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**Title: The Policies of Social Integration in Europe.
Systems of Collective Action**

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Contents

Abstract	1
1. Executive summary	2
2. Background and objectives of the project	18
3. Scientific description of the project's results and methodology	21
3.1. Survey of the work carried out.....	21
3.2. Theoretical framework	23
3.3. Country results	27
3.3.1. France	27
3.3.1.1. The national situation	27
3.3.1.2. Selection of the cases.....	30
3.3.1.3. The cases: systems of collective action	31
3.3.1.4. Comparison and conclusions	36
3.3.1.5. Policy recommendations.....	41
3.3.2. Germany	42
3.3.2.1. The national situation	42
3.3.2.2. Selection of the cases.....	47
3.3.2.3. The cases: systems of collective action	48
3.3.2.4. Comparison and conclusions	53
3.3.2.5. Policy recommendations.....	58
3.3.3. Italy.....	60
3.3.3.1. The national situation	60
3.3.3.2. Selection of the cases.....	62
3.3.3.3. The cases: systems of collective action	63
3.3.3.4. Comparison and conclusions	72
3.3.3.5. Policy recommendations.....	74
3.3.4. Switzerland	76
3.3.4.1. The national situation	76
3.3.4.2. Selection of the cases.....	78
3.3.4.3. The cases: systems of collective action	79
3.3.4.4. Comparison and conclusions	85
3.3.4.5. Policy recommendations.....	89
3.3.5. French findings in Eastern Europe	91
3.3.5.1. The national situations	91
3.3.5.2. Selection of the cases.....	93
3.3.5.3. The cases: the systems of collective action.....	93
3.3.5.4. Comparison and conclusions	96
3.3.5.5. Policy recommendations.....	101
4. Conclusions and policy implications. – The diversity of systems of collective action..	103
5. Dissemination and exploitation of results	124
6. Acknowledgements and references	128
7. Annex: Project deliverables	131

Abstract

The objective of the research project was to analyse and compare different systems of collective action which are involved in the process of developing and implementing policy innovations aiming at a better coping with the problem of the (re)integration of different groups of unemployed. The focus was on developments in four countries of Western Europe (France, Germany, Italy, Switzerland), with an additional part concerning developments in Eastern Europe. The altogether 27 case studies of forms of cooperation have concentrated on horizontal cooperation at the local and regional level.

The general hypothesis was that the effectiveness of systems of collective action in the field of policy innovations aiming at social integration depends on the degree to which the local and regional levels of governance systems are activated by an approach that tries to involve actors outside the political administration. Altogether, this should strengthen the possibilities to adapt national programmes to the peculiarities of local and regional conditions.

1. What has been found first of all is a clear trend towards decentralisation, upgrading the roles and activities of the regional and local level. In many localities new partnerships have taken shape which had never existed before. In most cases, a shift from passive to active measures is accompanied by a general trend towards a more cooperative approach.
2. The case studies have shown that the forms of cooperation at the local and regional level vary a lot on a tension line which ranges from "closed" to "open" forms, depending on the number of actors, the degree of bridging sectors (the private, the public and the third sector) and the style of cooperation. There are "closed" networks, hardly open to other actors except the social partners (corporatist models), but there are as well "open" policy networks wherein the municipality, the labour market administration, the social partners and other associations in the civil society (as diverse as e.g. chambers of commerce, voluntary organisations, social enterprises) get together in a pluralist concept of cooperation.
3. It became apparent that these different forms of cooperation are often linked with different approaches to social integration that can as well be placed on a tension line, with the two poles of policies addressing target groups on the one and policies addressing as well the social / economic environment on the other hand. Narrow labour market policy approaches (adapting persons by training and placement to jobs available) may entail a high level of cooperation but often comprise only a small network of public and private partners, mostly administrations and private employers. Wider concepts aiming as well at economic modernisation or urban revitalisation usually result in the need for addressing, beyond the traditional social partners, a variety of additional organisations, such as third sector groups – not solely as employers but as well as (social) entrepreneurs and "corporate citizens".

The widely-used programmes for combining job creation and income, such as the German "ABM" or the French "Emplois Jeunes", have been found to take an unclear position within this field. This concerns the number and the respective status of the cooperating partners, especially those from the third sector, and it partly derives from the fact that it is unclear to what degree the programmes work as investments in new additional jobs or as simple reservoirs of sheltered time-limited employment

It is recommended that EU concepts should (i) acknowledge the plurality of forms of collective action found, (ii) be more aware of the challenges linked with switching from active labour market policy to concepts that entail a revision of local development and from exclusive social partnerships to pluralist and intersectorial forms of local action, and (iii) expose more clearly the final purposes of programmes that combine employment and

income, in particular with regard to the conclusive questions concerning the role of partners, especially from the third system.

1. Executive summary

Background

Unemployment and various processes of social disintegration seem to have established themselves as key issues at the turn of the millennium. The rate of unemployment in the European Union amounts to around 10%, and around 50 million inhabitants are considered to be poor. The growth of productivity as a consequence of further technological innovation and the effects of economic globalisation might aggravate the situation in the future. Evidently, the model of social integration and inclusion developed over the past 50 years by the welfare state in Western European countries can no longer be expected to successfully curb unemployment, exclusion and poverty when these are no longer temporary individual risks but have developed into wide-spread and lasting social phenomena.

Objectives and working method

On the background sketched above, the scientific objective of the research project was to compare different systems of collective action which are involved in the process of developing and implementing policy innovations aiming at a better coping with the problem of social exclusion by contributing to the (re)integration of different groups of unemployed. The collective actors whose forms of cooperation are at the centre of interest have mainly been studied on the local and regional level of political decision-making. In investigating the types of cooperative policies aiming at social integration the project pursued two theoretical approaches which, as far as this field of research is concerned, can be qualified as innovative.

- the project connects the effective implementation of policies not only to the institutional level, but in particular to the broader social context, made up by collective actors, policy networks and various forms of public-private partnerships.
- the project links the analytic distinction of different systems of cooperation (e.g. corporatist vs. pluralistic) with a reflection on different approaches towards social and occupational integration.

The main intent was to focus on the way new programmes and forms of network-building concretely develop. Policy-makers modify their routines and their programmes because the "old" policy paradigm, supporting their previous strategies, is not congruent any more with

the new challenges of the economic and social environment. Our research project gave the occasion for testing new policies for social integration which, as they take shape especially on the local level, are linked as well with new forms of collective action.

The general hypothesis was that the effectiveness of systems of collective action in the field of policy innovations aiming at social integration depends on the degree to which the local and regional levels of governance systems are activated by an approach that tries to involve actors outside the political administration. Altogether, this should strengthen the possibilities of adapting national programmes to the peculiarities of local and regional conditions and favour the capacities of policy-learning as regards, for instance, new social policy norms and paradigms in occupational and social integration. However, the connection between new, “open” forms of cooperation and policy innovations has not been assumed to be a natural and necessary given, even though concepts and funding structures on the EU-level nowadays strongly insinuate such a connection.

As a result of comparing different national systems of collective action in Western Europe (France, Germany, Italy, Switzerland) and in Eastern Europe (besides Eastern Germany: Bulgaria, Poland) it has been possible to identify systems of collective action, forms of networks and partnerships of actors and institutions which are typical and which are seen as conducive to policy innovations. On this basis the report suggests recommendations for improving policy approaches targeted at combating social exclusion as they currently take shape in Western Europe, both within the respective national frameworks and on the level of programmes carried out by the EU. Furthermore, conclusions have been drawn with respect to the task of building up more efficient systems in Eastern European countries.

The working method aimed at integrating theoretical contributions, existing empirical information, the reworking of given data-material, and material from about at least 70 interviews by each national team. The main working steps in the project consisted in

- (a) giving an overview of the state of the art in labour market - related policies of social integration, including quantitative aspects;
- (b) presenting, by means of case studies, a dense description of systems of collective action and policy innovations in the regions / localities analysed;
- (c) evaluating the effectiveness of different systems of collective action, in particular with respect to the acting capacity they managed to achieve;

- (d) developing a typology of systems of collective action found, in order to finally draw a comparison between the regional findings serving as a basis for the international comparison and for the elaboration of policy recommendations.

Conceptual framework

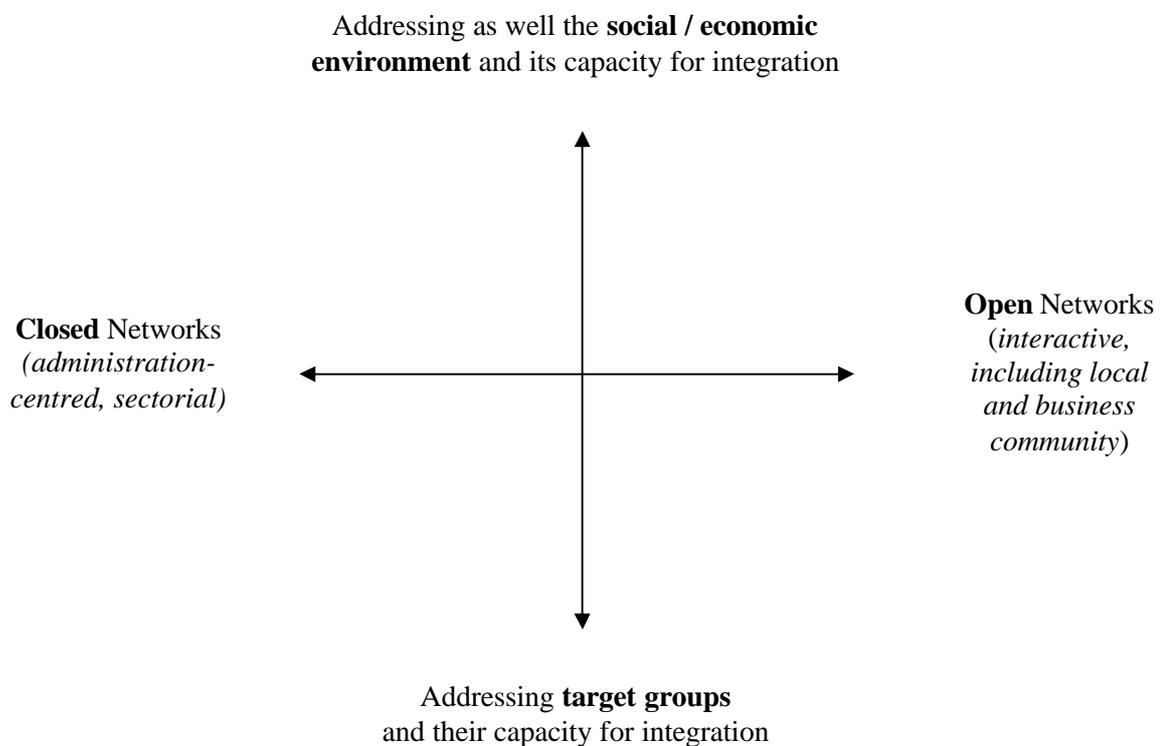
It was a major task of the joint research to come to some scientifically grounded agreements concerning central elements of the research questions. The first point concerns the spectrum of labour market - related policies to take account of with a perspective on social integration. Since the research aimed at looking for social innovation, the teams agreed to put special emphasis on those labour market programmes and policies belonging to what is generally called "active labour market policies", i.e. policies and programmes which, apart from guaranteeing some financial compensation, preserve as well activating measures and offers such as training, (time-limited) jobs and other combinations of work, participation, and income generation.

The second point concerns our working definition of social integration. Obviously, the concern with social integration, or, as it is often phrased in EU-wide discussions, "social cohesion", refers to much more than just those forms of disintegration which result from unemployment. Nevertheless, unemployment is at the heart of most integration problems. Considering this, the research teams agreed to look at a variety of policies and programmes inasmuch as they make at least some explicit link with social integration in the field of labour market policies (as it is e.g. often the case in local development concepts or policies against urban decay). The research teams agreed to arrange these policies and programmes on a *tension line* with, on the one hand, the pole of policies *addressing target groups* and, on the other hand, the pole of policies *addressing as well the social / economic environment*. (see Fig. 1). The idea was to capture by this means the differences between narrow labour market policy approaches (adapt persons by training and placement to available jobs) and wider concepts which include a link to policies aiming at influencing the structures of industrial and labour market development themselves, e.g. by urban renewal or economic modernisation.

The third point for clarification and joint concepts concerns *the meaning of systems of collective action which can range from "closed" to "open" ones*. The teams agreed on a second *tension line*, with three main dimensions defining it: the number of actors, the degree of sector bridging and the style of cooperation. Closed networks e.g. are hardly open

to other actors except in a formal way to the social partners (corporatist model); "open" systems have been identified with what today is often called "policy networks", wherein public and private partners from different sectors, as e.g. representatives of the municipality, the labour market administration, the social partners and other associations in the civil society (chambers of commerce, voluntary organisations, social enterprises), get together in a multipolar network for a cooperation which is formalised to some degree albeit not being just "formal".

Fig. 1: The joint analytical scheme of the research project



Then each national team, by means of a number of local and regional case studies (total 24) looked at local / regional examples of policies or "policy packages" (all policies implemented in a given territory) which can be judged as fairly representative.

Findings from the countries studied

France

The historical path of the French model of state-building, (de)centralisation, public - private relationships and local capacity-building in matters of social integration is highly

determined by the recent history of decentralisation as well as by the attempts to use these rearranged structures for the implementation of various central state programmes for integration and employment. Besides that, attempts for building up local capacities, matching central funds and programmes according to local needs and priorities can be likewise observed (structures such as the "PLIE" - Local Plans for Integration and Employment). Given that background, the French cases which stem from four "local scenes", Aubervilliers, Saint Denis, Grenoble and Valenciennes, have been described two times.

As far as the implementation of central policies and programmes is concerned, special emphasis has been given to the "jobs for youngsters" - programme (French label: Emplois Jeunes), where the government states that a certain number of jobs must be created which give young people both work and income for a limited time; their partners in implementation are usually the local employment services of the state. The second description of cooperation in the same cities has been devoted to the "Local Plans for Integration and Employment" (the PLIE) which are created "bottom up" and which are used a.o. as a frame of reference when dealing with the implementation of central programmes such as the one mentioned before.

Contrary to the other countries, in both cases the old paradigm to be overcome is not so much shaped by tripartite corporatism, but much more by a strong centralism. Therefore, even now that decentralisation has taken place, the forms of cooperation in formal councils etc. are by large an effect of and prescribed by the central laws and administration – except for the "Local Plans for Integration and Employment". With each measure having its own steering group there is a lot of overlapping and uncertainty with regard to areas of competence and ways of coordination. The piling-up of central measures has increased both the need for and the difficulties of co-ordination.

There is, however, some room for manoeuvre when it comes to designing the place of the respective policies and programmes in between the poles of programmes targeted at problem groups and programmes which entail to change the conditions on site. Some local concepts use the central programmes for combining working facilities and income mainly as "shock absorbers"; others provide additional training facilities and thus a more realistic perspective for integration; in some cases departments and cities are eager to set up programmes creating jobs which may be maintained even after the initial programme financing – e.g. by establishing new public, third sector or even commercial services and

products. The setting-up of local co-ordinating structures has contributed to boost this diversity. Given the strong dominance of central programmes for a combination of jobs and income, like the "Emplois Jeunes" - programme, it is no wonder that so far in the existing policy networks the private sector is often underrepresented as compared to the public and the third sector.

Germany

The German team selected six cases of collective action that cover approaches which are typical and dominate throughout Germany, wherever cities and districts have built up a local policy capacity beyond the execution of routine tasks. There is an increasing level of initiative taken by the municipalities and districts due to the fact that besides the programmes that come from upper levels of the labour market administration, operating for example with such means as ABM, combining time-limited jobs and income, there is as well a possibility for municipalities and districts to use their own social assistance funds for active policies that may as well result in a decreasing load on these funds. The choice of local situations tried to obtain representativity; it represents East and West, urban and rural situations, as well as different degrees of problem pressure . The six cases altogether represent three different types of approaches in local collective action.

1. A special public service that needs little cooperation – running a social enterprise for administering problem groups.

In Leipzig as well as in Dortmund, big cities in Eastern and Western Germany with a considerable problem pressure, a social enterprise, owned by the municipality, is offering time-limited work and training facilities in the enterprise itself and the public sector; in such an approach only "negative cooperation" is to be found, for example the attempt to avoid conflicts with employers and the trade unions in sectors that provide similar jobs and services under normal conditions.

2. Public authorities and employers of different public and private sectors cooperating in a social enterprise.

In *Ortenau*, a rural but industrialised district in Western Germany with low problem pressure, one can find a model of cooperation where all those participate who have a function for occupational integration (private, public and third sector employers); they are

stakeholders of the social enterprise and its constituency as well as addressees when it comes to take up people who have worked or been trained there.

3. Creating cooperation between public and private partners for social and occupational integration in the framework of a shared concern with urban and regional development.

Three variations of this type have been studied. In *Dortmund* (Western Germany) one has achieved to make employment a part of programmes for an improvement and urban renewal in city quarters at risk, operating through a wide multipolar network that includes, beneath the usual organisations, various community groups and representatives of the local economy. In the city of Leipzig (East Germany) one has set up a formalised and constant cooperation for technological innovation and economic modernisation with a slight corporatist flavour. In Güstrow, a rural district (East Germany) which is having enormous difficulties in finding at all a concept for local and regional economic development, there is a concern with creating a "labour intensive" developmental model which tries to combine concepts for public services and tourism, ecological sustainability and the use of the cultural heritage, building on a wide participation from all social sectors.

Debating its findings, the German report underlined among others that cases such as (1) are more common on the local level than the rather rare cases representing (2) and (3).

Italy

The Italian research highlights the existence of a persisting dualism between the Northern part and the Southern part of Italy. Its observations are situated at the regional level, given the fact that after the promulgation of the decentralisation laws in 1997, this is the most interesting one for studying the subject. The policy packages characterising the two selected regions of the North (Lombardy and Emilia Romagna) are oriented towards occupational integration; concepts concerning economic and urban development can only be found at the margins of the forms of cooperation for an "industrial" model of integration that merely works to the degree that the level of unemployment is rather low and that it is mainly due to a qualitative mismatch between labour demand and supply. The programmes promoted by regional and local bodies have been aimed at the qualification and training of young people in search of a first job, the most important goal being integration in the regular labour market. This model of cooperation between an administration that has expanded its own capabilities and a limited number of actors directly concerned, representing mainly the social partners, is the product of a continuous evolution and of an homogeneous and quite

stable political culture wherein the relationships among the actors are in general characterised by consent and cooperation.

The situation appears to be remarkably different for the two Southern regions analysed (Calabria and Apulia), where the degree of "problem pressure" is remarkably higher than in the North and where local bureaucracies still lack culture, skills and capacities for autonomous problem-solving and innovation. Given the fact that there is little room for industrial integration, the situation is marked by the coexistence of

- (a) various passive policies still in place, linked with clientilism and a reliance upon family ties and networks and
- (b) the increasing impact of concepts for regional and economic development as they have been initiated in particular by EU programmes for setting up territorial pacts and area contracts that require cooperation between all sectors, including third sector associations.

With respect to the southern regions, the report from Italy underlines the need – but as well some clear signs and a growing potential – for a kind of far-reaching cultural shift from passive clientelistic policies towards a local development paradigm – something that would have been easier in the better-equipped regions of the North. In view of that challenge, what is recommended is a kind of institutional capacity-building in the south that surpasses a mere modernisation of the local administration - by strengthening cooperative interaction through a dialogic stimulation of local actors and the provision of targeted incentives in order to discourage forms of "exit" that deprive the local context of such capacities.

Switzerland

As far as *Switzerland* is concerned, the choice for the broad number of ten case studies in ten cantons mirrored the attempt to picture developments which are influenced by models mainly from France and Germany. It must first of all be emphasised that here the threats both of unemployment and social exclusion have by far a lesser impact than in all the other countries studied. Unemployment has been further reduced; the small number of people who remain unemployed increasingly belong to the hard core of a group with multiple disadvantages. Therefore, all policies are centred on individual professional and / or social integration. Secondly, it must be mentioned that due to the well-established tradition of cooperation with social partners and civil society in Switzerland, the social partners and

non-conventional actors always tend to be associated in some way to the designing and implementation of programmes. However, in the different cases studied, their respective role varied a lot.

- The role of the trade unions in cooperation can be limited to the mere critical observation of the measures, assessing their conformity to the principle of non-competition with ordinary employment, like e.g. in the case of Geneva, but it can be as well an active participation, for example in the process of finding places for training and apprenticeships, like in the canton of Basle City.
- The third sector organisations, mainly concerned as suppliers of special integration services, be it training, time-limited employment or additional help and support in programmes for re-socialising people, may be seen solely as organisations to be contracted in, but they may as well be addressed as partners in the whole process of setting up and cultivating partnerships

The Swiss study underlines that throughout, the style and spirit of cooperation is more important than the ways inter-relations have been formalised. Even though in nearly all of the ten cases a full set of potential actors has been present the study differentiates between roughly three forms of cooperation:

- (a) closed cooperation, marked by one-way relations of the administrations with actors to which they just try to delegate tasks and where social partners and third sector organisations are just contacted in order to avoid negative effects;
- (b) fairly open forms of cooperation where trade unions and especially the employers themselves take an active role in implementing measures and are not restricted towards controlling the conformity with given rules;
- (c) open cooperation in those few cases where the actors from all sides form a pluralistic network with basically the same status for everyone and where the respective boards are able to create new projects and to develop their own dynamics.

The Swiss report states that the main policy challenge for new forms of collective action is to succeed in shifting from social partnerships with their exclusive orientation on the sector of working relations and their privileged role for the social partners to kinds of "civil partnerships" that build on a multipolar instead of a tripolar concept.

Findings in Eastern Europe

The research concerning the three countries / regions of Eastern Europe is based on interviews in Poland (the case of Lodz), Bulgaria (the cases of Sofia and Madan) and East Germany (a situation already referred to).

Obviously, the situation in terms of unemployment, threads of poverty and loss of social cohesion is in general terms more dramatic in the countries of eastern Europe than in the EU member states and Switzerland. The most severely affected groups are women, minority groups and young people, especially those without families supporting them; rural areas are massively concerned and regional cleavages are increasing. In contrast to Eastern Germany, where a whole administrative concept and a massive amount of administrators and specialists were imported, Poland and Bulgaria had to cope by and large with an incremental learning process of their own politicians and administrators. In the initial policy concepts the focus was on developing the private economy. Unemployment, with poverty and disintegration linked to it, was first of all covered only by passive policies, i.e. granting benefits; it was only later on that besides benefits and social assistance payments a kind of second labour market concepts preserving subsidised work and training became implemented.

When it comes to collective action, it has to be taken into account that in Poland and Bulgaria, like in other European countries, the labour administration is based on strong bureaucratic principles; the trade unions are weak, the numerous but very unstable associations that have developed are not yet really acknowledged as partners in policy-making and the municipalities, which play a major role as payers of social assistance, have difficulties in face of a new type of unemployment / poverty, not resembling the image of the former poor.

There is a harsh dualism between a joint action of public authorities and private capital in sectors of growth on the one hand and cooperation for those who have the wrong training or who are for other reasons not fitting into the small but booming new (labour) markets. The ability of associations and third sector organisations to act on behalf of employment and social integration is by far less developed. Informal solutions and reactions of self-help in face of the gaps left by lacking public policies have a much more important role. Here the social support networks of the family play a central role, and in addition to that, undeclared work tolerated or even supported by the administrations may be the most important factor that works towards special forms of social integration. The French authors of the study on

eastern European countries rightly point to the similarity that might exist especially with the legacy in some regions of southern Europe.

Conclusions

Summing up, one can say that the first part of our working hypothesis, concerning the increasing role of cooperation in occupational and social integration has become validated. There is a clear trend towards decentralising competencies and activities in the sector of labour market policies, upgrading the roles and activities of the regional and local levels which before were weakly developed or sometimes even totally absent. In many localities new partnerships have taken shape which have never existed before. In most cases there is a shift in emphasis from passive to active measures accompanied by a general trend towards a more cooperative approach. The local and regional authorities have taken an active role, even though it cannot be said that they are always the "motor" of new cooperative developments. These observations can be linked with three key factors that have been found in all the reports from France, Germany, Italy and Switzerland:

- There is an increasing acknowledgement of the complex links between economic and urban / territorial development on the one and social concerns with cohesion and integration on the other hand, even though this does not always translate into a change in real politics.
- The distance between concepts and policy actions on upper levels, like the national and EU –level and the municipal and regional levels, has been increasingly reduced.
- There is a growing awareness that different, more cooperative forms of governance and of public-private-partnership are a critical success factor today in all sectors of public policy.

Five points of convergence and shared trends may further qualify this statement.

The reports from all the four countries show that central reforms and programmes have mostly initiated and at least facilitated local action for social and occupational integration.

They point at an enrichment of the policy instruments for social integration; consultancy and individual treatment such as case management have become more important; cooperation is mostly accompanied by the setting-up of special intermediary agencies; quite often one can find social enterprises with multiple goals reaching from the preservation of training and placement services over to job creation and the promotion of new socially useful services.

As far as the style of cooperation is concerned, the new networks are less formalised than traditional fixed forms of partnership and cooperation. Mostly they care for a direct contact with the operating units to be addressed, like private firms, organisations of the third system, the local labour office etc., instead of relying exclusively on negotiations between representatives of organisations in the respective sectors.

Nevertheless, to the degree that such networks need to bridge between different sectors, like e.g. the private commercial sector with a fairly economic and the third sector with a genuine social approach, the challenges for finding common perspectives get much more serious than in more traditional corporatist or social-policy-based settings.

Finally, it is a common feature in all countries that in the majority of forms of cooperation, be they "closed" or "open", a more technical and managerial character is prevailing over civic commitments. All reports underline that the existence of a civic culture, of trust, of experience in problem-solving and of a differentiated landscape of associations is important. But while the practices of cooperation everywhere build on that social capital, it remains unclear to what degree these forms of networking and management are as well suited to cultivate it.

Towards a cross-national typology

The second part of our hypothesis, concerning the special importance of new forms of "open" cooperation and their exclusive link with policy innovations, had to be modified in the course of the debate of the empirical findings of the project. We found *different* recurrent forms of cooperation that were *loosely* connected with different types of approaches towards occupational and social integration. The most obvious (because traditional) concept we found consists in the preservation of simple shock-absorbing programmes. But these forms of action are rarely linked with attempts for an interactive and cooperative approach. In view of that we have come to distinguish two other approaches to be found *across* the national landscapes, even though their impact in the respective national context may vary considerably.

Type 1. *Collective action as active labour market policy for training and placement focusing on the private labour market.* The underlying ratio here is, that the basic problem is a mismatch between what is needed by the labour markets and what is given in terms of skills and qualification of the respective problem groups. Therefore local action has to aim both for qualifying the respective groups and for creating effective ways of channelling

policies to the extent that the goals of development imply strongly the need for addressing such different partners as trade unions, employers and third sector groups – not solely as employers, but as well as kinds of "corporate citizens"

Type 3. *Collective action as cooperation for additional jobs, focusing on the third and the public sector:* This is a local type of cooperation in programmes for job creation, like the German "ABM" or the French "Emplois Jeunes", which is aiming at measures for regaining social skills, training and time-limited employment, but as well at the development of new products and services creating additional employment facilities. Therefore, organisations of the third sector are often privileged partners, to be addressed not only as potential providers of time-limited training and job facilities, but as well as social entrepreneurs that are supposed to create new sustainable jobs and services. That makes cooperation more challenging. There has been found, however, a deep ambiguity concerning the aims that are supposed to hold together the cooperating actors.

- The concepts can be seen at best as aiming at a local development, where the special "second" labour markets created act as incubators for new additional jobs to be stepwise implanted and stabilised in an incremental process and as "transitional" towards the already existing labour markets.
- In worse cases they are or will turn into simple reservoirs of places for "protected (i.e. sheltered) employment"; the activities never provide a new stable job, but they foresee a constant fluctuation and "recycling" of temporary jobholders which in the negative cases do not get enough skills and "links" for conquering a slot in the "real" labour market.

As indicated in Fig. 2, in many cases it may be undecided which element will finally prevail.

In case the analysis behind the typology that has been developed is accurate, it allows to perceive some inconsistencies in the present global attempt of the Commission to show the way how to "act local for employment".

On the level of the EU it has been tried to develop "a local dimension for the European employment strategy" (European Commission 2000) that can be characterised by an approach that calls for bridging the gaps and sectorial lines between special social integration and labour market measures on the one and a general concept for economic and urban development on the other hand, making employment an important point of concern in all policy fields of the municipalities and finally of the whole local concept of development.

In order to do so, it calls for all encompassing kinds of "pacts" and "partnerships" that are pooling the energies and resources of the public sector, the social partners, of the enterprises in the private sector and the third system / the social economy.

In many instances this concept meets with the development we have found in the French, the German, the Italian and in some respect as well the Swiss situation. Therefore, some conclusions of our research entail foremost organisational and technical recommendations such as supporting key innovations like case management and social enterprises, bettering the multilevel governance which is taking shape or monitoring and evaluating more consistently not only outputs, but as well processes towards an increased local acting capacity.

