



EUROPEAN COMMISSION

**LOCAL
DEVELOPMENT
AND
EMPLOYMENT
INITIATIVES**

**AN INVESTIGATION
IN THE EUROPEAN UNION**

INTERNAL DOCUMENT



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INTRODUCTION – FROM THE NEW SOURCES OF EMPLOYMENT TO THE 17 LOCAL INITIATIVE FIELDS

Faced with growing structural unemployment in many of the European Union's Member States with the prospect of a quickening trend towards globalization and technological progress, the man in the street is bound to wonder whether tomorrow's world is going to yield enough jobs and work for everyone. In seeking an answer to such questions, the White Paper on growth, competitiveness and employment pinpoints a number of 'ways forward into the 21st century', all with the potential for reconciling employment and competitiveness. They are dubbed 'proactive employment policies', and attempt to break the bounds of treating unemployment merely as a social issue or of concentrating solely on deregulating the labour-market.

Among the many analytical and strategic elements set out in the White Paper (e.g. employment systems, global competitiveness and proactive employment policy), the Commission proposed taking a fresh look at the needs and desires of European society. Effectively breaking with the economic rationale of the 1980s, which focused on supply and production, the Commission is now postulating a range of future prospects: a more human view of the information society; a new potential for creating jobs and work; the pursuit of new skills and new trades; an enhanced research effort geared more to product innovation than to process innovation; and, finally, environmental considerations.

The idea that the European economies harbour 'new sources of jobs' arising from unmet needs in the services sector was put forward in a paragraph 'Dealing with new needs'. It was based on the realization that there is a new form of convergence, the twin aspects being a 'bottom-up' movement – illustrated by a range of local development initiatives creating jobs and attempting to meet consumers' needs – and a macroeconomic analysis of the policies initiated by certain central governments. At any rate, the idea warranted clarification and verification for the European Union as a whole.

The Commission was therefore asked by the European Council to prepare a report for the Essen Summit in December 1994 with a view to taking analysis of the White Paper a stage further. The Commission thereupon conducted a broadly based survey of all the Member States. Information on the nature of local initiatives, any obstacles encountered and the conditions for success was gathered through various channels. National administrations were questioned, and further information came from trans-European information and cooperation networks set up under various European Union structural policies since 1988.

The survey was helped particularly by contributions from three governments which have made a particular study of such local initiatives: Denmark, Ireland and Portugal.

If there is general agreement that the new jobs in the future will come mainly from the tertiary sector, it is the scale of the, as yet, unmet needs which gives a measure of the potential for job creation. In order to realize this potential, it is necessary to start with a clearer idea of how to create a match between this new demand and the supply of services, and between the characteristics of the supply and the reasons for its current weakness.

No fewer than 17 fields on the supply side would seem to have potential for covering the newly identified needs: home help, child care, new information and communication technologies, assistance for young people facing difficulties, better housing, security, local public transport services, refurbishment of public facilities in urban areas, local shops, tourism, audiovisual services, cultural heritage, local cultural development, waste management, water services, protection and maintenance of natural areas, monitoring of quality standards, pollution control and the requisite installations.

In terms of job-creation potential, local initiatives are best placed to reflect the diversity of each culture and each socioeconomic organization, and hence to provide the best response to the changing needs of the people of Europe.

The first part of this report considers how the people of Europe see their particular needs being met, in a context marked by the globalization of the economy and by the range of opportunities offered by the new technologies. European societies are undergoing major upheaval, and newly emerging demand is being satisfied only in part by way of new jobs in the services sector (Chapter 1).

An analysis based on Member States' and local experience gives a surprisingly coherent picture of the methods used by Europeans to respond to needs which are at present inadequately served in the market-place or by the public sector. It also provides a mass of information on the new forces behind the creation of jobs in Europe, the obstacles which have to be overcome and the conditions for successful voluntarist action on these initiatives (Chapter 2).

To support this inductive and mainly sociological approach, a macroeconomic evaluation was carried out for three of the Member States: France, Germany and the United Kingdom. This high-

lighted the potential for job creation in the services sector based on a new financing policy geared to individual consumers; it was thus possible to compare the effectiveness of this policy with other more conventional job-creation measures (Chapter 3).

The second part is of a more operational nature, taking a look in turn at the 17 fields where there is thought to be potential for new jobs to meet new needs throughout Europe. It sets out the prospects for development in the light of social change, the lessons to be learned from local initiatives and the obstacles which have to be overcome. It goes on to propose innovative legal and financial instruments geared to specific cases and sketches out the various ways in which action may be forthcoming: from the European Union, the Member States' national administrations, local authorities, professional organizations, employers and workers, business executives, non-profit-making organizations, individuals, etc.

In conclusion, three points can be made:

- (i) The reality of Europe is too diversified to fit easily into a set scheme. It would probably be presumptuous to claim to have taken stock of the situation in a little under a year, although the exercise involved more than 100 specialists from 12 Member States (see Annex 1, 'List of participants'). However, the European Commission was in an ideal position to carry out an analysis of this kind, being a sufficiently remote observer to be able to identify certain trends and bring out certain constants (although some local initiatives are not a feature of certain national contexts). At the same time, the Commission is sufficiently close to events to be able to gather evidence, act as a means of pooling experience, and illustrate the slow but sure creation of a living and working community within the European Union.
- (ii) We now have a way of creating jobs which is not only transferable, but which is also compatible with both the pursuit of competitiveness and better living and working conditions for Europeans. Local initiatives are not the only way of creating jobs in the future, but they complement other ways of increasing the job richness of economic growth, and feature as such in the conclusions of the Essen European Council. They also provide an opportunity to extend the range of job-creation activities into new domains.
- (iii) A policy to encourage local initiatives goes well beyond the search for new sources of

employment. It is part and parcel of a general effort to revitalize the European model of society, offering as it does a way to combine individual responsibility with broad collective solidarity.

Part One

**INNOVATION AND NEW JOBS:
RESULTS AND PROSPECTS FOR LOCAL
ACTION**

SOCIETIES ARE CHANGING, BUT NEW NEEDS REMAIN UNMET

Over the past 15 years, European society has undergone a profound change, due partly to the steady improvement in the standard of living, and partly to changing behaviour and lifestyles. These changes, in turn, have given rise to new needs, creating a very substantial number of new jobs in certain services. On the whole, however, many needs remain unsatisfied.

1. Structural upheaval in society

Even the most cursory look at lifestyles and the nature of contemporary society highlights a number of major changes:

- (i) the population of Europe is ageing: in 1993, 19.7% of the population was over 60 years of age, with 12 million people older than 80;¹
- (ii) an average of 44% of women were in work in 1992, compared with 30% in 1980 and 22% in 1960;
- (iii) Europe is becoming increasingly urbanized with the urban population up from 71% in 1965 to 82% in 1988;²
- (iv) annual working time is falling, from some 3 000 hours per year a century ago to approximately 1 700 hours now;
- (v) the standard of education is increasing, as evidenced by the growing number of university students: up from 3.5 million in 1970 to 7.2 million (same countries) in 1989.

This upheaval is reflected in the profound changes in the structure of European households' expenditure over the past 20 years or so. We have, for instance, seen an increase in the share of expenditure on health and personal services and on environmental protection: leisure activities, training, culture and communications. The recent success of 'green' products and services is an indication of this development.

¹ Unless otherwise stated, the statistics used in this document are from Eurostat (EUR 12).

² Source: World Bank.

2. New jobs in the services sector

To some extent at least, the supply side has responded to the changing needs in four main aspects: everyday life, the quality of life, leisure pursuits and environmental protection. The development is reflected in the creation of jobs in 17 fields (the word 'field' being used in preference to 'sector' as there is no exact statistical equivalent). The 17 fields are: home help, child

Local personal services have increased by leaps and bounds over recent years

In 1993, 90 000 jobs (equivalent to 30 000 full-time jobs) were created in France in response to new measures for family jobs.

In the United Kingdom, child-care services provided employment for 110 000 people in 1992 compared with only 44 000 in 1982.

In Germany, there are 42 000 people providing services to the elderly, an equivalent of 24 000 full-time jobs; however, if volunteer workers are included, the total is more like 75 000 jobs. In 1990, 43 615 child-care contracts were registered by the youth offices.

In Italy, cooperatives have registered 50 000 new jobs in less than five years for assistance for the disabled, elderly and young people in difficulties.

Source: 'Le développement des services de proximité en Europe', experts' report (coordinator: G-L. Rayssac – Groupe TEN) produced for the European Commission's DG V and DG XXIII, October 1994.

Change in household consumption in the European Union (main items)

	% of total consumption		Change
	1977	1990	1977-90
Food	25.2	20.0	- 5.2
Clothing	8.5	7.7	- 0.8
Housing	15.6	17.2	+ 1.6
Furniture	9.1	8.2	- 0.9
Health services	7.5	8.1	+ 0.6
Transport and communications	13.8	15.1	+ 1.3
Leisure activities	8.5	8.6	+ 0.1
Other	11.8	15.1	+ 3.3

Source: Eurostat.

Tertiary sector employment to the fore in Europe

Job growth in the services sector...

Between 1970 and 1991, jobs in services in the European Union grew by an annual 1.4 million. Between 1985 and 1990, employment growth (EUR 10, excluding Italy and Portugal) occurred mainly in services, with average growth of upwards of 2.5 % compared with 0.5 % for the other sectors. In Ireland and the United Kingdom, services were responsible for around 90% or more of net job creation; in Germany, the Netherlands and Portugal, the figure was 80 % and in Spain 70 %. Over the Community as a whole, business services showed the largest rate of increase in employment between 1985 and 1990 – 7.5 % a year – accounting for almost one in five new jobs on average. Numbers employed in social services (excluding teaching, health and public health), in sanitary services and in the arts, leisure and cultural sectors increased by around 5 % a year, with research and development institutes and road transport returning rates of around 3.5 % a year.

A major change took place, however, in the 1990-92 period of recession. While the total numbers employed remained virtually constant over the Community as a whole, employment in industry fell significantly, and employment in services continued to increase. As in industry, the change in employment experienced between the periods of growth and recession was most pronounced for what had been the fastest-growing services. In contrast, the low-growth service activities – where employment rose by 2 % or less between 1985 and 1990 – still maintained average growth of close to 1.5 % a year. This latter group of activities includes such services as education, health care and personal services. By contrast, retailing, which had been the second largest provider of jobs between 1985 and 1990, suffered a reduction in employment. Employment in public administration, education, health care and communal services – together responsible for around 30% of net job creation in the earlier period – continued to expand in most parts of the Union.

... Leading to a new sectoral structure of jobs in Europe

Services are now the major source of jobs in the Union. Generally speaking, at national level, services are more significant wherever per capita income or GDP is higher, the main exception being Germany, which has a high proportion of jobs in manufacturing industry.

Business services, the fastest-growing activity over the past decade, now employ almost as many people – nearly 7 000 million in 1992 (over 5% of total employment) – as agriculture, and significantly more than mechanical and electrical engineering combined. Over 2 000 million people were employed in leisure, arts and cultural activities in the Community in 1992 which was as many as in the entire motor vehicle industry, and more than in the production of clothing and footwear. Travel and transport agencies employed over 1.5 million people, nearly twice as many as office machinery and instrument engineering combined, while almost as many were employed in sanitary services. A total of 4.5 million people were employed in social and collective services, which does not include education and health care, which was one million more than in the food, drink and tobacco industries. Finally, 50% more were employed in personal services, such as hairdressing or dry cleaning, than in iron and steel production.

Source: Excerpts from the European Commission's report 'Employment in Europe 1994'.

care, local shops, assistance for young people facing difficulties, better housing, security, local public transport services, improved public areas in urban centres, tourism, audiovisual services, the cultural heritage, local cultural development, waste management, water services, protection and maintenance of natural areas, monitoring of quality standards, pollution control and the requisite installations, the new information and communication technologies.

In most cases, it is difficult to monitor this phenomenon as the resultant jobs do not tally with traditional classifications. However, various qualitative elements can be used to assess how promising this response is.

The few statistics which are available likewise attest to a rapid development in the employment

situation in these fields. The annual rate of growth is between 4 and 7%, which is well ahead of the average growth rate for jobs in the other tertiary sectors (approximately 2.5% per year).

These jobs are characterized by a high rate of participation of women, more part-time working than in other sectors and a high proportion of self-employment and jobs in small businesses.

In other words, the 'emerging industries' of the 1970s are now being followed by the 'emerging services'.

3. New needs waiting for a solution

Neither changing consumer budgets nor changing employment structures fully reflect the way needs are altering. In very many cases, job

Some characteristics of service jobs in Europe in 1992

Marked participation of women

Women account for almost half (49.4%) of the employed labour force in services, compared with 28.3% in industry (excluding construction). Generally speaking, the more economically developed a country, the larger its services sector and the higher the rate of female participation. In other words, the tertiarization of the economy goes hand in hand with the feminization of the labour force. There are, however, many exceptions to this general rule. For instance, the Benelux countries have relatively few women on the labour-market, despite their relatively high level of development. In services which are not subject to international competition (excluding the public services), female employment is concentrated in retailing and the hotel/restaurant trade, where women account for more than half of the labour force, and in 'other services', where two thirds of workers are women.

Within the other services sector, the proportion of women is largely the same as in social and personal services, but the proportion is higher for domestic services, where 9 out of 10 workers are women, and lower in cultural and leisure activities.

Part-time working more widespread

Part-time work is another characteristic feature of the services sector, with 19% of all jobs going to part-time workers, compared with 6% in industry. There would seem to be a correlation between part-time working and female employment: those countries and sectors where female employment is highest tend to be those where part-time working is most widespread. This situation occurs in countries with the highest levels of income (with the notable exception of France) and in the professions.

Significant proportion of self-employment and jobs in small businesses

Compared with industry, services offer more work for the self-employed, with almost 15% of service jobs being occupied by the non-employed (i.e. self-employed workers and home helps), compared with 7% in industry (excluding construction).

The traditional role of the public authorities in providing social services helps to explain the low proportion of self-employment in this sector, with the partial exception of health care. Cultural and leisure activities, on the other hand, are characterized by a high proportion of non-employed work.

In the services sector, more than half of jobs were in small firms, with fewer than 100 workers, and this was true of all the Member States except Belgium. In distribution and personal services, firms with fewer than 10 workers accounted for 50% of jobs.

Source: Eurostat, Forward Studies Unit.

How Europeans use their time

European surveys on the use of time¹ show that leisure time has increased for all, by 30 minutes per day in the space of 30 years.

The redistribution of domestic jobs between men and women (European men now spend 27 minutes per day more on domestic duties than in the 1960s) and the availability of household electrical appliances would seem to largely explain the fact that women have benefited from this trend as much as men, despite their growing participation in occupational activities outside the home.

Having said that, however, work is still spread very unevenly between men and women. Compared with the average woman, women working full time lose 66 minutes of their leisure time per day, compared with a loss of only 25 minutes for men working full time. Not working outside the home results mainly in more time available for domestic tasks for women (60 minutes per day), and for leisure pursuits (134 minutes per day) and rest (69 minutes per day) for men.

Although having children of school age has roughly the same effect on the parents' time (with 30 minutes per day less leisure time for women and 19 minutes for men), the causes are different: more housework for mothers and more time spent on the children's upbringing for fathers.

All the samples confirm that Europeans are very keen on having more leisure time. Whenever the opportunity is offered, it is very largely seized, as is evident from the results of recent Danish surveys on long-term leave.² Of an overall population of 4.7 million people eligible for one year's leave, 60% said they were interested. Their motives were varied, with 40% saying they wanted to use the time on training, 36% on an activity of their choice (sabbatical leave) and 24% on looking after their children.

¹ Undertaken by the European Foundation for the Improvement of Living and Working Conditions.

² Source: Danish Ministry of Labour, 1994.

Who looks after the elderly?

In Europe, it is usually the spouse who looks after an elderly husband or wife. In other words, the situation of elderly couples is often characterized by mutual assistance, which tends to deteriorate slowly as people get older.

As far as the next generation is concerned, it is essentially the women who assume the responsibility. With people generally living longer, and more and more people in a dependent situation (more than 19% of the over-65 population in France), a major threat hangs over intergenerational solidarity in the future. A quick statistical calculation, comparing the number of women aged 45 to 69 with the over-70 population, shows that in 30 years' time this 'reserve' of persons who could be expected to look after elderly people will have fallen by more than 50%.

Change in the ratio of the number of women aged 45 to 69 to the number of persons aged more than 70, between 1960 and 1990

Country	1960	1990	Change (%)
Belgium	2.00	1.42	-71.0
Denmark	-	(1.97) ¹	-
Germany	-	1.57	-59.0
Greece	-	1.70	-
Spain	2.48	1.53	-62.0
France	-	1.33	-
Ireland	1.60	1.40	-87.0
Italy	2.30	1.60	-70.0
Luxembourg	2.43	1.61	-66.0
Netherlands	2.16	1.48	-69.0
Portugal	2.50	1.60	-64.0
United Kingdom	-	1.28	-
Average (11 countries)	-	1.50	-
(eight countries)	2.26	1.53	-68.5

¹ Women aged 45 to 64 as a proportion of the population of more than 65.

Illiteracy and school drop-outs

In most of the industrialized countries, illiteracy among adults is put at between 10 and 20%. A recent study conducted for the European Commission revealed that, between 1986 and 1987, some 550 000 of a total of five million young people aged 15 and 16 failed to obtain a school-leaving certificate or failed to complete their compulsory schooling under normal conditions. This is equivalent to between 10 and 12% of people being effectively excluded from the educational system.

The current growing demand among employers for very highly qualified workers adds the risk of social exclusion to the intellectual handicap. According to the Organization for Economic Cooperation and Development (OECD), young Europeans of between 20 and 24 with a higher-education diploma or equivalent are three to four times less likely to become unemployed than those with only a basic school education.

The problem of children leaving school without any formal qualification is such a major problem that it should be mobilizing people's efforts right across the board. Since there is no obvious link between the rate of school drop-outs and budgetary resources allocated by the Member States, most of the Member States of the Union have taken preventive action by developing not just pre-school education, but also alternative systems based on opening up educational establishments to the outside world, and taking the form of partnerships between school establishments, partnership arrangements bringing together local associations, social workers, businesses, local authorities, etc.

creation and service provision are developing slowly, compared with the rapid pace of demographic and sociocultural change. This response-lag is the root cause of a growing tension. The discrepancy between potential demand and actual supply is perceptible when we take a look at some of the imbalances which characterize our societies.

For instance, Europeans aspire to new ways of managing their time and a redistribution of work between men and women.

In all the countries of Europe, new demographic patterns are putting a question mark against intergeneration solidarity, the main feature of which used to be the willingness to look after the elderly. Avoiding any form of value judgment on the best way of meeting such responsibilities, the fact is that, in the space of 30 years, an imbalance has become evident (with a decline of around 60% being recorded), and the trend is likely to continue.

Attitudes differ on the question of education, being associated with a desire for children to socialize with other children from a very early age, and a new realization of the problem of school drop-outs and the effect on society as a whole.

These few examples can only give a rough idea of the scale of needs which still have to be met. But they do bring out the real scale of the potential for new jobs in our societies if we were to make a genuine bid to improve the quality of life of the people of Europe. To do so, we shall certainly have to make some major changes in the way our societies are organized so as to give plenty of opportunity for developing labour-intensive services.

The following chapters take a closer look at such innovative action.

FROM OBSERVATION TO RECOMMENDATION: THE BASIC CONDITIONS FOR VOLUNTARIST ACTION ON LOCAL INITIATIVES

Since the supply side is incapable on its own of satisfying these new needs and creating jobs, thoughts are bound to turn to why things should be like this and what could be done to remedy the situation. By providing an update on the new opportunities for job creation and the central role played in this process by local initiatives, the Commission's study indicates what can be done to realize this job-creation potential (see Annex 2, 'Methodology of the survey').

