



Identification, Dissemination and Exchange of good practice in  
Local Employment development and promoting better governance

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Pestana Alvor Praia hotel, Algarve, Portugal

## **Connecting the Local: linking local employment and economic development into national and regional governance systems**

### **1. Introduction**

The focus for IDELE is local employment and economic development policy and action. The importance of *partnership approaches* for this policy domain as far as the European Commission is concerned is illustrated in the European Employment Guidelines. These state that:

“Successful implementation of employment policies depends on partnership at all levels, the involvement of a number of operational services, and adequate resources”.<sup>1</sup>

The further implication of the Guidelines is that local actions supported by partnership arrangements are regarded as good practice to be adopted across the EU. What we are trying to do through the IDELE programme is to explore in detail how far this proposition is true and how the aspiration to implement local partnerships adds value to employment and economic development actions in the variety of differing economic, social and political contexts found in Europe. It is, then, our purpose to get behind what is often “agreement in principle” – paying lip service to the local partnership objective - and to reveal through case examples what actually takes place on the ground in a given political, social and economic context<sup>2</sup>.

### **2. Seminar Theme**

In this seminar our focus lies in the way local government and partnership actions are “wired into” mainstream systems of governance. We want to see how a given local association, partnership or government agency is connected *vertically* with those elements that lie above it in the hierarchy of power and resources and *horizontally* with other stakeholders, players and partners. In particular, we will be examining where national or regional policy initiatives have incorporated scope for flexibility at local level and where local actors have exploited policy gaps and instigated local initiatives.

In the wider literature this area of interest is part of a major debate around what is often termed *multi-level governance*. Most commentators agree that there

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<sup>1</sup> Official Journal of the European Union (2003: paragraph 21).

<sup>2</sup> This is consistent with the findings of the Kok Task Force (2005) that while aspiration (in this case that of the Lisbon European Council for a Europe at the leading edge of the knowledge based economy) is vital – it is the follow-through into value added action on the ground that is important.

appear to be four components to any definition of what this means. First, that decision-making at various territorial levels is characterized by the increased participation of *non-state actors*. Second, that mapping the different territorial levels of decision-making is more difficult in the face of *complex systems of overlapping networks* involving these varying sets of players. Third, that under these circumstances *the role of the state is being transformed* as state actors become engaged more in strategies of coordination, steering and networking than in direct and accountable administration. Fourth, that in this changing context, the whole nature of *democratic accountability* is being challenged with lines of democratic versus participative democracy becoming increasingly blurred.

While we are seeking to make a small contribution to this debate, we need also to maintain a focus that helps steer clear of the wider complications of what is an extremely large and fast expanding area of academic enquiry. Our focus in IDELE is, of course, on the *role of the local* and this will be the point of entry for the case study presentations and discussions in the seminar.

### **3. Local Employment and Economic Development: The Key Components**

The 2004 series of IDELE seminars examined issues of local employment development in specific, geographically defined, areas (for example, The Metropolitan City: seeking competitive advantage through local actions to integrate immigrants and minority groups).<sup>3</sup> The 2005 series takes a more *thematic* perspective (Maximising Employment Potential – local approaches to lifelong learning, for example). This seminar will be looking primarily at the place of the local in fast-moving complexity of evolving multi-level governance systems and will still need to colour each case with a clear exposition of how geography, history and political culture have conspired to produce particular and context-specific outcomes from State to State and even region to region.

Any aspiration even to talk intelligently about, let alone *transfer*, good practice from place to place across the EU must capture these key contextual variables within its scope. Having taken the key question of context on board, the more limited objective is to see where the local sits in this process of change in the way government and civic society is organised and managed as multi-level governance becomes more intricate. This is no simple proposition and one way to make practical sense of the question is to try to be very clear about what we are and are not looking at. While issues of representation, citizenship and public service efficiency will pervade much of what we shall be discussing, our brief is to look specifically at *local employment and economic development* as an area of policy practice. Even within this tight frame of reference, however, the complexity can escalate quickly as the different types of practical local policy actions are explored.

We are, for example, looking at three distinct (but naturally co-related) areas of activity where local action may itself be subject to very different criteria within the system of governance. These are:

- *Helping people into jobs and improving skills*: supply side actions where the subjects are people both working and unemployed or in some form of education or training.

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<sup>3</sup> For details of the Year 1 IDELE seminars see <http://www.ecotec.com/idele/seminars/>

- *Economic Development and the creation of more and better jobs*: demand side actions where the subjects are businesses or public employers whose activities produce the “job slots” that wage earners can fill.
- *Helping disadvantaged groups to access the labour market*: social and economic inclusion where the subjects are people and groups at some distance from the labour market and where a diverse portfolio of measures is deemed to be needed to address their disadvantage.