In the light of our findings there are, however, as well some strategic problems in the present EU concepts that get visibility and which we recommend to acknowledge and tackle. The EU-concept is based on the assumption that in each and every case policy integration can and should be reached by integrating questions of employment into questions of development, connecting thereby as well a broad range of local partners around both of these topics. In reality, however, very often given development concepts stay untouched and are not challenged as long as they are believed to work well as the best possible framework for full integration and employment at some point in the future. In such a case (A), cooperation of few partners for the social and occupational integration of problem groups is then all that seems to be needed. And this can take innovative forms. Only in case (B), where one begins to see the existing development concepts as no longer suited for overcoming massive unemployment and social disintegration, cooperative action for new ways of integrating developmental and occupational challenges can take shape.

Different problem pressure, but as well differences in perception and political / cultural prerequisites for action are linked with different concepts of cooperation and integration. In case of a situation like under (A), the goals of cooperation in terms of active labour market policy may only call for a restricted number of participants and, even when using innovative instruments, stay in the traditional setting of a sectorial labour market policy; the presence of actors of the third system may only casually be needed, e.g. when it comes to additional social measures (see type 1 in Fig. 2)

Only in case (B) there is the likelihood that a broad multipolar cooperation network may be developed in order to create the action capacity needed for e.g. revitalising an industrial area or city quarter, including the creation of new services and jobs (see type 2 in Fig. 2)

This means that contrary to the EU concepts, the broad cooperation that encompasses actors from all sectors on a more or less equal footing will very often not be perceived as necessary. And, in case it is to be built, this process may be much more difficult than portrayed in the EU proposals. First of all, the shared concept for (re)development may question the developmental logic and concept that has dominated and been supported so far, and that has been successful in certain cases (the absence of problem-pressure being clearly a disincentive), and secondly, some actors may have difficulties to switch from "industrial" and sectorial to "local" and public partnerships.

Furthermore, a special problem of ambiguity is constituted by the fact that the EU concept for local action and employment is not clear about the future status of the widespread and massive programmes that have helped in many countries and regions to create a special zone of (time-limited) jobs (see type 3 in Fig. 2). Will they be part of a developmental concept towards creating additional services and work places or just a special social component of an active labour market focusing on the private sector? The answer to this question will also determine the future status of third sector organisations as partners in cooperation.

It is recommended that EU concepts should (i) acknowledge the plurality of forms of collective action found, with a part of them entailing capacities for innovative action; (ii) be more aware of the challenges linked with switching from active labour market policy to concepts that entail a revision of local development and from exclusive social partnerships to pluralist and intersectorial forms of local action; (iii) expose more clearly the final purposes of programmes that combine employment and income, in particular with regard to the conclusive questions concerning the role of partners, especially from the third system.

2. Background and objectives of the project

Unemployment and various processes of social disintegration seem to have established themselves as key issues at the turn of the millennium. The rate of unemployment in the European Union amounts to around 10%, and around 50 million inhabitants are considered to be poor. The growth of productivity as a consequence of further technological innovation and the effects of economic globalisation might aggravate the situation in the future.

Evidently, the model of social integration and inclusion developed over the past 50 years by the welfare state in Western European countries can no longer be expected to successfully curb unemployment, exclusion, and poverty when these are no longer temporary individual risks but have developed into wide-spread and lasting social phenomena.

In order to find solutions for the problems of social exclusion and for the financial problems connected with them, different countries within the European Union have developed various policy measures during the past years. The list of these policy measures includes, among others, policies of deregulation of the labour market, active labour-market- and employment-policies for the most disadvantaged groups of the unemployed (young people, women, disabled people etc.) and policies which try to add social rights and rights of citizenship to public insurance entitlements or to empower primary and secondary social networks which represent non-monetary forms of social integration.

On this background, the scientific objective of our research project was to compare different systems of collective action which are involved in the process of developing and implementing policy innovations aiming at a better coping with the problem of social exclusion by contributing to the (re)integration of different groups of unemployed. The collective actors whose forms of cooperation and conflict are at the centre of interest are mainly studied on the local and regional level of political decision-making.

The way the tasks of the international project have been concretised in the research concept

It was a major task of the joint research to come to some scientifically grounded agreements concerning central elements of the research questions.

(1) The first point concerns *the spectrum of labour market - related policies to take account of* with a perspective on social integration. Since the research aimed at looking for social innovation, the teams agreed to put special emphasis on those labour market programmes

and policies belonging to what is generally called "active labour market policies", i.e. policies and programmes which, apart from guaranteeing some financial compensation, preserve as well activating measures and offers such as training, (time-limited) jobs and other combinations of work, participation, and income generation.

(2) The second point concerns *the meaning of social integration*. Obviously, the concern with social integration, or, as it is often phrased in EU-wide discussions, "social cohesion", refers to much more than just those forms of disintegration which result from unemployment. Nevertheless, unemployment is at the heart of most integration problems, and so it was understood in the research project. But it has also become common knowledge that obstacles to social integration are not only to be found with regard to the individual human capital of the respective groups concerned but as well in view of the given socio-economic and cultural environments in and outside the labour market, as they mirror in e.g. in the decay of branches, regions, cities, communities and neighbourhoods. Therefore, strategies for economic local / regional development and urban renewal may play an explicit role on behalf of social integration. The combinations of several programmes and policies can be one important element of social innovations in policies for social integration.

Considering this, the research teams agreed on looking at a variety of policies and programmes inasmuch as they make at least some explicit link with social integration in the field of labour market policies. Furthermore, they agreed on arranging these policies and programmes on a tension line with the pole of policies *addressing target groups* on the one and policies *addressing as well the social / economic environment* on the other hand. The idea was to capture by this means the differences between narrow labour market policy approaches and wider concepts which include a link to policies aiming at influencing the structures of industrial and labour market development themselves, e.g. by integrating industrial or local / regional development concepts in order to promote a more employment intensive growth and to create additional occupational effects.

(3) The third point for clarification and joint concepts concerns *the meaning of systems of collective action which are "open" and which allow for policy learning*. Debates between the teams have led to an agreement on a second tension line, constituted by the poles of "closed" and "open" systems. Systems of collective action have been identified, in a pragmatic way, with what today is often called "policy networks", wherein public and private partners, as for example representatives of the political administration, the social

partners and other associations in the civil society (as diverse as e.g. chambers of commerce, voluntary organisations, civic associations, self-organised initiatives of groups concerned), get together for a cooperation which is formalised to some degree (we will explain our joint typology in more detail in chapter 3.2. of this report).

Each national team then has looked for local / regional examples of policies or "policy packages" (a set of measures that altogether make up for the local or regional policy) which can be judged as fairly representative for policies of social integration, interrelated with the field of labour market policies.

3. Scientific description of the project's results and methodology

3.1. Survey of the work carried out

In the course of the research project the teams, first of all, described the state of the art in labour-market-related policies of social integration in France, Germany, Italy, Switzerland, Poland and Bulgaria. They summarised the historical development of the policies in question, taking into account the already existing knowledge as well as the results at issue as far as they are related to the analysis and interpretation of these developments. The analysis of literature about systems of collective action engaged with social integration measures was another important step in order to prepare the genuine empirical research (*Work Package I*).

Second, the teams collected and evaluated statistical data for the quantitative analysis of the national labour markets. Within this period, answers were in particular given with respect to the problem pressure in terms of unemployment as well as to the volume, implementation, financing, duration and target groups of both active and passive labour market schemes since the seventies (*Work Package II*).

Third, all teams selected a sample of localities / regions in which they chose to carry out their empirical research. This was followed by the preparation of a joint manual for the interviews with experts as representatives of collective actors within the localities / regions chosen. The selection and contacting of interviewees (at least 70 in each country), the carrying-out of interviews, their transcription and their first interpretation made up for the next step. Interviews have been carried out with local political, economic and social elites who have been involved in both policy formulation and policy implementation (*Work Package III*).

Fourth, since the tasks of Work Package III needed more time than originally expected we still had to deal with them during the first months of the next half-year period. Finally having finished all work relating to the interviews, we then systematically described the different systems of collective action in the area of labour-market-related policies of social integration we had chosen to examine (*Work Package IV*).

Fifth, the teams consolidated the work they had done so far. WP I and WP II had been updated, shortened, modified (in view of the sub-national cases); the case studies had been revised and a new chapter (focusing on the respective local / regional model of governance in the policy field) had been integrated in order (a) to systematise our insight in the

mechanisms of policy implementation and (b) to facilitate the comparison of the different systems of collective action (*Work Package V*).

Finally, we elaborated a joint concept for evaluating the effectiveness and learning capacities of different systems of collective action in the policy field in question (this task was actually planned for Work Package V but all teams felt better equipped for tackling issues of measuring effectiveness after having consolidated the analysis of the cases). The evaluation was then followed by a final revision of the reports in order to present our findings as coherently as possible. The formulation of policy recommendations on the basis of the different models for social integration we identified concluded the work to be done within this project (*Work Package VI*).

All the different working steps were accompanied by a discourse about a joint theoretical typology which would allow us to systematically locate and compare our findings (see the following chapter). Thus, the continuous revision of the case studies was also necessary in view of the reshuffling of this theoretical typology. This kind of *work in progress* cannot be temporarily fixed or squeezed into a tight schedule albeit it was one of the main challenges of this project.

In summing up all that was done by the research teams in the course of the project, we get the following eighteen points. The research teams

1. summarised the historical development of labour-market-related policies of social integration throughout the different countries (including the ones chosen in Eastern Europe) (*method: document analysis*),
2. analysed the literature on cooperation regarding the policies in question (*method: literature analysis*),
3. collected and evaluated statistical data about labour market and employment policy schemes on the national level from the seventies until today (*method: quantitative analysis of secondary-statistical data*),
4. identified and selected representative local labour-market-policies aiming at social integration,
5. chose a sample of localities / regions for the empirical analysis (*method: qualitative sample building*),
6. collected and evaluated statistical data about the selected regions (*method: quantitative analysis of secondary data*),

7. elaborated a joint questionnaire (*method: construction of a qualitative questionnaire*),
8. identified, selected and contacted interviewees,
9. carried out interviews with at least 70 experts in each of the countries and over 100 experts in Eastern Europe (French team) (*method: questioning*),
10. transcribed the interviews,
11. analysed the interviews,
12. elaborated a systematic typology (in the form of a graph) in order to compare the findings,
13. structured the empirical findings on the systematic typology, (*method: inductively applying empirical data to an analytical scheme; i.e. model-building*),
14. elaborated a joint concept for evaluating the systems of collective action analysed,
15. evaluated the systems of collective action (*method: analysis of quantitative secondary data, qualitative evaluation of 'acting capacity'*),
16. compared the systems of collective action analysed (*method: comparison*),
17. formulated policy recommendations on the basis of the empirical research,
18. wrote altogether six intermediary / annual reports (each team) covering the results gained during the different working periods.

3.2. Theoretical framework

The analysis of labour-market-related policies of social integration as a "product" of the interplay between interest coalitions, epistemic paradigms and politico-institutional structures as well as the analysis of policy change as a process whereby actors discover solutions to collective problems via specific learning dynamics was especially guided by what is nowadays characterised as the theory of "Policy-Networks". According to this perspective, policy innovation is not simply to be considered as a side-effect of changes in the relation of power among the different and adversary coalitions of interests and of collective actors. Innovation can grow from other and different processes, such as the collection of strategic information and technical knowledge, that allow decision-makers to learn new solutions while reacting to the mistakes of the past. Not only is it therefore important to investigate the dynamics of decision-makers' settling and negotiating their

partisan mutual interests but it also becomes relevant to add to these *hard* variables (power games and political exchanges as in Crozier and Friedberg's perspective) some *soft* variables, that is the analysis of the normative framework which guides and legitimises policy makers' behaviour when they create policy innovations. Moreover, we made as well use of the social-capital-concept which builds on the assumption that social networks have a value and that dense social ties and a strong commitment of the inhabitants to the region they live in provide a solid basis for "good" governance. In this view, systems of collective action are not only producing but as well mobilising an existing stock of social capital. According to this idea, societies characterised by reciprocity and trust can combat social exclusion more effectively than others.

By examining our empirical cases in line with these theoretical considerations we aligned our research with an analytical scheme that acted as a shared point of reference, allowing us to classify the different policy-approaches in a national as well as in a cross-national comparative perspective. We use the form of a graph with the horizontal axis focusing on the type of cooperation, reaching from *close* over to *open* cooperation, and a vertical axis focusing on policies, reaching from *addressing target groups* over to *addressing as well the social / economic environment*.

a) *The horizontal axis:*

Systems of collective action can be identified, in a pragmatic way, with what today is often called "policy networks", wherein public and private partners, as for example representatives of the political administration, the social partners and other associations in the civil society (as diverse as e.g. chambers of commerce, voluntary organisations, civic associations, self-organised initiatives of groups concerned) get together for a cooperation which is formalised to some degree. This remark already points to the difference made between such networks, which are to be classified as "open" due to the fact that they allow a lot of participants from different policy sectors and communities to take part, and traditional policy networks, marked by a hierarchical cooperation as it is set up by state representatives or by corporatist networks for tripartite negotiations between representatives of the public administration and the social partners. Hence we contrast:

- *closed functional professional cooperation* being clearly state-led and / or corporatist, with relatively few actors taking part, the sphere of labour and industry clearly dominating and a clear focus on groups and representatives concerned as

"professionals" – e.g. as policy-makers, labour market specialists, representatives of interest groups etc.;

- *open community - oriented cooperation*, being mostly the more recent and potentially more innovative type of network-building; it is exceeding the working sphere, emphasising the role of a local and regional territory and of the public sphere; unconventional actors as e.g. initiatives of the unemployed, model projects and "social enterprises" for job creation etc. may play a more important role here.

b) The vertical axis

The vertical axis is marked by a tension line with the pole of policies *addressing target groups* on the one and policies *addressing as well the social / economic environment* on the other hand.

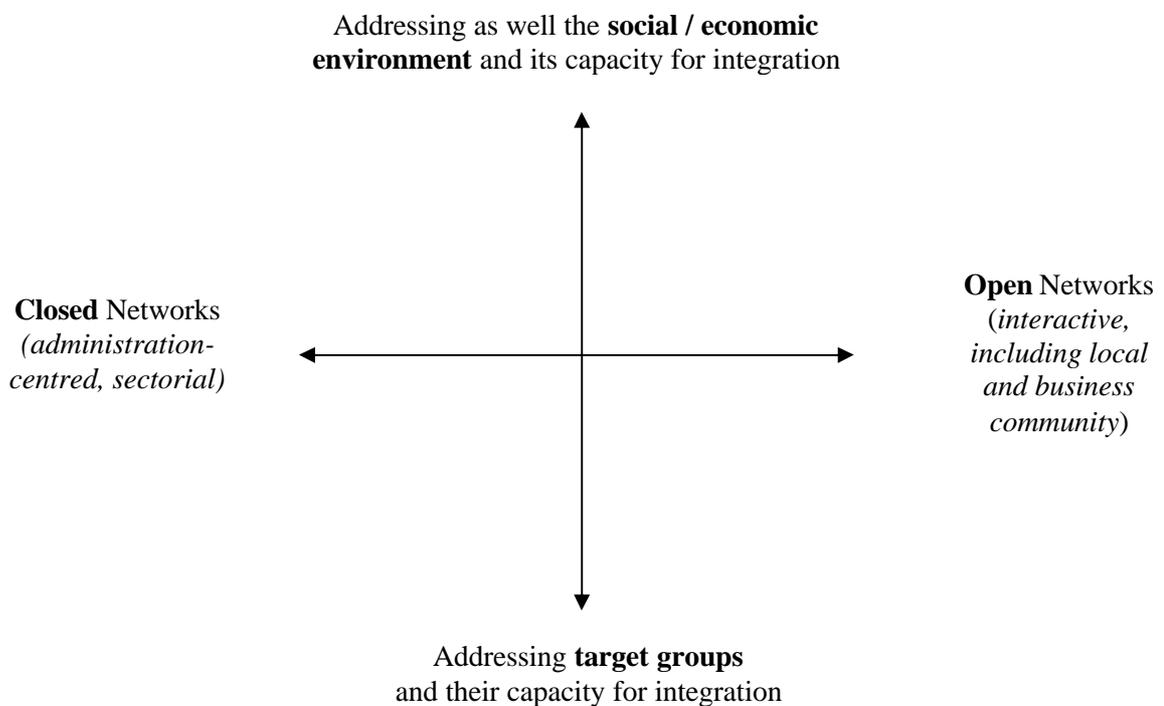
Near the first pole of policies "*addressing target groups*" (*training and placement*), one can find the core elements of labour market policies, taking changes in the environment as outside givens and focusing on measures which help groups and individuals concerned to adapt to the respective challenges; depending on the respective person or group, programmes and policies may focus solely on issues like training and time-limited combinations of work and payments; sometimes active policies for social integration will have to entail as well different types of social work and social support in order to help the persons concerned to regain basic social skills. Those social enterprises which concentrate on such issues are a prominent instrument for administering target groups with little emphasis on linking with outside partners; the development of placement schemes, the subsidising of labour contracts and the use of social enterprises as a means for the establishment of transitional labour markets will then gradually increase the need for cooperation with other partners.

Near the second pole of policies "*addressing as well the social / economic environment*" (*economic and local development*), one can find all those concepts and policies which go beyond a narrow conception of labour market policy insofar as they try to influence and change the conditions both on labour markets and in the social sphere which make up for gaps between demand and supply of labour as well as for living conditions that lead to social exclusion. Such policies can have a more economic and employment-centred bias, like e.g. concepts for economic and technological modernisation and business promotion or new programmes for developing innovative products and services with the intention of creating likewise considerable employment effects; but they can as well take shape as

concepts for local and regional development, targeted at issues like the revitalisation of city quarters in decay or working towards a more dynamic and overall cohesive type of urban and regional development. Measures for groups are here a part of policies and programmes which aim as well on changing givens in the environment. Public work programmes may be part of this area of politics insofar as it is tried to create, e.g. in the public or third sector, transitional labour markets or new services and jobs which can be stabilised over time.

The following figure shows the analytical scheme used by all the teams (see the chapter "Comparison and Conclusions" of each national summary as well as chapter 4 of this Final Report) and that we have just expounded in its theoretical dimensions.

The joint analytical scheme of the research project



3.3. Country results

3.3.1. France

3.3.1.1. The national situation

At the end of the seventies the growth of unemployment led the French State to implement an increasing number of active and passive measures of labour market policies. The active programmes address both the demand-side through training programmes and the supply side through job creation subsidies. In the first case, concerning training, the aim is to obtain additional qualifications. In the second case, concerning job creation subsidies, the aim is to support for-profit or non-profit employment while reducing wage costs and promoting integration into the firm.

The state intervention in the field of labour market policy can be characterised by three main trends.

- The first one concerns the shift from adapting the workforce to taking care of the unemployed. In the 50's and the 60's, characterised by full employment, the public authorities aimed at adapting the growing working population to the changes occurring in the world of work. During both decades, the state tried to set up the necessary infrastructures to guarantee employment, either through qualification and mobility allowances or through benefits granted to people threatened by redundancies. But these policies had not been sufficient. Indeed since 1977 unemployment has been growing again and has turned into mass unemployment. Henceforth labour market policies address new populations unadapted to the demand. Training becomes a priority.
- The second aspect concerns the increase in the costs resulting from the growth in the number of people excluded from work. Over these 25 years the government tried hard, even if not continuously, to reduce the generosity of the Welfare State by lowering benefit levels, by introducing target groups (young people, long-term unemployed) and by means of sliding scales of allowances in order to make the total costs more bearable. Even if the weight of the State is diminishing, this is partly due to the trend to transfer the cost to the intermediary levels of intervention. Decentralisation is also seen as a new way of sharing the costs, without which there is no solidarity.
- The third aspect refers to the shift from the fight against unemployment to the fight against exclusion. Although growth was back and the level of unemployment tended to decrease in the late 80s, there is still a hard core of unemployed, i.e. long term unemployed who need new measures. This implies financial measures, since long term

unemployed are no longer entitled to unemployment benefits, as well as social measures since qualification and training programmes are not sufficient.

The French system of integration is based on three bedrocks: first, an increasingly decentralised political and administrative organisation, then the territorial implementation of the measures and, finally, the individualised treatment of the person. Several dates are important to understand the process of decentralisation of active labour market policies and the construction of partnership between different private and public actors.

- In 1982, the "Schwartz report" leads to create local missions and PAIO (reception, information and counselling structure). For the first time, the aim expressed is to deal globally with the problems and to promote partnerships. This approach, which is concentrated on the problems of young people, breaks with the sectorial approach. Another point has changed: passive labour market policies are no longer ranked among the main policies in charge of the persons.
- In 1983, the decentralisation laws reallocate the powers between the public authorities. The State transfers blocks of competences to municipalities, departments (social assistance) and regions (vocational training).
- In 1984, training contracts involving both school course and work experience placement came into being thanks to an interprofessional agreement between trade unions and employers' organisations which here again breaks with a logic that used to give the state the sole responsibility for issuing training contracts.
- In 1988, the law introducing the RMI (minimum subsistence income linked to integration) transfers the competence of integration (this is commonly called the "I of the RMI") to the departments, whereas the allowance is still financed by the State.
- In 1989, the individual training fund (CFI) introduced the notion of an "individualised path towards integration" which leads to the emergence of a sole counsellor of reference at the local level and to the territorial organisation of the measure.
- In 1993, the five year law gradually transfers the competences concerning vocational training of young people to the regions.
- In 1997, the programme "new jobs - new services", commonly called "Emplois Jeunes", emphasises both the creation of jobs meeting unsatisfied needs and local initiative.

- In 1998, finally, the law against exclusion aims to guarantee the access to basic rights, among which the access to work. This law is directly in line with European recommendations.

These few dates give us some information about the importance of the decentralisation process in France, which represents a major change in the French administrative system. It aims at improving the efficiency of the central policy by enhancing the value of the intermediary levels and by territorialising labour market policies at the local level.

Right from the beginning of our inquiry it became clear that many of our interviewees perceive the French system of integration policy as a very complex one. The expression "bush" or "jungle" was frequently used in the interviews we carried out. If we refer to Tocqueville in our analysis of the decentralisation movement in the field of integration we may say that the decentralisation process does not fundamentally mean a break in the type of exchanges between the centre and the periphery. It makes the system more complex, it makes new actors emerge (locally), it renews the opportunities of the game. But basically it does not question the nature of the exchanges between the poles. This is the reason why the centre and the periphery have to be considered as a set of relations, which underlines the fact that both elements are linked by a close interdependency. This remark is essential to our work: the rule – may it be a measure or a programme – can be constraining; however, it has to be locally adapted in order to be implemented. Conflict and cooperation characterise the political relation.

Therefore, centralisation can be understood only through the periphery, and the latter can only exist in its diversity thanks to centralisation. Responsibilities are shared between poles that are closely linked, which is leading to a legitimisation of both orders, the central one and the local one. Two French sociologists, Michel Crozier and Pierre Gremion, have both worked out a theory of power in the relations. According to their analyses, we can say that the legitimacy of the centre and the periphery is based on a compromise between both levels: the centre is in charge of issuing laws, in accordance with the general interest, the region aims to be legitimated by the field of vocational training, the department must act as an interface between the local and the central level, and the local actor has to assert itself as a place of implementation and of political innovation.

3.4.1.2. Selection of the cases

The French team carried out about 50 interviews in each of the four towns they chose for the study of local systems of collective action. The study of Aubervilliers, Saint Denis, Valenciennes and Grenoble aimed to answer four questions:

- First, how does local collective action go beyond the limits specific to the centralised system?
- Then, the question of the cooperation between institutional and non-institutional actors (associations or integration-related firms).
- And the question of the innovation that tends to prove that local levels have an important room for manoeuvre within a complex system.
- Finally, the question of efficiency which results from the previous questions and which is not limited to a quantitative evaluation.

The four towns were chosen according to the following criteria in order to illustrate the French situation:

- their diversified political situation representing the variety of the French political scene;
- their number of inhabitants that enables us to have a selection containing small and medium-sized as well as one larger town;
- their socio-economic structure which influences the type of actions taken in terms of integration policy;
- their unemployment rate: the unemployment rate is high in both towns of the Seine Saint Denis department (about 15%), low in Grenoble (inferior to the national average) and very high in Valenciennes (about 19% - 20%);
- because of all these characteristics, these four towns' respective representations and actions towards integration differ; that is what the innovative structures created by each town tend to show.

Moreover, as far as the analysis of programmes taken up and policies taking shape in the four case studies is concerned, we chose to concentrate on three labour market policies representing the historical and present evolution of labour market policies *stricto sensu*. The comparison of the collective action is thereby made easier and more coherent. First, the RMI (minimum subsistence income linked to integration) illustrates both the social and occupational concerns of integration. Then, the local plan for integration and employment

corresponds to the new national directives that appeal to the commitment of the local level to the implementation of the programmes. Indeed, the local plan for integration and employment comes from a local experimentation that was taken over and generalised by the national level. It is part of the logic of horizontal and vertical partnership, which is a priority line of the government. Finally, the 'Emplois Jeunes' aim at developing "activities creating new jobs for young people, meeting non-satisfied emerging needs and having a nature of social utility", which meets the guidelines of the European Union.

3.3.1.3. The cases: systems of collective action

The local level is the place where central policies are implemented, the place in which all the factors of complexity are concentrated. We have insisted on the local political organisation, represented by the mayor and his team, considered as a major actor of innovation in matters of integration policies. The innovation is characterised by the procedure of diagnosis and organisational changes, by a structure establishing integration projects, by cooperations and by conflicts. The serious situation of unemployment and the inefficiency of previous measures led to a process of innovation and to organisational changes.

	Municipal Organisation	Innovative Structures	Cooperations and networks	Conflicts
Saint Denis	a deputy mayor responsible for economic and social development	Objectif Emploi	Objectif Emploi has the monopoly of intervention. Creation of a parallel network: REALISE	social and economic cultures
Aubervilliers	all structures under the authority of one general secretary	PLIE (local plan for integration and employment) acts as intermediary. Coordinates RMI, local mission, local employment service	PLIE culture: monopoly; Personal networks: departmental service for employment, labour and vocational training, local employment service	"former" workers (social) and "newcomers" (economic)
Valenciennes	integration of people who are not linked to a political party and to a firm of managers	PLIVAL (which is the local plan for integration and employment in Valenciennes), coordinates a lot of associations	formal networks of cooperation and local and national political networks	state / local authorities social / economic town hall / suburbs
Grenoble	creation of a service for integration coordinated by the deputy mayor for integration	poles of occupational integration	diverse cooperations	social / occupational integration political
Summary	important organisational changes on the basis of diagnosis and opportunities given by central measures	large local innovations, aiming at coordination, partnership and globalisation	important formal and informal coordination where political actors prevail and are able to go beyond local inertia	vertical and horizontal conflicts on the basis of the different cultures, i.e. legacies and different professional conceptions

In *Saint Denis*, the direct effect results in implementing a structure falling under the direct authority of the deputy mayor responsible for integration. We analyse this structure below which aims to associate elected members in charge of integration and those in charge of economic development and to globalise projects and financial means. The mayor is not only seen as the direct initiator of this policy but also as the immediate partner of all the participating structures.

In *Aubervilliers*, this is translated into the arrival of newcomers in the field of integration. They aim at developing a policy oriented towards occupational integration and at working under the authority of the economic service of the town hall. This makes all the structures involved in integration fall under the responsibility of a secretary of the town hall, whereas formerly each structure used to be under the hierarchical responsibility of one elected member and one secretary general.

In *Grenoble*, this led to create a service for integration being part of the service for economic development of the town hall. It is responsible for coordinating the intervention of the town hall in the field of occupational integration. This service falls under the responsibility of the deputy mayor for occupational integration. This innovation shows the will of the town hall, or at least of some town councillors, to focus on occupational integration. It breaks with the previous political period. Indeed integration policies, whatever their nature, used to be implemented by the municipal centre for social action which is normally responsible for social policies only.

In *Valenciennes*, the mayor, who is not integrated well into the local political scene since he comes from Paris, chose to change the organisation of the town hall. He appealed to people who did not belong to political parties and appointed people who are recognised for their competences in the sectors they are in charge of.

According to these criteria we try to define the notion of innovation. First, organisational change results from the limits of the previous actions carried out. Moreover, local actors were able to take the opportunity offered by the new measures (territorialisation) to implement such changes. The aim is to better adapt the existing structures to the challenges of complexity and territorialisation.

Although the mayor's personality is obviously a key element, we cannot reduce the local changes to the initiative of one sole individual. The circumstances are rather more complex than that since individual initiative and collective initiative of a team are linked with vertical and horizontal types of partnership.

Finally, these organisational changes involve the main lines that the policies will take, but also the cleavages that will influence local policy. This division is often linked to different professional cultures, and in other words to different conceptions of integration.

We chose to explain the variety of innovative structures by giving an account of the ability of local actors to build places of intervention, provided that legal obligations are respected. Each municipality is considerably resourceful to find new solutions, but Saint Denis might be an extreme example of innovation since the structure called "Objectif Emploi" aims to globalise target groups and financial means. Grenoble presents a particular project supposed to be the forerunner of the PLIE (local plan for integration and employment), called poles of occupational integration. The other towns have both implemented a PLIE, but each in a specific way because of the different nature of the networks on which the local plan for integration and employment can rely.

In 1990, *Saint Denis* had no local mission nor any other structure capable of advising young people. The problems of employment and training are dealt with by the municipal department for the youth and by some agents of the social services. The creation of Objectif Emploi results from the necessity emphasised by the local elected members to intervene more on the integration problems of the inhabitants in cooperation with other partners. Moreover, they question the relevance and efficiency of the actions based on programmes (referring to target groups) as well as the multiple interventions with the same institutional actors. Therefore, the town decided to create a structure focusing on the global integration problems of job seekers and on the collective action. The Local Plan for Integration and Employment (PLIE) seems to meet both expectations since it aims at coordinating actions of local actors and at favouring public which are facing difficulties. The implementation of the PLIE and the association of municipal services dealing with parts of the employment problems constitute the basis of the association Objectif Emploi.