The analysis conducted on behalf of the European Union in 17 different fields brings out the sheer range of national policies. Taken on their own, policies cannot properly match supply with the new demand. This is more often the task of special initiatives, which have proved successful at creating sustainable jobs on the basis of a twofold analysis: (a) of unmet local needs and (b) of unused local human resources. But this kind of match between local markets for goods and services and the local labour-market does not come about of its own accord. There are numerous obstacles that have to be negotiated first. What is needed is a comprehensive policy incorporating elements dictated by the 'lie of the land' as much as by sociological and economic theory.

1. National policies seek to realize the considerable potential

The national governments have already sought to realize pragmatically the potential in satisfying the individual or collective needs of Europeans. The result is an enormous variety of situations and solutions, reflecting an equally imposing range of economic contexts, cultural traditions and political options.

This is clearly indicated by the employment status of workers engaged in work connected with these new needs.

In the United Kingdom and Ireland, for instance, volunteer work and work in associations play an important role. Thus 40 000 jobs, funded in part by voluntary associations, were created between October 1993 and December 1994 under the Irish programme 'Back to work allowance'. The United Kingdom is running a community action programme to enable the jobless to work part

time for the good of the local community and at the same time receive help in finding a job.

In Italy, new initiatives are developing on the basis of existing mutualist and cooperative structures.

In Germany, a wide range of new initiatives are structured in a second labour-market. Under the 'Gemeinschaftsarbeit' (community service) scheme, unemployed people can continue to receive unemployment benefit while still working in certain activities. The job-creation scheme (ABM) has provided work for 400 000 people in temporary jobs in the new German *Länder* since 1992. This second labour-market might burgeon still further once the ABM arrangements have been extended to the whole of Germany and, as in Spain, the State monopoly on placement services for the unemployed ceases.

Governments' efforts are also geared to different fields depending on the national situation.

In Portugal, the accent has been on integrated local development based on the craft trades and the creation of very small businesses. In Ireland, local structures in rural areas have started to give practical application to government aid policies, while in Germany, 46.7% of ABM measures have been concerned with improving the environment and carrying out remedial work on the economic infrastructure.

Denmark has long been measuring the knock-on effect of local initiatives to improve the environment and the quality of life. Thus, a housing improvement programme launched in 1990 led to the creation of some 5 000 jobs for an annual public outlay of approximately DKR 1 000 million, with grants being available for 50% of the wage bill borne by individual owners of houses or flats undergoing repair.

Sometimes government policies can mobilize local action so as to create local jobs. France and Belgium almost simultaneously started the service voucher system; although the practical arrangements differ slightly, the idea is to encourage the consumption of domestic services (e.g. child care, help for the elderly, household and garden work) by simplifying the administrative machinery and lowering the cost of services. Security contracts issued by Belgian towns and cities come under the same heading.

Ireland and the United Kingdom have developed highly attractive policies over recent years for promoting popular (folk or contemporary) culture with impressive results: in Ireland, the popular music industry is thought to have created some 10 000 jobs in less than 10 years, while in the United Kingdom, the arts are now thought to account for more than 550 000 jobs.

As regards home-help services, child-care arrangements, housing improvement and the improvement of cultural heritage, one practice which is becoming increasingly widespread in the Member States is to combine financial inducements to boost demand with a reduction in the cost of labour; tax relief is often associated with grants to either the service-provider or the beneficiary.

It is not difficult to conclude from this brief review of the situation that, if countries were simply to learn something from one another's policies, there would be no lack of job and work opportunities, provided such policies were adapted properly to the specific structures and conditions applying in each national culture.

However, the national measures could be rendered more effective if they took more account

specifically of local development mechanisms, as well as the nature of unmet needs and new services.

2. Local initiatives can create a new approach to job creation by responding to new needs

Looking critically at the way jobs are created in either a rural or an urban environment in the 17 fields makes us aware of how nowadays a response emerges to newly identified needs.

The following section is concerned with a systematic study of the approach adopted by local initiatives. Such initiatives proceed initially from a local examination of the demand situation, making use of original means of promoting and disseminating the supply of services. As such, the local level becomes a genuinely new dimension in economic development, opening the way for an alternative approach to job creation.

2.1. A new function: prospecting for new sources of employment

Faced with new and inadequately formulated needs, the supply side does not always have the automatic ability to trigger demand. Normally, a preliminary 'running-in' phase is needed, on conclusion of which the latent needs will have been revealed and transformed into explicit demand by 'prescribers', which is akin to the situation in medicine. The local development experts realized that satisfying direct community needs was often an essential initial stage prior to creating outside-oriented projects. This analysis has since been confirmed, particularly in rural areas, where it has been found that projects offering jobs to local women only became viable once the problem of child-care arrangements and public transport had been solved.

The job of these prescribers is to create a climate of confidence and reconstruct a social link by addressing both the providers of services or producers of goods and the beneficiaries. More especially, they have to convince potential employees of the point of going to work, by organizing 'pathways to integration', suitable skills and qualifications, and setting up special arrangements for young people.

Further tasks are to familiarize future consumers with the services they might be offered (for instance, cultural needs are often regarded as pointless by the most disadvantaged social groups), to alter certain forms of financial behav-

our by mobilizing local savings or setting up 'solidarity banks', guaranteeing a certain material and psychological level of security in inner-city areas or on desolate housing schemes, and to elicit personal input by making use of the kind of development techniques perfected for projects involving immigrant women and illiteracy campaigns.

It is important to ensure that such prescribers conform to certain ethical standards, given the highly specific nature of their role, particularly in relation to the disadvantaged sections of the population. In their fieldworker's role, the prescribers often need external recognition of the legitimacy of their approach and to be able to exchange information or compare similar experiences in other regions or other countries. More particularly, being involved in transnational cooperation networks makes it much easier to discover and implement solutions which are geared to particular populations and to the local context.

2.2. Innovative forms of promotion and diversification

The most fruitful activities in terms of creating lasting jobs are those which are based on technological, social or commercial innovation and which impinge on the two components of the market: supply and demand.

They tend to use new promotion and diversification methods, such as:

- (i) grouped forms of marketing, aiming to create guaranteed openings by way of intersectoral cooperation and the organization of marketing 'chains';
- (ii) a modified concept of service, allowing room for bolt-on elements supplementing the 'original service' so as to meet changing needs. Extended vertically, this creates potential for intermediate and interpretative trades as go-betweens linking the new technologies and their clients; extended horizontally, we may see the emergence of new trades concerned with accompanying measures, security or information;
- (iii) partnership projects, going beyond sectoral distinctions and interests. Using audits designed to evaluate local needs and potential, such partnership arrangements are based on medium- to long-term contracts between public sector agents at various levels and between private and public sector players;
- (iv) direct usability of the results of scientific research, requiring close cooperation between researchers and potential users.

2.3. The local dimension – an essential new factor in development and jobs

If initiatives flourish in an urban neighbourhood, a rural environment or an average town, it is not just a matter of chance as much as the coming-together of three structural phenomena which are common to all countries: new competitive conditions, the breakdown of the traditional social protection system and the change in lifestyles.

First and foremost, it is possible to establish a link between the new competitive conditions and local development strategies. Far from aiming at the systematic concentration of work in areas which are already industrialized, globalization and the new forms of organizing production activities encourage decentralization, provided there is a reactive and responsible environment. The new communications technologies, along with the stress on high-quality production and rapid response to variations in demand, tend to make up for the comparative advantages of large production units and their geographical proximity to the major centres of consumption.

Prime considerations, on the other hand, include the quality of local interaction between production units and the services offered in their neighbourhood, and the originality and attractiveness of such neighbourliness. In other words, companies' economic competitiveness depends on an immediate environment in which functions such as training, research and outsourcing are organized in an open and harmonious way. Thus, only a community of local players would seem capable of organizing and maintaining such a quality environment, within dimensions which are at the same time technological, social, cultural and environmental, and which are propitious to all the players' capacity for developing and expressing themselves.

Hence, local politicians tend to become local development agents, the partners of companies in the quest for new jobs. And, reciprocally, renowned worldwide companies see themselves as local partners in a renewal project, as in the example of the United Kingdom 'community businesses'.

The growing inadequacy of traditional forms of social protection is another motor – albeit by default – of local initiative. Increasingly constrained by public sector budgetary rigour, and still highly dependent on paid employment, social protection often appears to be helpless in guaranteeing social cohesion on the ground. Increasingly, local help is needed, particularly where

there is a concentration of youth unemployment or long-term unemployment. In other words, local initiatives act in such cases as a precursor for horizontal geographical solidarity, conceived as complementary to the failing vertical solidarity mechanisms.

Finally, the wide range of local situations is starting to engender a form of social and individual demand for services which reflects slow but profound changes in our societies. There can be no doubt that cultural and geographical proximity make it easier to match emerging supply and demand.

Local initiatives are therefore being used to reconstruct an environment on the strength of local peculiarities and strengths. They combine economic and social dimensions, concern for development and work, public and private sector involvement, sophisticated communications technologies and traditional needs. Their very strength lies in this mixture of different formulas in different countries. Throughout Europe, however, we are witnessing the emergence of a new

approach, which contrasts with the traditional one.

2.4. A new approach to the creation of jobs and work

Although job- and work-creating initiatives of this kind always develop within a special local context, they present certain common characteristics: they are based on new principles for organizing the economic and social fabric, and on the involvement of new players whose job it is to perform the local key functions needed to make such an organization work. In other words, they give rise to jobs which, by requiring new skills, lead to the creation of new trades and occupations.

The combination of a public-private partnership, the 'integration' of the approach (i.e. including all sectors in one and the same initiative) and the involvement of the various players right from the earliest stage provides the basic skeleton for a form of socioeconomic organization which favours the emergence and development of such initiatives.

New local players

The local network developers/animators come from both administrative authorities and independent organizations and play an internal and external organization role. Bringing a methodology input to groups and territories in the start-up and development phases, they are capable of organizing partnerships, mobilizing local populations and setting up contacts with other local territories or initiatives, and, if necessary, with external financiers or purchasers. The Community initiative programme, Leader I, which involved 2 000 people in an organizing role for the 217 local rural action groups, is a good example of this.

The task of stimulating demand (i.e. transforming latent needs into an explicit demand) or innovating the supply side is a job for prescribers of various types:

- (i) professionals who are in direct contact with populations with needs to be met, e.g. doctors for the elderly, teachers for the young, and caretakers for buildings;
- (ii) a new type of mediator, specially mandated to work for the creation of certain activities and access to certain services, for example 'library mediators' whose job it is to facilitate contacts between the disadvantaged young and libraries and similar cultural institutions;
- (iii) intermediaries linking firms and job-seekers, for example certain local placement agents or training organizations.

The social entrepreneurs will often be responsible for the experimentation phase. Being principally geared to the need for social integration and the reconstitution of social links, this new type of entrepreneur normally places his or her project in the context of voluntary associations and 'third-sector' organizations rather than small and medium-sized enterprises (SMEs). Although such entrepreneurs accept the risk of creating new activities by concentrating more on the services thus rendered and on the effects on jobs for certain population groups, they none the less need a particular form of legal, technical and financial back-up from the authorities and other local players at the start-up stage.

This basic form of organization implies:

- (i) new social relations based on a joint commitment on the part of public and private players over a number of years;
- (ii) the participation of individuals in the various projects;
- (iii) the taking into account of commercial and non-commercial needs.

Development strategies which emerge from this kind of context draw their strength from the local potential and require the choice of a suitable territorial area. However, they do remain open to outside influence by way of their involvement in networks of initiatives and exchanges of experience. Project life is a fundamental element, not just for the project itself and its survival prospects,

but also in terms of changing people's mentalities and taking due account of the reaction time-lag in certain sectors (e.g. it may take many years to achieve success on local cultural development or help for young people in difficulties).

The functions which are essential to creating a local environment with job-creation potential are animation, stimulation and experimentation. They in turn require the involvement of new local players who know how to apply a local development methodology and who can either perform these various roles or make a specific contribution during the various project development phases.

These new catalyst functions are sometimes taken on by the traditional players (e.g. firms, trade unions, professional organizations, schools, uni-

Principal characteristics of the two approaches to job creation

	Traditional approach	New approach
Organization	<ul style="list-style-type: none"> • Rigid sectoral organization • Employment policy directed towards beneficiary sectors and 'clienteles' • New regulatory system emanating from the authorities • Complex arrangements centred on various stages of the life of a project without any account being taken of movement from one stage to the next • Strict separation of the domestic and vocational spheres (in terms of space and time) • Stimulating competition and development strategies based on the imitation effect • Compartmentalization of global policies and local autonomous initiatives 	<ul style="list-style-type: none"> • Intersectoral, partnership-type organization, networks of projects and initiatives • Development policy focusing on projects with job-creation potential • Long-term joint (public-private) commitment, co-responsibility • Stable and transparent regulatory framework • Continuum of the domestic and vocational spheres (new forms of time management and reconciliation with geographical constraints) • Stimulating cooperation and development strategies based on the innovation effect, demand satisfaction and realization of local endogenous potential • Interaction between global policies and initiatives at various territorial levels
Key functions at local level	<ul style="list-style-type: none"> • Management • Intervention • Standardization 	<ul style="list-style-type: none"> • Animation • Stimulation • Experimentation
Skills and trades	<ul style="list-style-type: none"> • Specialization • Industry • Technological advance • Administration • Technical skilling 	<ul style="list-style-type: none"> • Multiple skilling • Services • Utilization of the new technologies to share information • Information • Interpersonal skills

versities and public administrations) who have radically changed their approaches, using more horizontal-type methods.

The resultant new jobs are not fully equivalent to the kind of jobs which used to be found in industry or services. The main characteristic of local activities tends to be qualitative diversity, as a function of special local conditions and geographical, cultural and social factors. In many cases they arise from work done by ex-employees, and are geared to their creators' aspirations in terms of more interesting work and a different way of organizing working time, and do not lend themselves well to a division of labour.

Meeting the needs of such new jobs means:

- (i) developing new skills: teleworking secretariat functions, providing information and advice for disadvantaged population groups through access to computerized communication tools, remote diagnosis, remote surveillance, environmental considerations, design of audiovisual products and programmes, etc.;
- (ii) adding new skills to traditional crafts and occupations, with reception, information, accompanying advice and education facilities.

Promoting these new trades and occupations will require a collaborative effort between employers, employees (or their representatives) and education and training institutions with a view to setting up innovative training arrangements.

The table above gives an overview of the main differences compared with the traditional approach.

The new approach to the creation of jobs and work is therefore based on characteristics which are sufficiently settled to lend themselves to generalization if the aim is to realize fully the potential which lies in meeting new needs. First of all, we have to bear in mind the obstacles.

3. Unfortunately, local initiatives run up against new structural obstacles

Practical experience shows that, all too often, the outline conditions for the development of local initiatives are just not there. The main problems tend to be institutional, financial, technical and legal, although the mix will depend on sector and country.

3.1. Obstacles in terms of organization and intervention by the authorities

Public sector intervention is not always conducive to project start-up. Firstly, public administrations all too often follow a kind of sectoral logic, which means that they do not properly fulfil their information-provider role *vis-à-vis* local players, politicians, businesses, associations and the public at large. They would be better advised to spend their time organizing and stimulating private intersectoral partnership arrangements and partnership schemes between the private and public sectors; they ought to be facilitating project and initiative networking, providing the link between policies and the various territorial levels, authorizing technical experimentation and exploring local endogenous potential.

Secondly, the public purse rarely provides long- or medium-term support for general development projects, preferring instead to address sectors – creating job displacement rather than net job gains (e.g. shedding jobs in the office-building business to create new ones in housing construction) – or clienteles – engendering an 'eviction' effect (whereby young people are recruited to the detriment of older, more expensive workers).

Passive employment policies, quite apart from their prohibitive cost, prove disappointing in the long run, particularly in terms of their poor effect on job-seekers' employability (e.g. lack of skilled training, excessively centralized measures, etc.).

Currently, with reliable statistics conspicuous by their absence and bearing in mind the volatility of projects, the local, and especially national, authorities find it hard to gauge the scale of the phenomenon and tend to underestimate its economic weight. Simplification, stability and transparency of norms and regulatory provisions would do a lot to help beneficiaries and service-providers.

3.2. Financial obstacles

The financial obstacles are of various types. The first problem concerns households' ability to pay and the unattractive remuneration for certain types of services. To some extent, this problem has been overcome by two types of action: (1) the provision of a full range of services by a firm or association means that services of varying profitability can be offset against one another, while at the same time providing a better overall level of service to clients or subscribers; (2) exploring new forms of charging can, for instance, gear the

price of a given service to the individual's purchasing power.

The second problem concerns labour costs. Where labour is low-skilled and abundant, as for waste disposal and pollution abatement installations, investors' preference often tends to be for more capital-intensive projects.

The other obstacles concern the kind of poor value-for-money situation which is a disincentive to demand. This is particularly true of local shops which fail to adapt their management methods to current needs and technological potential. As far as public transport is concerned, price sensitivity is strong in northern Europe, while in southern Europe, the car remains a potent status symbol.

The cost of the initial outlay and the problems in acquiring working capital are often a major disincentive for very small firms, for individuals who want to set up their own firms, or for associations with inadequate financial guarantees. New financing instruments, such as service vouchers, various forms of local savings schemes, or a risk-capital fund scheme might make it easier to get such new activities up and running.

3.3. Obstacles in terms of training and vocational skilling

The most common obstacles concern the skilled status of service-providers and result mainly from the delayed adaptation of skills and working conditions in certain traditional sectors (e.g. working hours, arduous working conditions, stress).

In the tourism business, for instance, the quality of jobs and working and employment conditions are often poor because of the seasonal nature of the work. Initial training is still too specifically geared to a single trade (e.g. restaurant work or hotel management), while customer demand is increasingly requiring multiple skilling and the development of flanking and information activities. In addition, the general weakness of sectoral arrangements, particularly in terms of vocational training and retraining, causes most young people to turn their back on such trades after a few years' experience.

In the audiovisual industry, the nature of initial training is often inappropriate (in France, 1 000 qualified workers leave the industry for every 100 new recruits) and there are no partnership arrangements between higher education and business (unlike in the United States of America). The undeveloped state of information infrastructure makes it difficult to bring about economies

of scale, given the lack of any material access to programmes on the part of individual clientele.

The upkeep of cultural heritage also requires new skills (e.g. visitor reception, information and management) and a need to reskill existing trades. Establishments dispensing artistic training are on the increase, but are all too often isolated from the local environment. They also need to be involved in networking arrangements with a view to developing regional and interregional forms of synergy.

3.4. Legal and regulatory obstacles

Legal systems often appear to militate against new initiatives. In rural areas, new commercial projects often depend on attaining a critical mass by spreading the range of services and sources of income. There is a case to be made here for copying recent developments in farming, i.e. the trend towards multiple activities, in the craft trades and retail selling.

Making the most of the artistic heritage brings with it the need to comply scrupulously with copyright law, against which there should be no question mark; however, today's world is fraught with new difficulties due to the lack of a legal system which is geared to new communication technology potential.

In some countries, there is no legal framework for organizations arising from a partnership arrangement between the private and public sectors; employees of such companies are in a very insecure situation in terms of employment relations.

Administrative norms and statutory barriers are of particular importance in relatively new sectors. Regulatory mechanisms, which play an important role in dictating supply and demand, are regarded by the local players as being excessively complex.

As far as public transport is concerned, the kinds of regulations and administrative provisions which have been handed down from earlier times tend to be highly restrictive and not always effective. The strict demarcation between different trades and occupations makes it difficult – if not impossible – to create new multiskilled jobs in public transport. Similarly, public transport rules are often outdated and do not provide any performance guarantee for users, and weigh heavily on the financial equilibrium of new initiatives. Finally, the influence of certain pressure groups remains very strong and does not make it easy to adopt norms which might give a push to technical innovation.