It is easy to see that policy designed to facilitate positive outcomes in each of these three constituent areas of local employment development will probably have a very different shape, in terms of actions, territorial levels of decision-making, beneficiaries, cost structures, scale considerations and so on. There is clearly no one-size-fits-all governance framework that looks the same for all three. For example, for social and economic inclusion, the specific in-depth knowledge gained by empowering actors in a real “close to the locality” context would seem to offer vital added value. On the supply-side, helping people into jobs and building skills more generally, efficient policy might demand a minimum scale of operations that is perhaps regional or sub-regional but with local delivery outlets. For the creation of new jobs national, regional and local level actions to support business will each have a role to play.

#### 4. Unpacking Policy Actions

But we have to add yet another layer of complication by unpacking what is really meant by “local action”. Different levels or components in a programme of policy action - whatever itself objective purpose - may require different supporting or organisational structures. Previously in IDELE we have suggested that policy actions may be usefully segmented into three significantly different types. We distinguish between actions that are predominantly:

- conceived;
- programmed and/or;
- implemented locally.

This concept is highlighted in Figure 1 below.

**Figure 1: Combinations of Actions with a Local Component**

	A: Local	B: Regional	C: National
<b>CONCEIVED</b> Initiated & Designed	Orange	Green	Brown
<b>PROGRAMMED</b> Managed & Facilitated	Orange	Green	Brown
<b>IMPLEMENTED</b> Activated & Delivered	Orange	Orange	Orange

Source: ECOTEC Research and Consulting Ltd

Column A of Figure 1 shows the case where all the actions are carried out simultaneously at the local level. Column B of the diagram shows a situation where the action is conceived and programmed regionally but handed down to local actors for implementation. The last column (C) sets out a third possibility where the actions are conceived and implemented at national level and then handed down directly for local implementation. Many other combinations involving a local dimension on one or other scale are clearly possible – opening the scope of this kind of activity far more widely. This model enables us to envisage different types of local actions with a wide range of possibilities.

The important point is that *simultaneously local* conception, programming and implementation, as depicted in column A, does not represent the only interesting possibility for local policy development. Of specific interest are those instances where mainstream programmes are designed to allow the local level flexibility to respond to specific local circumstances, such as in strategy development or programme implementation, or where the local level has acted to tackle local priorities that are not addressed by mainstream programmes by allocating and/or raising additional funds.

Table 1 enables us to explore the dimensions that we will need to be aware of in looking at the way local employment development is embedded within systems of multi-level governance. In examining how these integrated actions can be played out singly or in combination, at different levels within multi-level governance we can have a template to guide us across the complex terrain of seeing how they are “wired up” in different contexts and addressing different problems.

**Table 1: Policy Stages: Definition of Terms**

Policy Stage	Definition
<b>Conception</b>	The determination of overall policy (strategy) and responsibility for the broad allocation of resources (budgeting).
<b>Programming</b>	Designing the programme for the allocation of spend. This involves: <ul style="list-style-type: none"> <li>• the setting of strategy;</li> <li>• the allocation of funds to objectives;</li> <li>• the setting of rules for drawing down and accounting for spend and;</li> <li>• establishing the principles for performance evaluation.</li> </ul>
<b>Implementation</b>	Taking responsibility for one or more elements of a policy or programme and being responsible for the tasks that follow through to direct delivery to the final client, beneficiary or service consumer.

Source: ECOTEC Research & Consulting

## 5. Case Studies, Rich Stories and Intensive Debate

Given the variables of context, type of activity and, as we have just described, the process dimensions of policy management, we are not in a position to engage in ex-ante theorisation about what might constitute the principles of best practice in a fast moving system of emerging multi-level governance. Our approach is to use the seminar to have practitioners and policy-makers share their stories in some detail and, through intensive debate, come to some limited generic lessons of real practice that can be exchanged and disseminated across the different contexts and circumstances that prevail.

What we have asked the case study presenters to do is to set the geographical, economic and politico-cultural context for the action they are involved in. They are then encouraged to envision their organisation, project or activity as lying at the centre of a *wiring diagram* – a system of electrical circuitry or a microchip. We want them to focus on linkages, flows and power relationships (usually in the sense of the determination of “money and rule setting”). What we are particularly interested in is the *vertical* dimension of the linkages, flows and power – seeing how the local action, agency or project is “wired into” higher level decision-making structures within the multi-level system of governance and what functions it performs with what real degrees of freedom. We do have an interest in the *horizontal* dimension of partnership and stakeholder engagement but for this seminar it needs not to be the major but the minor key of the story that we want attendees to hear.

What the subsequent debates and panel discussions will then be tasked with doing is to try to sort out context from general principles, local “noise” from clear principles of “good policy practice” from among these stories and conversations across the table. This we see as an open-ended but potentially highly rewarding challenge in trying to get from the fine words, concepts and nuances of academic debate to what might a policy for local employment development actually look like when it is acknowledged as being fully-connected within a real system of power and multi-level government relationships.