Four characteristics emphasise the innovative features of Objectif Emploi:

- Although the structure has a private status, it has been instrumentalised by the town hall. Even if its agents try to get their autonomy, the association is often regarded as a municipal association. The director of Objectif Emploi acts on both levels: association and town hall. The personnel delegated by the town hall is evaluated according to the rules existing in the public sector. But it is not thoroughly a municipal association since some members of its board of management come from state administrations.

- Its work corresponds to the aims fixed by the local elected members and by the association itself: focusing its approach on local development by making the needs of the population and the needs of the local economic fabric coherent. To reach that goal, the association works together with the firms, the public sector and other associations.
- The fact that both political and administrative logics are present does not seem to hinder the interventions devised by the association, even if their divergences may check initiatives. Once again, the intervention of the political actor is a way to bypass obstacles. Therefore, the success of the structure depends on the political commitment to it.
- The size of the association, its centralising organisation, the entanglement of its links with the town hall contribute Objectif Emploi being referred to as the central actor of the local integration policy. The association conditions the collective action and plays a major role regarding its effects on the local environment as well as on the union of towns.

Aubervilliers is governed by three political parties: the reforming communists, the orthodox communists and the socialists. They all disagree with the municipal commitment to the field of employment and disagree with the actions to be carried out. The first group considers that this field falls under its own authority, whereas the second group argues that it falls under the responsibility of the State in matters of social policy. Therefore, it is up to the third group to take on the responsibility of this sector. The socialist deputy mayor in charge of integration is responsible for the PLIE (local plan for integration and employment). The local plan for integration and employment coordinates the four reception facilities that were set up in the town a long time ago (the local mission, the RMI counselling service, the local employment agency, the structure for the disabled). The direction team is composed of a director, an assistant, a counsellor (paid by the PLIE and delegated by the employment agency) and a counsellor paid by the departmental council and delegated by the municipal service responsible for the occupational integration of the RMI (minimum subsistence income linked to integration) recipients. They are responsible for both supporting people taking part in the PLIE and for acting as a link between the PLIE and their initial structure. Therefore, the team working on the PLIE knows what happens locally and is permanently in contact with operators. The mission of the PLIE consists in proposing a new working method shared by all actors. It uses teaching tools to federate the partners. Since all of them share common objectives and common financial

means, they must manage to cooperate around a central actor. The PLIE must provide them with the necessary working aids (establishment of integration actions, distribution of ad hoc financial means etc.) to coordinate these actions, to evaluate the results and to pass on information to financing administrations. Therefore, the PLIE has all the partners and the publics under control since it defines both the actions and their modes of implementation and it decides on the distribution of financial means.

In *Valenciennes*, the local plan for integration and employment, called PLIVAL, was implemented in 1995. The ambition of its initiators was to give the town an integration tool enabling it to render coherent the different local actions for disadvantaged people. More prosaically, this new programme appears to be a tool used by the mayor Jean-Louis Borloo and designed to change the face of integration policy in the area of Valenciennes. On the one hand, the introduction of the local plan for integration and employment generally constitutes a way to create a programme managed by Valenciennes alone, and more directly to counterbalance the local mission set up in 1982. Indeed, it shows the will of the municipality to compete with this structure that slips from the municipality's hands for two reasons. First, the local mission is a structure depending on the district and has nine units which are decentralised in different towns. Then, at the political level, the local mission is said to be influenced by left wing parties and presided over by an elected member of the communist party since its creation. On the other hand, the implementation of the PLIE gives Jean-Louis Borloo the opportunity to exploit his political links with the government in Paris in order to give Valenciennes a specific position in the field of integration. In 1995, the PLIVAL was subject to the signature of a draft agreement between the government led by Edouard Balladur and the town of Valenciennes. This agreement, which extended over five years, stipulated that the PLIE would be partly financed by the interdepartmental funds for the town. Therefore, according to the director of it, the PLIE has benefited by "*exceptional financial grants in terms of quantity and allocation*". This agreement has been translated into the implementation of an experimental action, called Jericho. This is an operational unit of the local plan for integration and employment that takes care of both young and adults: its aim is to place 1'000 people back into work, especially thanks to subsidised work contracts (in particular CES [solidarity employment contract]), extending over five years and financially supported by the European Social Funds.

In *Grenoble*, the poles of occupational integration can be defined as a place of coordination and cooperation between different actors involved in the field of occupational integration. It is identified as a place where we talk about questions of training, employment and firms. At

the beginning, the poles were created in the social centres. In order to be better identified as a partner dealing with employment, they now tend to move out of the social centres. The reason put forward was that their presence in social centres tended to make them work in social fields rather than in occupational integration. There are now three poles, all present in the problem areas of the town, and the town would like another one to be set up downtown. Three main actors are involved in the poles: first the town's service for integration that is part of the service for economic development. It is responsible for the coordination of the poles and acts as a link between the deputy mayor in charge of integration and the professionals of the pole. Then, the job counsellors of the municipal centre for social action still receive the adult job seekers, among whom the RMI recipients, and the counsellors of the local mission deal with occupational integration of the young people. Representatives of other institutions, such as training organisations and advisory centres for women, can also be present, but this varies from one pole to the other. Together they try to organise common workshops aimed at all the categories of unemployed. Implementing such poles requires new professional practices between the different intervening actors since the aim is to propose collective actions and individual support of job seekers to help them find a job. The town would like to use the existing partnership as a basis for the implementation of the local plan for integration and employment since the latter is supposed to coordinate local actors involved in order to improve the efficiency of integration actions. That is exactly what the poles are already trying to do, but without being labelled as PLIE.

3.3.1.4. Comparison and conclusions

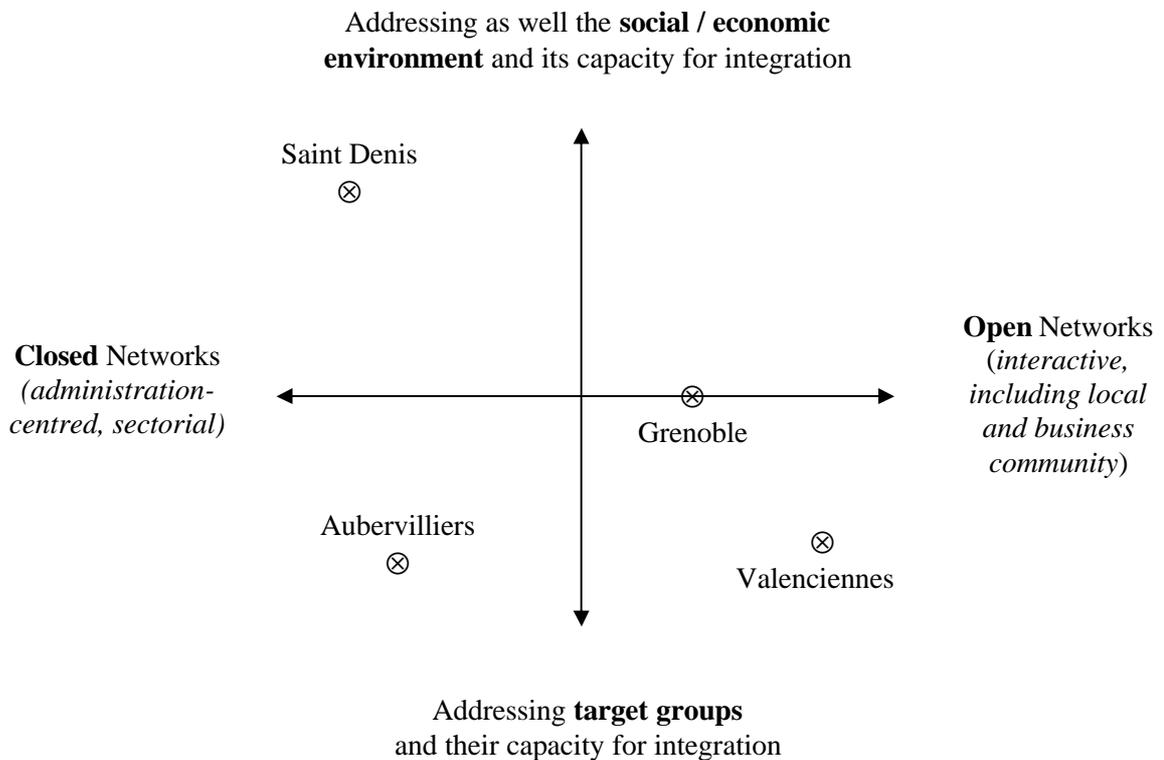
In order to explain the innovation, we put forward the phenomenon of collective action within the municipal leading team and its ability to seize opportunities. We have also underlined the links between innovation and the respect of a rule which was applied to everybody and of which the particularity consisted in giving actors a large room for manoeuvre. The notion of global treatment is part of the innovation since all the actors integrated in the innovative structure share a common objective, i.e. the will to build a federative place. From this point of view, the innovation relies on an organisation which is both centralised and decentralised. Centralised, because it creates a central place of exchange, financing and objectives. Decentralised, because the actors who are in direct contact with the population are invited to talk about their experience and to share a common vision of integration. Therefore, the innovation shows the political ability to go beyond

institutional legacies leading to inertia since it relies on common diagnosis, financial means and objectives. The innovation therefore constitutes a new link between the political actors and the different sectors of intervention. Indeed, what illustrates that point is the will of the responsible municipal actors to directly commit themselves to the field of integration and to be the persons the professional of integration can ally with.

Our case studies show the following points:

1. The permanent conflicts between the political and the administrative spheres and the difficulty to integrate the third sector – or even other actors, such as the trade unions – into the decision making process.
2. The complexity not really of the measures and of their piling-up, but rather of their distribution between several actors; this complexity leads to institutional splitting-up and competition between the different levels of intervention and even within the levels.
3. The power of the political actor to go beyond his level of action and directly turn to upper levels, and the pool of resources this represents for the public administration.
4. The ability of local actors to innovate, under the aegis of the political actor, i.e. to go beyond the local constraints of the game in order to legitimate one's room for manoeuvre, which leads to reinforce the position of the centre.
5. The permanent conflicts between occupational and social integration which refer to cultural conflicts between professions and status, but also the power of the political actor to go beyond them.
6. Finally, the permanence of the institutional cumbersomeness of a system that, however, turns out to be flexible in many respects.

In order to draw up a graph giving an account of the type of networks identified in the four case studies, we rely on the collective action illustrated by the innovative structure created by each town.



Explanation of the typology:

Objectif Emploi in *Saint Denis* is evaluated as a closed system trying to influence its social and economic environment:

- one monopolistic structure; it aims at local development; globalisation of the target groups; globalisation of the financial means.

The structure in *Aubervilliers* is evaluated as a closed system focusing on target groups without influencing local development:

- a relative monopoly exercised by the PLIE; addresses target groups; conflicts between social and occupational integration; it does not aim at carrying out any change on local development.

The PLIVAL in *Valenciennes* is evaluated as a system based on open networks and addressing target groups without influencing the social and economic environment:

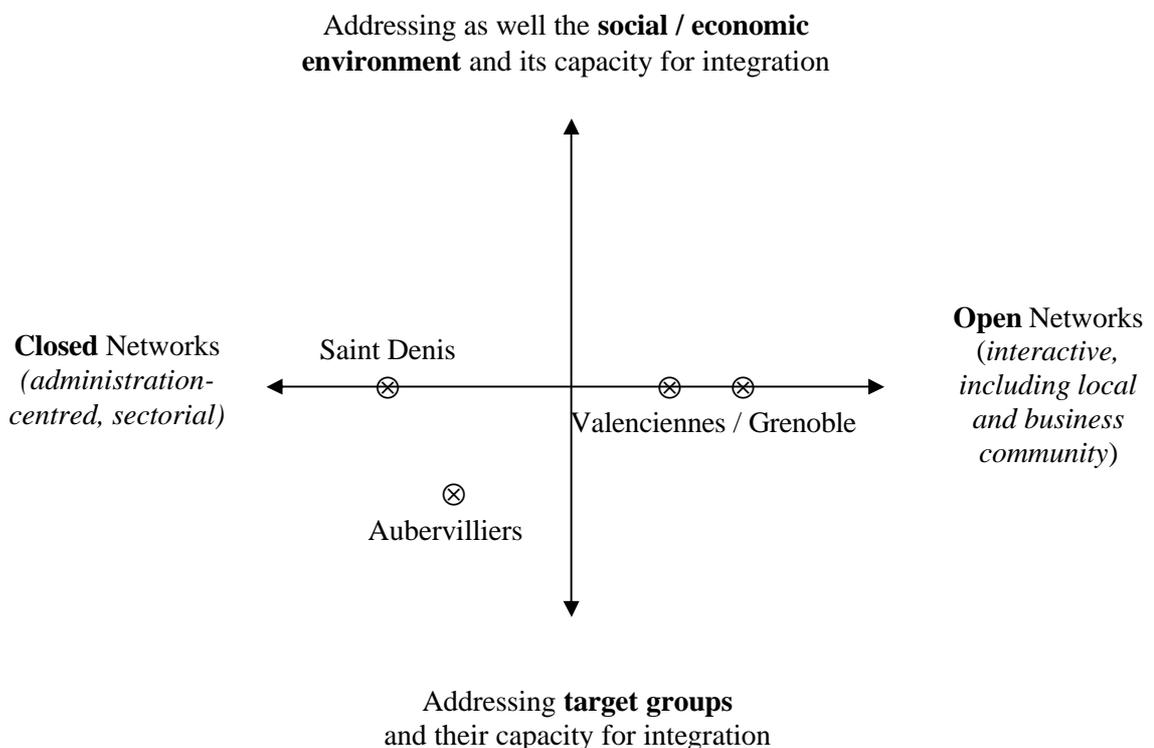
- PLIVAL is not a monopolistic structure since it competes with other structures such as the local missions; a large number of associations and training organisations are involved; there is an important link between the local and the national levels; it addresses target groups, especially young people and long term unemployed (with an objective of

1'000 participants over 5 years); it aims at socially supporting participants, placing them in training schemes or in a job.

The poles in *Grenoble* are evaluated as a system based on relatively open networks. They globalise their approach concerning the public and at the same time try to influence the supply side of integration-related jobs:

- they work with both institutional and non-institutional actors; they are coordinated by one political leader who has a weak position in the town council; they try to have a global approach to the public; they aim at placing people in a job while trying at the same time to influence the supply side of integration-related jobs with the help of their administrative coordinator (service for integration of the town hall).

If we had concentrated our attention on the programme "Emplois Jeunes", which is the most recent labour market policy, we would have got another graph:



The implementation of the "Emplois Jeunes" in *Saint Denis* is characterised by a closed system and addresses both target groups (young people, as it is stipulated in the law) and local development:

- monopolistic structure of implementation (Objectif Emploi); target groups and local development.

The implementation of the "Emplois Jeunes" in *Aubervilliers* is based on a relatively closed network, it addresses young people with low qualification levels, tries to organise a turnover in the posts, and it does not aim at local development. This orientation results from a local political choice:

- one coordinator; one target group; no local development.

The implementation of the "Emplois Jeunes" in *Valenciennes* is different. It is rather based on an open system and addresses both target groups (as stipulated in the law) and local development:

- a coordination made by several actors; target group: young people; it aims at influencing the socio-economic environment by developing new activities.

The implementation of the "Emplois Jeunes" in *Grenoble* has the same logic as in Valenciennes, but it may be more open since there are more steering and coordinating committees involving a multiplicity of actors:

- target group: young people; several committees with a variety of actors (institutional and non institutional and they try to address firms in order to professionalise the posts and transform them into long term jobs); aims at local development by developing new activities that have to become stable in the long run.

There does not appear to be any differentiation between the four cities as regards their implementation of the RMI. Indeed, the RMI addresses one type of target group defined by the law, and furthermore, it has a social mission rather than an occupational one – even though there might be differences in the interpretation – but it is in no way aimed at influencing local development. Moreover, according to the law, the RMI is jointly managed by several actors that are present in the four case studies. Therefore, they would all be situated at the bottom end of the vertical axis and on the right hand side of the horizontal axis (the implementation of the RMI is based on an open system, focusing on one target group). As far as the PLIE is concerned, it has already been integrated in the first graph since the structures considered to be innovative in all four towns are supposed to implement the PLIE with their existing networks.

The description of the actors involved in integration raises the question of the entanglement of powers. The organisation and implementation of integration policies requires the

intervention of a large number of actors and programmes which renders the whole system of decision and financing confused. Its archetype is constituted by the RMI. This policy is jointly managed by a large number of actors. Indeed, succeeding in working in partnership, signing integration contracts and ratifying projects seem to result from a political and / or administrative consensus rather than from the local application of a national rule.

Generally, the strategies of the actors and the quality of their relations turn out to be determining in the implementation of integration policies. We have noted that the effective implementation of most of the measures relies on actors of the municipality who receive the public and who must deal with social or professional problems occurring in the process of integration. They use the network of associations. Therefore, towns and their actors tend to get key roles in "repairing social cohesion". And managing "unemployability" leads to the creation of a "social third sector" (Delevoye, 1997).

3.3.1.5. Policy recommendations

Our recommendations are based on three conclusions drawn from our research:

- the criticism raised with regard to the cumbersome procedures,
- the qualities recognised to the programme "Emplois Jeunes"
- the new approach of territorialisation launched in France recently.

Thus, our recommendations can be considered as answers to these three points. We make the following proposals:

- (a) To *harmonise procedures and selection criteria* of the different institutions. This way, simplification can be substituted for multiplicity, and clarity for obscurity, might it be only at the level of the language used. Reducing the costs linked to the negotiation of financing is a basic condition in order to favour equal opportunities to apply for collective resources. Harmonising the procedures is the basis of the European citizenship.
- (b) To *reinforce the modes of intervention* in order to make the working out of a project easier and to choose adapted evaluation criteria.
- (c) To delegate *European civil servants* to the level of the region or to another relevant level and to assign them the responsibility for the accordance of the local realities with the European procedures and expectations.

- (d) In terms of *social integration*, it would be necessary to simplify the procedures, harmonise criteria and reinforce the direct assistance of the European civil servants in the working out of projects.
- (e) In terms of "*new services, new jobs*", it seems that the procedure used for the Emplois Jeunes might serve as a "model" for other countries. As innovation, it can be extended since, as we mentioned above, it favours local partnership, aims at target groups, turns to economic activity by satisfying new needs, favours durable contracts as well as ensures the respect of social rights.
- (f) In terms of "*local development*", it is important to favour above all actions aimed at firms. Indeed, the firm is too often absent of the collective game in the field of integration. Several reasons explain this:
- The professionals of integration have a different culture from that of the executives of firms. They are not used to work according to economic criteria, whereas the firms focus on performance and profitability.
 - There is a traditional mistrust between both spheres: firms are often blamed for being the winning actor and never the contributor of the employment measures (windfall and substitution effects); on the opposite, firms reproach the public administration with being an obscure and archaic jungle or they blame associations of refusing any idea of measurable efficiency.
 - Finally, there is simply a lack of places to favour the coming together of actors and to initiate economic activity.

3.3.2. Germany

3.3.2.1. The national situation

From the seventies to the nineties the unemployment rate in Germany increased from 2.2% (1974) to 10.5% (1999) with an absolute peak of 11.1% in 1998. Especially during the previous decade high unemployment rates and a low GDP-growth seemed to be prevailing aspects of the German economic situation. The average growth in the nineties amounted to less than 2% and thus could not unfold an employment-intensive impact. In fact, active labour market schemes were introduced in order to significantly lower the problem pressure caused by social exclusion and in order to influence the official statistics. Basically, the

development in German labour-market-related policies of social integration during the last three decades is characterised by three main trends:

- The importance of active labour market and employment schemes has been continuously increasing compared to passive policy measures, although a preponderance of passive measures is prevailing.
- A second trend is characterised by an increasing selectivity of active labour market policies which are initiated and implemented. As a result, these programmes are not addressed to all unemployed people indiscriminately but are targeted on specific groups of unemployed who are hard-to-place, like long-term unemployed, older unemployed, or people with insufficient vocational qualifications.
- The third trend relates to the shift of competences and initiatives in the field of labour market and employment policies from the federal and states' level to the regional and local level where the municipalities and actors of the local (business and civil) society join in different cooperative arrangements. These are not only created to implement programmes funded by the authorities on the upper levels, but also to initiate programmes of training and job creation of their own.

In the past decade, Germany was challenged by unemployment especially due to the transformation of the Eastern German economy which caused a tremendous loss of jobs; on the other hand, unemployment also increased again in Western Germany. Active labour market policy has, as a result, been oriented towards a more extensive relief of the burden on the labour market (as well as on the labour market statistics). According to the economic situation in Eastern Germany, the federal government deployed extensive measures against unemployment. In order to reduce the labour supply, special regulations enabling employees to take early retirement were designed and wage subsidies were granted generously. Publicly subsidised job measures were established to a degree so far unknown in Germany and in the world. All in all, with the help of active instruments around 2 million persons were taken out of the regular labour market at the beginning of the nineties.

Institutional specificities and employment regime

Basically, the German labour market policy is characterised by a three level structure. The main actors on the central level (*Bund*) are the Federal Ministry of Labour (*Bundesministerium für Arbeit*) and the Federal Labour Office (*BA, Bundesanstalt für*

Arbeit). On the next level we find the 16 states (*Bundesländer*) which have Ministries of Labour and Social Affairs as well as Ministries of Economic Affairs, both of them intervening into the labour market at this intermediary level. The third level is made up by the municipalities (cities, villages, and districts). They dispose of a considerable degree of political autonomy and have gained a lot of importance and competences in the field during the last twenty years. The three-level-structure of the German state is being increasingly extended towards a four level structure since the European Union has entered the policy-arena with the (Delors) Whitebook in 1993 as well as with its structural funds and special initiatives.

In Germany, the system of social security comprises two branches of passive (and active) measures people are entitled to in case of unemployment:

- (a) the unemployment insurance scheme (administered by the Federal Labour Office; financed out of insurance payments and additional spending by the federal level; legally based on the *SGB III*) and
- (b) social assistance (administered and financed by the municipalities; legally based on the *BSHG*).

ad (a): Up to the mid-seventies full employment was the common state in Germany, which means an unemployment rate of less than 3%, and structural mass unemployment was not expected for the future. When the labour promotion act (*Arbeitsförderungsgesetz; AFG*) was first implemented in 1969, the promotion of vocational and spatial mobility of the labour force were perceived as suitable instruments in order to avoid unemployment and "subvalued employment" as well as to contribute to a high level of employment. During the three decades of its existence this law has undergone nearly 100 changes, including 15 big amendments. Finally, in 1997, it was completely revised and has been representing from then on a new model of labour market policy. It is now part of Social Legislation named 'Social Code Part III - Labour Promotion' (*SGB III - Arbeitsförderung*). Whereas measures of active labour market policy according to the old version of *AFG* addressed the whole labour force and focused on prevention of unemployment, the new *SGB III* is much more selective. It addresses mainly people who already have lost their job, and it emphasises the particular responsibility of employers as well as employees in this field.

ad (b): The second branch of social security in case of unemployment is regulated by the 'Federal Social Assistance Act' (*Bundessozialhilfegesetz BSHG*) of 1961. The *BSHG* is implemented by the municipalities. They have to provide a minimum subsistence income to

all citizens in need, i.e. for all individuals who – in accordance with the "subsidiarity principle" – had no claim on any other party of support. This minimum subsistence income is named "social assistance" and has been designed as a fallback in the net of social security.

Role and actions of the municipalities

According to this double structure of the German employment regime, active measures are either provided on the basis of the *SGB III* – here municipalities are important actors in the process of implementation – or on the basis of the *BSHG* – measures of this kind making up for the genuine municipal employment promotion. While the local level of municipalities and districts, small communities and big cities has dealt with various problems of social exclusion over decades, its active role in this sector has usually been very limited. This has changed during the eighties when Germany had to get used to an enduring mass and structural unemployment. Municipalities have begun to change their own repertoire of rather passive mechanisms of social assistance towards more active measures for enabling people to find access to work; they have also begun to take part in the local building-up of policy capacities and institutions which try to make the best use out of what is provided in terms of financial resources for active labour market policies by central programmes and measures. Besides using federal funds, since the eighties municipalities use financial means from their own budget in order to create employment possibilities for excluded persons. For instance, based on *BSHG* § 19 ("Help Towards Work"), social assistance recipients are engaged in community service work. Within this context the notion of "workfare" was getting prominent. Moreover, the municipalities created an important organisational innovation by founding specific companies which are internationally denominated as *social enterprises*. The municipalities founded or initiated the foundation of those social enterprises in the form of private or semi-public companies on a non-profit basis. The organisations serve as an instrument in order to replace income maintenance by a mix of financial support and employment or training activities. They strive to create jobs and labour market training opportunities for disabled, less qualified, older and long-term unemployed. Within this perspective they combine a plurality of goals, but the general objective was and still is the re-integration of unemployed people into the regular labour market; thus, social enterprises can be perceived as advocates of their job-holders. It was especially with regard to this kind of employment promotion that in Germany the notion of the "second labour market" was coined. The term refers to a labour market of "sheltered"

(not affected by market developments) employment besides the "first" (regular) labour market of profit-oriented production or public services.

The described municipal activity in deploying active measures in order to combat unemployment was due to the increase in expenditure on social assistance which reached on the average the 40-per-cent-threshold of the municipal budgets. In the early nineties ca. 2.5 million people received social assistance because they were unemployed and had no or insufficient entitlements within the federal unemployment insurance scheme. German municipalities spent 9.1 billion DM on expenditure due to unemployment (including job creation measures and social assistance paid to unemployed people). By actively promoting employment the municipalities strive for lowering their fiscal burden by giving the responsibility for unemployed people back to the federal level: after one year of being employed within an active scheme participants have gained the right to apply for unemployment insurance benefits granted by the Federal Labour Office. On the other hand, the large scale collaboration of local politicians with the public employment service, the social agency, welfare organisations, and private entrepreneurs nowadays pays off in various local initiatives which cannot be reduced to the mere attempt to shift people from social assistance to unemployment benefits.

Recent developments

In the meantime, it has become common knowledge that the local level is of high relevance for labour market and employment policy since the local economy is reacting particularly sensitively to a lot of new needs which, in a socially and culturally diversified society, crop up at first isolatedly, occasionally, and locally. Moreover, the view is getting ground that obstacles to social integration are not only found with respect to the individual human capital of the respective groups concerned, but as well regarding the given socio-economic and cultural environments in and outside the labour market, as they mirror e.g. in the decay of branches, regions, cities, communities, and neighbourhoods. In the process of (a) building up labour market policy as a matter of local concern, (b) renewing the responsibility of the local level in such other areas relevant for social inclusion like urban renewal and economic development, and (c) looking for appropriate links between economic and policies for social integration, new forms of action and cooperation have evolved. Public-private partnerships and policy-networks have emerged beyond traditional trilateral corporatism, including besides the business community various local civil associations and initiatives. Having sketched this background, the German research focuses

strongly on describing the processes and forms in which a new concern and responsibility of the local level in matters of social integration takes shape by means of new and various systems of collective action in four selected localities.

3.3.2.2. Selection of the cases

The set of policies for social integration the German team has chosen for studying forms and cases of cooperation is smaller than a set which for example includes all kinds of policies for social security, since we restrict ourselves to the analysis of "active" policies that try to give, besides unemployment benefits and social assistance payments, some form of additional help or offers like training, a time-limited occupation etc. It is as well smaller than studies on integration services at large, since we have left out all practices where help towards social integration (social work, community action) is not brought into contact with help towards occupation in an organised manner. On the other hand, our focus is broader than that of traditional studies on labour market policies since we have as well taken on board local approaches that originally stem from fields outside labour market policies (in a narrow sense), like concepts for urban renewal or for regional economic development, presupposed they have developed in ways that resulted in a solid link with purposes of labour market policies and occupational integration.

We have concentrated on a few cities and regions where the activities found represent a rich set of new approaches towards occupational and social integration – we have, however, taken care to make a choice of cases in these municipalities that altogether represents typical innovations insofar as the approaches studied can be found in most cases where local action steps out of traditional routines. Moreover, we concentrated on the local level since it shows the most rapid advancement in pioneering new solutions and since the EU strategies put a special emphasis on it.

Our choice of four local situations can be seen as being typical insofar as they:

- stem from the new (Leipzig, Güstrow) and the older parts of Germany (Dortmund, Ortenau);
- represent urban (Leipzig, Dortmund) and rural (Güstrow, Ortenau) situations;
- present different elements and degrees of the broad problems of social exclusion, reaching from mere problems of unemployment (Ortenau) over to problems of social exclusion and urban / local decay (e.g. Dortmund and Güstrow);

- cover local approaches which are typical and dominate throughout Germany, wherever the cities and districts have built up a local policy capacity: new forms of cooperation, links between urban / economic development on the one and labour market policy on the other hand as well as the use of new tools like "social enterprises" for training, time-limited employment and placement of the unemployed.

On behalf of concepts of integration which dominate in the different localities it has to be said that in the two urban localities chosen – Dortmund and Leipzig – there was not just one policy package but rather *the co-existence of different approaches* which, in a way, stand for different logics of both social integration and cooperation. Altogether we have dealt with six cases in four localities.