Tourist sector development is conditioned very largely by improved service quality and compliance with stricter norms. This, however, begs the question of what will happen to existing small and medium-sized businesses, which would not be sufficiently profitable to survive.

Additionally, the current fragmented nature of small businesses in the audiovisual sector does not make for the development of structural policies, nor for the development of an 'enterprise culture' – nor for moves towards a higher level of artistic quality.

Moves to develop the cultural heritage are still balked by systems of approval for specialized firms which may be obsolete and act as a disincentive to new entrants.

On the environment front, whether it be water supply management or pollution control, the constraints acting on the public utilities have not always kept pace with technological development and tend here also to act as a disincentive to new initiatives.

All these obstacles can be overcome and, indeed, have been, case-by-case, in certain successful national or local projects at which we have taken a look. However, with a view to setting up a coherent action framework, we can also call in input from theoretical socioeconomic analysis.

4. Input in the form of conceptual consideration of new needs

The kind of sociological analysis which has developed over recent years makes it easier to understand the reasons why both private firms and traditional public services fail to match their supply to the needs under consideration. On the other hand, microeconomic theory, addressing itself to such instances of mismatch, comes up with general recommendations, setting out how the authorities can act simultaneously on the supply and demand fronts. These two approaches offer a coherent and useful theoretical framework for understanding the current background to job creation and for devising appropriate policies.

4.1. The mass consumption model: only partly effective

The classic scenario of traditional consumption patterns being based on the imitation of élites does not necessarily apply to the new needs. We have to take account of the psychological blocks affecting the whole of society and not just poten-

tial consumers, who tend to be reluctant to pay for certain services (e.g. domestic services, natural areas, etc.).

Similarly, the kind of standardization which characterizes mass consumption patterns does not apply to the new needs, one of whose main characteristics is qualitative diversity, depending on specific local situations, geographical characteristics (e.g. population density and infrastructure), and cultural and social phenomena.

4.2. The limits to private enterprise or traditional public sector intervention

The kind of logic which applies to purely commercial relations does not really lend itself to personal services for a variety of reasons:

- (i) social 'reproduction' (such services have a very marked relational and ethical content);
- (ii) the asymmetry of the situation between the service-provider and the beneficiary (the latter being dependent and vulnerable);
- (iii) price (of highly labour-intensive services);
- (iv) the need for social rather than technical skills.

In fields such as culture, security, education or countryside amenities, the prospects for developing a supply of products or services based purely on individual and private utilization are limited by the time available, or the personal interest of consumers. Projects are not run solely for the profit motive. Artists are more concerned with expressing themselves and creating lasting works of art, while people running craft firms want a prosperous family business without necessarily having to take on additional staff, and social entrepreneurs are often motivated by a community service ideal.

The way the public service operates and the constraints to which it is subject likewise present obstacles to the harmonious development of the supply side. It is true that public sector intervention is often essential in terms of launching operations and breathing life into them, where the risks appear too great for individuals or where such operations are of a general interest which is more than the sum of individual interests. But we have to realize that, in declining or very low-density areas, adopting the public funding solution to the exclusion of all others may have a demotivating effect on local populations, in that it seems to

Service vouchers

Service vouchers are a non-universal form of payment which enable households or individuals to pay for certain services, the nature of which has been defined in advance. On the face of it, such vouchers could be used over a very wide field, but in the current European context the idea is to use them in a more restricted sense for services requiring a high level of human intervention (i.e. labour-intensive and time-consuming), of the kind which are available to only a limited extent – if at all – from private sector firms, for example child care, care of dependent elderly relatives, home delivery of meals, cleaning and gardening, etc.

This system has financial and economic potential right across the board – for social justice, for improving households' living conditions and for pursuing an active employment policy. Over and above Belgian and French experience with the system, the potential can be realized by two additional sets of arrangements, related to the issue and acceptance of the vouchers.

Issue of service vouchers

Service vouchers can be used to gear the price individuals pay for a particular service to their ability to pay, thus constituting an alternative to the provision of a free (public) service and the prohibitive cost of an entirely private service.

Along the same lines as the system used in most Member States for luncheon vouchers, service vouchers should be seen as an element of indirect income. In other words, they should be progressively substituted for part of the cash benefits payable to families, such substitution being of a non-compulsory nature so as to meet the (essentially Anglo-Saxon rather than Latin) objection of freely disposable individual income. Firms and households should be given the opportunity to acquire service vouchers over and above the distribution made by the organizations responsible for dispensing cash benefits.

It is important that the service voucher scheme be used as universally as possible to ensure that it does not turn into a payment instrument used exclusively by disadvantaged population groups to obtain services at low cost. To this end, service vouchers would be distributed by organizations which are currently responsible for paying cash benefits: firms, pension funds and local authorities.

Public aid should be independent of the distribution system and should take the form of either across-the-board tax exemptions (e.g. lower rate of VAT payable by firms providing voucher services) or subsidies (e.g. refunds to service-providing firms on presentation of the payments).

Acceptance of vouchers

Not only special-status undertakings (e.g. 'social economy' undertakings, associations, non-profit-making organizations, cooperatives, etc.) but also small and medium-sized firms (particularly in the craft trades) should be authorized to accept service vouchers (provision might be made for an accreditation system linked to the quality of services provided). This would overcome the delicate problem of unequal competition conditions between these types of firm. At the same time, the new activities would be cleared of any last vestige of suspicion of generating 'on-the-cheap' jobs. In fact, the universal nature of the service-providers would be a passport to the creation of quality jobs, offsetting the poor profitability of certain services and upgrading the services rendered. The service voucher scheme will encourage the creation of employment structures for people working in individuals' homes. These organizations will be in a position to organize the training and skilling of their employees and, where appropriate, will organize their pattern of work (e.g. travel, work schedules, etc.).

The associations or small businesses providing such services will be able to offer their customers a range of services geared to their specific requirements. The great advantage of providing such a range of services is that it is possible to offset low-yield services against the more profitable elements and create lasting, non-subsidized jobs.

Quality control can be better organized where fewer people or organizations are involved (which does not mean, of course, that people cannot continue to be employed on their own account). The advantage for people subscribing to such services is that they would have an organization to take on the task, meaning that continuity of service can be assured where a particular person is ill or on holiday.

relegate them to nothing more than charity recipients. By the same token, certain sectors which are entirely dependent on public funding (e.g. home help, 'social' jobs, conservation work) are having their development towards higher qualified and higher rated occupations balked by a public supply situation which is an indirect encouragement to black labour or voluntary work, rather than to the creation of real jobs. The absence of a commercial reference price may also have a disincentive effect on self-employed project organizers.

In some countries, State involvement is sometimes seen as demotivating and restricting for individuals; indeed, it is sometimes equated with poor-quality service. Faced with new needs, we sometimes have to devise experimental solutions, and this is not an area in which the public authorities are particularly effective.

4.3. New forms of public action on supply and demand

These fields of activity have already given rise to in-depth economic analysis in Europe and the United States (with special reference to non-profit-making organizations). They help to give a better picture of how organizations which are active in these markets tend to be structured and what structural shortcomings they have: asymmetry of information and numerous sources of externalities.

Economic theory produces recommendations on what forms public action should take; a subsidy to encourage consumption is preferred to the direct provision of the service on the grounds that it will encourage consumers to seek the best possible conditions from service-providers and will avoid the irreversible creation of barriers to market entry. Public intervention must encourage decentralized initiatives, must encourage action from cooperative organizations, associations and the like, and must take the form of certification, quality control and standardization.

Economic theory also proposes sophisticated financial or legal instruments to facilitate the partnership-based management (private and public sector) of certain services and to offer an alternative to privatization (e.g. franchise and delegated-management contracts, new conditions for associations and the like, multiannual commitments on material and non-material investment, etc.).

Other avenues which have been explored include using methods to guide household consumption towards sectors which are major job-creators, the

important thing being that such methods should create little or no upheaval in terms of macroeconomic equilibrium (e.g. service vouchers, partial subsidies for private investment, etc.).

5. How to work towards a global policy for encouraging local initiatives

Tapping new sources of employment by way of local development must amount to more than simply providing a stimulus for field trials. If we are to realize the full job-creation potential in the 17 identified areas and pass on this sense of dynamism to other adjoining sectors, we must set up a more coherent framework for national and European action. In this regard, proposals were made to the Essen European Council focused on four main areas.

5.1. The creation of a local framework which is conducive to development and employment initiatives

Local initiatives are based on a cooperative approach, hinging initially on decentralization and a change in administrative attitudes. This change is necessary to bring about the right kind of public-private partnership, to enable local players to get involved in projects and to create a climate of trust with regard to the new activities.

But the local public authorities have an important role to play in accrediting these local players as promoters of new activities which have been blocked or concealed by the imperfect way the market has operated in the past. Of these new key players, we can distinguish between:

- (i) the 'prescribers', who evaluate the needs and the human resources available to meet those needs;
- (ii) the 'animators', whose job it is to circulate know-how and good practice through the networks;
- (iii) the 'entrepreneurs', who apply management techniques to solving the environmental and social problems;
- (iv) the 'accompaniers', who liaise with the micro-businesses.

5.2. The setting-up of another range of financial instruments for local development

Seen from the cost-benefit point of view, local initiatives undoubtedly constitute one of the most promising options among the various employment policies. Possible approaches towards a global policy would be, for example, assuming part of the cost of employing a specialist nurse to help elderly people at home which costs something like half as much as keeping a person in a residential home; using a multiskilled farmer to carry out countryside conservation work (e.g. on embankments, field tracks, hedges and rows of trees) is almost three times cheaper than getting a firm of contractors to do the work.

But all this needs a set of regulations and financial instruments geared specifically to the local initiative level:¹

Service vouchers: these are non-universal payment instruments which can be used for certain services; they may have considerable advantages to offer in stimulating supply structure and demand patterns.

Joint local placement funds for a particular urban or rural area: with special risk-capital schemes, their job is to bring savers into touch with project organizers and to stimulate local initiative.

Changes in the treatment of operational expenditure *vis-à-vis* capital expenditure in terms of public accounting procedures: this would facilitate the requisite investment in human resources thanks to long-term public-private contractual commitments under partnership arrangements.

The European Community structural policies (economic and social cohesion, help for small and medium-sized businesses): these could be used to give an additional boost to the initiatives. Their three functions (i.e. providing support for experimentation, disseminating good practice and encouraging solidarity between the Member States and the regions) should be better coordinated so as to promote the initiatives. The European Commission will be presenting an inventory of existing instruments and possible ways of improving them.²

¹ See detailed description in Table 1.

² See Table 2.

5.3. The improvement of training and diplomas as a means of consolidating the new trades and occupations

Because they are so new, the activities arising in the 17 local initiative areas tend to be very insecure. This is a serious handicap, especially for young people. What is needed, then, is an occupational framework which is geared to improving skills and making the new trades better known. This means the addition of such elements as communication, listening and advisory skills, familiarization with the new telematics resources, or protection of the environment to the conventional forms of vocational training. At national level, there should be diplomas to certify successful completion of such training courses.

Recognition by society also takes the form of a system of social guarantees. Based on collective agreements adapted to the characteristic feature of the new activities (e.g. tourism and culture, health and security services), this will make for worker involvement and mobility.

5.4. The renewal of the legal framework

The boundaries which nowadays limit private and public, agricultural and non-agricultural, paid and unpaid activities were useful in the past in terms of creating social protection schemes or clarifying responsibilities. Now, though, they have to be remodelled, bringing in flexibility or simplification to reflect the new situations and the local initiatives: diversification of individual pathways to employment; complementarity of public and private sector services; multiple skilling for agricultural workers and craftsmen. Depending on the traditions specific to each country, various forms of legal innovation are possible, such as:

- (i) the creation of employment schemes to facilitate multiple skilling in the rural world, coupled with wider powers for the representative occupational chambers;
- (ii) occupational reintegration systems which allow for a combination of paid work and unemployment benefit;
- (iii) the creation of a scheme for partner-entrepreneurs in cooperative-type organizations, with tax and social conditions similar to those of paid employees.

By the same token, the concept of public service concessions deserves to be given wide application to cover the kind of locally useful activities which are still not covered by public sector rules.

Table 1 – New financial instruments and rules to support local initiatives

Description	Characteristics	Expected advantages
Service voucher	<p>Locally issued payment order that can be acquired by individuals or distributed, conferring entitlement to a social service. The voucher is exchanged for specific services. The issuing authority selects the providers of services (firms, co-operative associations) on the basis of a list of specifications.</p>	<ul style="list-style-type: none"> • Establishment of a reference price for new services • Greater solvency for low-income households • Encouraging the establishment of regular high-quality services • No discrimination between service-providers having different status
Local savings instruments	<ul style="list-style-type: none"> • Setting-up of risk-capital funds, with mandatory advisory services and training, in place of personal contribution • Authorization of investment funds for local areas 	<ul style="list-style-type: none"> • Savings by households are encouraged by ensuring that the funds help solve local employment and development problems • The know-how of former businessmen and executives is utilized • New activities are generated by the financial institutions collecting private savings
Changes in tax rules	<ul style="list-style-type: none"> • Shifting the burden of tax for social security payments away from the lowest wage earners • Shifting the emphasis in housing aid to the renovation of old housing • Reducing tax disparities between types of transport 	<ul style="list-style-type: none"> • General measure relating to local initiatives in particular • Stimulating labour-intensive renovation work • Encouragement of various arrangements combining public and private transport
Changes in the rules governing public expenditure	<ul style="list-style-type: none"> • Temporary possibility of combining unemployment benefits and part-time working • Possibility of transferring unemployment benefits to social integration firms • Extending the duration and degressivity of allowance schemes for persons receiving integration counselling • The entering as investment expenditure of operating expenditure allocated to the start-up of local initiatives (two years) 	<ul style="list-style-type: none"> • Allowing greater scope for local employment agencies to enter into partnerships with local initiatives • New moves by local authorities to support local initiatives

Table 2 – European Community instruments which support local initiatives and possible ways of improving them

Objective pursued	Instrument	Possible improvement
1. Encouraging pilot schemes that can serve as examples	Specific provisions of the Regulations on the EAGGF (Article 8), ERDF (Article 10), and ESF (Article 6) and specialized experimental programmes	<ul style="list-style-type: none"> • Simplify and rationalize programmes • Support schemes in new areas (e.g. based on new technologies, especially information technologies) • Use technical assistance for systematic evaluation of results • Regularly publish reports on good practice (methods that can be applied elsewhere)
2. Promoting the dissemination of good practice from one country or one region to another	Programmes of Community initiatives	<ul style="list-style-type: none"> • Encourage information networks • Allocate technical assistance funding as a matter of priority to the transfer of good practice in local initiatives • Create networks for cooperation between project leaders and national administrators (priority to projects in urban areas) • Publish an annual progress report on local initiatives across Europe
3. Granting Structural Fund assistance to national policies which support local initiatives	Structural Funds, Community support frameworks (CSFs) and single programming documents	<ul style="list-style-type: none"> • Transfer the know-how gained from programmes of Community initiatives when the CSFs and single programming documents are drawn up • Redefine the partnership conditions in each Member State through dialogue between the Commission and the national administration

A MACROECONOMIC EVALUATION OF THE POTENTIAL FOR JOB CREATION THROUGH LOCAL INITIATIVES

In addition to non-quantitative research and surveys of local job-creation initiatives, extensive quantitative economic simulation studies on this subject have been undertaken by research teams in three countries, France, the United Kingdom and Germany: Mr Cette, Mr Cunéo et al. of INSEE and BIPE-Conseil (France), Cambridge Econometrics (United Kingdom) and Mr Schettkat and Mrs Fuchs of WZB (Germany). This simulation exercise evaluated the macro-economic effects of interventionist policies aimed at increasing consumption of new services by households. This exercise has been supplemented by a comparison of the effectiveness of this type of policy with alternative public measures.

The results should be treated with caution as they are based on a set of assumptions, which are, of course, debatable by definition. However, they provide sufficient evidence to validate the selection of policies seeking simultaneously to respond to new needs and to combat unemployment.

1. The macroeconomic effects of interventionist policies focusing on new needs

The basic methodology is the same as that adopted for the study undertaken by INSEE and BIPE-Conseil in France. The macroeconomic simulation has been carried out for each country in two stages, corresponding to an evaluation of the prior characteristics of these interventionist policies, on the one hand, and of their induced effects, on the other.

1.1. Three economic simulations each reflecting the potential existing in France, Germany and the United Kingdom

As the first stage, scenarios were worked out in detail for each country. In the case of France, for reasons of simplicity, the scenarios adopted are those of the study undertaken by INSEE and BIPE-Conseil. For the United Kingdom and Germany, the scenarios are those devised by the national consultants developing applications pertinent to their own national situation, of the general concept of 'new services' in the fields of 'person-

directed' services and neighbourhood local services, of improvement of quality of life and of protection of the environment.

Each scenario consists of the following elements for each of the fields concerned:

- (i) a quantification of the objective to be attained (in the majority of cases, this consists of increased expenditure by consumers on the corresponding services);
- (ii) the definition and choice of the instrument to be used (in the majority of cases, this consists of introducing a system of vouchers for services based on joint financing of the expenditure by consumers and the public authorities);
- (iii) an estimate of the budgetary cost of this measure and of the number of jobs directly created by it.

Details of each proposed national scenario are presented in Tables 1a, 1b and 1c.

For France, nine fields have been selected as possible sources of job creation. For six of them (i.e. home care for the elderly, child care, assistance

with schooling, housing renovation, local transport, and assistance with the provision of instruction in sport and other leisure pursuits), the initial assumption has been that demand would increase as available income increased.

The set objective has been to bring the level of expenditure of all households into line with that of higher executives for the given service. The proposed financial instrument is that of vouchers, by means of which 50% of the price of the service is paid by a public authority with the balance to be paid by the households. This type of policy would in particular allow the creation of 40 000 full-time equivalent jobs in child care at a budgetary cost of ECU 517 million¹ and of 15 000 jobs linked to instruction in sport and other leisure pursuits for ECU 472 million of public expenditure.

In the case of action to maintain small businesses in rural areas and of the systematic installation of property security guards in large public buildings, the potential for job creation is estimated respectively at 20 000 and 15 000 jobs, mainly financed by public subsidies. Finally, in the sphere of protection of the environment, the idea of accelerating the creation of public service or administrative jobs in proportion to the increase in total expenditure on the environment, as advocated in the French national environmental plan, was entered into the scenario. Employment could in this way be expanded by 24 000 job positions for, essentially, a national or local public expenditure of ECU 624 million.

For the United Kingdom, three areas appeared to have good potential for offering a rapid expansion of jobs, if funds were provided.

First, home care for the elderly: the extension of the current government policy for severely handicapped people (under community care) to all retired persons would enable 70 700 full-time equivalent jobs to be created for a budgetary cost of ECU 425 million. These figures would be reached on the condition that a rebate of 85% towards the cost of home-delivered services was offered by the public authorities to elderly persons, with a limit of five hours per week.

Second, child-care services: parents could be encouraged to utilize preschool facilities to a greater extent if vouchers were offered to cover 50% of the child-care costs. Increasing the percentage of three-to-four-year-old children

attending specialized establishments (nursery schools) from 50 to 80% would then appear to be feasible and this would result in the creation of 22 500 jobs for a budgetary cost of ECU 164 million.

Third, with respect to the improvement of housing conditions and energy-saving investments, the extension to all owners of an existing measure (the Home energy-efficiency scheme), which grants subsidies of up to 100% for thermal insulation and draught exclusion work, intended to reduce the cost of rents, could create 26 000 jobs. On the basis of the number of properties concerned and of the public contribution reaching a maximum of 50% of the investment cost, the public finance expenditure would be ECU 546 million.

In the case of Germany, four job-creating services were considered to be insufficiently developed: the provision of assistance to the elderly, care for young children, sports and play activities for school children and assistance in education.

