At decision-making level, the economic and social actors and the associations must represent at least 50% of the local partnership. Partnership is the expression of a group of players (public and private), established in a variety of different forms (legal forms, historical forms, etc.), who all give concrete expression to forms of collective involvement at the level of a given territory. All of these have to demonstrate, in conformity with their member state legislation, a legitimacy to manage public funds.

We have noticed that the partnership is very diverse and this diversity has been adapted to the respective contexts. There is a diversity in the origin:

- initiatives emerging from a group of persons, as is often the case in Portugal and Ireland;
- from enterprises and professional groups, as has been observed in Spain or Italy;
- and from public authorities.

There is also a diversity in the type of mission:

- management, with financial and administrative aspects, more frequent in initiatives of a public origin;
- partnerships constituted on “animation”, which highlight the aspect of mobilisation of the population. In these “animation” partnerships, a local dynamic appears, which allows the initiatives to last longer and to be more able to evolve, although this is sometimes at the expenses of the management aspect.

■ Social and economic inclusion through area based local development: the example of Dublin

Patrick Gates, Dublin Inner City Partnership

Dublin Inner City Partnership is a local development organisation operating in inner city Dublin, Ireland. This area is one of the most disadvantaged areas of Ireland, with high rates of poverty, unemployment and social problems. The partnership approach involves a collaboration between statutory, private and community sectors to bring about regeneration of local areas.

people and communities, and in an inclusive democratic process. It is important to improve the quality of life and to secure the rights of low income inner-city residents through increased access to quality education, employment opportunities and by increasing public and private investment in disadvantaged areas. The DICP's approach is to provide a strategic and integrated framework for local development that includes investment from both public and private sources, including the EU. The partnership principle is aimed at giving direct benefits to inner city residents experiencing poverty.

WHAT ARE THE IDEAS BEHIND THE DICP?

The Dublin Inner City Partnership (DICP) was established over ten years ago. It emerged out of the European Union's first anti-poverty programme and coincided with the unprecedented economic growth of Ireland. Partnerships have played an important role in terms of stimulating and sustaining economic growth.

The DICP's vision is to build a more equal and socially just inner city for Dublin by investing in

ADVANTAGES AND DISADVANTAGES OF AREA-BASED APPROACHES

Political empowerment of excluded sections of the community enables collective social interaction and the political participation of civic community-based organisations and individuals.

Such actions foster integrated development, local partnership and promote trust between political and socio-economic stakeholders.

Nevertheless, state agencies can undermine initiatives by circumventing or duplicating existing community infrastructure. Due to a lack of resources, capacity development may be weak

vis-à-vis leadership, organisation and institutional governance. Furthermore, the democratic legitimacy and accountability of partnerships might be called into question from locally elected political representatives. Duplication of development fora places increasing demands on the ability of networks to participate effectively.

■ Territorial bottom-up initiatives aimed at sustainable development

Rolf-Ulrich Sprenger, College of Europe, Bruges (B) and the ifo-Institute, Munich (D)

Territorial bottom-up initiatives build on the expertise of local/regional stakeholders. They promote and enable the participation of local communities in processes of change within the economy, society and environment. In practice, these initiatives have proved to be a very valuable complement to top-down approaches. However, they are not useful in order to tackle mass-unemployment.

WHAT ARE KEY ELEMENTS OF THESE INITIATIVES?

First of all, a common motivation among stakeholders of the respective region is necessary. It is important to have the support of the principle local stakeholders; if some of these key-institutions refrain from participating, the success of these programmes is not secured. Professional management is also a key element. There is also a need for the appropriate legal framework to provide incentives for such initiatives, especially when third sector activities and voluntary activities are involved.

There are a number of examples of success stories for ADAPT employment projects. However, these projects are not a solution for tackling mass unemployment. By their very nature, initiatives are selective. The number of jobs maintained or

created is relatively small. Apart from traditional success indicators such as the number of jobs maintained or created, a number of other positive factors should be taken into account in dealing with social inclusion.

The wider policy impacts in terms of a better vertical coordination of policy areas that have been segmented in the past should also be considered. There is now a better horizontal cooperation between institutions working in the same area. It is also possible to identify some synergies, e.g. the double benefit of improving the environment and tackling unemployment.

The European Commission is keen on supporting programmes that have developed the idea of territorial employment pacts. A number of these programmes have been instrumental in contributing to the development of networking and creating governance structures.

It is evident that those bottom-up approaches have proved to be very valuable and that they provide an important complement to the delivery of top-down approaches. Nevertheless, they do not offer a sufficient answer to the current problems of structural unemployment and social exclusion. While these should not be seen as alternative governance structures, they are nevertheless important complementary activities.

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