The cases and localities studied by the German team

City or District	Leipzig	Güstrow	Ortenau	Dortmund
Approach	Regionalforum (Leipzig 1)	Territorial Pact	AFöG	Nordstadt (Dortmund 1)
Approach	Bfb (Leipzig 2)			DoDi (Dortmund 2)

3.3.2.3. The cases: systems of collective action

The city of Leipzig

Leipzig is the biggest city of the five new states, with 495.000 inhabitants. After the German re-unification in 1990, the city witnessed vast staff cut-backs in industries (-70%). Leipzig has to deal with a considerable amount of hard-core unemployment comprising a high number of unsuitably qualified unemployed persons; especially women older than 50 years of age and men already in their late forties are considerably affected by (long-term) unemployment. In 1999, the unemployment rate in Leipzig amounted to 17.9 percent. It is a matter of fact that this official figure would still be significantly higher, if it had not been reduced by a huge amount of active labour market measures.

Basically, two different policy models characterise the labour market situation in Leipzig: the municipal-owned social enterprise *Bfb* and the *Regionalforum Leipzig-West-Saxony* which is a cooperative network aiming at securing and creating jobs by intensified economic development and technological modernisation. So far we are obviously dealing with two concepts "driving alongside".

The *Bfb* employs around 5500 people and provides a great variety of job possibilities. For instance, it redevelops municipal buildings, offers vocational re-training, manages own butcher shops etc. Nearly everything is possible – but whatever happens, happens in the public sector on behalf of the public administrations; broad discussion and agreement are not required. Hence, cooperation is limited to those actors who are unavoidable to contact in order to prevent them from hampering the tasks the *Bfb* has to fulfil. The social enterprise operates like a fairly closed system which is disconnected from the development of the economic environment and thus loses its capability to integrate people into the regular labour market; the utmost importance is attached to the question of how to create as many time-limited jobs as possible. Nonetheless, in view of Leipzig's great social problems this political approach seems to be simply a must.

The *Regionalforum* calls for an activation of regional economic circles and regional value-added processes in order to create new products, new companies, as well as new markets. It does this by initiating project-oriented, intensely connected sub-networks among the local actors of the "old economy" since a stabilisation in industries is perceived as a prerequisite for a further extension of the tertiary sector. In terms of cooperation, what we find here can be described as a coordinational game; normative conflicts are unlikely to arise (it is all about boosting the local economy), and redistribution problems are not to be solved since money is canvassed from external sources. As a project-oriented network within the economic sphere the *Regionalforum* does not address the civil society: public opinion-building, civic cultures, or democratic policy-making do not play a role at all. Nevertheless, we are facing changing forms of governance transcending a managerial decision-making style as well as the traditional tripartite model.

The district of Güstrow

The district of Güstrow has 115'000 inhabitants and is located in the middle of Mecklenburg-Vorpommern, a rural state in the North of Eastern Germany. The district's employment situation is characterised by an enormous loss of jobs after 1990 that led to official unemployment figures around 20% in recent years (without ALMP-schemes the figure would amount to around 30%). In Güstrow, the overall collapse of the East German economic system destroyed the main sources of income which were large state-owned agricultural cooperatives. A group affected by the loss of jobs above average are women who, at certain times, made up for almost two-thirds of the unemployed in recent years.

Another important fact is the radically rising share of elderly unemployed; nearly 30% of all job-seekers are long-term-unemployed.

After the radical break in 1990 a new development concept which is corresponding to both economic needs and social justice is at the heart of the region's self-discovery-process. Thus, we have concentrated our research on a broad employment approach which was implemented in the Güstrow district in 1998: the *European Territorial Employment Pact*. The *Pact's* basic aim is to improve the regional employment structure by (a) developing new instruments for labour market promotion, by (b) supporting innovative entrepreneurial ideas and enhancing the regional economic structure, and by (c) preserving the natural environment and the quality of life.

The *Territorial Pact* shows a large scale concertation beyond traditional corporatism. In this arena of active labour market and employment policy we witness intensified public-private partnerships giving shape to a new form of governance. The role of "official" politics is principally that of a legitimising instance which is asked for financial contribution or political, i.e. juridical support so that it sets the general framework which, however, still provides a lot of room for manoeuvre for the operative actors. These actors are highly self-reflected with respect to the need for cooperation. Discussions or even quarrels are no longer perceived as a waste of time but as important steps in order to improve the local economy and to create new jobs. In addition, cooperation is facilitated by the relative smallness of the area. Anonymity is hardly existing among the regional elites – thus, the protagonists do not only meet as representatives of their respective institutions, but at the same time as friends, neighbours, colleagues etc. This overlapping of social roles produces trust and the ability to find and accept compromises more easily.

By far the greater part of the employers within the *Territorial Pact* accept the second labour market and try to cooperate with social enterprises since they want to actively participate within publicly financed projects. All actors agree on making use of every occasion to get money from outside into the region in order to increase the local purchasing power and to enhance the local economic circles.

In sum, the approach to cooperation and policy-integration in Güstrow is very ambitious. Till now, there is hardly any chance to carry out a profound evaluation since the pact is still in a phase of consolidation and since such demanding concepts present a multi-target structure for the evaluation of which satisfying instruments are not yet available.

The district of Ortenau

The administrative district of Ortenau is the biggest district in the state of Baden-Württemberg, in the south of Germany. It consists of five cities and 46 small municipalities with around 400.000 people living there. The economic centre of Ortenau, the district town Offenburg, is the city with the most inhabitants. The district's economic structure is centred around the fields of publishing and printing, mechanical engineering, electrical engineering, and the plastic industry. The employment situation is characterised by a relatively low level of unemployment that amounted to a pique point of 8.1% in 1997 and has been declining to reach 4.7% in November 2000; around one third of these unemployed are long-term unemployed.

Despite this low rate of unemployment, the situation on the labour market is regarded as being problematic by all local actors who are concerned with this policy-field. This common problem diagnosis and the realisation that there neither existed proper instruments for a lasting reduction of long-term unemployment nor a support network in case of mass dismissal led to the idea to tighten up already available structures and to develop a new form of organisation. Since one important aim was to put regional labour market policy on a broad regional basis, in 1997 the decision was made to realise the participation of representatives from different societal sectors by founding a social enterprise which was named "Labour Promotion Company Ortenau" (Arbeitsfördergesellschaft Ortenau, *AFöG*). *AFöG's* constituency is a true multi-stakeholder construction. Meanwhile 36 municipalities, seven associations and welfare organisations and nine big regional enterprises have joined the company and provided a start-up capital of 270.000 DM. Interestingly, the participating private enterprises view active labour market policy as a guarantee for social peace, and social peace as a factor for the attractiveness of the region.

The main task of the *AFöG* is to provide employment and training opportunities for its clientele (in particular long-term unemployed and youngsters). It is a special feature of all measures that one always tries to qualify people under market conditions; so actually the aim is to build bridges into the regular labour market rather than to create employment. Accordingly, placement rates are the most important criterion for success, and the market orientation is as well underlined by a high rate of self-financing amounting to more than 70% in 1999.

Cooperation within the *AFöG* is executed along functional criteria in a professional and decidedly managerial approach. But it is interesting to observe that, regarding the analysis

of cooperation, the tension line between networks and organisations appears to become blurred: the relationships among the members of the *AFöG* could be analysed in terms of networking as well as in terms of an (economic) organisation.

The city of Dortmund

The city of Dortmund has about 590'000 inhabitants. There is no way to understand the situation and problems this city is facing with regard to (un)employment and social (dis)integration without focusing on the broader context of the region it belongs to, the Ruhr area. This area is the largest (old)industrial conurbation in Europe, and the Labour Movement gained hardly anywhere else as much influence as here. The most important reason for the high unemployment rate (12.9% in November 2000; long-term unemployed persons make up for almost 40% of all unemployed persons) is the fact that Dortmund has been confronted with massive staff cutbacks since the sixties, which resulted from the structural crises of coal-mining and the iron-steel industry. Since the seventies, the city developed into a trading and service centre with the main focus on the field of the insurance companies and the software industry.

In Dortmund, two prevailing approaches to fight unemployment can be observed: the first may be characterised as an approach aiming at placing target groups (social assistance recipients, long-term unemployed, and youngsters) in the regular labour market. The protagonist of this approach is the employment-providing social enterprise Dortmund Services (*Dortmunder Dienste, DoDi*) owned by the municipality. On the other hand, there (co)exists a broader concept of social and occupational integration which is linked to an urban regeneration approach and which is realised by a variety of actors who, as a rule, are situated in deprived areas of the city, mainly in *Dortmund-Northend* that has to cope with further problems, such as the integration of a high share of foreign inhabitants from different countries, environmental pollution, supplies deficits, as well as buildings and flats in bad conditions.

DoDi employs around 2000 persons, and it is involved in the classical working-fields of social enterprises (e.g. reshaping of playgrounds, redeveloping of public buildings etc.), but it also has established a service for security and cleanness of its own. As far as interactions and cooperation are concerned, *DoDi* selects partners to take part in cooperation strictly alongside functional criteria. Cooperation is used as an operational instrument to carry out measures and projects. The city administration, the municipal enterprises, and the bodies responsible for education and training measures are the most important partners.

The integrated urban regeneration approach in *Dortmund-Northend* stands out for multilayered forms of cooperation among actors from different societal sectors. Presently, 130 initiatives, groups, and organisations exist in the *Northend*. Due to this enormous number we are also dealing with a wide variety of various projects that are working on different issues concerning urban regeneration in a broad sense, like e.g. preventing crime, drug addiction or unemployment, improving the opportunities for leisure-time activities for young persons and children, or improving the social integration of foreign inhabitants. The main objective of these different concepts was and still is the enhancement of the inhabitants' living conditions by mobilising social resources where economic resources are missing.

The networks and systems of collective action present in *Dortmund-Northend* (like e.g. the *Northend-Platform* or the *Project-Conference Northend*) are examples of open, community-oriented cooperation. The openness is based not solely on the fact that more actors from different scenes in and outside the field of work are taken up as partners than in the traditional corporatist or administration-centred networks; it also refers to the aim of integration which is not narrowly linked to occupational integration.

3.3.2.4. Comparison and conclusions

With reference to the joint analytical scheme which was introduced and explained in chapter 3.2. of this report, we will now point out where we locate our different cases.

Vertical axis

The Bfb in *Leipzig (2)* and the DoDi in *Dortmund (2)* are examples of widespread attempts in German cities and districts to build up social enterprises. Even though the whole approach is occupation-centred in practice, the transitional effects of creating sustainable reemployment effects seem to be rather low; what happens in fact is that for social purposes a special activity zone is created which has to respect the economic givens in the existing labour markets (not interfering with already existing areas of economic activity) and to which people often have to resort over and over again – a special new form of sheltered employment.

The AföG in *Ortenau* is as well a social enterprise, but its social goals are broader than in the two examples mentioned before. Here, one is mainly concerned with building bridges into the labour market for the respective target groups addressed; in *Ortenau*, one

concentrates on bringing especially young unemployed back into work, be it by retraining or bettering links and contacts with local employers for this group.

The Regionalforum in *Leipzig (1)* is mainly concerned with stimulating technological and economic innovation and growth; the concept here is to consolidate the region's economic potential and especially to speed up the development of selected industrial branches; thereby one claims to make a sustainable contribution towards reducing unemployment. In a way, the Regionalforum and the social enterprise (Bfb), the way it is built in Leipzig, can be seen as two different sides of a coin. While the role of the social enterprise mainly consists in constructing a reservoir of measures towards integration by work with immediate impact on registered long-term unemployed and similar problem groups, the Regionalforum is supposed to contribute to an economic growth that hopefully reduces in medium term the general gap between the offer and the supply of labour.

What has been found in *Güstrow* and in Dortmund-Northend (*Dortmund 1*) is a policy package which does not only address target groups but also the social / economic environment. This is due to the fact that measures with a social purpose are embedded in an economic concept and vice versa. In *Güstrow*, one tries to build up an integrative socio-economic development, striving to design new areas for economic activities linked with social purposes concerning the unemployed and the local public good. While *Güstrow* is thereby looking for a new innovative developmental concept for the whole region, in Dortmund such a search concentrates on the Northern parts of the city with considerable decay in economic and social terms; here we find an attempt of strengthening communities at risk, linking purposes of urban renewal, community development, job creation and of a revitalisation of the local economy.

Horizontal axis

Dortmund 2 (DoDi concept) and *Leipzig 2* (Bfb) are both examples of a new organisational and institutional tool created by the municipalities: a social enterprise for re-socialising, retraining and placing their clientele. Since the working places are created within the social enterprise and the public sector, other organisations in the private and third sector are mostly left aside. We find here a very limited *concept of closed functional, professional cooperation*: in both cases the creation of such an organisation was decided top down without making use of the resources of the local community and of its social capital, be it the potential for cooperation of the private sector, of organisations of the third sector or of the local public sector at large.

Ortenau is at first sight very similar to the two cases just described: once again a social enterprise, the AFöG, is in the centre; yet in terms of forms of cooperation the *Ortenau* case is very different. First of all, the social enterprise here has a multi-stakeholder constituency with various municipalities, enterprises and social organisations taking part and taking care. Second, this social enterprise aims much more than the ones in Dortmund and Leipzig at creating links to other public and private employers in order to be able to act as well as an element of a transitional labour market and of an effective policy of placing people. The first specificity supports the second. Exactly because this social enterprise is supported by various economic and social organisations which are at the same time as well employers, such a broader field for (re)placing people, including the labour markets of enterprises outside public employment and social organisations, is opening up. The cooperation bridges different scenes and sectors; social capital in terms of trust and local loyalties has played a central role in this type of process of constituency. This case of *open community-oriented cooperation* proves to be effective even when considering that the integration concepts are rather narrow and conventional.

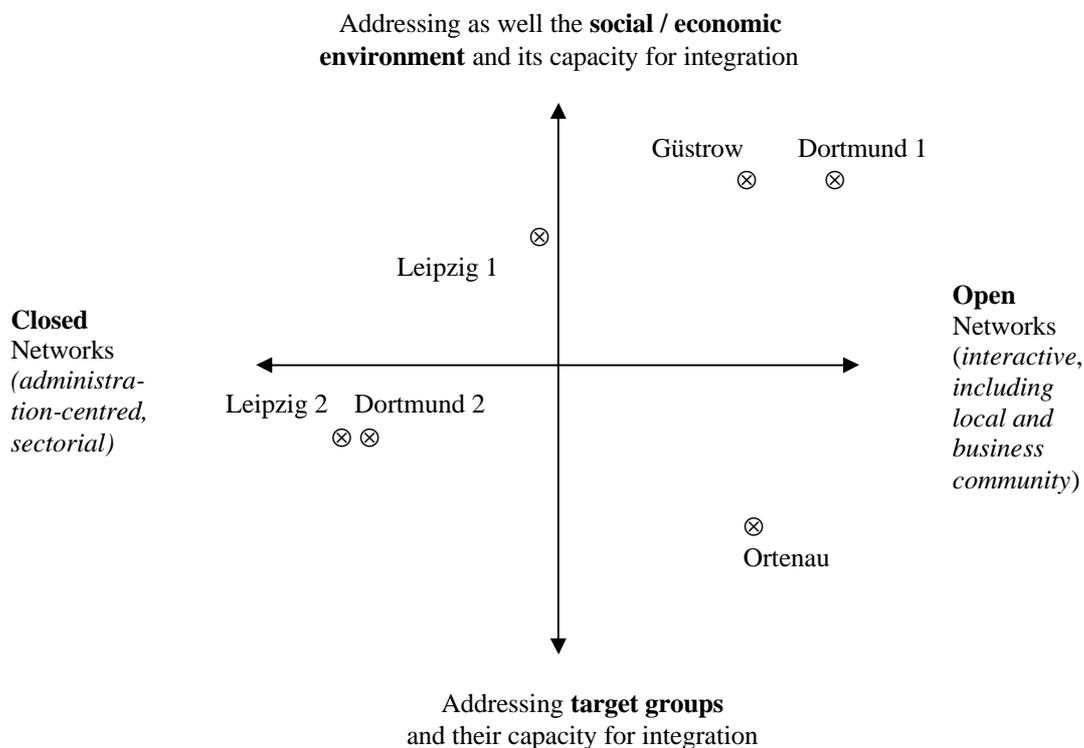
Leipzig 1 is as well an example of an *open approach to cooperation*, even though the clear targeting on technological innovation and speeding economic development leaves very limited room for social organisations and social concerns outside the sphere of employment; here as well social capital plays a role more in terms of a given which is used than as something which is strengthened and cultivated, since the terms of the cooperation are rather instrumental, even though they are based on trust and commitment of the partners as members of the regional community.

Finally, *Güstrow* and *Dortmund 1* are further examples of a kind of *open, community-based cooperation* – however to different degrees. In contrast to *Ortenau* and *Leipzig 1* the openness is based not solely on the fact that more actors from different scenes in and outside the field of work are taken up as partners. First of all, the aims of cooperation are less clear and less neatly defined. While in a case such as *Ortenau*, cooperation is either about administering jointly the social enterprise or about creating response and potential space for the clients of the integration approach, here the partners are addressed as well as kinds of corporate citizens, to be aware of their manifold contributions to the local and / or urban development. For example, as far as enterprises from the private sector or third sector initiatives are concerned, they do not only count as employers but as well as providers of goods and services which may contribute to different degrees to the developmental concept for the region (*Güstrow*) or the city-quarter (*Dortmund*). Second, the style of action is

oriented towards including the whole scene of associations, in economic, social and cultural life; presently, this holds especially true for Dortmund-Northend. In Güstrow, this kind of participation-friendly, public-oriented approach has been part of the legacy of the present networks, using the support of the round-table movement, even though presently it is questionable to what degree it is possible or even intended to include the public and the associations as partners or addressees.

Given this background, we map our examples as follows:

Locating the six cases studied



Having summed up the characteristic traits shared by some of the cases as well as the differences between some of them, this may allow to develop a kind of typology. We have found three basic types of approaches, which will be sketched in the following.

1. A special public service that needs little cooperation – running a social enterprise for administering problem groups

In *Leipzig 2* as well as in *Dortmund 2*, one can find a well-developed concept which organises the management of unemployment as a rather separate business; the way it is organised, cooperation with actors outside the public administration and the enterprise for integration seems to be limited to avoiding negative side effects; professional management and a strong social commitment taken by the municipality are hallmarks of this case. While

in both cases the official rhetoric deals with integration as occupational integration, the case studies found quite a lot of indications that in fact social concerns ("getting the kids off the street") and financial concerns (lowering the social assistance costs for the municipalities) play important roles.

2. Creating cooperation between employers of different public and private sectors

In *Ortenau*, one can find a concept for building bridges into the existing labour market when confronted with a problem scenario where exclusion from work has not widened to a problem of social exclusion. The approach is carried out following a model of cooperation which addresses itself to all those who have a function for occupational integration. It seems to be preponderantly professional and managerial, yet to build as well on social capital in the form of a widespread and rather remarkable link of local actors with their place of living and their community.

3. Creating cooperation between public and private partners for social and occupational integration in the framework of a shared concern with economic, urban and regional development

(A) In *Dortmund I*, one has achieved to a considerable degree to integrate the instruments and local organisations for labour market and employment policies with programmes for an improvement and urban renewal in city quarters at risk. The style of cooperation involves a strong element of social-capital-building with various ways of participation of community groups, representatives of the local economy and other representatives of civil society at the grass root level. However, these attempts for a policy for local social integration are clearly separated from and subordinated to the general concern of the local elites for a "grand design" of a policy of economic, social and urban "events" at large scale, aiming at a competitive modern and future-oriented city.

(B) In *Leipzig I*, we find an attempt to set up a formalised and constant cooperation for technological innovation and economic modernisation which entails a special emphasis on the creation of new and additional jobs as well as on the preservation of existing occupations wherever possible. This cooperation has still a slight corporatist flavour, but it addresses as well additional actors and underlines the role of enterprises as direct actors and partners instead of counting on representatives of umbrella organisations only. Even though there is only little concern with excluded groups when it comes to design new activities, the concern with occupation as a global issue keeps the door open in this direction.

Nevertheless, a link with social and occupational integration has only been made here to the

degree that such a kind of advanced policy for economic development can be seen as the best possible indirect stimulus for integrative concerns.

(C) In *Güstrow*, with its enormous difficulties in finding at all a concept for local and regional economic development, there is a concern with creating a "labour intensive" developmental model which tries to combine concepts for public services and tourism, ecological sustainability and the use of the cultural heritage. Here – out of a state of emergency – in a way the strongest link between debating the future of the region and debating the problems of labour market integration and social integration can be found. This is expressed by a considerable level of cooperation between, on the one hand, community initiatives for job creation which have led to social enterprises and, on the other hand, the institutions for economic development – a cooperation with a strong element of citizens participation at its origins and among its declared goals. However, with an eye on numbers and figures, so far it is hard to see a contribution of this policy which goes beyond a symbolic significance when taking into account the massive problem of unemployment and social disintegration in the region. And the problem is that in case these symbolic attempts cannot be transformed into effective ones, this may lead to a regressive development where the measures progressively lose their economic significance, thereby increasingly getting the image of mere social shock absorbers.

3.3.2.5. Policy recommendations

Our research has shown that there are not only different degrees and ways of cooperation as they figured on the horizontal axis of our graph. There are as well different ways of understanding the aim of social integration as they figured on the vertical axis of our graph. Between a certain way of conceiving integration as a dimension of a socio-economic concept and, on the other hand, the respective governance concept, entailing a certain concept of cooperation, there are, however, no mechanical linkages. Therefore, our policy recommendations comprise two separate subchapters, one concerning socio-economic concepts of integration, the other dealing with concepts of collective action and cooperation for "good governance".

(A) The socio-economic concept: economic development, occupational and social integration on the local level

1. *Policy integration is a difficult task – be clearer and more outspoken about the employment- and cohesion-effects of the given prevailing economic development concepts.*

Policy integration, especially between economic policies and concerns with occupational and social integration, is at the heart of goals formulated in the European Employment strategy. Both on the EU level as well as in Germany, it is all too easily taken for granted what exactly the results of the given economic policies on the local level are with respect to occupation and integration. Criteria ought to be formulated which serve as a basis for discussing the employment and integration effects of existing local strategies for economic development.

2. *Do not lose out of sight territorialised development concepts both for urban and rural recovery.*

While the EU discourse on the need for territorialised local and regional development concepts including the local economy has weakened, in Germany – and above all within the cases we chose to examine – attention for urban and rural recovery strategies that have an explicit occupational component has clearly increased in recent years.

3. *Develop a clear position concerning the potentials of third sector groups not as trouble shooters but as serious economic actors.*

Orientations on the EU-level mostly insist on the important role of a "solidaristic" economy of third sector organisations besides the state-public and the market-private economies, and they feature its special contributions towards a more employment-intensive growth. In contrast to that, third sector organisations in Germany are still not taken seriously as specific forms of economic action.

- (B) The governance concept: developing and upgrading the role of cooperation on the local level

1. *Take cooperative and networking approaches for governance more seriously.*

The German reality is still far behind the ambitious concepts for cooperation and policy-integration elaborated on the EU-level. Experiences made so far with cooperative approaches should be much more featured both in research and policy evaluation. The research project has been one of the first steps for evaluating the policy capacities of forms of local networking.

2. Respect the local variations in linkages between problems faced, goals set and concepts of cooperation to be developed.

Our research showed that limited and separate approaches towards integration which only address problem groups, look for niches for placement and create special instruments, like for example social enterprises for qualification, placement and job creation, can be just as legitimate and innovative than the all-encompassing concepts for cooperation that call for integrating wider issues of economic and urban development as they are envisaged in the EU strategy for employment on the local level.

3. Get more evidence of key success factors with regard to positive coordination and networks.

While the strive for better forms of governance using new forms of open cooperation cannot avoid being an investment with risks and limited certainties, one must get clearer about critical factors for success and failure. Our research in Germany has shown the degree to which actors invest in cooperation and the hopes linked with it, but it has likewise revealed that hopes vary with the socio-economic goals pursued. Further progress is needed in the ongoing process of trying to establish clearer referential values for success in cooperative forms of governance – a perspective to which this research has made a contribution.

3.3.3. Italy

3.3.3.1. The national situation

The 90s in Italy were characterised by the consequences of the political “earthquake” in the first years of the decade, when the investigations of the “Clean Hands” pool of judges reached their climax and caused the turnover of the entire political elite, and also when a violent and sudden fiscal and monetary crisis hit the country. The Prime Minister Amato, who was at the head of a “technical” coalition, tried to get an agreement with the social partners on some effective solutions and programmes in response to the economic crisis and to the exigency to adjust to the Maastricht parameters. Within a few months, a huge financial manoeuvre was passed, one among the most imposing since the Second World War (93'000 billion liras), in order to slow down the acceleration of the debt services and the wage dynamics. In the field of labour market, the most important results were the abolition of wage indexations, the freezing of decentralised, firm-level bargaining for the years 1992 and 1993, and the encouragement of active labour market policies. Amato's

agreement was confirmed in 1993 by the new Prime Minister Ciampi who continued on the path of his predecessor: reduction of the labour cost and severe financial adjustment. Under Ciampi, the abolition of wage indexations was definitively accomplished, the structure of collective bargaining was completely reformed, and a new, more rigorous system of income policy was established. In addition, the introduction of temporary work and the decentralisation of employment services were announced. In 1996, the “Pact for Work” signed by Prodi and by the social partners introduced a conspicuous amount of active policies: temporary work, territorial pacts and area contracts, the reform of vocational training and the integration with the educational system. In December 1998, D’Alema signed an agreement with more than 30 associations (the so-called ‘Christmas Pact’) which included some rules and norms for the institutionalisation of concerted action. The method of concerted action was strengthened, it was extended to a wider number of associations and to sub-national territorial levels.

The reforms of the 90s have deeply modified the main features of the original model of state’s intervention both at the national and at the regional level. As for the national labour market, reforms have concerned the dismantling of the public monopoly on placement, the privatisation and decentralisation of employment services, the wide diffusion of flexible and atypical labour contracts and the generalised promotion of employability. At the sub-national level, the decentralisation process has given to the regions the power to organise and manage employment services and to formulate active policies according to the specific needs of the territory. New policies for local development have made up for the old state’s extraordinary intervention; and the new characteristics of European programmes and structural funds have spurred on some forms of partnership and negotiation never put into practice before¹.

Summing up the main hallmarks of the Italian model of labour policy, three main characteristics stand out as worth mentioning. The first one is the still diffused presence of the state. From the post war period to the privatisation experiments of the 1990s, the core group of programmes was formulated, controlled and promoted by public institutions or, alternatively, was the reception of social agreements where the state played a central co-ordinating role. In the second half of the 1990s, the dismantling of the state’s monopoly on

¹This is why the Italian team has selected the regional governments as the main level of research, while the other teams have carried out the analysis at the provincial and local level. The 1997 transfer of the competencies in the field of labour market from the state to the regions has made the latter the main arena for labour policy formulation and implementation. Provincial and local governments are starting now to share some responsibilities and functions with the regions, but their power and autonomy are still very limited.

placement and the legalisation of private placement has opened the way to a more democratic participation in the regulation of the labour market. Private actors have become “real” competitors for the state, and many forms of public / private initiatives have developed. This new division of labour (or possibility to cooperate) between the private and the public sphere is, however, at a very initial stage, and the presence of the state is still very pervasive.

The second characteristic of the Italian labour market regulation is the high fragmentation of policy instruments. A process of “atomisation” has involved the Italian labour market with regard to the composition of the employed work force as well as with regard to the policy instruments addressed to the labour market. In fact, it is not possible to understand and interpret the complex changes which have occurred in the labour market with the conceptual categories inherited from the past which have simply been re-elaborated after the crisis of the 1970s, especially with regard to the opposition between dependent and independent workers on the side of the composition of the employed, and between active and passive labour policies on the side of the state’s regulation. Between independent and dependent workers there is a growing and variegated rank of quasi-autonomous workers, of quasi-subordinate workers, of flexible and atypical workers who are becoming the real core of the labour force. And between active and passive policies a new group of programmes aimed at local, urban and territorial development, at offering work experience combined with training, at giving the workers a sum of ad hoc different jobs, is flourishing.

The third characteristic of the Italian labour market is the increasing diffusion of flexible forms of unemployment. Full time labour contracts are more and more disappearing; atypical contracts are not only the privileged instruments of admittance into the labour market for the young but are slowly becoming the “stable” condition of a big share of workers both adult and young, both in the public and in the private sector. Part time, temporary work, fixed-term contracts, collaboration contracts, etc. are the new passwords for entering and staying in the labour market.

3.3.3.2. Selection of the cases

In order to study the evolution of unemployment and social exclusion policies in Italy it seemed useful to divide the national territory in two macro-areas: the North and the South. This distinction had to be made if one wanted to deal in a comparative way with the regional performances and policy packages that have been implemented in recent years. In

fact, first of all, the ‘problem pressure’ (unemployment and employment rates) is quite different in the North and in the South. But in addition to this, the economic structure of the North is very different from that of the southern part of Italy, and – since this peculiar situation has its roots in the XIX century – it seemed appropriate, from a methodological point of view, to compare in the first place the two northern regions (Lombardia and Emilia-Romagna) characterised by low unemployment and relatively high employment rates, pointing out the main similarities and differences, and then compare the three southern regions (Apulia, Campania and Calabria) where the unemployment rate is quite high and the employment rate is relatively low.