(i) For the elderly, the granting of vouchers worth 50% of the cost of home or mobility services (escorts for transport and shopping) to all those over 70 years, and not only for those covered by medical-care insurance, was entered into the scenario. Such measures could create 166 500 full-time equivalent jobs for a budgetary cost of ECU 1 398 million.

(ii) Making child-minding available to all children aged from three to six years, as against the current take-up rate of 70%, would be made possible by increasing local public provision of such care, in the present form, with parents contributing about 40%. The new places provided would create 51 300 jobs for a net public cost of ECU 1 225 million.

(iii) The conditions for keeping school children between 6 and 10 years of age at school after school hours could be brought into line throughout the country with those applying in the new *Länder*. By using service vouchers under which 50% of the price is paid by households and in view of the fact that the families most concerned are those where the women work away from home, 196 700 jobs could be created (bearing in mind the characteristics of school timetables) for a budgetary cost of ECU 3 288 million.

(iv) Assistance for secondary school pupils, supported by the issue of service vouchers covering 50% of the price of lessons, would prob-

¹ Because of variations in foreign exchange rates in 1994 and of the approximations necessary in making certain calculations, the figures quoted in the text are generally rounded.

ably create 17 300 jobs for a public expenditure of ECU 455 million.

As the second stage, the data relating to the direct effects of the policies on the economy as a whole were integrated into the Commission's QUEST econometric model for each country, by requiring the model to take account of the changes in behaviour. This data input was entered by appropriate adjustments to the equation model to take into account the *ex-ante* effects associated with the measures included in these policies. These adjustments concern the levels of employment in the private and public sectors and the income flows associated with wages or salaries, and the levels of consumption (consumption is treated in the model in such a way that the propensity to consume stays constant in the long term).

The *ex-ante* changes in the endogenous and exogenous variables incorporated in the model for each country are summarized in Tables 2a, 2b and 2c.

It has thus been possible to use the QUEST econometric model, which is not capable by itself of reproducing scenarios of this type, to obtain an overall evaluation of these policies, that is, an evaluation that includes the secondary effects resulting from the standard macroeconomic mechanisms (the multiplier and accelerator effects, inflation, price-competition effects, growth potential, etc.).

The main assumptions of the simulation exercise are:

- (i) the *ex-ante* modifications are spread over a period of four years starting in the middle of 1994, to enable the measures to be put into place gradually;
- (ii) in conformity with the methodology used for the INSEE-BIPE-Conseil study, the balance of the national social security budget is maintained at its initial level, that is, all the budgetary savings realized through the reduction of unemployment benefit are immediately transferred to the households, in the form of reductions in social security contributions;
- (iii) in view of the relatively weak negotiating power of the newly hired employees with respect to wage levels, the Phillips curve effect (that is the effect on wage inflation) of an *ex-ante* reduction of unemployment is halved;

- (iv) as the creation of jobs brought about by such measures mainly involves poorly paid jobs, budgetary social security benefit payments, linked to an increase in income tax receipts, were adjusted downwards (contrary to the normal characteristics of the QUEST model, which assumes a progressive increase of tax revenues) by eliminating the effects on tax revenues and other government revenues resulting from *ex-ante* changes in the income of workers and enterprises.

1.2. Promising results for employment

The results of this exercise confirm the economic viability of a policy aimed both at satisfying new needs and at combating unemployment. The simulations as a whole show that, varying from country to country, vigorous action to channel consumption towards neighbourhood services would help to increase employment by 0.1 to 0.3% annually. This is not negligible, compared with the annual rate of 0.5% for enrichment of the content of job growth, if it is hoped to halve the present level of unemployment by the year 2000, in accordance with the analysis in the White Paper on growth, competitiveness and employment.¹

More precisely, the macroeconomic evaluation gives the following results:

- (i) The creation of new jobs in the services sector, provided there is a latent demand for these services, has an effect on the consumption and income of households. In the case of consumption, the service voucher can be considered to be an instrument for a conditional increase of incomes for specific types of consumption, which may be lost if the voucher is not spent to buy this service. The savings rate of households is affected only temporarily, since the propensity to consume in the QUEST model returns fairly rapidly to its established level. In addition, the supply of services creates income for people previously unemployed. Taxes are collected on this new income and the government makes savings in unemployment benefits and in other social expenditure connected to unemployment.
- (ii) An interventionist policy of job creation in the sheltered sectors may lead to a net creation of employment in the economy as a

¹ See p. 64 of the White Paper.

whole (the additional jobs are not necessarily created in the sheltered services sectors). This may assist, to a large extent, in compensating for the *ex-ante* budgetary cost per job.

In fact, at the end of four years, the result would be as follows:

- in France, for an initial budgetary cost of ECU 3 196 million, the creation of 125 000 direct jobs and 235 000 jobs in total,
- in the United Kingdom, for an initial budgetary cost of ECU 1 133 million, the creation of 119 200 direct jobs and 164 000 jobs in total,
- in Germany, for an initial budgetary cost of ECU 6 387 million, the creation of 431 800 direct jobs and 610 000 jobs in total.

- (iv) However, the extent of these effects varies considerably from one country to another and depends largely on the assumptions adopted in the simulation with respect to the effect of the Phillips curve. The result of the exercise, in terms of the *ex-post* creation of jobs and budgetary effects, is much more favourable for France than for Germany or the United Kingdom. Specifically, in France, the simulation indicates that the number of induced jobs created may be equal to 90% of the figure for the jobs created *ex-ante*, at a budgetary cost less than 50% of the initial estimate (Table 3a). In the case of the United Kingdom, the total creation of jobs at the end of the simulation period is barely higher than the figure given by the initial simulation; the budgetary cost of each job created is about 75% of the *ex-ante* figure (Table 3b). In Germany, the *ex-post* increase in employment is about 40% higher than the *ex-ante* creation of jobs for a budgetary cost around 30% lower than that of the *ex-ante* estimate (Table 3c).

In the three countries, the public savings on unemployment benefit and concomitant social expenditure are similar and amount to about 25% of the wage cost. The differing effects on the public budgets reflect principally the differences arising from the initial scenarios for the increase of wages, inflation and the effect of inflation on the budget deficits. The differences in the creation of induced employment are also influenced by the extent of the initial impact on demand.

It is to be noted that this active employment policy is accompanied by an indirect stimulation of growth, resulting from the extra income distrib-

uted to the holders of the new jobs. However, this effect on growth is very variable from one country to another, according to the induced effects on inflation (higher in Germany where the current rate of unemployment is still close to the equilibrium structural rate) and the indirect effects on imports (high in the United Kingdom). The result is the more favourable the greater the possibility of establishing a more differentiated policy of wage negotiations in the various segments of the job market (manufacturing and private services, on the one hand, personal and home-delivered services, on the other).

It may be deduced from this that this type of policy would be much more difficult to establish in Germany and the United Kingdom than in France. However this may be, the result for the three countries taken together is:

- (i) Multiplication of the indirect effects on employment by a factor of between 1.4 and 1.9;
- (ii) the progressive reduction by 20 to 60% of the supplementary charge on public expenditure, without, however, eliminating it.

2. The results of a comparison with alternative policies

This comparison has been made for France only. The effects of an interventionist policy of job creation in the services sector have been compared with the results of other job-creation policies such as:

- (i) an increase in public capital expenditure by the same amount as the initial budgetary cost of a policy promoting the creation of jobs in services;
- (ii) an increase of jobs in the public sector by the same amount as the creation of *ex-ante* jobs realized with this type of policy;
- (iii) a reduction in social security contributions payable by the employer by an amount equivalent for the budget to the expenditure connected with the introduction of an interventionist policy of job creation in services.

According to these calculations, an interventionist employment policy directed towards the satisfaction of new needs would be about five times more effective than a simple increase in public sector jobs and 10 times more effective than a 'Keynesian boost' for heavy infrastructure work. In fact, this suggests the possibility of the creation of 235 000 direct and indirect jobs at a budget cost of ECU 12 000 per job.

The results of a stimulation of public investment (Table 4) show that any increase in such investment must be accompanied by a stimulation in the direct creation of jobs to bring about a reduction in the rate of unemployment. An increase in public investment would simply have the effect of creating 40 000 jobs at a prohibitive *ex-post* cost of ECU 112 000 per job.

The policy of the direct creation of public jobs has substantial secondary effects but the *ex-post* cost per job created remains substantially higher than that corresponding to the adoption of incentive policies for services (Table 5). Thus 199 000 jobs would be created, but at an individual cost of ECU 57 000.

Table 1a – New sources of jobs – France: new policies and instruments

Objective	Instrument	Expenditure financed by government (million ECU, 1994 prices)	New sources of jobs	Jobs created (full-time employees)
			Local services	
Increase of household assistance expenditure for all the elderly and dependants, to half the expenditure of households of retired managerial staff	Joint financing (50%) by service vouchers	197.8	Home assistance for the elderly	8 000
Increase of expenditure for child care for all households consisting of one or two working parents, to a level comparable with that of households of managerial staff	Joint financing (50%) by service vouchers with a maximum of 25% of the total expenditure	517.5	Child care at home or in private crèches	40 000
Increase of expenditure on aid to schooling for all households consisting of one or two working parents, to a level comparable with that of households of managerial staff	Joint financing (50%) by service vouchers with ceiling	274.0	Aid to education	2 500
Assistance in maintaining last businesses	Subsidies	487.0	Retail sales in rural areas	20 000
Hiring of personnel for large public housing groups	Subsidies	258.7	Surveillance in apartment blocks	15 000
			'Quality of life' services	
Increase of expenditure on housing improvement for single-person households, to the level of the average household	Joint financing (50%) by vouchers limited to single-person households with ceiling	91.3	Renovation of housing	–
Increase of taxi expenditure for all the elderly and dependent persons living in towns, to a level comparable with that of the households of retired managerial staff	Joint financing (50%) by vouchers	319.6	Local transport	–
			Art and leisure, tourism	
Increase of expenditure on sports activities for disadvantaged households, to the level of managerial staff households	Joint financing (50%) by vouchers	471.8	Assistance for instruction in sports and other leisure activities	15 000
			Environmental protection	
Environmental protection in depopulated rural areas	Cost supported by central and local authorities	624.0	Maintenance of protected green areas	24 000

Source: Calculations by Commission departments on the basis of data given in the study by G. Cette, P. Cuneo, D. Eyssartier and J. Combier, 'Nouveaux emplois de services: Les dix services de solidarité', Vol. II, *Evaluations macroéconomiques*, INSEE, mimeo, 1992.

Table 1b – New sources of jobs – United Kingdom: new policies and instruments

Objective	Instrument	Expenditure financed by government (million ECU, 1994 prices)	New sources of jobs	Jobs created (full-time employees)
			Local services	
Increase of household assistance expenditure for all the elderly and dependants benefiting from public assistance	Joint financing (85%) by service vouchers	425	Home assistance for the elderly	70 700
Increase of expenditure on child care for all households, in order to increase the percentage of three-to-four year olds cared for in crèches/nurseries from 50 to 80%	Joint financing (50%) by service vouchers	164	Child care at home or in private crèches	22 500
			Protection of the environment	
Increase of expenditure on energy savings for all owners	Joint financing (50%) by service vouchers	546	Installation of insulating material	26 000

Source: Cambridge Econometrics, 'New sources of employment in Europe: Policy actions for the United Kingdom', report submitted to the Forward Studies Unit of the European Commission, mimeo, Cambridge, 1994.

The strategy which is certainly, from the point of view of the model, closest to the policy of developing new services is a general reduction in the social security contributions paid by employers, in exchange for the creation of jobs in the private sector. The main difference relates to the sequence of events. In an active policy for the creation of jobs in the services sector, the jobs are

created first of all, leading to an immediate reduction in the cost of social security expenditure. If employers' contributions are reduced, the social security balance becomes worse to begin with, and improves as contributions come in from employees. This effect may be reduced by arriving at some kind of social pact between the government and the private sector, the result of which

Table 1c – New sources of jobs – Germany: new policies and instruments

Objective	Instrument	Expenditure financed by government (million ECU, 1994 prices)	New sources of jobs	Jobs created (full-time employees)
			Local services	
Increase of household assistance expenditure for all elderly and dependants (aged 70 or over) not covered by a medical-care insurance	Joint financing (50%) by service vouchers	1 398	Home assistance for the elderly	166 500
Extension of provision of crèches and nurseries to reach 100% of three-to-six-year-old children (below school age)	Cost met by local authorities (costs paid by families making up 40% of expenditure)	1 225 (gross expenditure: 2 047)	Care for children below school age (in private crèches)	51 300
Increase of expenditure on child care for households consisting of one or two working parents, to the average level of households in comparable situations	Joint financing (50%) by service vouchers	3 288	Care for children of school age (at home and in private nurseries)	196 700
Increase of expenditure on aid to schooling for households with children in secondary school	Joint financing (50%) by service vouchers	455.5	Aid for education	17 300

Source: Schettkat, R. and Fuchs, S. 'Household expenditure on services and service employment – A brief investigation of job-creation potential', study prepared for the Forward Studies Unit of the European Commission, mimeo, Berlin, 1994.

Table 2a – New sources of jobs – France: *ex-ante* effects of policies proposed for services

	Service No 1	Service No 2	Service No 3	Service No 4	Service No 5	Service No 6	Service No 7	Service No 8	Service No 9	Total 1 to 9
<i>Ex-ante</i> modifications in the endogenous and exogenous variables ¹	At-home assistance for the elderly and handi-capped	Child care (at home and in private nurseries)	Assistance for schooling	Purchase of security equipment, hiring personnel	Housing improvement	Local transport for the elderly	Taking on environmental personnel	Sports and other leisure activities	Businesses in rural areas	
Variation in number of employees in private sector (full-time equivalent)	+ 8 000 ²	+ 40 000 ²	+ 2 500 ³	+ 15 000 ⁴	–	–	–	+ 15 000 ⁵	+ 20 000	+100 500
Variation in subsidies (million ECU at 1994 prices)	+ 156.7	+ 506.8	+ 280	+ 261.7	86.7	+ 315	–	+ 471.8	+ 490.1	+ 2 572.3
Variation in number of employees in public sector (full-time equivalent)	–	–	–	–	–	–	+ 24 000	–	–	+ 24 000
Variation in private consumption (million ECU at 1994 prices)	+ 261.8	+ 1 050	+ 455	+ 261.8	+ 140	+ 401.8	–	+ 611.8	+ 490.1	+ 3 675.8
Variation in income of wage-earners in private sector (million ECU at 1994 prices)	+ 261.8	+ 1 050	+ 455	+ 261.8	–	–	–	+ 611.8	+ 490.1	+ 3 134
Variation in wage costs in the public sector (million ECU at 1994 prices)	–	–	–	–	–	–	+ 630	–	–	+ 630

¹ The changes are assumed to be implemented linearly over a four-year period.

² Estimate of wage rates: 1.5 times the minimum wage rate (the minimum wage rate is set at FF 120 000 per person per year).

³ Estimate of wage rates: 2.5 times the minimum wage rate.

⁴ Estimate of wage rates: minimum wage rates.

⁵ Estimate of wage rates: 2 times the minimum wage rate.

Source: Calculations by Commission departments on the basis of data given in the study by G. Cette, P. Cuneo, D. Eyssartier and J. Combier, 'Nouveaux emplois de services: Les dix services de solidarité', *Evaluations macroéconomiques*, Vol. II, INSEE, mimeo, 1992.

would be to reduce the effects of the Phillips curve associated with a process of job creation.

If the creation of jobs is left entirely to the good will of private enterprises, the general effect is much weaker than that of the active policy of job creation in services. Over the long term, the budgetary cost per job created *ex post* is similar (Table 6): 79 000 jobs in total for an average budgetary cost of ECU 10 000.

Another difference between the two strategies, which cannot easily be incorporated into the macroeconomic simulations carried out, concerns the effect on the sectors of activity and on the two sides of the market, supply and demand. It would even offer interesting prospects for an

overall policy based on the complementarity of these two strategies: the incentive policy for the creation of jobs in services may be oriented towards certain sectors of the economy where there is an evident discrepancy between labour supply and demand. An alternative strategy for reducing labour costs may thus be directly aimed at improving the supply.

Table 2b – New sources of jobs – United Kingdom: ex-ante effects of policies proposed for services

	Service No 1	Service No 2	Service No 3	Total 1 to 3
<i>Ex-ante</i> modifications in the endogenous and exogenous variables ¹	Subsidies for at-home assistance for elderly and handicapped	Subsidies for child care (at-home and in private nurseries)	Subsidies for housing improvements	
Variation in number of employees in private sector (full-time equivalent)	+ 70 700 ²	+ 22 500 ³	+ 26 000	119 200
Variation in subsidies (million ECU at 1994 prices)	+ 424.4	+ 164.1	+ 545.4	+ 1 133.8
Variation in private consumption (million ECU at 1994 prices)	+ 500	+ 138.4	+ 1 000	+ 1 638.4
Variation in income of wage-earners in private sector (million ECU at 1994 prices)	+ 500	+ 138.4	+ 1 000	+ 1 638.4

¹ The changes are assumed to be implemented linearly over a four-year period.

² Estimate of cost: UKL 3 per hour (40 hours per week for 46 weeks per year).

³ Estimate of cost: UKL 2 per session per child (300 sessions per year).

Source: Cambridge Econometrics, 'New sources of employment in Europe: policy actions for the United Kingdom', report submitted to the Forward Studies Unit of the European Commission, mimeo, Cambridge, 1994.

Table 2c – New sources of jobs – Germany: *ex-ante* effects of policies proposed for services

	Service No 1	Service No 2	Service No 3	Service No 4	Total 1 to 4
<i>Ex-ante</i> modifications in the endogenous and exogenous variables ¹	Subsidies for at-home assistance for the elderly and handicapped	Hiring of personnel for large blocks of public housing	Subsidies for child care (at-home and in private nurseries)	Subsidies for assistance for schooling	
Variation in number of employees in private sector (full-time equivalent)	+ 166 500 ²	–	+ 196 700 ⁴	+ 17 300 ⁵	+ 380 500
Variation in subsidies (million ECU at 1994 prices)	+ 1 395	–	+ 3 281	+ 454.5	+ 5 130.5
Variation in number of employees in public sector (full-time-equivalent)	–	+ 51 300 ³	–	–	+ 51 300
Variation in private consumption (million ECU at 1994 prices)	+ 2 784.7	–	+ 6 948.8	+ 903.8	+ 10 637.4
Variation in income of wage-earners in private sector (million ECU at 1994 prices)	+ 2 784.7	–	+ 6 948.8	+ 903.8	+ 10 637.4
Variation in wage costs in the public sector (million ECU at 1994 prices)	–	2 042.8 (net expenditure 1 222.5)	–	–	1 222.5

¹ The changes are assumed to be implemented linearly over a four-year period.

² Estimate of cost: DM 20 per hour (1 600 hours per year).

³ Estimate of cost: DM 5 754 per place for child per year.

⁴ DM 5 754 per place for child per year.

⁵ Estimate of cost: DM 62.5 per hour (1 600 hours per year).

Source: Schettkat, R. and Fuchs, S. 'Household expenditure on services and service employment – A brief investigation of job creation potential', study prepared for the Forward Studies Unit of the European Commission, mimeo, Berlin, 1994.

Table 3a – New sources of jobs – France: macroeconomic evaluation of policies proposed for services

Job creation and budgetary cost

	<i>Ex-ante</i> effect ¹	<i>Ex-post</i> effect (1999)
Jobs created (full-time equivalent),	124 500	235 000
of which: private sector	100 500	211 000
public sector	24 000	24 000
Budgetary cost (million ECU at 1994 prices)	3 196.3	2 907.1
Budgetary cost per job created (ECU at 1994 prices)	25 570	12 085

¹ The measures are assumed to take four years to be fully realized.