The regions chosen are representative of the “three Italies”, the three parts into which the country has been divided by scholars concerned with socio-economic and labour market development. Lombardy is representative of the traditional industrial part of the country (the so-called “*triangolo industriale*”) where the process of national industrialisation started and where the Fordist way of production was traditionally more prevalent. Emilia-Romagna, in contrast, represents the so called “Terza Italia”, i.e. the part of Italy where industrialisation took off more recently and was accompanied by a proactive role of public institutions, a strong attitude towards cooperation within the productive sector, and a political homogeneity among local governments. Finally, the study covers three southern regions (Apulia, Campania and Calabria) because one of the assumptions of the research – based on recent literature on the subject – is that there is no such thing as one monolithic South, but there are several and different Souths that must be analysed in order to grasp the specific subnational paths towards social inclusion and labour market governance.

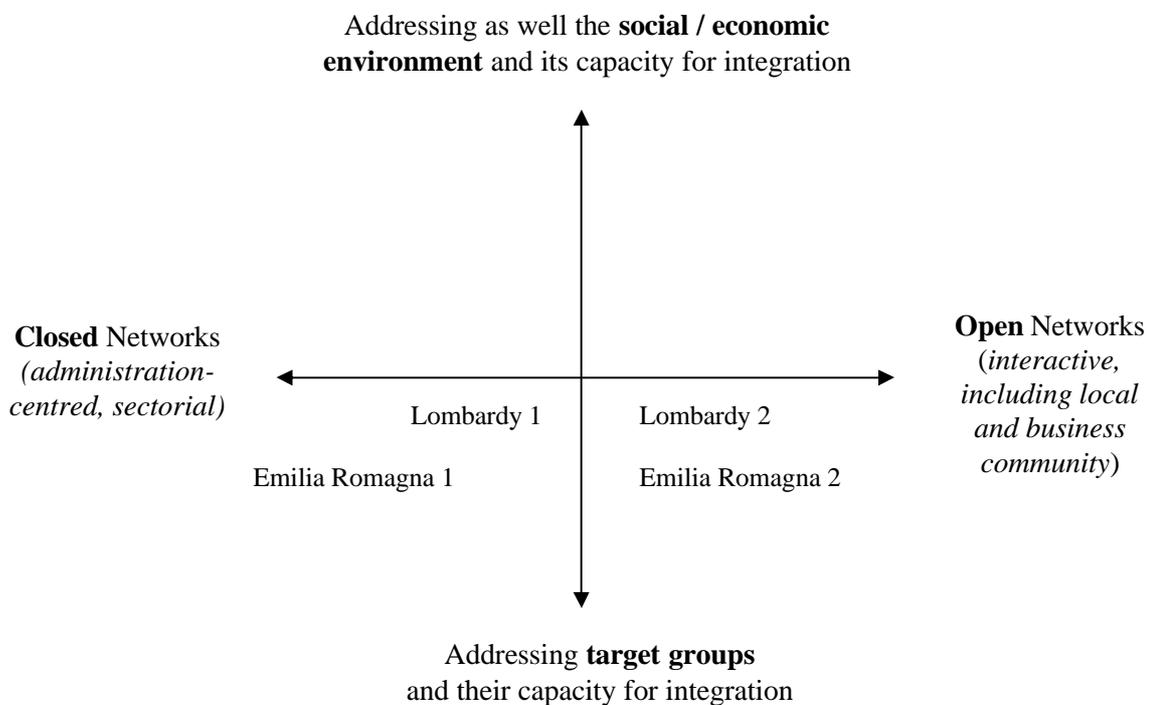
Finally, the systems of collective action have been studied at the regional level because this is the level where, together with the national level, social inclusion and labour policies have been implemented in the past decade.

3.3.3.3. The cases: systems of collective action

Our analysis highlights the presence of a deep dualism between two different Italies: the northern part and the southern part. Nevertheless, speaking in terms of labour market policies, the widely diffused metaphor of the “divided Italy” appears to be insufficient to grasp the multiple and different characteristics of both the northern and the southern regions.

The northern regions: industrial integration at the core of labour policies

It is evident that the policy packages that characterise the two selected regions of the North are oriented towards occupational integration, that is towards the integration into the labour market of some specific target groups (the young, the long-term unemployed, the women, etc.). Since unemployment is not an alarming phenomenon but a problem of qualitative mismatch between labour demand and supply, the programmes introduced by the regional and local institutions have been mainly addressed to qualifying and training young people in search for the first job, the main aim being the one of integrating them as soon as possible into the first (regular) labour market (cf. the graph below). The degree of “problem pressure”, i.e. the level of unemployment, is so low that it is quite understandable that the main goal of public institutions is simply to make the labour market work efficiently.



(The numbers [1, 2] indicate the shift in the respective regional policy approach)

If we look in more detail at the inner composition of Emilia Romagna’s and Lombardy’s policy menus we discover that vocational training programmes together with flexible working time contracts play the biggest role. Vocational training measures – in the period 1994-1997 – amount to 11.7% of the target population within the axis 1 of objective 3, and to 27.6% within the axis 2 of objective 3 in Emilia Romagna, and they amount to 4.6% and

7.4% respectively in Lombardy. Within these two main actions, the groups that have most benefited from vocational training initiatives are on the one hand the long-term unemployed and on the other hand the highly educated young people.

Even though the commitment of the Emilia Romagna's regional government in the field of vocational training stands out as really prominent compared to Lombardy, both regions show important capabilities in applying for EU funds, in administering and managing the various programmes and courses and – above all – in legislating in this policy sector, on the basis of a consolidated and efficient division of labour between the regional responsibilities for planning and programming and the local (i.e. provincial and municipal) responsibilities for implementing and monitoring. Since the beginning of the 1980s, Lombardy and Emilia Romagna have somehow learnt how to regulate and discipline a crucial sector of labour policy and how to organise it, enjoying complete autonomy from the state.

The long and successful tradition of vocational training is accompanied, moreover, by the growing importance of flexible labour contracts, which again are primarily focused on the problem of the *entry* into the labour market. In the 1990s a remarkable growth of part time, temporary work, work and training contracts and other atypical kinds of contracts can be observed in both regions. In 1999, for instance, part time workers have reached 8% in Emilia Romagna and 8.5% in Lombardy, as against 6% in Campania and 6.2% in Apulia. Temporary workers have literally boomed, especially in Lombardy, in just two years from the legalisation of the instrument: 1.5% of total employment in 1999 in Lombardy and 1% in Emilia Romagna (as against 0.8% in Apulia, 0.3% in Campania and 0.03% in Calabria). But what is really remarkable is the expansion of a more unconventional form of working time flexibility; the continuous and co-ordinated collaboration contracts which – being in the middle between complete autonomy and partial subordination – allow highly qualified workers to find multiple jobs and to respond flexibly to the exigencies of the market. In Lombardy, the percentage of this type of contracts related to total employment has amounted to 10.8% in 1999, and to 10.2% in Emilia Romagna. With respect to 1998, there has been an increase by almost two percentage points. In the three regions of the South this instrument, however, seems to be less diffused. On the contrary, fixed-term contracts, another form of working time flexibility the Italian team has considered in its research, appear to require a different interpretation. Their higher diffusion in the Mezzogiorno's regions (13.3% of total employment in Calabria in 1999, 10.2% in Apulia and 8.8% in Campania compared to 5.8% in Lombardy and 4.4% in Emilia Romagna) is to be explained

on the basis of their close connection with seasonal services and activities in the tourist sector, which particularly distinguish the Mezzogiorno's area.

The large diffusion of incentives for companies is also connected with this *model of industrial integration of target groups*: subsidies and fiscal discounts are not only provided in favour of job promotion but are more specifically aimed at fostering firms' technological innovation and competitiveness. They work as a sort of financial support in bad economic conjunctures, particularly for small and medium-sized firms. Again, the main problem is not unemployment *tout court* but something more "sophisticated" and less "serious and worrying", such as firm competitiveness!

The predominance of professional-occupation-oriented programmes does not mean that social shock absorbers (i.e. the traditional, passive, earnings-replacement benefits) and policies for local development and social integration are nonexistent. Actually they are in force in the two regions, but they do not represent the core policy strategies of the regional governments, again because of the low problem pressure. They are to be found at the border of the core policy package. Social shock absorbers are mainly addressed to long term unemployed and to older workers (50 and over) who find it hard to re-enter into the labour market, after dismissal or firm restructuring, mainly because of their low qualifications and skills. Or they are addressed to immigrants and people in conditions of social hardship as a kind of social assistance benefit. It is, however, no coincidence that the most diffused social shock absorber in these two regions is short time compensation benefit, the oldest and most classical Italian subsidy for cyclical firms crises. In particular, these benefits are quantitatively more widespread in Lombardy (10.4% of the target population in 1999 compared to 4.4% in Emilia Romagna), where the number of big firms is certainly higher than in Emilia Romagna. A growing importance is also shown by mobility allowance, especially in Lombardy but – as opposed to the Mezzogiorno – the effectiveness of the programme (i.e. the possibility for beneficiaries to find alternative employment) is much higher.

Policies for local development, in particular territorial pacts, have been finally introduced in some depressed provinces of the two regions recently, especially in Emilia Romagna (the pact of Ferrara's and the one of the Appenines'), but they are not as numerous and as important for employability as in the Southern regions.

Thus, as for the policy profile, Emilia Romagna and Lombardy share a common orientation towards the occupational integration of some specific target groups in the industrial and

service reality of the regional labour market. While Emilia Romagna has made of vocational training its main policy strategy (supported as it is by an efficient and innovative bureaucracy), Lombardy has resorted more to flexible labour contracts, considered as the unique suitable response to the transformations and challenges of both the domestic and the international market.

The model of industrial and occupational integration is finally the product of a *continuous evolution*: there have not been any discontinuities or radical breaks with the past. From the 1980s (when regional labour policies were first authorised) to the end of the 1990s a process of continuous learning has led the two regions to gradually incorporate the needed institutional capabilities for autonomously legislating in the field of labour policy and for implementing the programmes introduced.

The continuity and the success of Lombardy's and Emilia Romagna's stories are also the result of an homogeneous and quite stable political culture, of deeply rooted social capital, mutual trust and civic cultures. The exchange relationships among the actors who promote the policies are in general characterised by consent and cooperation.

However, as it is shown in the figure above, there are some important differences in the two regions' forms of cooperation. Emilia Romagna has been involved in a process of profound change from the 1980s to the 1990s which has led to the substitution of the old, very closed corporatist network of relationships to an open network of relationships and exchanges. In Lombardy, on the contrary, trilateral corporatism has been less strong and less institutionalised: the "white colour" of the regional executives, the growth of new independent movements (*Lega Nord*) and the high autonomy of the provinces and the municipalities have always worked in favour of a less closed network of cooperation based on a wide array of associations and public institutions. Of course, in Lombardy, too, the trilateral nature of the regional commission for employment (*CRI*) has been an important phenomenon: but this kind of corporatist cooperation (aimed at giving suggestions and opinions to the region mainly in the field of social shock absorbers) has appeared to be more formal and symbolic and less substantially powerful than its homologue in Emilia Romagna. This is the reason why the case of Lombardy – before the 1997 decentralisation – has been located in a different position compared to Emilia Romagna 1, that is more distanced from the "closed" pole of the continuum and closer to the "open" pole. In other words, Emilia Romagna has thus shifted from a closed to an open pattern of cooperation – still maintaining an occupational profile from the point of view of policies –, whereas

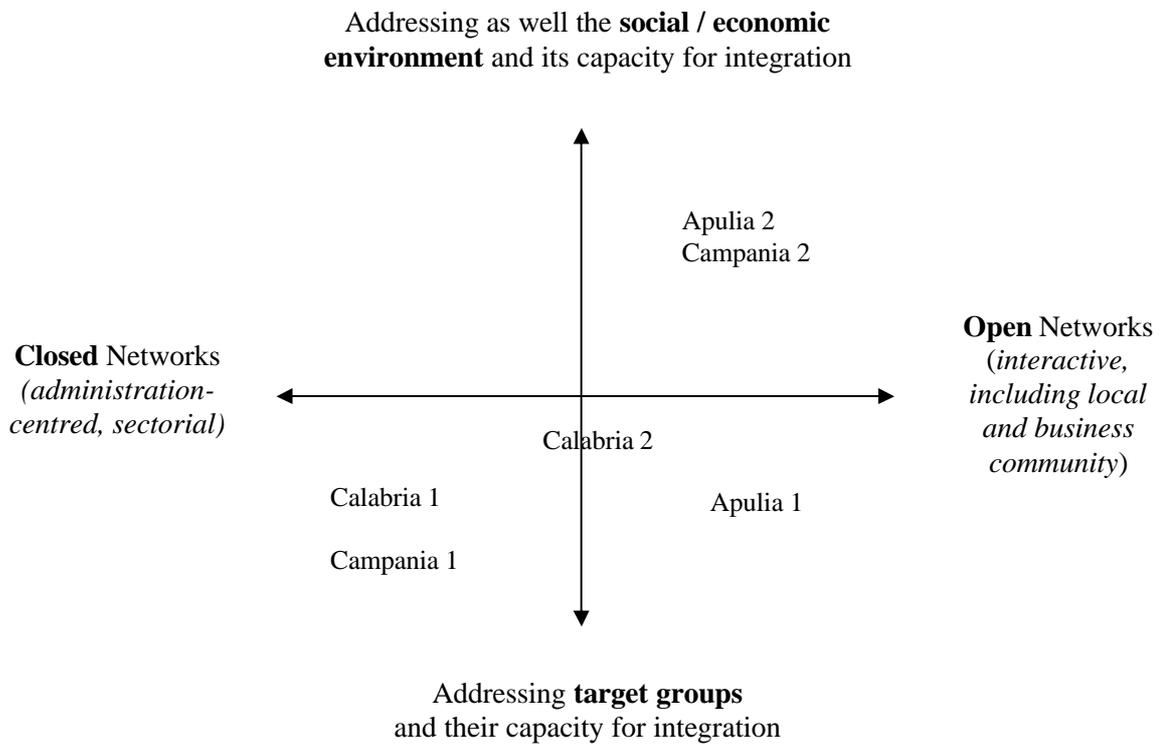
Lombardy has shifted from a mid-closed to a highly open network, keeping the same occupational policy profile.

In terms of efficiency, it is not possible to determine with certainty which model is the most successful. Up to now, both Emilia Romagna and Lombardy have been fairly successful in keeping low the rate of unemployment, even at the cost of higher precariousness: Emilia Romagna by massively qualifying people, and Lombardy by fully exploiting all forms of flexibility. In one region, the strength of unions and of social partnership has favoured the stability and homogeneity of the political culture; in the second, a more fragmented political and social culture is to be observed, maybe less inclined to social solidarity but more inclined to competitiveness and business.

The southern regions: the difficult path towards socio-economic integration

As it is shown in the figure below, the situation appears to be remarkably different for the three southern regions, where the degree of problem pressure is considerably higher than in the North (the total unemployment rate overcomes 20% and youth unemployment rate is in some areas beyond 40%!). In all the three regions we examined, the goal of integration for some specific target groups is not sufficient to face and contain massive unemployment. Decision makers have become aware of the necessity to use a more global and wider approach to the problems of the labour market: an approach that is not only addressed to the integration of the unemployed but to the industrial and productive re-launching and revitalisation of the economic, urban and social territory.

Two out of the three regions have been able to gradually move from target groups integration to socio-economic integration (Apulia in the first place, and then Campania); in contrast, the third one (Calabria) appears to be still entrapped in the target groups approach.



There are, however, important differences in the policy profile of the three selected regions. In particular, Apulia stands out as the most “northern” region. In the 1980s and early 1990s, it was one of the few southern regions to legislate in the field of vocational training and to launch some important activities in the field of companies incentives and flexible labour market contracts. In the second half of the 1990s, this legacy was strengthened and combined with the adoption of a wider socio-economic approach. In 1999, in fact, work and training contracts beneficiaries have amounted to 11.6% of the target population, compared to 9.1% in Campania and 5.5% in Calabria. Part time and temporary work have also been at northern levels: 6.2% and 0.8% of the target population respectively in 1999 against 6% and 0.3% in Campania. On the other hand “passive” assistance policies like work fellowships and professional insertion programmes have been significantly less diffused (4.1% and 1.2% of the target population) than in Calabria (7.1% and 7.6%) and in Campania (4.7% and 3% respectively) in 1998.

Furthermore, in addition to the positive performance of active and passive labour policies, policies for local development have to be mentioned as well. Apulia has been the region with the largest number of territorial pacts (in 1999, 10 pacts created 5'587 new employed) and with the liveliest network of horizontal and vertical relationships between the public

and private actors. Moreover, the three area contracts have given rise to 81 different employment initiatives, while the same number of contracts have permitted to develop 72 employment initiatives in Calabria and just 19 in Campania. The new “global approach” has been rather successfully adopted since the second half of the 1990s, and it is now showing its first positive results.

In Campania and in Calabria, on the contrary, passive and assistance policies still play a crucial role. Campania has, however, been able to undertake a positive path towards the global socio / economic approach, if we consider that in 1999 8 territorial pacts have been financed, employing further 3'062 persons (5'611 in total) in the near future; 132 municipalities have been involved and three important area contracts have been already signed. In Calabria, on the contrary, the shift from the target group approach to the socio-economic approach has not yet been accomplished. A slight movement in this direction has been observed (see the figure above), but it has been very slow. The initiatives for the industrial and productive re-launching of the territory are still very limited, and the dominance of passive policies is still an important phenomenon. Only 6 territorial pacts have been financed, creating 3'642 new employed (5'143 in total) and involving 154 municipalities. It is to be noted that in Calabria a high number of municipalities participate in the pacts, but the impact of these policies on the total number of the employed is not outstanding. As for active policies and flexible job contracts, there are some slight differences between Campania and Calabria, though in general these policies have been weakly expanding in the second half of the 1990s. Work and training contracts are more common in Campania than in Calabria, whereas time contracts are more a case in Calabria.

If this is the static picture of the three “policy menus”, something very important must be added from a dynamic point of view. Contrary to the northern regions, the southern regions have experimented a radical break at the beginning of the 1990s (precisely in 1992), produced by the end of the “old” and highly institutionalised model of state transfers and state subsidies. Until 1992, the Southern regions had not developed an autonomous policy-making: they literally depended on the policies and the financing coming from above. The policies which were implemented were the ones regulated at the national level (i.e. mainly passive policies), and massive financial transfers were aimed at supporting employment in the vast group of state-owned enterprises (for instance, in Campania: Italsider, Cirio).

As a consequence, local bureaucracies lacked the culture, the skills and the capabilities for autonomous problem-solving and innovation, since they mostly relied on state prescriptions

and directives. After 1992, the necessity to find some other sources of money and legitimisation has – maybe for the first time – forced the Southern regions to acquire a new bottom-up kind of policy profile, mainly dependent on their own capabilities and strategic ideas. And in this new context, as already said, the first policies which were perceived as having a positive impact on the dramatic problem of structural unemployment were those for local development which – aside from job creation – have the wider task to encourage industrial production, service creation and urban development.

As for the model of cooperation lying behind the policies, all the three regions are moving from a situation marked by limited or mid-open cooperation to a situation characterised by more open cooperation both in the vertical (public / public) and the horizontal direction (public / private); what changes is the timing of the process. This means that a learning process is under way. If this is the general picture, there are, however, some important differences among the three selected regions.

In Campania, until the end of the state extraordinary intervention (1992), there were no networks of open cooperation among the various institutions of the labour market: industrial relations were characterised by a high level of conflict and dissent and the policy-making was unilaterally carried out by the regional government which did not have the power and the resources to promote and co-ordinate a system of collective action. After 1992, an *induced change* has taken place: the necessity to apply for Structural Funds and EU programmes and the introduction of the new “negotiated planning” policies have somehow “awaken” all the different institutions of the labour market, in particular the public ones. Some more open networks of cooperation have been created especially thanks to the commitment of the municipalities and in particular of the mayors (in 1993 the direct election of the mayors was in fact introduced). But there are still many difficulties in letting the whole game start. The region and the provinces keep on lacking the culture and the capacity for innovation and change: widespread suspicion and mistrust are the main features of local bureaucracies, party connections and ties dominate on efficiency and problem-solving criteria.

In Calabria, the closed and inefficient model of cooperation has been the rule both in the 1980s and in the 1990s. Social partners have always been very weak and scarcely organised; business associations have played a slightly major role, but in a very fragmented and uncoordinated way; municipal, provincial and regional bureaucracy has been for a long time the venue for clientelism and inefficiency. In such a situation, both economy and

society have relied upon familiar ties and networks, where civic culture and social capital have developed only slowly. In the 1990s, something has begun to change, but the process seems to be very slow. The third sector associations have started to gain higher legitimacy at the different negotiation levels, and the regional department for industry is playing an important role in fostering cooperation.

In Apulia, on the contrary, a good tradition of cooperation was already to be found in the 1980s in some areas of the region, which implied horizontal relationships among some municipalities and social exchanges with some local employers' associations. This is why the region has also been located near the "open" pole of the continuum in the 1980s. Furthermore, a pluralistic commission for vocational training was established in the first years of the 1980s. This experimental kind of network has been extended after 1992. But here, too, the difficulties and obstacles are at the top front of the stage. The provinces do not hide their hostility towards cooperation and partnership; most of the municipalities are not so keen on sharing resources and ideas. Also, in Apulia, which – as we have already pointed out – shows the most northern characteristics compared to the other two southern regions, the problems connected with the backward culture of local bureaucracies, with the clientelistic habits, and the system of party governments are still an encumbering inheritance weighing on both the policy profile and the institutional capabilities.

Southern regions therefore find themselves in a borderline position. On the one hand, they have become completely aware of the necessity to switch to a more global labour policy approach, involving not only the creation of new opportunities for employment but also the start-up of new processes of industrialisation and modernisation of the territory. Beside active and passive policies, they are somehow "forced" to experiment with new policy instruments such as the ones provided by the local development paradigm. On the other hand, this kind of "cultural shift" would have been easier and even more imaginable in the better-equipped regions of the North rather than in the backward regions of the South, hit by a weak civic culture and by large, inefficient bureaucracies. This cultural change is therefore a great challenge for the Mezzogiorno.

3.3.3.4. Comparison and conclusions

The 1990s have witnessed in Italy important policy innovations in terms of labour market governance, local development promotion and social protection modernisation. Despite such innovations, the country's socio-economic situation is far from being satisfactory if

evaluated from the viewpoint of employment creation, territorial cohesion, social solidarity and overall competitiveness.

The analysis of our regional cases has highlighted, however, a markedly polarised picture. Behind nation-wide averages, dramatic regional disparities are hidden. Though accounting for 35% of the total resident population, southern Italy only accounts for 28.1% of employment while at the same time accounting for as much as 61.3% of all those in search of employment and as much as 70% of all people below the official poverty line. In the prosperous North and Centre, unemployment is well below the EU average (6.5% on average; 4.9% in Lombardy and 4.6% in Emilia Romagna); poverty levels are also relatively circumscribed (5% in the North and 8.8% in the Centre). In the poorer South unemployment is strikingly higher: 22% on average (19.1% in Apulia, 23.9% in Campania and an alarming 28.3% in Calabria); poverty levels are equally impressive: 25.1% of the southern residents live below the poverty line.

The previous paragraphs of this summary of the Italian research have discussed at length both the socio-economic and the institutional components of the persisting dualism of Italy's political economy, highlighting the logic that has generated this dualism over time and that sustains its persistence. In line with the basic working hypothesis of our comparative project, this logic has basically to do with the "systems of collective action" operating at the sub-national level, as shaped and affected by a host of factors, ranging from social capital to local political dynamics.

Our analysis of the local (regional) systems of collective action has concentrated on a specific ingredient – institutional capacities – and a specific actor – the local bureaucracy –, stressing their importance in representing and partly explaining the observed variation in terms of performance. Obviously, as has just been stated, the deep and persisting dualism between the North, the Centre and the South is the product of a much wider causal constellation: thus, in retrospective terms, it would be misleading to put too much emphasis on institutional factors and public actors alone. The contrast between Apulia (a relatively good performer on the southern scene) and Calabria (definitely the worst performer) can be partly accounted for by considering the different nature of civic society (more than public administration and politics) in the two regions. However, in prospective terms, institutional factors and local politico-administrative elites are going to play a crucial role, in our opinion, for a catching-up of the South with the rest of the country.

How can institutional capacities be furthered, and how can a more professionalised politico-administrative elite be recruited – or trained? These are of course the toughest challenges, and there is no ready-made response to be deployed. Institutional capacities have to do with communication and learning, cooperative interaction, conflict resolution and problem solving. And capacity-building in under-endowed territorial contexts does not only mean transferring specific knowledge and “know-how”, but it also means a dialogic stimulation of local actors and the provision of targeted incentives to discourage forms of territorial exits that systematically deprive the local context of capacities. Capacity-building also involves the creation of horizontal networks across under-endowed territorial areas, “communities of communities” capable of connecting, learning, and exercising collective voice with a view to joining the external streams of development.

3.3.3.5. Policy recommendations

The Lisbon strategy has given new impulse to the existing processes of open coordination (starting of course from the Luxembourg process) and is going to extend their scope to other areas, such as social inclusion and education. The regional and local levels are recognised to be important ambits of action in the Lisbon strategy – especially for the larger countries. The EU seems committed to provide more incentives for a greater involvement of these levels, through the existing structural funds and other Community initiatives. Our analysis has given evidence of a growing attention, interest and activism of Italian regions (and sub-regional areas) vis-à-vis EU incentives. Within certain sectors of the national elite (not only inside the executive and legislative arenas, but also among the social partners), an awareness is emerging that the next five years are the decisive ones to win the bet of “rescuing the South”: with the eastern enlargement, a substantial re-direction of EU funds is to be expected (Calabria may well remain the only objective 1 region after the enlargement), while the entry of new low-cost countries is likely to endanger the already precarious competitive position of the southern economy. Thus, dynamics at the EU level offer both direct (through regulative and material incentives offered by the supranational authorities) and indirect (through a re-shaping of domestic interests and priorities) spurs for innovation and change.

The administrative decentralisation of the 1990s in the fields of labour market, cohesion and social policies has gradually empowered sub-national governments. The research of the Italian team has shown that such decentralisation may work in virtuous way: certainly in

the North, but to an embryonic extent also in the South – with Calabria remaining so far the big laggard. Important efforts are under way for a generational renewal and a more serious training of local administrators – while the new system of recruitment of local politicians (especially in the wake of new electoral rules) has pushed on the scene a good number of active and enterprising mayors and regional “governors”. In part, the policy impact of all these changes has not fully manifested itself yet. But it definitely takes more to win the bet of “rescuing the South”. More investment in human capital and technology within the public administration (many of our southern interviewees have complained about the lack of PCs!); but perhaps more importantly, new “intelligent” incentives for rewarding virtuous practices and behaviours and penalising vicious ones. A good way of doing this would be to emulate the method of open coordination that exists between the member states at the EU level with a parallel method between sub-national governments at the national level. Concrete steps in this direction have already been taken in the field of cohesion policies; embryonic steps are being experimented in the field of labour market policy – with a number of regions starting to draft their own Regional Action Plans; and the recently approved Law establishing a decentralised but integrated system of social benefits and services offers a legal basis for proceeding as well on the front of inclusion, family and gender policies.

Four ingredients are crucial for this strategy to be successful: the institutionalisation of reliable and articulated monitoring systems and evaluation procedures; targeted initiatives for local capacity-building; the creation of a national system of “benchmarking”, centred on outcomes but also on processes (i.e. on good ways of achieving the outcomes: from a social, political and organisational point of view) and being an object of open discussion; the introduction of “tangible” forms of reward and penalty. There are valid reasons for keeping supranational coordination “soft”. But, at least in the Italian setting, sub-national coordination could take a slightly “harder” shape, using the new levers of fiscal federalism. For instance, the so-called “internal stability pact” between the central government and the sub-national governments (regions, provinces and municipalities), signed in 1998 to underpin the external pact, foresees financial incentives for the levels of government that comply with the set targets, and corresponding penalties for those which do not.

To conclude: stronger institutional capacities at the regional and local levels are a pre-requisite for “rescuing the South”; the EU can and ought to support this process, sustaining it with its regulative, financial and cognitive (i.e. good ideas) incentives; an intelligent and relatively “hard” management by objective seems to be the best strategy to promote

innovation, coupled with adequate investments for modernising public administration. But the time-span for the “rescue” is tight: actors must be swift to act – and thus be ready to take some risks.

3.3.4. Switzerland

3.3.4.1. The national situation

The 1990s can be considered as a turning point in Swiss history. First of all, the period marks the end of the Swiss exceptionalism. In the post-war decades, the country enjoyed some of the highest levels of wealth found in the world. The rate of employment was very high, especially among men. The rate of unemployment was very low – less than 1% – and the country was obliged continually to attract migrant workers.

The situation, however, changed dramatically in the early 1990's when the recession arrived (between 1990 and 1998, the average annual growth of GDP was 0.4%, the weakest in Europe), and unemployment rose to unprecedented levels in Swiss post-war history. The Swiss model was under pressure. In view of the recession and increasing government and social insurance deficits, political pressure in favour of welfare changes has mounted. Consequently, Swiss authorities were obliged to adopt innovative labour market policies by introducing a number of active measures.

From 1990 to 1997, the number of unemployed people rose from 18'000 to 190'000 persons, and the rate of unemployment grew from 0.5% to 5.2%. While 5% of unemployed might be low by European standards, it has to be noted that there were higher peaks in the Italian- and in the French-speaking parts (e.g. 7.8% in the Canton of Ticino, 7.8% in the Canton of Geneva and 7.5% in the Canton of Vaud).

But from 1998 onwards, unemployment clearly started to decrease, leading to an official unemployment rate of 2% in 2000. The evolution of the economical variables is certainly at the base of this revival of the labour market and of the consequent diminution of unemployment. The creation of full-time jobs seems to be important in the re-absorption of unemployment, given that the activity rate has not decreased significantly.

The continuing growth of the Swiss economy explains largely why unemployment insurance implemented after the Second World War was non-compulsory, and why few workers were affiliated to unemployment insurance funds.

The economic crisis in the mid-seventies changed the views of the legislators and pushed them to modernise the Swiss legislation. The principle of obligatory affiliation was introduced in the constitution in 1977, and the Federal Law on the compulsory unemployment insurance (LACI) was enacted in 1982, coming into effect in 1984.

The unemployment problem in the 1990s created a much greater financial burden both on the federal unemployment insurance and on the cantons and municipalities, and in these circumstances a remodelling of the whole system proved inevitable once again. In 1995 the federal unemployment insurance was reformed. The new legislation constitutes a turning point from a rather passive policy to an active one:

- In order to improve the efficiency of the Public Employment Service, a new structure was set up, i.e. the Regional Placement Offices (RPOs). The RPOs employ specialised placement officers.
- The entitlement to passive benefit payments has been reduced from 400 days in the previous arrangements to 150 days. Afterwards, benefit payments are bound to the entry in an active labour-market programme.
- Cantons are obliged to supply active measures according to the number of inhabitants and the unemployment rate. The maximum duration of the benefit payment (in case of acceptance of the proposed active measures) is 520 days.
- In the new legislation, participation in active labour-market programmes is no longer considered as a contribution period. After these 520 days (i.e. two years) the entitlement to federal unemployment benefits comes to an end.

The active measures can be divided into two categories: training programmes and temporary jobs.

The cantonal implementation of the active labour market measures relies on the voluntary collaboration between public actors (cantonal labour offices, RPOs, etc.) and private actors (mainly non-profit associations). In fact, private actors are allowed to propose the organisation of measures. Therefore, the whole system depends on the concrete realisation of a welfare mix in which all partners concentrate their action on the activation of the unemployed.

The period from 1990 to 1998 shows a considerable increase of the active expenses (from 16 to 1'260 million Swiss francs) and of the number of persons in the active programmes (from 6'840 to 235'000).

From 1998 onwards, the decreasing number of registered unemployed has led to an important reduction in the offer of LACI measures. This has consequences for the organisers of active measures, in particular the non-profit associations. For them, the reduction of the measures means the reduction of the financing from the SECO (State Secretariat for Economic Affairs). The problem is that some of these organisers have set up, during the last years, big infrastructures which are the result of important investments for the active measures. The reduction of the financing also obliges some associations to dismiss collaborators who had been engaged to deal with the active measures. This new situation has already influenced the relationships between the organisers of measures, shifting from collaboration to competition, with the principal aim being the survival as organisers of measures for unemployed.

The contents of the measures are affected as well, because the reduction of the number of unemployed has modified the profile of the unemployed. During the years when unemployment was at a higher level, almost all categories of workers were concerned by unemployment. With the improvement of the situation on the labour market, people who are still unemployed are generally low-skilled or hard-to-place cases. Therefore, active measures have to focus on these categories of unemployed.

A new reform of the unemployment insurance has been planned for 2003. Three main factors can explain this decision: the evaluation of the measures introduced by the reform of 1995, the bilateral agreements between Switzerland and the EU, and the decreasing of unemployment.

3.3.4.2. Selection of the cases

The Swiss context is characterised by a high degree of autonomy of the regional governments (26 cantons and 2'942 municipalities). This has an impact on the policies of integration addressed to the unemployed: first, the regions are responsible for the implementation of the federal unemployment insurance scheme (LACI), second, the regions are also responsible for schemes addressed to the unemployed which are no more entitled to the federal benefits.

Actually, the increase in the number of persons who had to apply for social assistance for reasons of unemployment during the 1990s has pushed the cantons and the municipalities to set up local integration measures. But the regional responses to a similar problem have been different. Some regions have reformed the social assistance schemes, including

insertion measures which should enable people to reintegrate the labour market. Other regions have introduced new schemes, which should prevent people from having to apply to social assistance. It is possible to distinguish three main types of policies: the “basic income” schemes, the “insertion contract” schemes and the “work instead of social assistance” schemes.

Thus, in order to give a representative image of Switzerland it has been necessary to include a high number of regions in the analysis. In fact, ten regions, which can be classified in three categories, have been selected:

- a) the regions chosen to study the cantonal implementation of the federal unemployment insurance (LACI): Cantons of Aargau, Basle-City, Vaud and Zurich;
- b) the regions chosen to study cantonal schemes for unemployed which are no more entitled to the benefits of the LACI: Cantons of Geneva, Ticino, Wallis and Solothurn;
- c) the regions chosen to study municipal schemes for unemployed: Cities of Bern and Zurich.

The choice of the case studies was based upon a wide range of criteria: the intensity of the problem pressure, the innovative character of the policies implemented, the size of the regions and the representation of the linguistic areas. The aim was to provide a representative image of the integration policies for unemployed in Switzerland.

3.3.4.3. The cases: systems of collective action

As a matter of fact, three categories of actors, namely the political and administrative actors, the social partners and the non-profit associations, are always present in the ten Swiss cases. Due to the well established tradition of collaboration with social partners and civil society in Switzerland, non-conventional actors are always associated to the designing, implementing and managing phases of the policy processes, and the mere fact of the presence of these actors cannot be used as a discriminating factor between the case studies. In order to differentiate them, one has to focus on the quality of the collaboration. This assessment has been achieved following three tension lines:

1. the quality of cooperation between the various administrative levels: Do economic and social administrations work together? Do they define / implement / assess / finance policy aims jointly? How do the federal / cantonal / communal (or, in other

words, de-concentrated and de-centralised) administrations and authorities collaborate?

2. the role of social partners: To what degree are they associated to the designing process? Is their role in the implementation confined to a mere controlling function, such as in the tripartite boards set up by the LACI, or does it include active promotion of integrative aims? To what degree is social partnership concretely put into practice at the local level?
3. the collaboration of non-profit associations: does it follow patterns of mere delegation (in order to reach quantitative goals) or does it extend to forms of co-responsibility in professional and social integration tasks?

Concerning the policy aims, local development appeared as a very marginal concern in Switzerland, at best an unintended effect of policies targeted at individual or specific groups. Since all policies are centred on individual professional or social integration, it was no use focusing on the content of the policies. To discriminate between the cases observed, one must adopt a slightly different point of view and carefully analyse the connection between the diverse components of the regional policy menu. A very weak or non-existing connection is often linked to the difficulty of establishing a good cooperation with social partners and civil society. As a result, the risk of policy fragmentation (on the one side the labour law and the collective agreements, on the other side the active measures for the unemployed and, still more marginalised, those for the social assistance recipients) is considerably increased in case of bad collaboration between the three groups of actors under consideration. On the contrary, a good cooperation between those groups often results in a more integrated policy menu which, in turn, may have virtuous consequences in terms of local development. That is why, even though objectives of local development are neither explicitly formulated in the designing process nor openly pursued during the implementation phase, they may be a practical, though unintended, effect of the policy.

The Canton of Aargau – implementation of the LACI

The implementation of the Federal Unemployment Insurance (LACI) is carried out by a limited number of actors. Actually, two groups of actors are involved: the administrative actors (mainly belonging to the de-concentrated level) and the organisers of the active measures; these actors have been forced to intensify their collaboration, in their own interest, after the revision of the LACI. Other actors, such as the social partners and the political authorities, are less involved, except for the municipal level. The decrease in the

unemployment rate during the latest period has further accentuated this tendency towards the constitution of small networks gathering few but well cooperating partners. This leads us to consider the cantonal network as being rather closed, since the collaboration is limited and instrumental.

The objective of the policy is clearly the professional re-integration of target groups through active labour market measures. Even though some actors, mainly the organisers of active measures, point out the social cohesion effects of the programmes, local development is never thought of as a policy objective.

The Canton of Basle-City – implementation of the LACI

Compared to the previous case, the network involved in the implementation of the LACI in the Canton of Basle-City is more open. This can be accounted for by the remarkable implication of the social partners – especially the personal implication of the main responsible of the employers unions of the canton –, who do not restrain their activity to the mere and critical observation of the measures (assessing their conformity to the principle of non-concurrence with the primary labour market) but actively participate in the implementing process of the LACI measures. The decrease in the unemployment rate has considerably reduced the financial means at disposal and triggered phenomena of strong concurrence between the organisers of active measures. As a result, the network is now less cooperative and more closed than it used to be. Besides, the inter-administrative collaboration is not yet very well developed, even if some steps in this direction have been taken. Nevertheless, the collaboration with the employers remains very good.

All actors aim at professional integration of the unemployed. At the same time, there is a growing awareness of the impossibility to apply this target to all unemployed, and of the need to develop new measures for certain groups of unemployed. As a result, programmes for social assistance recipients following NPM lines have been developed during the last months. Local development concerns do not appear to play any role.

The Canton of Vaud – implementation of the LACI

The implementation of the LACI in the Canton of Vaud stands between the two former cases of Aargau and of Basle-City. Non-profit organisations are well involved in the network, as well as social partners, although mainly with a controlling rather than a promoting function. Contrary to the previous cases, there is a policy that is co-managed by the cantonal labour office and by the Department of Social Affairs. At the beginning, the collaboration between both offices was rather difficult, but in the recent months it has

improved in many respects. Cooperation with the municipalities has also improved lately after a period of reluctance and distrust. However, due to the rather formal character of the collaboration of social partners, this case is classified between Aargau and Basle-Stadt. The improvement of the unemployment situation has not provoked notable changes in the way of managing the policies.

According to all the actors interviewed, the LACI should allow re-entering the labour market, or at least it should improve the job seekers' 'employability'. The good collaboration between the different levels of administrative actors has allowed a better implementation and design of the active measures, which remain largely oriented towards target groups (though some very innovative initiatives may contribute, as a secondary and unintended effect, to local development).

The Canton of Zurich – implementation of the LACI

In this case, three types of actors take part in the implementation of the LACI: the administration, the organisers of active measures, and the social partners. The cooperation between the institutions is very well developed, especially between the canton and the municipality. The role of the social partners is restricted to the control of the measures, without any active and promoting participation in their implementation. As a result, the network of Zurich is quite closed and, like the Canton of Vaud, it stands between Aargau and Basle-City. The recent changes in the unemployment situation have not had any significant impact on the level and quality of cooperation in the Canton of Zurich.

All actors consider professional integration to be the main target. Some of them point out the fact that the road leading to this goal is not always straight; therefore it has to be considered as a stepwise process, adapted to the individual characteristics. This focus on the single individual leaves little or no room for local development concerns.

The Canton of Geneva – RMCAS

The management of the Cantonal Minimum Income Scheme (RMCAS) in the Canton of Geneva is a good example of a state-centred network. The RMCAS Service plays a crucial role in the management of the programme: it co-ordinates the whole network and establishes mostly instrumental collaborations with private and public actors, which then allow the service to have the necessary amount of available measures for its beneficiaries. As a general rule, collaboration with the other administrative sectors is quite good. With the organisers of active measures, the cooperation concerns mainly the designing process, and during the implementation phase the providers are very poorly supported and very

ineffectively controlled. Trade unions play a very marginal role, mainly confined to the control of the measures. The decrease in the long-term unemployment rate did not have significant consequences, and the path towards the adoption of a generalised minimum income seems quite open.

The RMCAS main goal is the professional reintegration of its clients. This policy is only valid for the no-more registered unemployed, who therefore should be able to re-enter the first labour market. Sometimes, in view of a difficult professional reintegration, the RMCAS also develops some programmes, which are more focused on social aspects. It must be underlined that in this system of minimum income, the counterpart represents a certain duty of the beneficiary towards the community. As such, local development is not considered as an objective of this policy, which is clearly directed toward the integration of target groups.

The Canton of Solothurn – SoloPro

The first cantonal projects for the unemployed have initially been elaborated by non-administrative actors (unions and municipalities). Later on, the administration decided to complete the existing measures and to merge them in a single programme (*SoloPro*). We passed from a bottom-up approach to a top-down elaboration. Nevertheless, the participation of the different actors, including social partners, non-profit associations and municipalities, is still maintained, especially on the implementation level. Social partnership has played a central part in the designing process of the programme, which can therefore be considered as particularly open.

Professional integration is the main target of these measures. Even though some actors try to put forward social integration, this remains strictly confined to an individual level, and local development is at best an unintended consequence of the policies implemented. The offered measures clearly aim at target groups.

The Canton of Ticino – LAS

The network that participates in the Law on Social Assistance (LAS) in the Canton of Ticino is very open, and there is a very good cooperation. In fact, the administration has the habit to contact the actors of the civil society in order to draw on the different actors' knowledge, for both the phase of the definition of the policies and the phase of the implementation. Moreover, the Canton of Ticino, as well as the Canton of Wallis, underlines the importance of a good collaboration between the many administrations, especially with respect to the unemployment administration. At present, the Canton of

Ticino is working in this direction by developing some new instruments in strict cooperation with the cantonal labour office.

The LAS aims principally at professional integration, and the programmes that are offered demonstrate this. Social integration of the no-more registered unemployed is becoming more and more important, and it is going to be less and less a mere stage of the professional integration, but for the moment it is not possible to speak of local development measures.

The Canton of Wallis - LIAS

The network that has participated in the implementation of the Law on Integration and Social Assistance (LIAS) is very cooperative – thanks to the importance of the informal relationships in the canton – although certain actors are not included. In fact, the priority has been given to the development of the collaboration with the other administrations that work in the social field, and principally with the one that takes care of the unemployed. The collaboration with the associative actors, and also with the social partners, is only at its first steps. Another cooperation axis, which has been developed, is the one between the administrative actors of the different levels: cantonal, regional and municipal. In fact, the LIAS changed the traditional way of dealing with social assistance in the canton. Therefore, the LIAS network can be considered as moderately open.

The LIAS' principal aim is the professional reintegration of the no-more registered unemployed. This professional integration can pass through a first step aiming at the reconstruction of the social network of the unemployed people. Local development measures are for the moment not present in the LIAS policy.

The City of Bern – Arbeit Statt Fürsorge

The elaboration and the implementation of the project *Work instead of Social Assistance* was accomplished by merging a great number of actors: social partners, non-profit-associations, political and administrative actors. The administration took the initiative to set up this project, but it integrated the other actors right from the beginning of the elaboration. The implementation of the project has been outsourced to a non-profit-association and many other actors were also involved. The network is therefore very open.

In the first phase of the project, the accent was put on the professional integration, but the experience taught that this target was not realistic for all the beneficiaries. Consequently, the project is being more and more directed towards social integration. In the end, the two kinds of integration should be able to coexist and to form a sort of pathway for the

beneficiaries. Once again local development is not an intended aim and the project is addressed to precise target groups.

The City of Zurich – EAM

In the case of the city of Zurich, the municipal administration plays a central role in the elaboration and the implementation of the measures for the unemployed. The collaboration between the different administrative sectors and the canton is very developed. On the contrary, the collaboration with the social partners and the other actors seems to be very poor and limited to instrumental exchanges. Therefore, the existing network is closed, since it is practically restricted to the administrative actors only.

Even though the professional integration is the long-term target of the present measures, during the last few years the social integration has acquired more and more importance in the programmes of the city. This is the result of the coming into awareness that, for certain groups of unemployed, a professional integration cannot be imagined in the short term. The wide offer of measures is intended to propose the adequate measure to every target group. Local development is not a priority, even if some activities are linked with the revitalisation of socially depressed areas of the city.

3.3.4.4. Comparison and conclusions

The case studies have been classified following the axes of the project's joint graph. Clearly, all these classifications indicate a trend, and they should not be interpreted as impenetrable categories.

The horizontal axis: from closed to open cooperation

This axis aims at classifying the existing networks in the case studies following their type of collaboration. Three main dimensions orient this classification: the number of actors, the degree of sector-bridging, the style of cooperation. This last dimension is particularly relevant in the case of Switzerland.

Actually, the style and the spirit of collaboration is often more important than the formal relations between the actors participating in the network. In fact, two policies can be managed by a similar kind of network with the results being completely different, since what makes the difference in the results is the broad cooperation of the groups and the dynamism of the relationships.

Closed cooperation: we define as closed, a network that implies an administration (which is the fundamental cell of all the policies studied) closed on itself and which is hardly open to the other actors, except, rarely and formally, to the social partners (corporatist model).

There can be some points of contact with other sectors or other degrees of administration, but they are only formal and do not imply major consequences on the concrete level. There are also some superficial contacts with the private organisers of active measures, which are restricted to a one-way relation in which the administration delegates the organisation of the measures. The policies that are based on such a kind of network often resort to the counterpart organised by the public sector.

Among the case studies, the network of the RMCAS in the Canton of Geneva is the most closed. The elaboration of the federal LACI is also very closed, since it results from an agreement between the federal administration and the social partners, in a very formal corporatist process. The implementation of the LACI in the Canton of Aargau can also be classified among the closed networks. In fact, the cantonal labour office has regular contacts with the social partners and with the associative actors who organise the measures. These contacts do not represent an ability to build common projects and to collaborate, but they rather derive from the awareness that it is impossible to work alone.

Fairly closed cooperation: this second category contains the networks that are more open to an active collaboration with other partners, although other contacts remain formal and poorly dynamic. We could say that the networks of this category have developed a true spirit of collaboration with one of the other actors, but not with all the other actors – which distinguishes this category from the third one.

This is the case of the implementation of the LACI in the Cantons of Zurich, of Vaud and of Basle-City. In these cantons the network actors try to build a dynamic and open collaboration. In the Canton of Zurich the great collaboration between the canton and the city is sufficient to characterise the implementation of the LACI as being more open here than in the Canton of Aargau. In the Canton of Vaud it is the collaboration with the organisers of the active measures that gives a plus to the network. In fact, the associative actors have well developed the contacts with the administration and have also a remarkable voice and power in the network. Compared to the other LACI cantons, in the Canton of Basle-City the network is improved by the cooperation with the employers, since the employers, as well as the unions, are involved in the implementation of the LACI and their role is not only restricted to the control of the measures.

On the level of the cantonal policies there is the Law on the social assistance in the Canton of Wallis. The network participating in the LIAS is not very open: the associations and the social partners are completely absent. But there is an important aspect that invites us to situate this case among the fairly open networks. In fact, the cooperation between the administrations is much more developed than in the cases of closed networks. This cooperation aims at improving the support of the unemployed, in order to avoid social assistance.

For the policies on the municipal level, the *Soliwork* of the City of Zurich can also be placed in this category for the same reason as in the case of the Canton of Zurich, that is to say, the collaboration developed among the administrations of the canton and of the city.

Open cooperation: this category comprises the most cooperative and most open networks. In fact, the policies of the second category differed from those of the first one since one of the axes of collaboration was more developed. In this third category, however, there is a better development of many possible axes of collaboration.

The network of *Work instead of Social Assistance* of the City of Bern is organised by a very heterogeneous board that actively participates in the implementation of this municipal policy. This board pushes the different actors to participate in an active and dynamic way. The Canton of Solothurn can also be classified in this category. In fact, the actors outside the administration have elaborated some projects, and again there is a large group of actors involved in the implementation. The case of the Canton of Ticino is the most representative of the open collaboration, since it is based on a very cooperative and very open network. The different actors of this network seem to trust each other.

The vertical axis: from target groups to social / economic environment

Policies addressing target groups: the objective is here to adapt the persons to the available jobs on the regular labour market. The policies are founded on the principle that the cause of unemployment is the maladjustment of the skills of the unemployed with the requirements of the labour market. The aim is therefore to make people fit better into the given environment.

Almost the totality of the integration measures in Switzerland can be classified in this category. The main aim is always to improve the employability of the persons, in order to reintegrate them into the first labour market. In the case of the cantonal schemes for the no-more registered unemployed, there are sometimes measures of social support aiming at helping the person to regain basic social skills; nevertheless, beyond those measures there is

always the idea of an incremental process towards professional reintegration into the regular labour market.

Policies addressing target groups and also partially the environment: the aim is still to focus on target groups, but there are also some limited changes to the environment. In this case a kind of “second” labour market is created which can provide new products or services for local needs. This sector can provide new additional jobs to be stabilised or simply constitute a transitional phase towards the first labour market.

Some initiatives developed in the case studies aim at providing new products or services for local needs: transport of elderly persons, recycling, etc. But these activities never provide new stable jobs; they are intended to be a transitory phase towards the first labour market. Actually, these activities are done by unemployed who participate to temporary employment programmes. The services are stable, but the unemployed who participate to the activities change every 6 or 12 months. Up to now, it is difficult to talk about a lasting “second” labour market in Switzerland. These activities depend on the fluctuation of the number of unemployed: for example during the last months some of them had to be stopped, because of the insufficient number of unemployed.

Few Swiss case studies can be classified in this category. If we consider the whole policy package at the local level, these types of measures are usually very marginal. Only the policies developed in the City of Zurich and the City of Bern might be classified here, because there the activities of this type are more important.

Policies addressing the social / economic environment: this kind of policies links integration and the local social / economic environment. The accent is put on the necessity to change the given environment: urban renewal, economic modernisation, etc.

None of the policies studied in Switzerland implies the creation of measures aiming at stimulating the local development. This is probably linked with the performance of the Swiss labour market. Actually, a relatively high number of jobs are available. This means that there is no need to create new employment opportunities; it is “enough” to adapt the unemployed to the available jobs. This situation is radically different from the situation in highly depressed areas in other countries such as Southern Italy or Eastern Germany. Moreover, the small size of the Swiss cities has prevented up to now the creation of socially deprived areas, like for example the “banlieues” in France.

2. In its present form, the European strategy for employment suggests two different ways towards more effective social integration policies:

a) On the one hand, *active labour market policies* to be defined in "cooperation" between civil servants of the public employment service and individual job-seekers, and labour market flexibility to be negotiated between social partners – in our research, this is identified as a closed network for a policy targeted on specific groups or individuals. This kind of policy seems to be connected, in most cases, with low problem-pressure regions or municipalities, and it appears to meet with considerable success. National authorities largely have the upper hand on the design of such policies which, nevertheless, are implemented at the local level. To sum up, what is recommended here is the constitution of closed but functional and cooperative networks called to implement traditional labour market policies designed at the national level.

b) On the other hand, *local development action* requiring vast networks of straight collaboration between numerous social and civil partners. In our research, these are defined as open networks oriented toward local development. Such initiatives, for which the European Union has lately taken a leading position, are still marginal, compared to the first category, but their recent development, notably in regions affected by high unemployment rates, is outstanding. The European Structural Funds play a crucial role, and this second type of policies is the true locus for the implementation of the concept of "multi-level governance" (cf. territorial employment pacts).

The connection between these two sets of policies is not yet satisfactorily defined in the European strategy, and further reflection is needed in order to avoid any dangerous duality of situation and policy (on the one hand, low employment, traditional labour market policies and social partnership, on the other hand, high unemployment, local development and civil partnership). The experience of Switzerland, where civil society has always been actively involved in the policy process, may present some interesting clues to this purpose.

3. The Swiss experiment shows that there is neither necessity nor legitimacy to focus exclusively on one of these two sets of policies and that each has its relevant "territory" of efficiency. As a result, traditional policies, as they are defined in the EU guidelines, should not be abandoned altogether, even though it is clear that they must be complemented (and narrowly connected) by other, more innovative, policies. Key local players for any relevant connection of these two levels should pertain to at least three

categories: a) local authorities, be they decentralised (with autonomous decision-making power in employment and social integration matters) or de-concentrated (local public employment services); b) local trade unions and employers (the individual employers' role is as crucial as the one played by their organisations); c) local non-profit associations, in order to assure the appropriate representation of the population to be, professionally or socially, integrated.

3.3.5. French findings in Eastern Europe

3.3.5.1. The national situations

Since 1990, the changes affecting the structure of employment of all the former communist countries are considerable; unemployment has turned into a mass phenomenon. However, important variations over the decades are to be recorded. In the first three years after the collapse of the communist systems of government, the countries had been confronted with a considerable increase in unemployment. In Hungary, unemployment then rapidly decreased, especially thanks to a growth in jobs within firms bought by foreign investors, but also thanks to an important social deregulation.

(%)	1990	1993	1994	1995	1996	1997	1998	1999
<i>Ea. Europe</i>	-	14	13.6	12.5	11.7	11.9	12.6	14.6
<i>Czech Re.</i>	0.7	3.5	3.2	2.9	3.5	5.2	7.5	9.4
<i>Hungary</i>	1.5	12.1	10.9	10.4	10.5	10.4	9.1	9.6
<i>Poland</i>	6.5	16.4	16	14.9	13.2	10.5	10.4	13
<i>Bulgaria</i>	1.9	16.4	12.8	11.1	12.5	13.7	12.2	16
<i>Slovakia</i>	1.6	14.4	14.8	13.1	12.8	12.5	15.6	19.2

Poland, which until 1996 had the highest unemployment rate of all the Eastern European states considered here, experienced the most rapid decrease. This proves that changes have been radical and successful. In this respect we have to note, however, that systems to register unemployed have changed several times, which resulted in the exclusion of many unemployed from official statistics. Passive labour market policies, especially early retirements, and active policies, especially training, have contributed to relieve the labour market. In 1998, unemployment increased again because social plans came to an end.

In the Czech Republic, the unemployment rates amounted to less than 5% until 1997, but then the crisis began: restructuring processes were launched and unemployment increased to reach 10% in 2000. The recent rise in unemployment figures in Slovakia (+3.6%) can be explained by the austerity measures introduced in late 1998 as well as by the weak

performance of the industry and the public building sector. In January 2000, the unemployment rate reached 19.5%.

In Bulgaria, unemployment grew rapidly during the early nineties, and then it remained stable over 5 years but grew again from 1997 on. Indeed, in 1997, a board of finance was created. It had an important impact on budget austerity and industrial restructuring, which also had important consequences in terms of jobs.

(%)	Unempl. (total)	Thereof: women	Thereof: youngsters	Thereof: long term un.
<i>Hungary</i>	11.2	44.7	26	49.7
<i>Poland</i>	13.3	59.5	33	40.4
<i>Czech Republic</i>	3	59.8	31	30.6
<i>Bulgaria</i>	12.5	54.4	22	48
<i>Slovakia</i>	12.2	54.5	29	51.7

Women and minorities are particularly hit by unemployment; unemployed are to be found in rural areas and in declining industrial areas. Moreover, unemployment is particularly important in the eastern regions of these countries.

In 1990, public authorities within the former communist countries had no experience with the phenomenon of mass unemployment. What mattered was actually not really the social aspect of the changes, but rather the changes in the market, property rights, and private economy. The support of the unemployed population was not the main priority on the political agenda, especially since stigmata of laziness, alcoholism and poverty were still attached to the image of the unemployed. Politicians did not take initiatives in this field and only implemented passive measures at the beginning of the decade to grant benefits that were generally considered as too generous, since there was no criterion of eligibility. When active policies finally were introduced, they were targeted at organising a second labour market aiming at contributing to occupational integration.

After 1990, the very contents of the notion of social assistance changed. It used to focus on the elderly and the disabled, whereas from 1990 on, it includes all kinds of people who are in lack of jobs or who do not earn enough for a living (e.g. single mothers, youngsters without professional experience or sometimes with no qualification, the older workers and long-term unemployed but also badly paid workers).

In the former communist countries poverty increases since the level of unemployment benefits often only equals social minimum benefits. In 1992, for instance, a quarter of the Bulgarian population lived below the poverty line. In Poland, this concerned 1/5 of the population. However, contrary to Western Europe where exclusion grew in the eighties and

nineties and contributed to phenomena of social disqualification, poverty is not as stigmatised in Eastern Europe. Family and the local informal economy help to limit the dimensions of social exclusion.

3.3.5.2. Selection of the cases

Considering the specific changes which occurred in the former GDR, some readers might be surprised when being confronted with a comparison of the labour market situations in Eastern Germany, Poland and Bulgaria.

In fact, a comparison seems to be quite interesting in particular with regard to the situation of all the countries before 1989, since they all shared the same type of political system. Albeit ten years later they all have changed, each of them has chosen a different way. The research interest focuses on two important elements of these changes: the changes brought to the economic structure, and the changes brought to the systems of collective action.

We wanted to know who the new actors within these systems are and how the local power relations can be characterised. In a further step, we analysed if the innovations identified in each country can be compared, and in particular, what can be said about their respective effectiveness, the institutional system, the forms of partnerships of actors associated with these innovations, and the legacies of each country and of the local level.

3.3.5.3. The cases: the systems of collective action

Regarding our approach, we can isolate five types of actors that are more or less present in all the cases studied: labour administrations, trade unions, economic actors, local public authorities and associations.

The labour administration

In Bulgaria, the labour administration is based on strong bureaucratic principles. However, in 2000, there are some signs of evolution. An information and guidance centre was created offering services to job seekers and employers.