Macroeconomic scenario (difference as compared with basic scenario)

	1994	1997	1999
GNP (volume)	0.2	1.1	1.1
Household consumption (volume)	0.2	1.2	1.7
Private sector investment (volume)	0.3	3.0	3.9
Consumer prices	0.0	0.6	1.2
Unemployment rate (%)	- 0.1	- 0.8	- 1.0
Financing requirements of government departments (% of GNP)	0.0	0.1	0.1
Current balance (% of GNP)	0.0	- 0.0	- 0.2

Source: Simulations by Commission departments on the basis of data given in the study by G. Cette, P. Cuneo, D. Eyssartier and J. Combier, 'Nouveaux emplois de services: Les dix services de solidarité', *Evaluations macroéconomiques*, Vol. II, INSEE, mimeo, 1992.

Table 3b – New sources of jobs – United Kingdom: macroeconomic evaluation of policies proposed for services

Job creation and budgetary cost

	<i>Ex-ante</i> effect ¹	<i>Ex-post</i> effect (1999)
Jobs created (full-time equivalent),	119 200	164 000
of which: private sector	119 200	164 000
public sector	-	-
Budgetary cost (million ECU at 1994 prices)	1 133	1 128
Budgetary cost per job created (ECU at 1994 prices)	9 500	6 923

¹ The measures are assumed to take four years to be fully realized.

Macroeconomic scenario (difference as compared with basic scenario)

	1994	1997	1999
GNP (volume)	0.1	0.4	0.3
Household consumption (volume)	0.1	0.7	0.8
Private sector investment (volume)	0.0	0.5	0.4
Consumer prices	0.0	0.2	0.4
Unemployment rate (%)	- 0.1	- 0.5	- 0.6
Financing requirements of government departments (% of GNP)	0.0	0.0	0.0
Current balance (% of GNP)	0.0	0.0	0.1

Source: Simulations by Commission departments on the basis of data given in the study by Cambridge Econometrics, 'New sources of employment in Europe: Policy actions for the United Kingdom', report submitted to the Forward Studies Unit of the European Commission, mimeo, Cambridge, 1994.

Table 3c – New sources of jobs – Germany: macroeconomic evaluation of policies proposed for services

Job creation and budgetary cost

	<i>Ex-ante</i> effect ¹	<i>Ex-post</i> effect (1999)
Jobs created (full-time equivalent),	431 800	610 000
of which: private sector	380 500	558 700
public sector	51 300	51 300
Budgetary cost (million ECU at 1994 prices)	6 387	6 492
Budgetary cost per job created (ECU at 1994 prices)	15 183	10 628

¹ The measures are assumed to take four years to be fully realized.

Macroeconomic scenario (difference with respect to basic scenario)

	1994	1997	1999
GNP (volume)	0.2	1.0	0.8
Household consumption (volume)	0.3	2.6	3.8
Private sector investment (volume)	0.2	1.0	0.6
Consumer prices	0.0	0.9	2.1
Unemployment rate (%)	-0.3	-1.7	-1.9
Financing requirements of government departments (% of GNP)	0.0	0.2	0.3
Current balance (% of GNP)	-0.0	-0.2	-0.3

Source: Simulations by Commission departments on the basis of data given in the study by Schettkat, R. and Fuchs, S. 'Household expenditure on services and service employment – A brief investigation of job creation potential', study prepared for the Forward Studies Unit of the European Commission, mimeo, Berlin, 1994.

Table 4 – New sources of jobs – France: macroeconomic evaluation of alternative policies – increase in public investment expenditure

Job creation and budgetary cost

	<i>Ex-ante</i> effect ¹	<i>Ex-post</i> effect (1999)
Jobs created (full-time equivalent)	-	40 000
Budgetary cost (million ECU at 1994 prices)	3 196	4 490
Budgetary cost per job created (ECU at 1994 prices)	-	112 328

¹ The measures are assumed to take four years to be fully realized.

Macroeconomic scenario (difference as compared with basic scenario)

	1994	1997	1999
GNP (volume)	0.1	0.4	0.5
Household consumption (volume)	0.0	0.2	0.5
Private sector investment (volume)	0.1	0.8	1.0
Consumer prices	-0.0	0.0	0.1
Total employment	1 000	25 000	40 000
Unemployment rate (%)	-0.0	-0.1	-0.2
Financing requirements of government departments (% of GNP)	0.0	0.2	0.3
Current balance (% of GNP)	-0.0	-0.1	-0.2

Source: Simulations by Commission departments.

Table 5 – New sources of jobs – France: macroeconomic evaluation of alternative policies – increase in employment in public sector

Job creation and budgetary cost

	<i>Ex-ante</i> effect ¹	<i>Ex-post</i> effect (1999)
Jobs created (full-time equivalent)	124 500	199 000
Budgetary cost (million ECU at 1994 prices)	3 729	11 370
Budgetary cost per job created (ECU at 1994 prices)	30 000	57 230

¹ The measures are assumed to take four years to be fully realized.

Macroeconomic scenario (difference as compared with basic scenario)

	1994	1997	1999
GNP (volume)	0.1	0.7	0.8
Household consumption (volume)	0.1	0.9	1.5
Private sector investment (volume)	0.3	2.4	2.8
Consumer prices	- 0.0	0.3	1.0
Total employment	22 000	164 000	199 000
Unemployment rate (%)	- 0.1	- 0.7	- 0.8
Financing requirements of government departments (% of GNP)	0.1	0.5	0.8
Current balance (% of GNP)	- 0.0	- 0.3	- 0.5

Source: Simulations by Commission departments.

Table 6 – New sources of jobs – France: macroeconomic evaluation of alternative policies – reduction in social security contributions

Job creation and budgetary cost

	<i>Ex-ante</i> effect ¹	<i>Ex-post</i> effect (1999)
Jobs created (full-time equivalent)	-	79 000
Budgetary cost (million ECU at 1994 prices)	3 196	806.7
Budgetary cost per job created (ECU at 1994 prices)	-	10 213

¹ The measures are assumed to take four years to be fully realized.

Macroeconomic scenario (difference as compared with basic scenario)

	1994	1997	1999
GNP (volume)	0.0	0.5	0.5
Household consumption (volume)	0.0	0.4	0.5
Private sector investment (volume)	0.1	1.2	1.3
Consumer prices	- 0.1	- 0.6	- 0.3
Total employment	2 000	54 000	79 000
Unemployment rate (%)	- 0.0	- 0.2	- 0.3
Financing requirements of government departments (% of GNP)	0.0	0.1	0.1
Current balance (% of GNP)	- 0.0	- 0.1	- 0.1

Source: Simulations by Commission departments.

Part Two

**LOCAL INITIATIVES:
THE SITUATION IN 17 FIELDS**

HOW TO PROCEED, IN PRACTICE, TO CAPITALIZE ON THESE SOURCES OF EMPLOYMENT LINKED TO THE SATISFACTION OF NEW NEEDS

The simplest way, no doubt, is to return to the 17 job areas identified by the Commission survey (see Part One, Chapter 1) covering the four large fields of changes in the needs of Europeans, that is daily life, quality of life, leisure and the protection of the environment. They include services delivered at home, child care, the new information and communication technologies, assistance to and integration of young people with problems, housing improvement, security, local public transport, development of public urban areas, local businesses, tourism, audiovisual technologies, cultural heritage, local cultural development, waste management, water management, protection and maintenance of green areas, regulation and monitoring of pollution and the corresponding installations.

These job areas have not been scientifically defined and do not correspond to a precise statistical nomenclature. The list is not necessarily exhaustive; the borders between them are unclear and sometimes there may be double counting. However, they have common features with respect to the demand to be met, the procedures for organizing supply and the jobs or the job skills to which they are linked.

Thus, for some of the concepts, such as retail trade, the audiovisual techniques or tourism, the analysis concentrated on certain activities at the local level, without presupposing what might be the growth outlook for those activities which are effectively part of an international market. Similarly, the new information technologies are viewed in various job areas as instruments which may sometimes increase, but sometimes reduce, the employment-creation potential, and it was felt necessary to specify this as an entirely distinct job area. In this case, the new technologies sometimes respond to a specific need for information and communication, and they create a dynamic for economic development, independent of the response to the other needs. Finally, it is likely that new domains will be added to this list (such as energy management), if further work shows that they are sources of job creation and that they show the same common characteristics as those already noted.

For each of these job areas, the purpose of the following chapters is to supply a kind of method of use, expanding on the broad recommendations summarized in Part One, Chapter 2.

The two tables below recapitulate, firstly, the main factors of potential employment development for the medium term, taking account of each type of need to be satisfied and of the change in behaviour, the quality of life and the

The main factors in the development of jobs in 17 job areas

Job area	Main factors
Services at home	Ageing of population / new schedules for women employees / restrictions on public finance for dependants
Child care	Working women / urbanization / increasing similarity between rural and urban mode of life / increasing socialization of children / distance between work and home
New information and communication technologies	Saving of time / ageing of the population / of value for isolated areas / means of reducing ecological, economic, etc. risks / adaptability to individual needs (training, continuous assessment of health, etc.)
Assistance to young people with problems needing to be reintegrated into society	Failures at school / rising education levels / unemployment of unskilled young people / immigration
Housing improvements	Dilapidated housing / change in family structure (need for small housing units) / unemployment (income problems)
Security	Crime / restrictions on public finance / ageing of population
Local public transport	Changes in reasons for travel / applicable technological innovations / ageing of population / urbanization
Redevelopment of public urban areas	Urbanization of the 1960s and 1970s / restrictions on public finance / dilapidated 19th century buildings / interest in cultural heritage / conversion of industrial sites
Local shops	Ageing of population / urbanization of 1960s and 1970s and of outlying districts / increasing similarity between rural and urban life
Tourism	Individualism / reductions in working time / new destinations / rising level of education
Audiovisual techniques	Technological innovations / reductions in working time / rising level of education
Cultural heritage	Free time / ageing of population / teaching techniques (children) / applicable technological innovations
Local cultural development	Conversion of industrial sites / unemployment / rising level of education / free time
Waste management	Sensitivity to pollution problems / changes in consumption habits (consumerism) / education / disappearance of natural resources
Water management	Sensitivity to pollution problems / restrictions on public finance / disappearance of natural resources
Protection and maintenance of green areas	Exodus from rural areas / ageing of population / leisure pursuits (countryside coming into vogue) / pollution
Pollution regulations and controls, and related equipment	Pollution / applicable technological innovations / disappearance of natural resources

The main obstacles holding back initiatives

Job area	Main obstacles
Services at home	Low returns / jobs often precarious and undervalued / no price indicators / isolation in rural areas / quality and continuity of service not guaranteed
Child care	Lack of promoters, organizers of projects / jobs often precarious and undervalued / no price indicators / quality and continuity of service not guaranteed / low returns
New information and communication technologies	Weakness of infrastructures / access to funds / poor cooperation between private and public sectors (approaches tending to be industry-centred) / lack of professionalism at local level
Assistance to young people with problems needing to be reintegrated into society	No price indicators / lack of information/ poor link between education, training and social integration / financing too briefly available
Housing improvements	Qualifications undervalued / financial systems favouring new housing / supply too unidimensional / lack of integrated approach (housing, finance) / labour costs / inadequate occupational standards
Security	Weakness in cooperation between public and private sectors (public contracts, licensing systems) / quality and continuity of service not guaranteed / labour costs / inadequate means of entry to trades
Local public transport	Weakness in cooperation between public and private sectors / lack of innovations / investment costs / insufficient frequency and quality of service / strong anti lobby / training to be revised / inappropriate limitations on public service
Redevelopment of public urban areas	Investment costs / poor cooperation between public and private sector / lack of flexible legal instruments
Local shops	Low returns / over-rigid legal and statutory systems / access to funds / lack of innovation and poor external logistical backing
Tourism	Jobs often precarious / seasonal nature / lack of professional standards / over-rigid legal system / lack of quality control
Audiovisual techniques	Access to funds / weakness of infrastructures / need for training of users / jobs often of short duration / new occupational abilities
Cultural heritage	New job skills / élitist behaviour / lack of quality control for SME and of professional code of ethics / unsuitable legal systems / investment cost
Local cultural development	Poor cooperation between public and private sectors / non-profit motivation / lack of information and financial training / complex legal instruments
Waste management	Labour costs / limited outlets for recycled products
Water management	Severe limits on public provision of service / investment cost
Protection and maintenance of green areas	Investment cost / poor cooperation between public and private sectors / unwillingness to pay for use / low returns / legal instruments sometimes non-existent
Pollution regulations and controls, and related equipment	Extra costs for consumers / new job skills / public authority approach sometimes inflexible

applicable technologies, and, secondly, the main obstacles encountered.

For each of the 17 items a homogenous presentation is adopted, which goes from diagnosis of the problem to the fields of action, through an analysis of the specific dynamics and curbs on the sector of activity, to the behaviour of consumers.

These entries are the work of various departments of the Commission, supported by numerous experts and valuable contributions from national governments and the Commission's information bureaux, in addition to the witness reports of local participants. The proposals for action are divided between the three main levels of public intervention: local, national, European. They do not claim to be universal; rather, they are intended to be of assistance to all the economic and sociopolitical participants (local, national and European administrations, employees and workers, heads of enterprises, associations, citizens, etc.) who may wish to implement such policies and to adopt local, multisectoral strategies. As the analysis developed in Part One shows very fully, the power of local initiatives to mobilize derives mainly from their intersectoral character. Often it is the complementarity of the projects which can both satisfy needs and create permanent jobs.

In addition, the similarities of these initiatives, which go beyond local or national diversities, argue in favour of strengthening exchanges of experience at Community level. The listed initiatives do not yet constitute more than a very partial sample of European reality they must be able to be widely diffused, particularly through channels of information, to inspire the promoters of projects or the public authorities. The collection gathered so far (more than 150 examples) is still limited, but it will no doubt be greatly expanded.

Chapter 1

EVERYDAY SERVICES

HOME-HELP SERVICES

CHILD CARE

**NEW INFORMATION AND
COMMUNICATION TECHNOLOGIES**

**ASSISTANCE FOR YOUNG
PEOPLE IN DIFFICULTY:
INTEGRATION**

HOME-HELP SERVICES

1. Perspectives

The provision of services in the home and to individuals is completely sheltered from international competition because it requires the simultaneous presence of the beneficiary and the service-provider in the same place. This area of economic activity is more labour-intensive than any other.

The development of home-help services provides a means of meeting the growing needs of the population and improving the quality of life, as a response to major trends in our society arising mainly from the ageing of the population (in France, 19% of people over the age of 70 are dependent) and various sociological changes. The significant rise in the number of women taking up employment over the last few years is one upward trend which is generally expected to continue (24% of women in Europe wish to work outside the home in order to build up social relations). Changing family structures (the proportion of single-parent families in the total number of families with children under the age of 15 rose between 1981 and 1991 from 9.4 to 15.4% in Germany, from 8.3 to 10.8% in France, from 7.9 to 12.2% in the Netherlands and from 13.7 to 19% in the United Kingdom) and altered lifestyles (between 1971 and 1991, the proportion of single-person households throughout Europe increased from 16 to 24%) also play an important part.

While electrical appliances have helped considerably to alleviate household chores, they have not done away with them altogether. Consequently, the increasing number of households where both adults go out to work constitutes a key factor in the development of home-help services.

Demand for such services can therefore be divided into two categories:



(i) the first applies to those who cannot fully provide for themselves owing to physical, financial or family difficulties. Such people are usually reliant on assistance from subsidized social services;

(ii) the second category covers those who could benefit from outside assistance to carry out tasks which they themselves perform in the home, albeit with a high level of dissatisfaction (compared with women who do not go out to work, working women have 66 fewer minutes of free time and get 60 minutes less sleep a day).

Although there is little in the way of statistics on the actual demand for home-help services, analysis of trends has shown that the potential demand is very considerable, particularly as regards older people and children; those are the two sectors which, in the short term, would create the largest number of jobs.

2. Taking stock of initiatives

Examples of activities arising from home-based and individually targeted services reveal the potential scope for providing an innovative response to traditional needs:

- administrative facilities (secretarial or accounting services, assistance with administrative procedures, etc.);
- preparation of meals at home and/or meals-on-wheels service;
- home delivery of goods and/or support services for older people visiting shops and other places;
- utilization of existing infrastructures to provide a variety of services: for example using railway stations as multiservice centres (deposit of shopping, car maintenance, child minding, etc.), use

of kitchens for large-scale catering providing meals for individuals via home distribution and delivery companies;

- laundering and cleaning services operating on the basis of individual subscription systems.

CONFORT FRANCE

(Nogent-sur-Marne, France)

The non-profit-making organization Confort France was created in 1992 on the basis of an initial partnership between the local authority of Nogent-sur-Marne in the Paris region and the two public companies EDF and GDF.

This organization offers to help older people with their everyday problems, in exchange for payment of an annual subscription of ECU 800. The services offered have to do mainly with small domestic repairs, ongoing upkeep of the home and assistance with administrative formalities. In the same vein, the organization keeps a regular check on older people who, while not dependent, have greater peace of mind knowing that they can readily obtain help.

The organization, which has expanded into several towns in France, has created, in Nogent, 14 full-time jobs, drawing its workforce mainly from the ranks of the unemployed; it recruits well-motivated people who, in addition to technical training, are schooled in how to conduct relations with an older public. A number of trainees have gone on to set up corresponding companies in other regions. The cost-effectiveness of a job is ensured with 200 subscribers. The company has 500 subscribers in the Nogent district alone.

Among other known initiatives:

Ecopolis Brescia (Italy)

Résidence de personnes âgées (residence for older people) de St Armand sur Fion (France)

CILTE Torino (Italy).

3. The main obstacles

The development of home-help services comes up against a number of obstacles on both the demand and supply sides: high labour costs imposing financial constraints in terms of demand, poor structuring of supply and cultural obstacles linked to consumption and the provision of services.

On the household side: psychological barriers, which tend to be overlooked, are very important.

The European consumer is reluctant to pay for outside services covering many aspects of daily life. The purchase of services is often perceived as a luxury, whereas the acquisition of new material goods is considered to be a lasting investment.

Home-help services are sometimes regarded as an intrusion of privacy. Potential clients, particularly older people, will accept such help only if they have confidence in it.

In most cases, the absence of mechanisms or an organizational structure to ensure the quality and continuity of the service also constitutes a major obstacle. Current financial constraints also hamper the development of such services. Nearly all the Member States offer one of two options: people are either eligible for assistance 'entirely free of charge' (the cost being met from the public purse and social protection schemes) if they are on very low incomes or, if they have sufficient income, they must pay the full cost themselves, with labour costs often pushing the price up.

On the supply side: being highly labour-intensive, these services do not provide significant productivity gains and are therefore not very cost-effective.

Possible alternative ways of meeting needs, such as people doing the domestic chores themselves, getting voluntary assistance or engaging moonlighting workers, mean that there is no single reference price. Available services lack a proper structure and may well entail work which has no security and is poorly perceived, with the result that there is no great enthusiasm to accept such jobs.

A further specific problem in terms of the structuring of supply lies in the lower population density of rural areas, a situation which is compounded by the difficulty in organizing work and getting people to move to provide services of limited duration.

4. Possible approaches to removing the obstacles

Both respect for the European social model and the need to develop a genuine market for local services combining professionalism, creativity and quality, calls for the establishment of a strategy relevant to supply and demand. In this connection, the first approach entails making these new activities more user friendly; this could be achieved mainly by improving the quality of the service and making it easier for households to meet the cost. The second approach aims to

attract and train job-seekers to take up such employment and to increase the opportunities for creating activities or jobs in home-help services.

More fundamentally though, the question of developing home-help services is not just a technical matter; it is primarily a policy question addressing various issues: the social issue (continuation and renewal of the welfare state), the economic issue (in terms of the potential significance of this sector) and the societal issue (taking account of demographic and sociological changes). The development process entails the implementation of a strategy coordinated at European, national and local levels.