In the East German case, the labour administration was built according to the model of West Germany (institutional transfer). Thus, the labour administration in the New Länder plays a major role in the fight against unemployment because of its expertise in this field, because of its resources (finances, rules, laws) and because of its bureaucratisation and professionalisation.

In the Polish case, the labour administration has experienced many deep internal transformations due to processes of deconcentration and bureaucratisation. Considering the important tasks to be done, the labour administration became a central actor both at the regional and the local level. It was able to work out internal and external rules and to build a large network of partnerships with various local actors. Furthermore, the labour administration is responsible for leading tripartite forums, gathering together representatives of state administrations, employers and trade unions.

Everywhere in the post communist part of Europe, tripartism has been considered as the main solution in order to reduce conflicts linked to the transition, to create social peace and to decide how to share the different burdens of collective bargaining among the partners. But nowhere in Eastern Europe, tripartism has developed in the same way as in Western Europe because of the weakness of the trade unions, the lack of important employers' organisations and the lack of government's will to favour economic dynamics.

Trade unions and employers' organisations

In Poland, the trade union membership dramatically declined (about -5% within 5 years). The closure or the transformation of many firms has considerably reduced their influence in the private sector (contrary to the public sector where they are still very powerful). Two main trade unions have been involved in the social field: the first, the former branch trade union OPZZ, is linked to the successor of the former communist party, the SLD, which governed between 1993 and 1997; its rival, Solidarity, represents the main support of the 'right wing' coalition which has been governing since 1997. Though these trade unions compete at the national political level, they often act as allies in the firm when jobs or salaries must be defended. However, within the different tripartite forums they are not very important. This is reinforced by the fact that other partners and especially employers' organisations intervene to exclude them. Albeit the latter are not very well organised, there are many new employers linked together within informal networks. Actually, the weakness of the employers' organisations can be explained by the fact that their potential members (owner of small and medium-sized firms) are reluctant to belong to organisations that remind them of the former compulsory membership of the communist system of government. But this does not mean that there is a lack of links between the labour administration and the entrepreneurs. On the contrary, the new employment strategies favour partnerships with firms in order to reduce the number of unemployed.

In Bulgaria, firms are quite sceptical with regard to their role in matters of integration, and the trade unions are rather concerned with maintaining existing jobs. Central confederations have declared that the government would have to act in favour of employment, but they did not get involved in concrete actions.

In the Eastern part of Germany, trade unions have played a major role in the creation of employment promotion firms (social enterprises). In 1991 they profited by the weakness of the employers' organisations to negotiate with the privatisation office in order to create such firms. The task of these firms is to keep workers that are made redundant, to train them so that they can get the required qualifications for an economy based on competition, and to give them an activity so that they contribute to redeveloping the environment and the local economy.

The local public authorities

Local public authorities can be considered as playing a major role, given that they pay social assistance benefits; but we can also consider them as playing minor roles if we take into account the number of work placements achieved: the number of people finding a job on the regular labour market after being employed in public community schemes is very low. The profile of persons claiming for social assistance has radically changed. Today, associations are put in charge of the disabled who used to be taken care of by the town, since the latter now has to deal with qualified people, often young people who are excluded from the local labour market and who are not eligible for unemployment benefits.

Therefore, the municipalities' tasks are considerable since the towns are not prepared to face the new requirements and have no experience with partnership. This is to be noted in Poland and Bulgaria as well as in Eastern Germany.

Associations

Because of the changes described above, associations are not that much involved in the field of integration. All the countries faced the reluctance of the population to get engaged in associations because people felt sick of compulsory membership in public welfare organisations that had existed before 1990.

In Poland, the number of associations is growing, but they are not much integrated into the decision-making process in labour market policy. Indeed, in addition to the former public welfare associations such as the Red Cross or religious associations such as "Brother Albert", there are many local associations which prove that civil society is getting more organised and that it assumes the responsibility of taking care of social problems. Solidarity

networks are emerging. A few associations for the unemployed can be noted here and there. But globally, associations are excluded from partnerships with public authorities and administrations. More exactly, it seems that the former relations between public administrations and religious associations are still powerful, but only as far as disabled or alcoholics are concerned. With regard to what we can call the "new poor", administrative actors and local public authorities do not know what to do. Several conclusions can be drawn from that: there are many cleavages in the collective action in the field of occupational integration. Emphasis is put on specific partnerships between public administration and private firms in order to defend an effective intervention, i.e. an intervention that can be measured through the number of people getting back to the labour market. On the contrary, the exchanges between associations and local public authorities are rather based on non-profit job subsidies, the effectiveness of which is very low considering the number of people getting back to work. Such cleavages strongly structure the field of the local collective action, and they are based on complex behaviours, reflecting the maintenance of known institutional segmentations that hinder initiatives.

In Bulgaria, the role of associations differs from one locality to another. While they are important in Sofia, they lack influence in other parts of the country. It must also be noted that a growing number of non-governmental organisations are created and begin to change their mode of action: from a welfare action to actions focusing on development projects. The notion of conflict gives an account of the type of relation existing between the labour administration and the associations. Indeed the former aims at quantitative results, whereas the latter consider qualitative results as a priority. A question can be raised concerning the power of local emerging actors such as small and medium-sized companies, trade unions and non governmental organisations. It seems that the exogenous influence is necessary to make actors become aware of their responsibilities.

3.3.5.4. Comparison and conclusions

The comparison is divided into three parts. The first part is devoted to a comparison between Poland and Bulgaria, the second part refers to a comparison between Eastern and Western Europe, and the last part gives elements of comparison between Eastern Europe and a so-called South European model.

A few elements of comparison between Poland and Bulgaria

Four features have to be highlighted concerning a comparison between Poland and Bulgaria.

- a. Let us quickly mention the similarities, underlined in the first part of our work, in terms of unemployment and of its structural characteristics: women, minority groups, young people and rural areas are massively concerned by this phenomenon. Regional cleavages are worsened and widen the gap between rural and urban areas in each country. They also increase the differences in terms of training.
- b. However, a radical difference separates both cases: the **direct foreign investments**. They are massive in Poland, whereas they are very weak in Bulgaria. This contributes to the differences in terms of development, and it refers to the guarantees that public authorities are able to offer.
- c. The impact of the **European Union** sustains this remark if we consider the evolution of the regional reform and the evolution of the reform concerning administrations and the training of public personnel. In the case of Poland, the European prerequisites are respected, in the case of Bulgaria, their implementation takes time.
- d. Therefore, the notion of **rules** makes an important distinction. Indeed, the rule covers more people in Poland than in Bulgaria. If undeclared work is still very important in both cases, nevertheless control procedures are more effective in one case than in the other.
- e. **“Shock therapy” or “gradual reform”**. The rhythm of the reforms differs greatly between both countries. Poland chose to apply a “ shock therapy ” after the 1989 elections, whereas Bulgaria has changed its strategy several times according to the changes in the governments (9 governments between 1989 and 2000, among which 8 between 1989 and 1997).
- f. **The centralisation**. In Bulgaria, labour administration, just as the administration in general, is centralised. The presence of the state is very strong. In that sense, it is not surprising to note more "vertically oriented games" in Bulgaria (especially in Madan) than in Poland.
- g. **The professionalisation of the administration**. Our study shows that labour administration in Poland has banked on "economic" employment and has created

partnerships with firms. We have also noted that labour administration in Bulgaria has a more passive behaviour. The European support has been less important.

Elements of a comparison between East and West

a. A similarity: the criticism of the state and of the firms

Here we lean on the Polish case. Criticising the state is not original at all. But here, the state is questioned because of its weak commitment to salaries and pensions. The system of intervention refers to a combination of centralising state control, especially in terms of budget, and of non-interventionism in favour of the firms which, much to the regret of the trade unions, turn out to be the real winners of the changes. Whereas mayors and trade unions are excluded, the couple of bureaucracy and free-market seems to do well, but their combined action contributes to exclusion and the misuse of public funds. So, what are the forms of that?

Targeting people who are likely to be supported leads to what is known under the notion of "employability" in the West. As economic partners require increasingly higher qualified persons for the different workplaces, this system results in the exclusion of many people – i.e. those who do not have the right diplomas – from the labour market. Indeed, administrations looking for the best efficiency possible had better act as intermediary between the best qualified job seekers and the firms while directing the others towards "public subsidised works", which constitute the last step before exclusion. We can note a similarity in the efficiency rate of the measures between West and East, i.e. about 60% for training measures, a bit more than 50% regarding the creation of firms, less than 5% for the subsidised job measures. But the different studies carried out in the West also show that occupational integration cannot be considered as the only criterion to evaluate the question of efficiency. Social "employability" also plays a very important part, but it is difficult to be measured in the same way. In the West, this second term generally means any action leading to the social support of a person striving for integration. But the lack of structures capable of supporting people socially, illustrated by the weakness of associations in the East, represents an important difference between Eastern and Western Europe. We will come back to that point later. However, "unemployability" in the East and in the West presents a common element: the stigmatisation effect linked to the status of recipients of public subsidies. This refers to the phenomena of misuse of the public subsidies that are well known in the West: they have been identified by the term "pernicious effects".

b. The differences: poverty and exclusion

There is no doubt that the differences are the most noticeable in this field. Indeed, associations represent a decisive element of any social programme in the West, since they are responsible for a large part of the social work. They also represent a significant factor of institutional integration. Thanks to them, civil society is given a share of the decision-making and management process. This is all the more possible as associations represent important employers of supported people.

This is an important element of local social cohesion which is lacking in post communist Europe, especially in Poland and even more in Bulgaria. In Poland, former organisations such as the Red Cross and religious associations are still operating, but their domain of intervention remains modest. Moreover, denominational associations apply the principle of "workfare".

But generally, in the East the phenomenon of associations is characterised by a lack of local cooperation between associations, and by their non-integration into public institutions and local institutional exchanges. Cooperation only involves public institutions which hesitate to delegate responsibilities of management to initiatives taken by non-organised people. Occupational integration is the orientation favoured by the different political, economic and administrative actors. As far as social integration is concerned, it stagnates, just like assistance, which is facing a radical redefinition of its mission but is stuck to outdated representations of poverty and disablement.

But, like in the West, the poor, who used to be the traditional target of charities, have given way to the able non-working persons, whose sociological features are completely different. Poverty is no longer linked to the age, to a handicap or to deviance, but rather to the exclusion from the labour market, to loneliness and to deskilling. In the East, young unemployed single women with children and non-qualified persons constitute the "new poor". But in the East, this is made up for by the family and undeclared work.

Elements of a comparison between Eastern Europe and Southern Europe

The previous remarks lead us to emphasise the first elements of a comparison between Eastern and Southern Europe. The South is characterised both by the weakness of the social net and by the importance of the delegation of large missions of assistance to the family cell. The universal and generous character of the benefits is actually weakened by the

regional and sectorial disparities. By limiting unemployment insurance to the salaried sector and by delegating assistance to primary networks, public authorities build their legitimacy on the respect of local balances marked by tradition, rural environment and religious influence. These are terms that represent a system based on clientelism and the relations of patronage; the cleavage inferred between the central levels and the local peripheries remind the features emphasised in our works carried out in Poland and Bulgaria.

a. Stopgap measures and path dependency

Undeclared work plays a considerable role in all the post communist economies (a quarter or even one third of the GDP) and often represents a determining factor of the political balance. It covers a large number of activities, mainly urban, but also rural ones. We can wonder about such a continuation of an element of the previous system of government, but actually the phenomenon is quite different today. Above all, it acts as a shock absorber. Different studies carried out on that topic show that most actors (employers, wage earners and public administrations) find it to their own advantage to keep such practices. The labour administrations give favourable considerations to any factor, even if it is illegal as in the case of undeclared work, which contributes to relieve the problem pressure on the labour market. Finally, a further point must be added: the importance of the "black economy" can partly justify the failures of the administration and enable the latter to limit the amount of the benefits. Although the loss of tax revenues is important, it is made up for by the advantages gained in terms of social peace.

By tolerating such activities, supported by the family, the public authorities make bearable the "gaps" of a still largely defective social net at the central level. But this functionalist view of what remains a democratic deficit, or even a social pathology, must not hide that the people working in that way are held in extreme dependence. Such situations imply that those people who have gained good positions have good chances of keeping them in the long run, thus favouring the employers who used to have privileged posts in the previous system of government, or who, at least, possessed resources which they could use later. This leads to favour, within the so-called approach of "path dependency", the importance not only of the economic link but also of the political alienation.

b. A "model" of poverty. Between integration and exclusion

The importance of the family link in the local economic and political balance leads us to conclude on a "model" shaped by the Eastern European realities. The extent of the changes occurring in the post communist societies makes it difficult to clearly outline this. But at least some elements can be underlined on the basis of works on Western European "models". Thus Serge Paugam was able to identify three "models" in Western Europe, among which the one concerning the countries in the South of Europe. They are also hit by high unemployment rates, deep regional disparities, important cleavages in terms of development of informal economy, and clientelist social policies that are not equally distributed. However, if poverty and destitution are obvious phenomena, they are "normal" phenomena. The poor is considered as a "deserving" person. Exclusion is not so important, especially because of the importance of the family which contributes to considerably relieve public charges and individual loneliness. In this regard, Paugam refers to societies of "integrated" poverty.

3.3.5.5. Policy recommendations

- a. First, "**social**" **jobs** have to be developed. There can be several sources of such jobs, i.e. all the forms of social work, including health services, aid to old age or to handicapped people, the development of towns, the renovation of public buildings or religious sites and other public monuments. In the rural area, particular populations, such as the "worker and farmer", have a proven know-how, but they are ruled out of the society because of industrial ruins.
- b. The creation of "**new jobs / new services**" should be favoured on the basis of the success of the French initiative. They could be created in local and territorial administrative units that are lacking public jobs. Another source of jobs is represented by the new technologies in communication and computing.
- c. The **local development** should be reinforced, and it should be based on the important number of qualified people, former workers, and on young graduates, as well as on local initiatives, local partnership and regional and local cross-financing. In this respect, incubators of firms should be greatly supported, and municipal elites should be strongly encouraged to cooperate, in the form of financial incentives involving regional and intermediary levels.

- d. Considering the increasing unemployment, especially the increasing long-term unemployment and exclusion, on the one hand, and the still existing institutional segmentation on the other hand, we could propose the organisation of a "**unique office**". A "unique office" presents the advantage that the problems are considered as a whole, from health and housing to social behaviour. Then training schemes should be organised for social workers so that they get used to the global approach of the problems and to interdisciplinary cooperation.
- e. Moreover, an effort should be made for by the municipalities so that political elites and actors of local political units and public administrations understand the importance of the **associations**. Several European forums aim at reinforcing the role of associations, but elites must be prepared to cooperate with associations. The exchange with Western European partners could be necessary.
- f. Delegating a "**Mister Europe**" to each region could turn out to be efficient. He could be responsible for promoting employment and development according to the principles advocated by the Commission. In other words, he would have a direct control over the funds linked to the creation of new jobs.

To conclude, we must underline that the measures supported by the Union have to:

- take into account the diagnosis of territories and disadvantaged groups as well as the potential actors in order to better target and accompany,
- give trust to actors in their abilities,
- disseminate the European experience (dissemination, twinning) and support the internal dissemination (between regions),
- help the creation of coordinating structures,
- favour synergies between subsidising institutions,
- support campaigns of information and training,
- assist associations,
- favour the development of collective actions.

4. Conclusions and policy implications. – The diversity of systems of collective action

Looking at the findings from the four Western European countries which – in contrast to the Middle and Eastern European experience – share a common heritage of a political, democratic and administrative development, it is still astonishing to notice the enormous diversity concerning the degrees and forms of collective action on the local and regional level.

Some regional and local cases, like the regions from the south of Italy, municipal experiences from France, Germany and Switzerland, show examples where both on the local level and with respect to the linkages to the national framework a traditional hierarchical approach is clearly prevailing: the local authorities see themselves mainly as executors of programmes and advice from upper levels, and to the degree that they feel forced to cooperate with other local and regional actors, this cooperation is mostly one-sided and directive.

On the other hand, the majority of the case studies which report about forms of collective action favour cooperation as a back-and-forth communication process. But within this prevailing sector, still an enormous variety of designs of "policy networks" can be found; they:

- are more or less formalised,
- include just some or a broad variety of actors,
- are restricted to a specific social field or oriented to some degree to a local and public action.

Two central reasons for this diversity come to the forefront within the national studies. The first reason lies within the specific field of labour-market-related policies of social integration. All country reports underline unanimously that the concepts of social integration around labour market policies are understood differently, and this has clear repercussions on the way and the degree to which the need for collective action and cooperation is felt. When integration is a question of creating some "shock absorbers" by offering combinations of some work and income, this can be realised with few partners; on the other hand, whenever, in face of mass unemployment and widespread social deprivation, it comes to redesigning local development concepts and elaborating an integrative concept of urban development, the need is felt to address in one or the other way a broad number of actors and organisations.

The second reason for different degrees and designs of cooperation is a broader one. It is the local context, its history, and the degree to which a political and social culture has developed, that holds the potentials for some of the most central prerequisites for developing a cooperative approach for social integration policies: trust and social capital, qualification of the administrations, the existence of a differentiated landscape of organisations, experience with cooperation and coping with conflicts. Whereas, for instance, in such different places like a West German big city, a rural place in Eastern Germany and a semi-industrialised region in Southern Italy, administrators and policy-makers concerned may likewise feel the need for a broad cooperative approach, the chances to set up such a project in practice will vary considerably.

Common trends and features throughout the Western European countries

On the other hand, it must be underlined that within the four Western European countries, common trends that strengthen opportunities for various kinds of collective action and cooperative efforts on the local level have been identified. They are linked with three key factors that have been found at place in all the reports from France, Germany, Italy and Switzerland:

- An increasing acknowledgement of the complex links between economic and urban / territorial development on the one hand and social concerns with cohesion and integration on the other hand; this does not preclude traditional approaches to social integration but gives better opportunities for overcoming them in case the need is felt.
- A reduction of the distance between concepts and policy actions on upper levels, like the national and EU –level, and the municipal and regional levels, that helps cooperative concepts make progress on local levels.
- A growing awareness, especially among policy makers and administrators, that different, more cooperative forms of governance and of public-private partnership are needed today in all sectors of public policy as well as in the sector of labour-market-related policies of social integration.

In more detail, eight points of convergence and common trends can be described as follows.

1. In general, in all countries the emphasis has shifted *from passive to active labour market schemes*; however, this does not necessarily mean that the financial balance between the two sectors has clearly shifted to the second one. The German report demonstrates that in the last years, the balance between expenses for passive and active measures of the labour market administration has shifted towards the former. Many active measures are marked by the fact that they *focus on special problem groups* – on the one hand long-term unemployed suffering a considerable loss of social and professional skills, and on the other hand young people for whom the threat of exclusion is often solely caused by the respective labour market situation.

2. This emphasis on active policies has been accompanied by *a clear trend towards decentralising competencies and activities* in the sector of labour market policies, upgrading the role of the regional and local levels; this has partly taken place as a top-down process, but in many cases as well as the result of a bottom-up process wherein the local level itself has shown increased readiness for action. The challenge of decentralisation is especially present in the French report, while cooperation as a bottom-up phenomenon is described in all four country reports; especially the Swiss report shows that such local trends are not always depending on objective policy pressure, but that they can demonstrate the impact of the policy paths developed before and the sensitivity of the local public. In this context, as it is described by all research teams, *in many localities new partnerships have taken shape which have never existed before*.

3. Sometimes these partnerships have taken shape alongside *trends for opening up the narrow field of labour market policies and programmes* towards other policy sectors either dealing with people threatened by exclusion or being of key relevance for the local and regional integration- and employment-capacities: these are local policies for economic and technological promotion, as well as policies for community-building and against urban decay; vice versa such concepts and terminologies give some room for direct concerns with employment. Switzerland can be seen as an exception because here the proportions of social exclusion and unemployment have not reached a dimension as to give serious reasons for questioning the (local) model of economic and territorial development

4. For a number of reasons, *in this process towards a more cooperative approach the local and regional authorities have taken an active role*, even though it cannot be said that they are always the "motor" of new cooperative developments. The initiative can as well depart from "node points" in the political administration or the civic initiatives. The French report has underlined the key role of the interest and initiative of the local political authorities, given the relatively new appearance of the municipality as a partner in governance concepts; the other side of this coin is the inertia of some regional governments and administrations as reported from the south of Italy. This shows as well that the degree to which unemployment turns into problems of social exclusion and general local decay may well be a key factor for explaining local action, but there is no mechanic link between problem pressure and action taken. As it has already been mentioned before, all the country reports underline the impact of

- (a) global concerns with modernising governance,
- (b) the tradition and livelihood of association-building to be found and, moreover, the social capital built up over time,
- (c) policies and programmes from upper levels in the respective policy field, including incentives for new forms of cooperation.

5. The new forms of cooperation taking shape are *either centred on the sphere of work and employment* and the respective actors to be found there, *or they get transformed into more public approaches of local development*. Accordingly, once local approaches develop by networking and action in partnerships, the type and number of key actors is different. In the first case, beside the municipal administration and the labour market offices the private enterprises will play a central role. In the second case, organisations which make up for the local or regional civil society, like e.g. associations from the third sector, will more often play a role as well; they are not only addressed here as additional employers outside the private and state-public sector, but as well as partners for socio-economic and urban development, i.e. as entrepreneurs and civil actors.

6. *Innovation concerning the forms of collective action* manifests itself:

- (a) in *concepts and programmes*; in quite a number of the cases studied one can find comprehensive programmes, plans and descriptions and other similar policy documents

- that clearly testify decisive steps from former sectorial routines of problem-administration to new forms of action that are – besides the level of inter-acting that is reached in practice – aware of the fact that they are interconnected with other fields and actors;
- (b) by means of *linking labour market policy with related policy sectors*; the most frequent examples to be found here concern a closer cooperation between sectors responsible for economic development and others concerned with social affairs and services, as well as closer interlinkages between urban and sectorial policies and policies for specific groups like youth measures etc.;
 - (c) by *unconventional forms of networking and interaction*; this can, for example, mean the decision to support a social enterprise created by a local association, but it can mean as well the development of a new style of more personal contacts with local employers or the creation of more personalised services for the individual clients in the respective target group.

7. The reports from all the four countries testify an accompanying process marked by *the enrichment of the instruments of policies for social integration*. In the core area of local labour market policy, consultancy and individual treatment are in advance, the design of services for vocational training has bettered, and new techniques like case management are used in job placement, time-limited jobs and training. Other examples of new institutions and services are different kinds of special agencies for consultancy and networking, which are playing an intermediate role, and social enterprises with multiple goals, reaching from the preservation of training and placement services over to job creation and the promotion of new socially useful services. Examples of the latter approaches can be especially found in the French and German, but as well in the Swiss report, while the Italian report is concentrated on picturing an increase in local administrative competences.

8. Altogether, *new forms of cooperation and the development of new policies and instruments have in most cases significantly increased the capabilities on the local level*, which before were weakly developed or sometimes even totally absent. In nearly all of the 25 cases pictured by the reports, an impressive dynamic of activating the local potentials for social and political action is to be seen behind the various and different forms of its emergence.

9. *Central programmes from upper levels have both an important role as incentives for local action and as frameworks and rules that both back up and restrict local action.* The reports from all the four countries show that central reforms and programmes have mostly set off or even initiated and at least facilitated local action for social and occupational integration. Moreover, the German and Italian case studies underline the important role of programmes from the EU level. While it would be clearly misleading to portray the field as one of bottom-up initiative restricted by hierarchical codes and practices, one can clearly recognise, on the other hand, the repercussions of processes where measures and programmes pile up, create double structures and additional difficulties for concerted acting at the local level; this side of central incentives is most clearly illustrated by the cases from France, while the Italian and Swiss reports underline the modernising incentive of central programmes; the German report is not very outspoken about this dimension of cooperation, pointing to the relatively high degree of freedom for action given to local actors despite the administrative costs that result from the challenge of playing on the various and different programme-strings preserved by upper levels.

The different forms of policy networks acting locally for social integration and employment – towards a cross-national typology

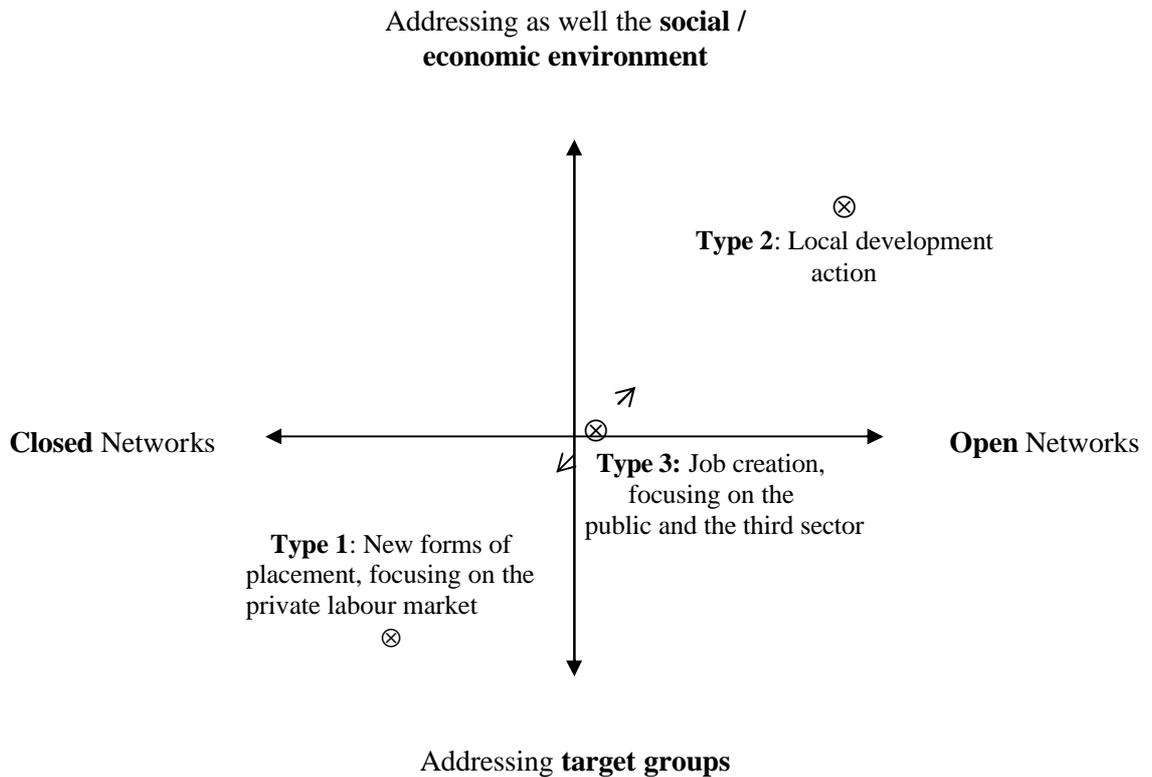
While there are manifold differences between the countries, one can find at the same time similar types of approaches in all of them. Perhaps the most obvious (because traditional) one consists in *the preservation of simple shock absorbing programmes*. While the research has excluded passive programmes of handing over various financial recombinations, reaching from unemployment benefits to social assistance, it has demonstrated the large impact of such programmes where measures are linked with a time-limited preservation of a kind of work, job or training. The Italian report demonstrates the impact of these practices with respect to the southern regions studied. The French report, especially when referring to RMI measures, and the German and Swiss report, when referring to measures that link social assistance benefits and the granting of public work programmes, underline that such practices are not simply relicts from the past but mostly relatively new programmes and practices. Sometimes they have led – like in the case of two of the three social enterprises studied in the German report – to new institutional approaches. Nevertheless, these forms of action are rarely linked with attempts for an interactive and cooperative approach.

With an eye on that, the type of local policy just described is left aside. It is suggested here to distinguish three approaches towards collective action in local policies for social integration as being kind of typical (see as well the way we have tried to place them in the common graph). They can be found across the national landscape, even though their impact in the respective national context may vary considerably.

Type 1. *Collective action as active labour market policy for training and placement focusing on the private labour market.* The underlying ratio is here that the basic problem is a mismatch between what is needed by the labour markets and what is given in terms of skills and qualification of the respective problem groups. Therefore, local action has to aim both at qualifying the respective groups and at creating effective ways of channelling them (back) to the respective slots in the labour markets. Such approaches can be, on the one hand, more traditional (subsidising the labour costs for special problem groups, training measures etc.), but they can as well be linked with new and innovative concepts, as for example networking in terms of tight and highly personalised interaction between centres / offices and local enterprises, aiming at placing local people in need; another example is the development of concepts for individual case management and user-friendly forms of integrated services, like "one stop agencies". Public - private partnerships are to be seen as the central challenge in this strict occupational concept of integration, and obviously such approaches have to be placed near the pole of policies targeting occupational groups and people in order to make them fit better into given environments. The level of openness can vary quite a lot, depending e.g. on the question whether the required partners and potential employers are sought in all (the private, public and third sector) or just in one exclusive area. Such an approach is pictured, first of all, in the Italian and Swiss report. The Italian team underlines (see the part on Italy, above) that the two northern regions studied share a common orientation towards the occupational integration of some specific target groups in the industrial and service reality of the regional labour market. The report from Switzerland classifies the majority of its cases in a similar way. Both times, besides the respective administrations or the special agencies created, the organisations of private employers and the employers themselves play the most central role; next to that, one finds the trade unions as co-regulators of the respective labour markets. As it is underlined both by the Swiss and the Italian contribution, this kind of approach can build on the traditional identities of most of the parties concerned – the capital owners are addressed as investors and employers while the trade unions figure as defenders of the work force, mainly its employed part. The networks can be widened to the degree that organisations from the public or the third sector

are seen as additional potential employers and partners for offering “serious” employment. However, due to the restrictive policies in the public sector and due to the widespread economic and financial instability of many local third sector associations, the private sector has mostly a privileged role when it comes to search for stable employment slots. As far as Germany is concerned, one of the six examples represents such a type of cooperation, but throughout the cases there is a kind of identification of creating sustainable employment with employment in the private labour market.

Type 2. *Local development action.* All the reports, except the Swiss one, demonstrate to different degrees types of cooperation where the element of economic development and / or territorial elements are prevailing, aiming at the redevelopment of a neighbourhood, an urban district or a whole region. Labour market concerns and issues of employment figure here as one dimension besides others in a broader concern with cultural, social, economic and technological modernisation; additional ways of social integration pursued here have then to do with items like housing, bettering services, for example in education and health, but as well with enhancing self-organisation, participation and abilities for coping with multi-ethnicity, etc. The networks for collective action are composed differently, depending on their (main) orientation (economic / territorial). The Italian report debates the developments in the southern Italian regions in terms of a great challenge to step directly from policies that provide various forms of social assistance to new coalitions for development as a framework for integration. It should be noted that two of the three examples that stem from the new Länder in Germany are portrayed in similar terms; for France, the role of such an approach is less reported, possibly due to the decision of the French team to refrain from a more systematic view on the well-known programmes for urban revitalisation. The Swiss team, while deliberately acknowledging the importance of such an approach in the overall project, points out that due to the very low proportions of unemployment and social and urban deprivation such kinds of cooperative action have no impact there. Obviously, such concepts can be placed near the pole of policies addressing the social / economic environment, and they will be the nearer to the pole of "open" in contrast to "closed" policies the more they step out of traditional corporatist routines and the more unconventional actors are acknowledged in partnerships and networks.

Three types of collective action in social integration

Type 3. *Collective action as cooperation for additional jobs, focusing on the third and the public sector:* This is a local type of cooperation aiming at creating organisational instruments and infrastructures both for

- measures of regaining social skills, training, time-limited employment and
- the development of new products and services for local private and public needs.

Mostly, these programmes differ clearly from the traditional practices of public work provision as a kind of shock-absorbing social policy. The concepts of cooperation in view of job creation in the third and public sector are often linked to concerns with services and local needs. The design of such concepts is obviously related to a practice of networking, which addresses its partners not only as potential employers (as in Type 1), but to some degree also as developing agencies for new products and services. That makes cooperation with trade unions difficult insofar as they keep their distance from entrepreneurial tasks and mistrust less secured forms of work introduced with the aim of pioneering new work places. And it may lead to conflicts with those groups that fear a competition by publicly subsidised new products and services. Given the financial limits of programmes and the

need to deal with target groups, the area of (social) services – and in particular jobs that need less training and special qualification – gets privileged; thus, local associations, actors of the third sector etc. are privileged partners for such concepts. All the four reports describe such attempts for cooperation, not just centred around employment, but as well around socio-economic goals of identifying new growth factors in the service field; this type of action has the most prominent place in the French programmes of “Emplois Jeunes” and the respective forms of cooperation, but it can likewise be found in those German examples where the use of ABM-measures and social enterprises is meant to contribute to the creation of stable working places instead of just complementing financial benefits with a time-limited investment in an activity or training. Finally, a part of the Swiss cases belongs to this type of cooperative efforts. The analysis of the French and the Swiss team has most clearly underlined the deep ambiguity of the aim that is supposed to hold together the cooperating actors.

- The concepts can be seen at best as aiming at a local development where the special “second” labour markets that have been created act as incubators for new additional jobs to be stepwise implanted and stabilised in an incremental process, and as a “transitional stage” towards the already existing labour markets.
- In worse cases, they are or will turn into simple reservoirs of places for “protected (i.e. sheltered) employment”; the activities never provide a new stable job, but they foresee a constant fluctuation and “recycling” of temporary jobholders which in the negative cases get not enough skills and “links” for conquering a slot in the “real” labour market.

As the French cases show, one and the same central programme, like “Emplois Jeunes” can take one or the other of these completely different meanings, depending on the direction and ways of its local implementation; however, in many cases it may be undecided which element will finally prevail. In the graph we have placed this kind of approach in the middle between group- and environment-oriented concepts, and it is indicated by the arrows that their future dynamic is very often unclear.

- In a regressive dynamic they tend to end up as an enlarged version of Type 1;
- if they are to move forwards, there comes a point where they have to look for a supportive link with concepts for local development (see Type 2).

Furthermore, we have placed them in the middle between “closed” and “open”, depending on the degree to which they succeed to turn into more than, for example, a one-sided

instrumental cooperation between public authorities that want to place people somewhere and third sector organisations taking the respective programme funds due to lacking alternatives.

When talking about differences between the national situations with regard to the international typology sketched above, it springs to the eye that the different types we mentioned have a different impact in the spectrum of approaches to be found in each country. Both in Germany and Italy all the three types sketched above can be found, while in France it seems that official policies are strongly promoting the second type of "job creation focusing on the public and the third sector". Economic and urban redevelopment concepts with an explicit and clear dimension of labour market integration still seem to be rare. In Switzerland, the first and the second type seem to be clearly prevailing, and the third seems to be unknown.

Finally, what appears to be a common feature of developments in all countries is that the majority of forms of cooperation, be they "closed" or "open", have a more technical and managerial character. Political controversies / conflicts (beyond questions of rivalry and party politics as reported from France), e.g. in terms of public debates concerning our field of study, may be found locally, but they are usually part of the context and not an explicit element of the collective systems of action and networking taking shape. Having said that, one should not jump to false conclusions concerning the impact of the local political culture, the institutions and the role of social capital. All national reports underline that the existence of a civic culture, of trust, of experience in problem-solving and of a differentiated landscape of associations is important. But it seems as if *the practices of cooperation build on that social capital, while it stays unclear to what degree these forms of networking and management are as well suited to cultivate it*. In this perspective, it is no wonder that the respective policy networks are usually judged pragmatically by their proponents as tools for a better problem management, and that they are mostly not discussed in more rewarding terms of new forms of governance, strengthening social and political participation and thereby not just using a given stock but as well building new social capital.

Acting locally for employment – the concepts of the EU as a point of reference for policy recommendations

Besides the common trends described above, our policy-implications are as well based on the European experiences as they take shape in the light of aims and concepts developed on the level of the European Commission in the course of the last five years. There, on the level of the EU, it has been tried to develop "a local dimension for the European employment strategy" (European Commission 2000) that can be characterised by four points:

- The conviction that the local level and the action taken by municipalities is of increasing importance.
- The search for strategies that go beyond the limits of a narrower definition of labour market policies by looking for products, services, developmental and entrepreneurial concepts that activate local job creation, widening thereby the offer of local occupational potentials.
- The search for an approach that is in more general terms bridging the gaps and sectorial lines between special social integration and labour market measures on the one hand and general concepts for economic and urban development on the other hand, making employment an important point of concern in all policy fields of the municipalities and, finally, of the whole local concept of development.
- The aim of developing further the existing capacities for local action by kinds of "pacts" and "partnerships" that are pooling the energies and resources of the public sector, of the enterprises in the private sector and the third system / the social economy, bringing together all the local public and private players, reaching from public employment service, the organisations in the private, the public and the third sector, over to organised representatives like the social partners; this cooperation can appear as one that is largely limited to questions of training and placement, but it can entail as well challenges of job creation through innovative services and, finally, questions concerning an appropriate model of growth and cohesion.

There are numerous points where the EU concepts for "A Local Dimension for the European Employment Strategy" meet the French, the German, the Italian and in some respect as well the Swiss situation, its problems and challenges. And, as we have already pointed out, a lot of our findings underline what is laid down in EU documents on local

strategies for employment and social integration. There are, however, as well some important mismatches between the national realities and EU concepts. We will discuss them briefly in order to develop policy recommendations in a perspective of taking steps towards reducing such mismatches.

Globally it seems that the EU concept is in many ways more ambitious than the present perspectives and practices which dominate throughout the countries participating within this research project.

First of all, the EU concept for a local dimension of the European Employment Strategy still entails a strategic component that calls for creating additional jobs, especially by innovative entrepreneurial approaches for new products and services. In contrast to that, our research showed that one is mostly concerned with bettering the chances of problem groups within a given economic environment, be it for example by training or time-limited employment.

Secondly, the EU concepts strive for making employment an important dimension of all local policies, linking under this perspective general concepts for urban and economic development with special integration and employment concerns. Contrary to that, the biggest share of local policies for employment and social integration mostly take shape in a demarcated policy field, carried out by single actors such as the local employment office or municipal departments, and the majority of practices that have developed so far is characterised by the emergence of a special industry concerned with employment and integration of problem groups rather than attempting to strengthen the concern with employment in all local policy fields.

Thirdly, the EU concept for a local dimension of the European Employment Strategy is very much concentrated on a cooperative approach towards a broad networking. This, however, neglects developments where it is tried to delegate what is seen as a special business of problem group administration either to a social enterprise and a separated subsidised (i.e. "second") labour market, or to private firms that place their clients according to their degree of employability. The style of cooperation prevailing in the real cases we have studied is a more managerial one and the ethos of "local solidarity" and "citizens' concern", which sometimes figures in the respective EU-documents, is actually a rather remote one. However, when focusing like this, strategies in the local area which have contributed to unemployment and disintegration in the first place may get out of sight; this makes the linking of general developmental policies and special integration policies, which

the EU documents are calling for, very difficult. Besides that, even if one takes an integrative perspective, in the EU documents the potential tensions and conflicts between the effects of general policies of modernisation and the goals of the integration policies are rarely discussed (e.g. tensions between promoting a slim economy with high quality workers versus the aim of integrating as well weaker, less qualified groups, or tensions caused by a local concentration of the negative side effects of an economic and social restructuring which, globally, may have a much more positive result).

Especially on behalf of local situations marked by high problem pressure in terms of unemployment (i.e. Eastern Germany or Southern Italy), the EU documents as well as parts of the respective national debates (a) underrate the degree to which a persisting high level of unemployment creates the need for measures that are in fact social integration under the label of occupational integration and (b) do not discuss the difficulties in justifying such a special sector of protected employment / socio-economic integration, given the impact of the official imperative of getting back to an all-absorbing full employment in a mid-term perspective.

While the cutting back of a more political rhetoric found in earlier EU documents on "Local development and Employment Policies" ("local pacts", "solidarity", including "local movements" and "participatory structures") may be realistic, the other side of the coin is that a more technical and managerial discourse on modernising the local policies for employment, as it can be found in the most recent documents (European Commission 2000), may lose out of sight aspects of the issue, such as (a) the impact of broader political concerns which are rarely pronounced overtly, e.g. the aim of keeping social peace, or (b) the impact of persisting traditional power structures behind the new operating networks (vested private interests, clientelism etc.).

Furthermore, it seems that the EU discourse so far still underrates the key role of territorialised strategies both for urban and rural recovery, even though it seems that they are the best available level on which one can relate policies for work-centred reintegration with policies for a more integrative local development – i.e. the link the EU is looking for.

What is finally missing in the EU documents are more specific reflections concerning vertical relations, devolution, and the goods to be brought about by decentralisation. If one wants to create better working linkages between local and upper levels, questions arise such as the following: how prescriptive or how open should central programmes really be in order to stimulate a local approach that fits and helps to avoid local misuse? And why not

giving representatives of the local level more voice when developing further concepts on upper levels – not only in the national context, but as well when it comes to design EU concepts?

Policy recommendations

In the following, it will be tried to turn our remarks with respect to the unclear points in the EU concepts and with respect to the realities found in the four West-European countries we have studied into recommendations on better concepts and practices of EU approaches. Recommendations concerning the socio-economic concept of social integration (points 1 to 5) have been separated from recommendations concerning the type of governance and cooperation efforts to be strengthened (points 6–11).

1. Policy integration presupposes a critical review of the employment- and cohesion-effects of the given prevailing economic development concepts.

Policy integration, especially between economic policies on the one hand and concerns with occupational and social integration on the other hand, are at the heart of goals formulated in the European Employment strategy. But what to do if the given course of economic development and prevailing economic policies are to some degree co-producing instead of avoiding unemployment and social exclusion? Furthermore, how to deal with the fact that positive global results are reached at the expense of concentrated negative effects in special regions, marked by stagnation and social disintegration? It is all too easily taken for granted what exactly the results of the given economic policies on a concrete local level are with respect to occupation and integration; some may be positive, others negative, and more high-skill occupation may come along with persisting social and occupational exclusion of other groups. That makes the integration of concepts for social and occupational integration with the given economic policies – the central promise of EU-strategy-papers – problematic and delicate at a particular local level concerned. Criteria ought to be formulated on the basis of which the employment and integration effects of existing local strategies for economic development can be discussed.

2. Be more outspoken about special problem groups and about the limits of a strategy that identifies social with occupational integration.

Chances for occupational integration vary a lot between different groups; this calls as well for differentiating strategies both in view of the jobs which are suited and with regard to the type and degree of training and social learning of the respective groups. The EU strategy in view of “acting locally for employment” says little about this and about the special difficulties of the most disadvantaged groups in reaching social integration by participation in the job machine. There seems to be an increasing number of special problem groups among the unemployed, lacking occupational and – more in general – social competences. It should be debated to what degree strictly occupation-centred strategies fail here or get perverted when targeted to such groups.

3. Clarify the meanings linked with the ideas of new combinations of work, income and training, reaching from the preservation of better ways of transition into the given labour markets over to concepts for new additional jobs by means of new products and services.

The EU concepts for acting locally for employment and the assorted documents give so far little strategic advice when it comes to designing proper links and balances between policies for social integration and policies centred around occupational integration. Important programmes on national levels like “Emplois Jeunes” in France or ABM-programmes in Germany, which preserve access to time-limited combinations of work and income, are an important ingredient but at the same time an ambiguous instrument of a European strategy for integration and employment. Even when leaving aside the worst possibility that they represent nothing more than a simulation of kinds of employment effects as a masked way of creating “shock absorbing” social integration effects, there remain open questions. On the one hand, the jobs created here are presented as elements of “transitional labour markets” allowing to construct a special zone between social programmes and “real” employment. On the other hand, these jobs, especially the ones to be created in third sector organisations oriented to new needs and demands, are presented as forms of new and additional working possibilities to be stabilised and changed into permanent ones.

4. Clarify the roles to be attached to the “third system” in EU strategies for local development and employment.

So far, the emphasis, in EU initiatives, on the role of a social or "solidaric" economy and of a third system has been justified to a minor degree by its ability for reaching, training and “re-socialising” groups that are hit by social exclusion, but preponderantly by the special contributions of a third system towards a more employment-intensive growth in social and proximity services. Given the fact, that the EU documents themselves state the high degree of instability and under-capitalisation of many organisations of the “third system”, questions arise concerning the impact of the two different tasks and perspectives. To what degree should the organisations of the third systems be the preferred carriers of a “transitional zone” of re-socialisation and “quasi work”? And to what degree should they be seen as part of those organisations which deserve effective public support in developing new products and services for individual and collective demands, and along with them robust forms of employment? This shows that the questions concerning the meaning of new integration and employment programmes and the questions on the impact of the third system in EU integration and employment strategies are highly linked. So far the EU documents concerning local action for integration and employment are not very clear about which perspective is preferred and / or whether both of them can be maintained.

5. Do not lose out of sight territorialised development concepts both for urban and rural recovery.

The most recent concepts on acting locally for employment are debating the challenge of social integration nearly exclusively as a matter of adapting problem groups to the given social and labour market realities, making believe that the vast majority of the unemployed can be reintegrated provided that enough investments are made in proper training and reinsertion strategies. Former documents on the local dimension of an European employment strategy have been more outspoken about the need for changing, in crisis regions, the environment itself, including its territorialised local and regional development concepts and the local economy. The quest for policy integration in the field of urban and rural recovery and labour market policies represents on the one hand a case for the general aim (see point 1) of integrating employment-related goals in economic and social policies. However, in face of an often uneven distribution of the goods and bads of rapid modernisation, change and development, attention for urban and rural recovery strategies

that have an explicit occupational component may vary between regions and localities. While it has been maintained or even increased in many EU countries, the prevailing optimistic perspective of a time-limited mismatch on labour markets tends to put this challenge at the margins.

6. Take cooperative and networking approaches for a better governance more seriously.

In contrast to the rhetoric on the EU level which envisages an integration of concerns with employment in all (local) policy areas and the cooperation between the public authorities, the local social partners, representatives of the civil society and of the main institutions which regulate the labour markets, the reality is still far behind in large parts. Experiences made so far with cooperative approaches should be much more featured both in research and policy evaluation. The research project has been one of the first steps for evaluating the policy capacities of forms of local networking.

7. Instead of proposing an optimistic “one size fits all” model of cooperation, various and different types of cooperation with different linkages between problems faced, goals set and actors participating should be acknowledged and debated.

It can be asked to what degree the kind of "total integration" of the aspect of employment, as claimed for the local level by the European employment strategy, is appropriate. First of all, there will always be important policy, social and business sectors for which employment aspects are just marginal or even irrelevant, even though the policy-learning called for by EU-concepts might change the present state of things to some degree. Secondly, as the case studies have shown, variations in economic conditions play a role. In some cases occupational integration may be rightly seen as a limited problem of qualification and placement of special problem groups which then calls for a much more limited type of cooperation and action than in cases where occupation and social disintegration are a problem caused exactly by the given economic and social environment. Therefore, the number of representatives and policy fields to be integrated into local policy networks and cooperation as well as the horizon of challenges in occupational and social integration to be taken up in the cooperative networks may differ very much. Limited and separate approaches towards integration which address only problem groups and niches for placement and create special instruments, like e.g. social enterprises for qualification,

placement and job creation, can be just as legitimate and innovative than the all-encompassing concepts for cooperation that call for integrating wider issues of economic and urban development as they are envisaged in the EU strategy for employment on the local level. However, limited forms of cooperation, as for example cooperation for the placement of persons focusing on slots in the private labour market, should be envisaged without forgetting about the potential links between central socio-economic features and problems that stand out most sharply at the edges of local communities. Forms and horizons of cooperation limiting themselves to the qualification and placement of problem groups may be justified in one place and judged as short-sighted in another.

8. Do not underrate the degree to which new forms of open cooperation are challenging traditional forms of cooperation and sharing of powers.

While the recent EU documents on the local dimension of a European employment strategy mention the persistence of the role of social partners together with the public authorities, no debate is found here concerning the degree to which new open forms of cooperation that take shape in the field of social and occupational integration are able to integrate positively with the traditions of power-sharing. It is a delicate problem how to deal with the links and cleavages between new forms of cooperation for occupational and social integration on the one, and the existing forms of cooperation in local policies on the other hand. To the degree that issues of occupational and social integration become a matter of public policy and the local development, they challenge traditional forms of policy-making as well as the identities linked with them. Especially in the more complex forms of cooperation for local development and employment, the social partners have to strengthen their identity as “corporate citizens” instead of still defining themselves merely as organisations of employers and employees or as representatives of investors and workforce. They are forced to move from the exclusive corporatism of socio-economic partners to a multipolar partnership of civil actors.

9. Study and promote key innovations and instruments for more cooperative approaches on local levels.

Cooperative approaches have developed an own set of organisational and procedural innovations that deserve more emphasis in analysis and policy recommendations. Among these innovations, three shall be highlighted here:

- Networks need to be maintained and cultivated; approaches and forms of behaviour that are either detrimental or suited for that purpose should be studied and highlighted, such as special balances of inside- and outside-orientation, formal and informal contacts etc. – not with the aim to create standard approaches, but in order to sensitise a broader number of local actors and partners for the critical success factors.
- Cooperation and integration on the local level is mostly debated in terms of the interaction of institutions and organisations. New social and occupational services, however, try to be user-centred, operating through instruments like one-stop agencies, case management, individual brokering and tailor-made solutions. This calls for forms of a far-reaching cooperation in sometimes limited networks that should be considered much more seriously.
- As the case studies have shown, in many local cooperating processes intermediary instances such as social enterprises with multiple goals (training, placement, social work, creating transitional as well as new and additional stable jobs) represent the core of specific forms of networking and cooperation insofar as they link, in boards and by means of their constituency, different representatives of the local civil society, reaching from business representatives over to voluntary organisations.

10. Develop a better interplay for multi-level governance.

In the course of our research, it has once more become visible that irrespectively of the strong incentives, the prescriptive effects of EU programmes are usually fairly limited; therefore, local action for social and occupational integration and the way it uses and combines the "opportunity structures" which come from "top down" is both important and in command of a considerable room for manoeuvre. Yet better governance in vertical perspective can mean more than making traditional hierarchical approaches either more detailed and prescriptive or more "liberal". Joint action, incentives and activating elements can be built into strategies on supra-local levels, but they can as well offer possibilities for more participation and exchange with representatives from local levels. Why not have more often a direct presence of EU civil servants in local projects in order to safeguard an immediate direct link between global and local action?

11. Get more evidence for key success factors with respect to positive coordination and develop appropriate monitoring systems and evaluation procedures.

Network-building usually gets associated with all kinds of goods: synergetic effects, the lowering of transaction costs, the empowering of public policies etc. However, while the striving for better forms of governance using new forms of open cooperation cannot avoid being an investment with risks and limited certainties, further progress is needed in the ongoing process of trying to establish clearer referential values for success (in economic, social and democratic terms). In cooperative forms of governance, three ingredients could be especially helpful:

- (a) targeted initiatives for local capacity-building (e.g. by training and consulting networks of localities interested and concerned),
- (b) the creation of national systems of benchmarking, centred not only on outcomes but as well on processes (ways of achieving the outcomes that are positive from a social, political, democratic and organisational point of view),
- (c) the institutionalisation of reliable and articulated monitoring systems and evaluation procedures.

12. Part of a perspective of an enlargement of the EU: Prepare priorities in support of local collective action in countries like Poland and Bulgaria.

Some of the challenges for local action in Eastern Europe can be compared with the ones already stated with an eye on Southern European regions.

- Special emphasis should be given to developing a social and political infrastructure, which is needed to give an appropriate framework for private investment and effective government action: this concerns the stabilisation and cultivation of forms of social capital like association-building, the strengthening of a sense of civil responsibilities and of working in partnerships that have a degree of transparency and democratic legitimacy.
- Furthermore, a lot can be done in terms of developing the skills, training and experience of key actors from the local administration, the social partners and third sector organisations; possibilities reach from training over to partnerships and study programmes.

- A special challenge will be the building up of programmes for new services / new jobs which may help to substitute parts of those job opportunities that are both flourishing and caught in the sector of undeclared work.

5. Dissemination and exploitation of results

French team

The French team aims at publishing several articles on the basis of the work carried out during this project. We would like to develop two main concepts that seem to be essential for an appropriate understanding of the French system of integration:

- the notion of decentralisation linked to the relation between the centre and the periphery
- the notion of decentralisation linked to local innovations.

Together with the other teams, the French team intends to publish a joint book in French in order to give an account of the characteristics of the national systems of integration. The publication is planned for the end of 2001.

Another book concerning the comparison of the national systems of integration between Eastern and Western Europe should also be published in the next months.

Furthermore, the French team plans to organise regular conferences to think about the notion of territory in the integration policies in different national countries of Western Europe and Eastern Europe. French and international scientists shall take part in such conferences. The first one is to be organised in France in the spring 2001.

Considering the importance of what can be called the third sector in the implementation of integration policies, we will organise a three-day seminar on the theme: associations and state in Europe. This seminar is planned for the autumn 2001.

The present project was also used as a basis in order to build a new research project. The aim of this new project is to test the concepts developed in the present research in the context of rural development in disadvantaged rural areas in Western and Eastern Europe. Five countries are concerned with the study: France, Portugal, Bulgaria, Hungary and Poland. It should be launched in June 2001 after approval.

German team

As the coordinator of this international research project, the German team will be in charge of a joint publication (Routledge). Each team will provide a 50-pages synthesis of their respective reports, and then an outline of the planned book will be delivered to the publisher in March 2001. The publication is expected by the end of 2001.

Furthermore, the German team is planning to publish in various scientific reviews several articles referring to the national results of the project. We will in particular put emphasis on the theoretical scheme (our joint graph) that appears to be a very useful tool in order to discuss the respective strengths and shortcomings of different cooperative approaches to fight social exclusion.

Some of the project's results have also contributed to designing a new international research project dealing with the performance of social enterprises. This new project has been confirmed by the EU and will start in spring 2001. It will be in advantage of several insights regarding the way social capital is used and mobilised by networks evolving around social enterprises – insights we gained during the last three years.

Regarding methodological issues, some members of our team will make use of the concept for evaluating acting capacity (which was developed within this project) in further research projects dealing with networks in other policy-fields (e.g. ecological policy).

Finally, our research results are currently influencing the national political debate on cooperative approaches in local labour market and employment policy since the director of this research project has been appointed as scientific advisor for a joint project of the Bertelsmann and Böckler foundation (started in 2000) which financially supports policy networks in this field in various regions throughout Germany. A conference about best practices might be organized in addition.

Italian team

The TSER project has given the Italian team a very good opportunity to carry out an original and innovative research. As we have underlined in the various work packages, in 1997, the competencies for active labour policies and for employment services have been transferred from the central ministry to the regions and the provinces within a wider national decentralisation process.

Since the research has started in January 1998, just in parallel with the decentralisation process, it has been possible to observe and monitor all the sequences of decentralisation and their effects on regional and local governments from the very beginning and up to the end of the first three years.

Our research does therefore represent one of the first systematic analyses on regional and local patterns of labour market governance *after* the decentralisation process.

Due to the innovativeness of the research, the Italian team intends – for the year 2001 – to go on with the research and to extend the number of the units of analysis from the five selected regions (Lombardy, Emilia Romagna, Campania, Calabria and Apulia) to all of the Italian regions, in order to widen the data set, to strengthen the comparison and to develop stronger theoretical hypotheses.

In the period January-June 2001, the questionnaire set up within the TSER project (if necessary updated and emended) will be submitted to the civil servants and main social actors dealing with the labour market of the new regions. In the period September-December 2001, new data will be analysed and interpreted in a comparative perspective, and the main results will be published in a book edited in Italian.

It is finally important to remark that the Italian research has been carried out through frequent exchanges and contacts with a group of experts at the Ministry of Labour (who have provided the statistical data set); it is therefore not excluded that a joint discussion of the results of the research will take place in the course of 2001.

Swiss team

The TSER project has provided innovative results for the Swiss case. Whereas usually the insertion policies are analysed at a formal level, for the first time the networks of actors involved in the definition and implementation of measures have been analysed. In order to get the most out of these results, the Swiss team wants to act at three different levels.

First of all, the results of the project will be used to elaborate short papers to be presented at conferences or meetings. (The results of the research has already been used for papers presented at an International Conference.) Moreover, some administrative actors have expressed their interest in a presentation of the results, in particular the Association of Swiss Labour Offices.

The publication of scientific articles in Swiss and international reviews or in joint books (with the other teams) is planned as well. These articles aim at using the most interesting results of the research and at linking them with other theoretical frameworks and empirical data. The publication of a book in French is planned (autumn of 2001). The results will also be used in post-graduate teaching and in public conferences in Switzerland. The following table sums up the most important plans concerning the dissemination and exploitation of results.

	Books	Articles	Events	New Projects
French team	Joint book in French (with articles of all teams; end of 2001); book concerning the comparison of the national systems of integration between Eastern and Western Europe (summer 2001)	Several articles in different national scientific reviews (throughout 2001)	Conference about the notion of territory in integration policies in different national countries chosen among Western European and Eastern European countries (spring 2001); three day seminar on intermediary organisations (autumn 2001)	Project about concepts developed in the present research, applied to the context of rural development in disadvantaged rural areas in Western and Eastern Europe (launched in June 2001 after approval)
German team	Joint book-publication of the research project (Routledge) by the end of 2001	Several articles in different national scientific reviews (throughout 2001)	Conference about best practices concerning networking in local labour market and employment policy in Germany (autumn 2001)	EU-Project about the performance of social enterprises (spring 2001)
Italian team		Several articles in different national scientific reviews (throughout 2001)	Discussion of the project results with experts at the Italian Ministry of Labour	Project using the same methodology and theoretical framework but different units of analysis (autumn 2001)
Swiss team	Book about the results (autumn of 2001)	Several articles in different national scientific reviews (throughout 2001)	Results of the project will be used for post-graduate's teaching; they will as well become presented at several national and international conferences	

6. Acknowledgements and references

On behalf of all teams the project coordinator would like to thank the European Commission for getting this great opportunity to examine innovative cooperative approaches in labour market and employment policy on intermediary levels. This collaborative effort provides good grounds for a further improvement of policy-strategies targeted at combating social exclusion. The coordinator would also like to express that he is looking forward to future cooperations with some members of the participating teams from France, Italy and Switzerland.

Regarding the references, each team provided a list of key-literature (n=10) in order to recommend some essential books or articles of the academic debate within this policy-field.

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7. Annex: Project deliverables

According to the project agreement each team sent altogether six national reports to the EU (every sixth month). Additionally, the French team sent one intermediary and one final report concerning their findings in Eastern Europe. Moreover, the coordinating team transmitted five periodic progress reports and one final report (which is this one). All in all, this adds up to 32 reports which have always been delivered on schedule. All the work to be done has been completed.