4.1. At European Union level

The European Union can help this process along by promoting experiments and setting up transnational networks. A point to note is that personal services are provided and utilized on a local, non-competitive basis, and therefore do not affect trade between Member States. Consequently, Articles 92 to 94 of the Treaty do not apply to these sectors.

The Union could, in particular, help to facilitate the exchange of results and methods employed by the Member States in both the legal and financial fields. The service voucher scheme provides an example of this, as a significant innovatory approach to providing households with the wherewithal to obtain such services. Moreover, experiments launched in two Member States will shortly be ready for evaluation, thereby adding to the range of redistributive instruments available to European governments.

4.2. At Member State level

Professionalism, the benchmark of service and job quality, entails structuring of supply in the form of undertakings (private or non-profit making) providing an interface between the consumer and the service-provider, thereby toning down the 'domestic service' connotations often associated with such jobs. These bodies would be able to train and qualify their employees and, where appropriate, organize their work (travel, schedules, etc.). Besides tackling the question of how to pay for the services provided, the creation of service undertakings necessitates the implementation of various measures at national level: vocational training, investment opportunities (guarantee fund, social investment, etc.), awareness-raising campaigns in the business world, support for the social economy, etc.

In the case of services intended for older people, which have great potential for development in view of the consumer attitudes, needs and numerical significance of this group, a measure such as dependency insurance can give a decisive boost to their growth.

4.3. At local level

Since it is at local level that these services are organized and supply and demand are matched, it is necessary in all cases to improve information and guidance for project organizers so as to enable them to set up their undertaking (be it private or part of the social economy).

With a view to enhancing the endogenous human and economic potential, in the interest of meeting the needs of the local population in a cost-effective and appropriate manner, local participants and mediators have to be involved on a systematic basis.

As at national level, consideration must be given to financial experiments and partnerships between public authorities and private companies.

CHILD CARE

1. Perspectives

Child care includes, on the one hand, care and education services for children under compulsory school age and, on the other hand, supervisory and recreational services for children of school age. The provision of child care takes many different forms, comprising regular services (crèche and other child-minding facilities), occasional services (day nurseries, care of sick children) and services provided during holiday periods (e.g. play areas, kindergartens, sporting or educational courses).

Services are provided on a broad basis by public authorities, private companies, associations, families, self-employed workers and moonlighters.

Child care, a labour-intensive activity offering little in the way of productivity gains, calls for high levels of professional supervision. In view of the fact that parents' ability to pay for the services varies greatly, it is not surprising that the subsidizing of available services plays an important part.

The Child-care Network has estimated that the provision of care services for an additional 10% of children could generate 415 000 jobs within the Union, rising to 625 000 jobs if account is taken of associated staff. The estimates were based on the following assumptions: one adult for four children up to a year old; one for six children between the ages of one and two, one for eight children between the ages of two and three, and one for 15 children aged between three and five or older. Such figures are wholly consistent with experiments conducted and studies carried out in various countries over the last few years.

It also appears that, within the Union, various sociological factors such as the rate of female employment, the growing number of families where both parents go out to work, the increas-



ing tendency for people to live further away from their place of work, and the desire for children to integrate socially at an early age, point to the rapid development of child-care facilities.

2. Taking stock of initiatives

The problems of child care, which are crucial to women's participation in the labour-market, have been addressed by a large number of initiatives, from which various lessons can be drawn:

- existing infrastructures (schools, sports centres, etc.) can be used more intensively, especially during holiday periods, in order to diversify and multiply the facilities available;
- more rational management of supply and demand (e.g. grouping of children) encourages a collectivist approach and reduces costs;
- voluntary work is expanding in various countries in the light of current budgetary constraints;
- services provided by companies to their employees are also growing (in-house nurseries, nurseries shared by a number of companies situated close to one another, facilities for the care of sick children, etc.).

Among other known initiatives:

- Centre d'accueil des jeunes enfants (young children's centre) de Lavasseau (France)
- Innov'enfance (France)
- Weer-Werk Projecten (Belgium)
- Crèche for the social assistance sector (the Netherlands)
- Kad Legestue (Denmark)
- Child-care for Tallaght (Ireland)
- Child-care training programme (GR).

MOBILE CHILD-CARE UNITS

(Athens, Greece)

To meet the temporary child-care needs of people undergoing vocational training courses, the Greek Government joined forces with the local authority of Athens to provide paediatric nursing training for 18 unemployed female graduates and to prepare them for running mobile child-care units.

On completion of their training, the 18 trainees set up units with private legal status, which are required to work in partnership with vocational training organizations.

DANISH CROWN

(Saeby, Denmark)

The private company Danish Crown has set up a crèche for its staff (750 people), accommodating 66 children. The crèche has employed 10 people since 1991, on a part-time basis.

The originality of the approach lies in the public/private partnership arising from the project: the initial investment was provided by Danish Crown, while the running costs are covered jointly by the local authority and the parents. In exchange, the crèche is also open to children from the local community (23%).

3. The main obstacles

There are a number of obstacles likely to hamper the development of child-care activities:

- (i) budgetary constraints leading in some cases to the rationing of good-quality subsidized services available to less well-off households;
- (ii) problems arise in respect of quality of service when the lack of places offered by subsidized services makes it necessary to turn to unofficial structures;
- (iii) continuity of the service is also a problem because crèche opening hours do not always correspond to parents' working hours;
- (iv) the inadequate level of provision in terms of flexible child-care systems, for instance when a child is ill or where the service needs to be provided for a short period;
- (v) the lack of local involvement (public authorities, businesses and associative structures) in the field of child care is still notable in several regions of the Union;
- (vi) training and lack of professionalism also serve to hamper progress in terms of both supply and demand. Working conditions and prospects for advancement tend not to be particularly attractive.

4. Possible approaches to removing the obstacles

4.1. At European Union level

The European Union has a role to play in terms of exchanging information, experimenting and supporting initiatives. On the basis of the recommendation of the European Council of 31.3.1992, many opportunities are offered for the funding by the European Structural Funds for creation of child care and care of the elderly infrastructures in the Objective 1 regions.

4.2. At Member State level

If progress is to be made, it is essential to increase the available budgets and provide greater scope for tax deduction in respect of expenditure on child care (e.g. by means of service or child-care voucher schemes). The cost of such measures may be offset not only against the increased revenue and lowering of expenditure connected with job creation but also against the contribution of the users and the indirect benefits deriving from the fact that more parents are available for work. Child care could therefore constitute an element of social bargaining.

Considerable efforts need to be made to ensure proper training in these occupations, leading to the organization of genuine career paths for highly skilled supervisory staff. The public authorities must become more systematically concerned with quality control of services and the need to adapt standards to the changing demands of parents and to keep pace with medical and pedagogical knowledge. Development of care centres adapted to parents' needs, particularly as regards opening hours, has to be sustained.

4.3. At local level

Ways of increasing the involvement of various parties at local level should be investigated with a view to setting up structures commensurate with needs.

There is need for systematic involvement of 'mediators' in a position to analyse requirements and facilities available at local level, and to put project organizers, public bodies and potential clients in touch with one another.

NEW INFORMATION AND COMMUNICATION TECHNOLOGIES

1. Perspectives

Information and communication technologies help to meet new needs experienced by individuals, workers, businesses (especially SMEs) and local public authorities.

Individuals: The overall rise in living standards means that households are spending an ever-growing proportion of their budget on commodities in the fields of communications, culture, health and leisure. Moreover, the strong socio-economic trend towards demand for highly personalized goods and services is not properly satisfied by mass production.

Telematic applications and services are now providing the technical wherewithal to respond rapidly to this demand for high-quality, low-cost personalized services, while at the same time alleviating budgetary constraints: telemedicine (i.e. remote medical monitoring and diagnosis) is an area ripe for expansion in view of the ageing of the population and the need to control public health expenditure, while at the same time ensuring speedy access to equipment and specialists in less densely populated regions. The growing use of multimedia technologies within education and training systems provides the flexibility needed to enable individuals to learn at their own pace, and facilitates access to lifelong training for people at both ends of the skills spectrum (new methods of instruction, measures to combat illiteracy, etc.). Other services have recently come to the fore, such as electronic trade and leisure-related reservations and information, thanks to growing use of the Internet network.

More often than not, telematic services and applications help to supplement existing facilities in a number of fields (medical care, education, surveillance of homes and businesses, tourism, etc.), providing backup to the related standard services:



remote medical monitoring of older people by means of advanced communications is accompanied by numerous interpersonal 'extra-medical' exchanges. Distance learning services do not supplant the irreplace-

able role of the teacher, but are an extension of the teaching process. They may also create new opportunities for disseminating information among local people and businesses, which may be of particular relevance in the context of rural development.

Workers: New forms of work organization deriving from information and communication technologies, particularly teleworking, make it easier for workers to achieve a better balance between their working and private lives, and to choose their place of residence and lifestyle. In some cases, they make it possible to overcome physical disabilities or problems arising from geographical isolation.

Businesses, with particular reference to SMEs: Information and communication technologies meet the needs of companies on three levels: training, flexibility and the search for new markets. They are particularly suited to the training requirements of SMEs which, as things stand, are inadequately catered for owing to the difficulty which small organizations have in releasing their employees for several days a year. Such technologies enable businesses, through improved access to economic information and better control of production techniques, to adapt rapidly to market changes by increasing their organizational flexibility. They create opportunities for access to new markets, which can be a boon for small businesses with a particular interest in exploiting market niches; this applies, for instance, to administrative services, computer-aided publication, remote accounting and software design.

More generally, new technologies provide European businesses with opportunities for expansion on the highly specialized teleservice markets for exportation (e.g. remote assistance for industrial sites).

Local public authorities: Telematic services can help to maintain high-quality public services in rural regions and contribute locally to the creation of lasting employment (teleworking and teleservices). They are thus capable of creating conditions for the maintenance and development of activities in regions with high unemployment levels. The local cultural dimension is crucial for carrying out skilled 'tailor-made' tasks provided by certain remote services. Without being disregarded, the risk of work being transferred to countries where labour costs are lower must therefore not be overestimated. Tele-administration opens the door to greater transparency, effectiveness and localized public services.

New technologies may also contribute indirectly to the social cohesion of towns and regions (access to vocational and administrative databases, practical information, opportunities for direct communication on economic and/or cultural projects between individuals and groups, etc.) and to improving the quality of life (rationalization of public transport, traffic aids for private vehicles).

2. Taking stock of initiatives

Compared to large companies, which are more hidebound in structural terms, SMEs seem better placed to benefit from these facilities (networking of complementary components). National or regional financial support often helps to get initiatives off the ground. The skills level of the local workforce plays an important part in choosing where to locate businesses. Teleworking centres can contribute to local development by serving not only as venues for training in new technologies but also as information centres and as focal points for administrative services covering local SMEs and for teleworking services covering clients located farther away.

Among other known initiatives:
Europa Business Centre (United Kingdom)
CGC-télmaintenance (France)
Teliade SA (France)
UTECA Développement (France)
Telergos (France, United Kingdom)
Télé millevaches (France)
WREN Telecottage (United Kingdom)
La Bottega Informatica (Italy).

TELEHAUS ARSDORF

(Luxembourg)

Devised within the framework of a local action group under the Leader programme, the first teleworking centre in the Grand Duchy has been set up in Arsdorf, a small village situated in the 'parc naturel' of the Haute Sûre region.

Having started up in October 1992, the centre has two main functions:

- (i) to facilitate teleworking for those involved in the socioeconomic sphere in rural regions (SMEs and individuals);
- (ii) to provide a venue for information and training in respect of new information technologies.

This general training approach (decentralized, personalized instruction) has been very successful from the outset (80 trainees after the first six months).

At a total cost of ECU 5 000, with 25% of funding coming from private local initiatives, the project has led to the direct creation of three equivalent full-time jobs carried out by members of the local action group and a dozen or so indirect jobs thanks to the new services offered to SMEs.

3. The main obstacles

The obstacles encountered by most of the projects are inherent in the very concept of new information and communication technologies, arising on the one hand from the technology (hardware backup and infrastructures) and on the other hand from the content (the information and the ability of consumers and producers to utilize it). They may be divided into five categories.

- (i) Technical and financial obstacles: The market for on-line electronic services, multiple teleservices and teleworking methods is conditioned by the effectiveness of the telecommunications infrastructure. Its expansion depends also on the technical and financial conditions for accessing the networks and services. The multimedia market (educational and cultural software, video games, etc.) is also dependent on the hardware installed (optical disk readers, computers, decoders, etc.).

Initial funding for the development of these new products and services is often beyond the reach of SMEs, which are the main source of innovation and job creation in Europe.

- (ii) Obstacles connected with training and vocational qualifications: The shortage of certain categories of highly skilled staff on the European labour-market hampers investment in the information and communication technology sectors. Moreover, the potential users (professionals and other individuals) are not sufficiently adept in the use of new technologies to grasp all the opportunities available.
- (iii) Legal obstacles: Access to information, whether free of charge or subject to payment, by a growing number of individuals raises the problem of the protection of personal data and privacy, for consumers, minors and individuals (against defamation or racism), and the question of intellectual property. Other questions arising concern the sharing of income between the various service-providers and responsibility for remote medical assistance or transmission of information. Finally, labour law and social protection systems still take insufficient account of new working methods afforded by information and communication technologies.
- (iv) Obstacles connected with the organization and intervention of public authorities: The lack of flexibility in the organization and running of hospitals, universities, public administrations and big companies is not conducive to the introduction of new technologies. The fact that decision-makers are inadequately informed about the potential of information and communication technologies constitutes a further obstacle.
- (v) Obstacles of a cultural and sociological nature: Professionals such as doctors and teachers are sometimes reluctant to introduce information and communication technologies into their working methods. This may be due to fear of having their skills and roles challenged (competition from expert systems in the medical field or interactive teaching tools), or of having their work evaluated by their peers (new element of transparency permitted by the exchange of information on results). Company heads also hesitate to resort to subcontracting or teleworking for fear of relinquishing control or owing to confidentiality of information.

Users could, moreover, be opposed to the idea of paying for certain services of general interest, whether they are new (smart routes, distance learning) or are usually financed indirectly (public information).

Attitudes to teleworking are ambivalent: while the scope for more flexible organization of work is genuinely in tune with workers' aspirations, they are afraid of being isolated from their colleagues, suffering career-wise, or finding it difficult to motivate themselves.

4. Possible approaches to removing the obstacles

4.1. At European Union level

To ensure the general availability, at low cost, of effective high-quality telecommunications infrastructures: the European Council meeting in Essen in December 1994 welcomed the decisive move towards opening up communication infrastructures to competition on 1 January 1998. The liberalization of markets will have to be carried out in such a way as to respect the general interest (principle of universal service) and the Community interest (principles of interconnecting networks).

To harmonize and guarantee the protection of personal data and privacy, and the proper remuneration of authors (intellectual property rights).

To raise the awareness of workers and facilitate their adjustment to technological and industrial change, the aim being to promote a receptive, flexible attitude to advanced information technologies and services. Attention will need to be paid to the training of instructors and SME staff, particularly in less-favoured regions.

To promote experiments and the dissemination of good practice: Supply and demand in the field of new telematics services and applications can be given impetus by promoting large-scale experiments at national and Community level on the basis of partnerships between businesses, universities, research centres and local bodies, with public authorities acting as a catalyst for private initiatives. Improved knowledge and dissemination of good practice will also help to break down a number of psychological and sociological barriers.

4.2. At Member State level

- (i) To organize the transition between employment systems: this will mean speeding up the creation of a framework conducive to expansion of the new activities and anticipating the negative effects which the adjustment of economic structures may have on employment, particularly as regards less-

skilled jobs, through a series of support measures (e.g. information, awareness-raising, ongoing training and vocational rehabilitation, boosting the creation of local jobs).

- (ii) To reform, where necessary, labour and social security legislation in consultation with the social partners so as to prevent any discrimination in terms of income, careers, compensation and social protection *vis-à-vis* employees wishing to organize their working time differently.
- (iii) To adapt the legislative and regulatory framework to the new media, ensuring protection of data, consumers and individuals (especially minors).
- (iv) To provide training for sufficient numbers of skilled staff, engineers and specialists speedily.
- (v) To improve the access of SMEs to teleservices and distance training with the assistance of 'intermediaries' responsible for analysing needs, identifying demand and advising on suitable services available. These new occupations, connected with development of the information market, require specific training.
- (vi) To offer SMEs financing facilities so as to enable them to embark on new activities and survive the start-up phase which is always critical.

4.3. At local level

- (i) To provide financial support (assistance with launching projects and investment) and technical support (infrastructure, advice, facilities) for the establishment of local projects involving SMEs, public authorities and individuals.
- (ii) To organize the creation of networks of towns or regions geared to exchanging information and launching new telematic services.

In this connection, the 'Télécities' network embracing 31 European towns and cities aims to define urban needs in this field. The pilot project launched at the end of November 1994 by six European regions is intended to enable them to develop jointly telematic applications. Local activities of this kind will help to demonstrate clearly the social value of new technologies and get Europeans more accustomed to them.

ASSISTANCE FOR YOUNG PEOPLE IN DIFFICULTY: INTEGRATION

1. Perspectives

The difficulties facing a growing number of young people in their efforts to integrate socially and occupationally are attributable to a number of factors, more particularly:

- (i) The lack of openings afforded by initial training; this has to do with cyclical economic factors but is of such extent and duration *vis-à-vis* the low-skilled, as to attain a structural dimension in certain regions. Despite the attempts at cooperation over the last few years, it has to be said that the lack of openings results from persistent misunderstanding between the worlds of education and industry.
- (ii) The questioning of the part played by education in social advancement and integration in certain quarters. The rate of scholastic underachievement has been estimated at around 10% for a given age group, and those facing exclusion in Europe are growing steadily in number (53 million people are currently living below the poverty threshold).
- (iii) The legacy of architectural functionalism and large-scale developments of the 1960s and 1970s allied to various housing policies have led to the establishment of socially problematic districts (affecting 6% of the population in France, for instance) sometimes situated on the urban periphery, sometimes right in the centre of towns or cities. Besides the day-to-day problems of housing, transport and safety, personal services assume a further dimension.

Thus, the generally recognized needs of the people of Europe as a whole, are compounded by the problem of helping young people in difficulty



(assistance with homework, elimination of illiteracy, prevention of delinquency and drug abuse, etc.), a response to stronger social pressure arising from unemployment among the low-skilled, re-

establishment of a social link, particularly with immigrant groups (in nearly all the Member States) or those leaving rural areas (Portugal, Greece).

2. Taking stock of initiatives

Most of the European initiatives to help young people in difficulty focus on children of school age and assistance with homework. The problem of scholastic underachievement appears to be an issue of sufficient significance to call for a concerted effort to tackle it. There being no obvious link between rates of failure and the funds made available by Member States, most of the countries of the Union have devised preventive systems in recent years by developing schemes for children of preschool age along with alternative systems based on the opening-up of educational institutions to other countries and partnerships of all kinds bringing together schools, local associations, social workers, companies, local authorities, etc.

As regards young people who have left school, the initiative has to come not only from associative structures with a view to creating a background conducive to reintegration, for example by setting up youth clubs and other facilities for young people or by developing specific projects and channels for learning new occupations, but also from private companies (e.g. the retail and distribution industry, hotel and catering trade) which, through voluntarist approaches or policies concerned with quality of service, offer genuine opportunities for employment.

EXODUS

(vocational rehabilitation of prisoners)
(Brescia, Italy)

Since 1988, Exodus, a limited liability cooperative in Brescia, has regularly employed 20 people, eight of whom are prisoners nearing their release. Since its establishment, this initiative has provided skilled employment for approximately 50 people.

This is a joinery undertaking (semi-finished window and door materials) intended to aid the transition from prison to independent working life. Once the prisoner has acquired certain vocational skills, Exodus helps to find a job upon release from prison.

The cooperative was set up as a result of regional joint financing of 30%. It now has a turnover of ECU 900 000 and is considered to be highly effective in its sector (quality, meeting deadlines).

LES MÉDIATEURS DU LIVRE

(Paris, France)

The 'Médiateurs du livre' operation launched in 1992 in partnership with various French ministries and the ATD Quart Monde association has helped to train 16 young people from disadvantaged backgrounds (nine people employed) as library assistants, encouraging young people from run-down areas to visit libraries and facilitating their access to various cultural activities.

Among other known initiatives:
Accompagnement scolaire (educational support)
Montréal (France)
Project for disabled people (from sheltered environment to productive work) (Spain)
Big Issue (United Kingdom)
Flandre Ateliers (France)
Regain Eco-Plast (France)
ADIE (France)
Tayside Community business (United Kingdom)
Emmaüs – Comtravis (Belgium).

3. The main obstacles

Briefly, integration entails a series of measures ranging from restoration of the social fabric to employment. The first stages call for the implementation of measures which do not usually form part of business strategy.

Development of the social economy in the interest of restoring the social fabric and opening the

door to integration thus constitutes a key factor. However, the social economy is faced with a number of difficulties arising largely from:

- (i) the absence of appropriate legal status (in some Member States);
- (ii) the lack of project promoters;
- (iii) the fact that funding periods are too short (and, moreover, are usually very uncertain);
- (iv) experiments which are difficult or even impossible.

A further significant obstacle lies in the lack of linkage between education, training and genuine social integration, since the problem needs to be addressed in terms of a streamlined process rather than specific measures.

Finally, the provision of information as a prerequisite to any process of integration cannot be overlooked. The widespread lack of information on possibilities for action is due to two factors: the low budgets allocated for information campaigns aimed at activities which are not cost-effective and the lack of visibility of a great many measures, allied to their volatility and the social groups targeted.

4. Possible approaches to removing the obstacles

4.1. At European Union level

Community action provides significant added-value in the form of exchanges of experience and opportunities for funding provided by the European Social Fund for launching new initiatives.

4.2. At Member State level

- (i) To adapt, supplement and diversify the range of legal instruments and rules so as to make it possible to set up public/private partnership projects and develop non-profit-making employment-related structures.
- (ii) To develop and experiment with financial formulas adapted to the social economy and to non-profit-making organizations, utilizing local reserves.
- (iii) To experiment with and disseminate the teaching methods best suited to specific target groups, paying particular attention to the reappraisal of certain vocational training options in the light of companies' needs.

- (iv) To introduce social security schemes whereby paid employment may be combined with the receipt of unemployment allowance to facilitate integration.

4.3. At local level

A broad-based local partnership strategy needs to be implemented if the obstacles encountered are to be overcome. The local partnership must involve various categories of participants: young people, persons involved in education, public authorities, associative structures and businesses.

This local strategy could have various focal points:

- (i) promoting the development of activities resulting from the non-market sector, providing a basis for both educational support and social integration activities;
- (ii) initiating the development of highly job-intensive activities calling for low or moderate skills. In this connection, service activities have significant potential for employment (see the other 16 fields covered).

Chapter 2

SERVICES IMPROVING THE QUALITY OF LIFE

HOUSING IMPROVEMENTS

SECURITY

LOCAL PUBLIC TRANSPORT

**REDEVELOPMENT OF
PUBLIC URBAN AREAS**

LOCAL SHOPS

HOUSING IMPROVEMENTS

1. Perspectives

According to a Eurostat survey, 'domestic comfort' (particularly referring to bathroom and plumbing installations but also noise and heat insulation) does not exist in most old houses: 40% of housing is without such basic comfort in Spain, 49% in Italy and 28% in Belgium; 9% of housing is considered to be in a dilapidated condition in the United Kingdom. And this of course ignores the 2 600 000 Europeans who are homeless.

Two other aspects of the demand should also not be overlooked.

- (i) The shortage of housing for rent curbs geographic mobility and, consequently, can be an obstacle to both the economic development policies of certain regions, particularly in rural areas, and the capacity of the unemployed to find jobs.
- (ii) The security and maintenance of buildings are an increasing concern for residents; these conditions are often underestimated by property owners or managers.

It would seem that a potential for job creation lies in two areas.

- (i) Property renovation, which provides opportunities for a wider variety of job-skills and more scope for using SMEs and other bodies. A study on urban renovation programmes carried out in Portugal shows that, on average for the same budgetary expenditure, twice as many people are employed for rehabilitation work (between 120 and 90 man-days) as for new building work (50 man-days).
- (ii) Housing maintenance and associated services perhaps appear to be more promising, because they are highly labour intensive and



respond to a new, largely unsatisfied demand for the services. In fact, during the last decade, owners of property have tended, in the cause of good financial management, to resort to service companies rather

than directly recruiting maintenance personnel. This practice seems to be self-defeating, to the extent that the savings achieved are counter-balanced by losses of capital value: due to the failure to monitor the condition of the property, repairs become much more expensive. In certain countries (France, the Netherlands, for example), large financial institutions and property management companies have introduced a major programme to recruit apartment block caretakers or staff to be responsible for maintenance of the buildings.

2. Taking stock of initiatives

In Spain, Belgium and France, a new phenomenon has developed over the last five years: building-site training schools. In France, during 1992, 900 operations were recorded; these involved 16 000 people, the equivalent of 600 full-time jobs. Most of these enterprises primarily concern male employees and rural areas.

In Spain, building-site schools also play a major role in providing training in craft workshops, which have played a substantial role in projects to rehabilitate 76 deserted villages (and about 50 populated hamlets) in Navarra. They have given rise to the creation of a centre for the training of these job-skills in the village of Iso.

Other initiatives have been recorded: Batipole at St Martin de Villeregran (France)
PAN-TERRE (Belgium)
CO-TERRE (Belgium).

VILLAGE RESTORATION PROJECTS

(Dingelstadt, Germany)

In order to improve the quality of life and of the environment in a rural area, a scheme was launched in Dingelstadt-am-Huy (Saxony-Anhalt) in 1991. Of the 203 projects initiated: six projects, run by the municipality, related to roads and clean-up campaigns; 197 projects, run by residents or by private enterprises, were principally aimed at improving housing (renovation of façades, door and window openings, roof repairs, the restoration of chimneys, heat-insulation, etc.). Most of the work was carried out by local skilled workers (over 50 jobs created) for a total cost of ECU 4.2 million between 1991 and 1993 (of which ECU 2.3 million came from public funds).

The effect on population size was immediate, and the number of residents in the centre of the village increased slightly over three years.

SAVINGS OF HEAT-LOSS IN INDIVIDUAL HOUSES

(Denmark)

Since 1974 Denmark has successfully pursued a policy of improving housing to save energy. Until 1980, the number of jobs created by this policy was estimated to be 10 000, most of them being permanent.

For individual houses, which constitute the priority target for this type of measure, it is calculated that the investment will pay off in less than nine years, through savings on heating bills.

A programme aimed to reduce energy consumption used in heating by 30% throughout Denmark would create 5 800 regular jobs over 20 years, given the number of properties to be treated.

3. The main obstacles

Very briefly, obstacles encountered during these housing improvement initiatives arose from labour-supply factors, on the one hand, and from the poor match between supply and demand, on the other.

- The lack of motivation among workers in this sector seems to arise in large measure from career prospects and qualification mechanisms – the recognition of levels of skills acquired during training organized by the trade union organiza-

tions or associations remains problematical. The real possibility of promotion does not seem to exist in the building trade.

- The sector, highly intensive in poorly-qualified labour,¹ suffers particularly from high non-wage costs, resulting in a very high proportion of hidden-economy work. Experience of competition between the existing SMEs and the new forms of 'association' (resident-groups formed to renovate their housing, building-site schools, involvement enterprises) does not seem to be good and for the moment is not working in favour of a partnership (employer-employee) movement which would offer the hope of the general establishment of a career structure, if the SMEs recruit people after training from these NGOs (non-governmental organizations).

These new building-site initiatives, like those of neighbourhood committees formed for property maintenance purposes and the involvement enterprises, have not yet emerged from the start-up stage and the question of their development remains uncertain.

With respect to the skills of the connected services, the large companies (builders or management organizations) are beginning to diversify their activities in this direction: however, these personnel are managed separately, as though they belonged to different trade branches.

- Extremely restrictive legal systems: this is particularly the case in the United Kingdom and Ireland, which has led to the loss of their population for some commercial or shopping areas. Some astute legal arrangements have allowed a significant rehousing and neighbourhood restoration movement to be set in train (in the UK, the Living over the shop Association has perfected a legal mechanism to solve the problem of vacant housing over commercial property; in Ireland, the traders of the Temple Bar district of Dublin also found a legal mechanism to obtain compulsory purchase orders, on grounds of innovating public utility).

- Supply insufficiently diversified: the markets of each Member State have their own special features, but they all also suffer from the existence of an overly unidirectional supply often reinforced by the intervention of the public authorities (assistance programmes). It would seem that none of the existing policy priorities (new or old housing, purchase or rent) are now really justified, given their effects on employment.

¹ With the exception of Germany where skilled worker training and activities are highly regulated (Order of Skilled Workers).

- Insufficient information on financing possibilities: government assistance is widely granted to certain categories of population but the system is often very complex, which means that good information is not available to prospective candidates and ultimately limits the expression of demand.

- The inability of certain categories of population to express their needs: the demand from the elderly, who often occupy dilapidated housing (with respect to plumbing/sanitary equipment, and noise and heat insulation), and who would appreciate the benefit of connected services (supervision, home-delivered services, etc.), remains very weak. More specific targeting in their direction (information, advice, local neighbourhood renovation operations, etc.) would be helpful.

4. Possible approaches to removing the obstacles

4.1. At European Union level

The European Union has a role to play with respect to the exchange of information, experimentation and support for initiatives.

By its participation, through the Structural Funds, it can facilitate the spread of legal and financial tools, firstly through the systems established for the Community initiative programmes, secondly through interregional cooperation, and thirdly through more information to national governments, all based on good practice in the selection of projects financed through the CSF and DOCUPs (single programming documents).

4.2. At Member State level

- (i) Promotion of negotiation between employers and workers with a view to improving career prospects in these sectors and creating occupational structures which also include integration experiments.
- (ii) Organizing a trade structure which will enable the housing problem to be dealt with as a whole, from financing, through building, to the maintenance and the supply of services to residents. This integration need not necessarily take place within a large financial company, as is the case in some countries, but may be achieved on a partnership basis.
- (iii) Obtaining a long-term commitment from the public authorities. Enterprises in the

building sector are very sensitive to public funding options and, in view of the long-term nature of this investment, call for stable financial and legal conditions.

- (iv) Diversifying public assistance on both the supply side and the demand side, in order to take all the building subsectors into account. This improvement should be accompanied by a policy of provision of information and advice to individuals (approval of advisers who have contracted to observe a code of professional ethics, and collaboration between different welfare workers).

4.3. At local level

Commitment to neighbourhood renovation policies, which will allow the development of integrated projects. These arrangements have the advantage of constituting multitrade partnerships (incorporating various skills) and multisector partnerships (SMEs, involvement enterprises, NGOs, local authorities, etc.), all promoting a better relationship between residents and suppliers.

SECURITY

1. Perspectives

Current demographic (ageing of the population) and sociological trends (urbanization, individualistic lifestyles, social and economic exclusion due to drugs) have led to Europeans becoming much more sensitive to security problems.

However, there is a substantial gap between the results of public opinion surveys and economic reality: few people are ready to pay, or to do anything concrete in order to ensure their security. But this is the only way to create a (public or private) market and jobs.

For local authorities with tight budgetary constraints, the challenge is to channel this discontent and diffuse worry about safety into joint, effective preventive action.

We should note the difference between the maintenance of order, a national prerogative, and the day-to-day security situation. The former involves employment in the police, the army, and the system of justice, whose scope varies from one country to another, reflecting more or less punitive policies and traditions. In the second case, a fairly large range of job-skills is available, ranging from supervision and reception in public places or on public transport to the installation of sophisticated equipment in private houses or enterprises.

Currently, TV monitoring, scanning and surveillance techniques, together with data processing and communication technologies, open up possibilities for new types of services, generally for relatively moderate operating costs.



2. Taking stock of initiatives

Jobs created in this area are of some interest for young people and may be a useful instrument for prevention (rein-

tegration of offenders).

Among other initiatives recorded: Charleroi (Belgium).

3. The main obstacles

The main obstacles are:

- (i) Legal: in some countries the legal system is very rigid and it seems to be impossible to shift the dividing line between the maintenance of order (police) on the one hand, and surveillance – preventive security — on the other. The diversification of activity is particularly difficult for transport companies which might be interested in this area. Systems of local, delegated management are still embryonic or even non-existent (there are no standard concession contracts). The use of new forms of information and communication technology does not yet have sufficient legal security or any professional codes of ethics with regard to the protection of privacy, in particular.
- (ii) Occupational: employment in this area does not have a good image on the whole and there is a more than negligible risk of bad practice linked to the uncontrolled development of private security companies, whose staff often have little or no professional training. This sector, which has only recently come into being, has no regulations governing conditions of work and quality control of

THE DE SLINGE PARK AND RIDE SCHEME

(Rotterdam, Netherlands)

The De Slinge pilot park and ride scheme in Rotterdam has led to the creation of 21 jobs over two years, including 20 for the long-term unemployed. This parking project, even though it was judiciously located to enable people living in the suburbs to travel to the town centre without using their own cars, has not been utilized at all because of the lack of security. No private company has been attracted, due to low profitability, nor has the local authority been able to employ motivated and competent personnel to improve the situation.

The pilot project has therefore only amounted to the creation of an autonomous and responsible structure to rehabilitate and operate the site.

The investment cost was ECU 0.7 million, 50% joint-financed by the ERDF for the restoration of the car park, the creation of a workshop for bicycle repairs, the opening of a small 'emergency' food shop and several containers for the recycling of waste materials.

The training of employees was run in part by the ESF.

The operation has increased use of the car park considerably, now that it is safe, and created a profitable operation for a minimal charge (HFL 2 per day).

This experiment has been repeated in Rotterdam, where another parking area employs 18 people.

the proposed services. There are no formal relations between employers and employees.

- (iii) Financial: these enterprises have a large number of employees and cannot expect to be profitable for several years. This situation calls for a flexible, medium-term partnership between private companies and local public authorities.
- (iv) Availability of information: experiments in this area are still few in number in Europe. The local public authorities do not have any information on successful experiments or appropriate legal instruments needed to resolve the problem.

4. Possible approaches to removing the obstacles

4.1. At European Union level

- (i) Promotion, within the scope of urban-centred policies financed by the EU, of innovative solutions in the planning and establishment of car parks in built-up areas in towns with particular attention to the security of users, to the urban landscape and to the economic fabric (at leisure centres, business and shopping areas).
- (ii) Developing exchanges of experience and information between countries on policies pursued in this area.
- (iii) Exploring new channels to allow women to work in these areas.

4.2. At Member State level

- (i) Introduction of legal instruments which will promote the delegation of security management in towns (concession contracts).
- (ii) Improvement through social dialogue, of working conditions, operating rules for companies, personnel training and monitoring of the quality of the service provided.
- (iii) Starting a social dialogue and partnerships with the associated sectors (transport, shopping and business areas, etc.).
- (iv) Adapting the legislation and regulations to the new technologies, to ensure protection of personal privacy. Exploring, if necessary, the means of introducing a professional code of ethics for this occupation.

4.3. At local level

- (i) Promoting preventive behaviour by residents: the first type of action towards users may involve information; modification of the behaviour of the elderly, assistance in investment decisions, etc. Another lever is essentially financial and requires public financial assistance, for example 50% subsidies for equipment, or tax concessions.
- (ii) Promoting the development of integrated security policies at local level, consisting of, for example: on the side of the public authorities, the initiation of a medium-term programme of information for residents on

the strategic choices available, coordination between the various departments or services concerned (justice, police, housing, health), a 'commercial' approach to the needs of each social group or neighbourhood (for each specific need, a solution would be suggested in a kind of explanatory list), a budget set for five years.

- (iii) For other operators, the establishment of a partnership, in the form of a concession by the authorities to private or semi-private SMEs, subject to control by the public authorities of the content and quality of service; job creation may be temporarily subsidized (50% in the first year, 20% in the second, 0% in the third year) and made conditional upon a commitment to train young people or to teach the unemployed new skills.

LOCAL PUBLIC TRANSPORT

1. Perspectives

A change of behaviour is being recorded in Europe with respect to the means of transport being used. This change results from diversification of the reasons for movement

of transport requirements, away from the traditional 'shuttle' service, home to work and back again, to new needs such as holidays, leisure pursuits, shopping, visits to family, etc.

This new type of demand also derives from the increasing emphasis on individualism and from the segmentation of the market: needs vary according to the type of person (age, area of residence, etc.) and their activities. This converts urban public transport from being a simple alternative to being one element in a wide range of possible forms of transport (railway, car, aircraft, bicycle, etc.).

At the same time, the effects of the intensive use of cars have begun to be detrimental to the urban environment (pollution, congestion, damage to buildings and local areas) and have led most towns to take drastic measures.

The employment trend in the urban public transport sector is currently stationary if not negative, due to gains in productivity, the application of new information technology and the limitations of public budgets. However, there is an alternative option which should enable substantial numbers of jobs to be created. Based on a more locally based strategy of development and on public-private partnership, it consists of enlarging the concept of the service provided by public transport and attempting to respond more effectively to the changing requirements of users.

In this setting, four types of potential employment may be defined.



(i) Jobs directly linked to technological innovations (improved comfort, access for the disabled, etc.). At this stage it seems fairly clear that the idea of 'a return to the past' in certain

areas where technological progress has taken place, recreating jobs which have disappeared without changing the content of the job, is not very promising, in view of its cost and the image of it held by both employees (poor career development) users (doubtful utility).

- (ii) Indirect jobs, which are of two types:
- (a) those which arise from the new organization of urban public transport (multiservice companies, the supply of provisions, vehicle maintenance, local associations linking buses and taxis) which will make the creation of connected jobs, in the private sector, feasible and profitable;
 - (b) those which may be included in a wider system of involvement with the public. This applies mainly to job-skills connected with looking after groups such as the elderly, children and people of reduced mobility, and with security, information (advice, tourism, etc.) or, again, with looking after vehicles (car parks provided with repair workshops, car-wash facilities, etc.).
- (iii) Indirect jobs are probably even more potentially numerous when they derive from the greater attractiveness of an area that has become more accessible or more practicable (for example, one previously subject to congestion). These are clearly the jobs which are most difficult to quantify, all the more so, since policies of improvement of urban transport may often be supplemented by other measures to revitalize an area.

THE ACAP TRANSPORT COOPERATIVE

(Perugia, Italy)

In Perugia, ACAP (a small cooperative organization) holds the franchise for some parts of the public transport system (the 'dial-a-ride' bus service, BUXI, taxis working in the suburbs, and coach hire). This cooperative started operations in 1974 and now consists of 47 small enterprises employing 83 individual workers in total.

There are 170 vehicles in the fleet, including tourist coaches, minibuses and the 'dial-a-ride' service.

ACAP supplies the following services: coach hires for tourists, buses for school children and students, interregional transport between Florence and Rome, a minibus service going to the historical centre of Perugia (BUXI) and the 'dial-a-ride' service, operating on demand, in the less densely populated suburbs.

The latter is particularly innovative, since the established route for each bus line may be deviated from on demand, by pushing a button on a terminal placed along alternative roads or by a telephone call. The routes all have a service frequency of 20 minutes; the system costs less than traditional bus lines (50% savings) while providing a modular service fully responsive to demand (25% savings).

This operation is particularly original in two respects:

with the procedures utilized, labour costs are significantly lower than those of a public enterprise, and ticket sales provide 50% of the financing, in the case of the dial-a-ride services, several new markets have been created.

New technologies also offer potential for local public transport (services on demand using modern telecommunication methods, automatic underground railways, etc.) since these enable

new services to be established and improve the quality of life substantially, while reducing the access costs (diffusion effect).

2. Taking stock of initiatives

Many Italian towns have been led to adopt drastic measures to restrict the use of cars for reasons of the nuisance created by noise, pollution and congestion. These pioneering experiments offer a new approach to urban public transport, calling for less public financing and for more local joint public/private partnership than similar projects in the Scandinavian countries.

The net results of a Norwegian experiment (in which 271 projects were developed throughout the country in 1991) give prominence to the potential effects of an integrated transport policy (fares, marketing, new services). Three notable findings emerge on the demand side: 'a reduction in fares of 10% combined with a greater frequency of service produces the same positive effects as a reduction of 70% without any other rearrangement'; the results vary according to the type of person concerned, who may, or may not, be a former car driver and an integrated transport scheme can even engender new demand (not just a movement of demand between different modes of transport); 'people are particularly insistent on punctuality and on saving time'.

In rural areas, partnership operations arranged between local authorities, SMEs and residents' associations are multiplying in small areas, mainly responding to the requirements of children and the elderly. In addition to being a net creator of jobs, this type of operation enables private enterprises, threatened with unprofitability, to become profitable again and to continue in business.

Among other initiatives recorded:

VIA GTI (France)

Parking and minibus in Arezzo (Italy)

Minibus and parking in Siena (Italy)

Form of transport	Area, at rest (m ²)	Average number of passengers (peak hours)	Area per passenger (m ²)	Area, in motion, per km run	Area, in motion, per passenger-km
On foot	0	1	0.3	0.4 m ² x h	0.4 m ² x h
Bicycle	1.5	1	1.5	1.5 m ² x h	1.5 m ² x h
Car	10	1.25	8.0	3.0 m ² x h	2.4 m ² x h
Bus	30	30	1.0	9.0 m ² x h	0.3 m ² x h
RER					0.66 m ² x h

Source: Tecnosser.

Minibus and parking in Vicenza (Italy)
Parking control in Udine (Italy).

3. The main obstacles

Obstacles to job creation continue to be very substantial due to an overly sectoral approach.

- Current regulations and laws, applicable more to the past than to the present, still impose strict separations between job skills which in the current economic and technological climate are no longer justified (particularly the system of *numerus clausus*). This situation makes it difficult, or even impossible, to create the multiskilled jobs which increasingly seem more applicable in this sector.
- Rules stemming from the public service, sometimes obsolete, are often found to be excessively restrictive, both financially and legally, rather than being an assistance to the provision of proper services to the users.
- Local partnerships between public authorities and private transport companies are very infrequent and are difficult to implement (due to differences in legal requirements, in particular, and in the time-scale within which they operate).

The cost of investments and the procedures for deciding on them are both very onerous for towns of medium size.

New technology remains underutilized, despite the existence of many prototype experiments, due to the pressure of powerful lobbies exerting counter-pressures.

In the countries of northern Europe there is considerable sensitivity to prices, which can lead to a willingness not to use cars when the price of fuel rises too high, and to develop the use of local public transport. However, in southern Europe, the brand image of cars remains very strong, and car users appear all the more sensitive to the real transport situation (traffic congestion, newly available transport routes, etc.) and to any publicity which attempts to create a new image for local public transport.

4. Possible approaches to removing the obstacles

4.1. At European Union level

Structural Funds (Article 10 of the ERDF Regulation) could be used to promote innovative measures for improvements around transport stations, particularly in large towns, in order to improve the quality of service available to users and the quality of life of the residents of surrounding districts.

Assistance in negotiations could well be provided to medium-sized towns which, confronted with a major investment decision, are often dependent on policy decisions taken at central level and have to negotiate with rather inflexible large industrial groups. This assistance could take the form of a 'standard tool-box' prepared at Community level for this type of situation (standard specification, sample financial packages, etc.).

4.2. At Member State level

The internalization of external costs (pollution, road and track maintenance, etc.) should be implemented for all forms of transport in such a way as to put public transport on an equal footing, financially speaking.

Joint discussions should be initiated to modify the current minimum work regulations and adapt them to the need for multiple skills, in response to consumer demands.

New legal instruments intended to encourage delegated and integrated management of all forms of transport in urban and rural areas should be developed.

4.3. At local level

Procedures combining the various forms of transport (cars with TENs, taxis with urban public transport), which facilitate the integration of urban journeys with long distance ones, should be tried out.

Integrated approaches to various aspects of the alternative forms of transport (involving investment costs, the consequences for urban development, maintenance and management costs) based on a better knowledge of the technical data (on the lines of the following table) are generally lacking in European towns; they should be promoted.

REDEVELOPMENT OF PUBLIC URBAN AREAS

1. Perspectives

Most European towns have been faced for the last 10 years or so with the need to repair the consequences of the implementation of urban 'functionalist' theories, which were in vogue between the 1950s and 1970s. Perhaps to overstate the case slightly, certain areas were entirely dedicated to two distinct functions (the function of consumption and department stores in town centres, the function of traffic circulation for the major thoroughfares, often with a strict separation between pedestrians and vehicles).

The sociological crisis in certain populated areas, the need to redevelop former industrial areas, the desire to give prominence to a local historical heritage, and the growing interest of urban populations in 'green' areas: these factors have led many towns to change their approach to open, public areas: these are no longer seen as empty spaces but as community areas. This may involve public squares, pedestrianized streets, town parks, and the access areas to important structures, such as stations, required for transportation purposes.

In theory, the financial or economic value of these areas is rather small and they are often neglected by local people and businesses, acting individually. However, where they have been abandoned, or where maintenance has been inadequate, the importance of these areas for the local community as a whole soon becomes apparent.

Recent technological progress generally offers a solution to the physical and management problems of these public areas. The use of new materials, and the introduction of decentralized methods of public management, made possible by new information and communication technology, offer the opportunity to implement local projects jointly and to re-stimulate an urban dynamism.



The employment creation potential linked with the development or upgrading of urban public areas has three main aspects.

- (i) The first concerns the redevelopment operation itself and the creation of building projects employing, frequently, a large number of workers. This primarily relates to construction and roadwork, carried out either directly by the local authorities, or by private companies.
- (ii) The second aspect is the maintenance of public areas. Several large private companies have thus come into being in Europe in the fields of street furniture, street signs and cleaning services. In some cases, the local authorities perform the services themselves, in others they are contracted out to local associations.
- (iii) The third aspect, more difficult to quantify, is the flow of jobs derived indirectly from the improvement of the quality of life once an area becomes more attractive. The re-stimulation of economic activity takes effect mainly in the tertiary or services sector (commerce, tourism, arts, etc.).

2. Taking stock of initiatives

Most operations of urban renewal and of improvement of the urban environment have formed the point of departure for projects, often ambitious, which reshape the economic strategy of a more extensive geographic area, a region or area of high employment.

The redevelopment of an urban district or a town centre often provides the opportunity for local residents, enterprises and public authorities to pause and consider the future of the town or the

site. A strategy may develop an impetus, a 'ripple' effect over a period of time, affecting several dimensions of urban life (transport, housing, commerce, leisure pursuits, etc.). A town or region may decide to rebuild itself with a new image: cultural, in the case of Glasgow or Dublin (Temple Bar), skilled workmanship (Stoke-on-Trent), technological and futuristic (Poitiers, Bari, Seville), or trans-European and national frontier-style (Lille, Calais).

Substantial employment creation has been achieved on the basis of the occupational retraining of residents who were previously employed in agriculture, manufacturing or industry.

The legal and financial ramifications of such projects are extremely diverse, differing in accordance with the country and the policy instruments adopted (sponsorships, public-private partnerships, partnerships between two levels of public authority, mobilization of local resources, subcontracting, etc.).

WISE

(Glasgow, United Kingdom)

The WISE Association, created in 1984 in Glasgow, grew principally in relation to problems of the isolation of the local housing and of the need for advice, for security equipment, for the maintenance of urban public areas (parks and playgrounds) and also for the recycling of used glass.

It employs 220 people on a permanent basis and, each year, trains 500 unemployed, mainly young people, with a success rate of 50%. It is 20% self-financing.

It has many partners, other local involvement groups like itself, in Denmark, in Spain and in Ireland. In 1994 it opened two branches, in Strathclyde and East London. It forms an organization of transition between long-term unemployment and the traditional job market, enabling the unemployed to acquire a qualification and to become employable again, on the one hand, and offering retraining to employees threatened with redundancy, on the other.

Among other initiatives recorded:

Holly Street Redevelopment, Hackney, East London (United Kingdom)

Pôle européen de développement, Longwy (France, Belgium, Luxembourg)

Bari Technopolis (Italy)

St James ceramic design quarter, Stoke-on-Trent (United Kingdom)

SOLCO Brescia (Italy)

IDEA Torino (Italy)

Consorzio ICS Torino (Italy).

3. The main obstacles

- (i) The cost of investment is a considerable brake on local initiatives in this area. It frequently requires local authorities to seek complementary funding, either from other public authorities (regions, the central government, the EU), or from local potential beneficiaries (companies, residents, etc.). In a context of tight budgetary constraints, however, there is a tendency to favour operations which seem to be more directly linked to economic activities: these may be capable of attracting private investment quickly. This trend is reinforced by the accounting systems of public bodies, with their pressure for a good return on long-term investments.
- (ii) Aids to decision-making in this area are relatively scarce and unsophisticated. For European towns of medium size, the situation is not simple, since they tend to use habitual channels of information and expertise and may lack the ability to compare and evaluate alternatives. They find themselves dependent on their partners, the national government or large companies, who possess more comprehensive and complete information.
- (iii) Cooperation between the public and the private sector is unusual and rarely attempted, although this can resolve part of the problems, or at least readjust the financial boundaries for the use of public resources.
- (iv) Most projects, when innovative, tend to clash with the inflexibility of existing legal instruments. The field of application for licensing and delegated management systems by the public authorities is a narrow one. This inflexibility condemns the public decision-makers to take disproportionate risks: national particularities remain strong.
- (v) The situation of psychological sluggishness is also to be deplored. For public decision-makers, the imitative pressures, and regional and international competition between towns push them towards visible and material forms of investment, which are easy to evaluate and quantify, but whose effects on employment, or on economic development are not guaranteed. For local investors or developers, the American urban model and

the concern to minimize equipment management costs lead them to prefer to have projects installed on the edge of towns, without taking any inconvenience in transport or damage to the environment into account.

4. Possible approaches to removing the obstacles

4.1. At European Union level

In the pursuit of encouraging exchanges of experience and the deepening of transnational links, the EU should put greater emphasis on applicable systematic methods for the improvement of urban public areas and the consequent induced creation of jobs. Similarly, it should take greater advantage of the full range of instruments applicable to local development which it possesses (pilot projects, Community initiative programmes, joint financing of national and regional projects coming within the Community's sphere of support and the DOCUPs (single programming documents). (See the departmental document, 'List of Community measures promoting local development and employment', December 1994.)

With respect to Structural Funds (Article 10 of the ERDF Regulation), the European Union could provide special support for innovative experiments aimed at integration and the recovery of areas for leisure and relaxation purposes ('green areas', leisure parks, sports centres, etc.) within the existing urban fabric.

The Union could also contribute, through support of local ventures, to the development of new financial instruments and forms of aid to decision-making, so as to facilitate the launch and promotion of this type of initiative.

4.2. At Member State level

The national level may be essential for constituting a regulatory and financial framework which encourages towns, both great and small, to adopt programmes for the upgrading of urban public areas and strategies promoting social and economic development, on the basis of the given local potential. This calls for the development of financial and legal instruments for cooperation between the public and private sectors in local projects and medium or long-term contracts between the various public authorities concerned. The search for new modes of financing

may well be facilitated by tax reforms and by restructuring the current distribution of national wealth between the towns and the regions.

With regard to the consequences for employment, just as for other domains such as housing renewal, security and local public transport, national measures, in cooperation with the social partners, should have as their objective the improvement of the conditions of access to jobs arising in this way, and organizing the necessary new abilities and skills, in order to attract young people on a long-term basis and to offer them relevant occupational training courses.

4.3. At local level

The adoption and the success of urban redevelopment operations require a strengthened partnership between the public and private sectors at local level. These projects need financial or regulatory incentives and technical advice, backed by long and medium-term strategies drawing on the endogenous local potential. Local bodies should mediate between project promoters and developers, on the one hand, and the resident population and other users (traders, employees, tourists, etc.) on the other hand, in a systematic way. Membership of transregional and transnational project networks can substantially facilitate access to information to help select a strategy or an investment.

At the local level, if the national environment permits, experiments should be encouraged, particularly in finding new forms of financial participation of private players in the improvement of the conditions of urban life.

LOCAL SHOPS

1. Perspectives

Over the last two decades, massive investment and the use of new techniques have changed the European commercial landscape. The emergence of integrated superstores has shaken the foundations of businesses that were sometimes old-fashioned and often very small.

The commercial sector has many rules: convenience (quick, cheap shopping), attractiveness (shopping for pleasure), innovation (continuous modernization of what is offered), economic development (partnership between trade and industry, outlets for the craft industry, etc.), and a lively community and social centre. These last two functions are fulfilled more particularly by neighbourhood businesses, in difficult areas.

Businesses in the country, or in outlying districts of towns, contribute directly to the quality of life in areas where the needs of residents are often not met automatically by the play of market forces. Neighbourhood businesses, or small shops are in general marked by a limited sales area, with a restricted assortment of goods consisting of main necessities, and by their customers being concentrated nearby.

Businesses in the country

The population drift between town and country is at present easing off, but the proportion of older people is greater in rural areas than in towns because the effect of the drift of young people from the countryside is magnified by the return of some retired people. In addition, some unemployed or people with low incomes choose to settle there.

So we find ourselves facing growing needs linked to population structure, for which the traditional



infrastructure is ill-suited (closure of some public services, notably health and education, owing to insufficient density of population). The way of life of country people and city-dwellers has moved much closer together

in recent years, so that similar demands are to be expected (quality and types of services sought), which traditional businesses do not adequately satisfy.

Businesses in outlying urban districts

Neighbourhood businesses are usually set up within overall policies for regeneration of housing areas, not possessing the minimal infrastructure of daily services (inadequacy of public services, lack of shops and banking facilities, etc.). Here too the demand from residents has changed appreciably over 20 years, along with the distance from home to place of work, the growing number of women going out to work, and the opportunities afforded by the new technologies (home delivery of orders placed by Minitel in France, for instance).

The conditions for maintaining these businesses are hard to fulfil nowadays; but numerous surveys of rural populations (France, United Kingdom) and residents of outlying urban districts indicate their low level of satisfaction at present, and their irritation at the falling-off in quality of the services available, in the course of the last 10 to 15 years.

The issues are, firstly, the survival of businesses in rural zones and secondly the establishment of neighbourhood businesses in urban zones. These are not exclusively local or national issues, since they affect large parts of the Community territory.

2. Taking stock of initiatives

Even if we note that large distribution networks have recently shown an interest in this new market, the initiatives taken in Europe mostly come under local or national public programmes.

- In France, the '1000 villages' scheme aims to provide financial support for business and craft activity in country areas, by helping small communes to set up a network of multiservice commercial outlets combining private and public services.
- In Germany, in the new *Länder*, the 'Neighbourhood shops 2000' initiative (Nachbarschaftsläden 2000) encourages the regrouping of public and private services.
- In the United Kingdom (Scotland and Wales), in Spain (Murcia province) and in Denmark, similar programmes exist.

NACHBARSCHAFTSLÄDEN 2000 (Germany)

Conceived in 1991, the experimental programme 'Neighbourhood shops 2000' involves 12 multiservice businesses in rural areas in the new *Länder*.

The concept has been developed to reduce the risks of social and economic marginalization of disadvantaged populations in rural areas.

The operation consists of setting up economically viable shops, in an area (minimum distance 5 km) lacking commerce by adding retail trade activities to make it attractive (post office, lottery sales point, centre for orders and deliveries of other products or services, administrative services, café, group taxi, telecommunication and computer services, etc.).

The initial cost of creating one job is of the order of DM 50 000. Depending on the nature of each project, between one and five full-time or part-time jobs have been created. Two legal formulas have been used: sometimes a private owner, sometimes a limited liability company run by the inhabitants. If the experiment is successful, in mid-1995, the formula may be extended on a larger scale.

Among other initiatives recorded:

Evosmos (Greece)

The Ornyar Est integrated action programme (Spain)

Restaurant Tannina (France)

Benarty community store (United Kingdom)

Cardenden community store (United Kingdom).

3. The main obstacles

Rural businesses face many problems, arising from their size, their relative remoteness from large distribution networks, their often outdated equipment and their executives' lack of managerial qualifications. What is more, wholesalers are reluctant to deliver to them (few customers, small orders). In disadvantaged districts of towns, obstacles to the setting-up of businesses are mainly connected with the insecurity and poor credit-worthiness of prospective clients.

More generally, the obstacles to the maintenance of these activities, or to the emergence of new projects, are:

- (i) the weak motivation of individual candidates to settle in areas reputed to be difficult. The conditions of life in the country, while often attractive from the environmental angle, are often very restrictive (isolation, hard climate, having to be available at all hours, less income in general compared with the town). This explains why, for instance, the Union of Chambers of Commerce of the Massif Central in France found it advisable to list among the most relevant criteria for possible applicants wishing to set up in a country district (the reopening of a multipurpose business) being motivation to live in the country, and a good specialized training;
- (ii) the difficulty these mini-enterprises experience in obtaining capital;
- (iii) the lack of innovation in business formulas or products;
- (iv) a value-for-money ratio generally felt to be unsatisfactory by customers;
- (v) the poor profitability of the trade, considering the size of a business and its potential clientele;
- (vi) the rigidity of legal, fiscal and social regulations which complicate or discourage more than one activity;
- (vii) the poor quality or even complete absence of outside logistic help. Applicants, frequently native to these difficult areas, lack information as to the possibilities afforded by regulations or subsidies and on the opportunities of markets or of the reopening of small and medium-sized businesses (SMEs).

4. Possible approaches to removing the obstacles

4.1. At European Union level

Community intervention might be useful to improve conditions for the survival of rural businesses, by lending support to innovative projects of Community interest, which would form part of overall strategies for the economic and social revival of difficult zones (rural and urban), and by the exchange of information.

It would involve:

- Targeting the provision of structural capital and Community initiatives to allow joint financing of tangible and intangible investments such as fostering the maintenance or setting-up of neighbourhood businesses that are more competitive and give better service (the value-for-money ratio).
- Opening up the possibility of investment by the European Investment Bank (EIB) in the commercial sector.
- Seeking a deeper understanding of neighbourhood businesses, their problems and their role in the improvement of local social cohesion.
- Carrying out an analysis in depth of the action taken under the 'Commerce 2000' programme, and setting up a forum of informal exchanges to publicize good practices among representatives of regional local authorities, traders' associations and the Commission.
- Starting discussions in the Bangemann Group on the information society, with a view to studying the needs of rural zones in terms of services and communications capable of improving the viability of neighbourhood businesses.

4.2. At Member State level

Improvements could be as follows:

- (i) developing services for advice and technical assistance to potential applicants;
- (ii) working out the regulations for those trades which are often related to mini-enterprises;
- (iii) setting up a dialogue with social partners to revise, if need be, the minimum rules for hours of work, qualification and skills, in order to bring young professionals into long-term involvement in the commercial sector;

- (iv) revaluing the whole image of these neighbourhood businesses, notably by vocational training for applicants and present businessmen, but also by a better targeted use of the new information technologies.

4.3. At local level

The isolation of local operators will be considerably reduced by their integration into multiservice commercial networks, sometimes including public services. The chances of success will increase if this type of innovative action can be supported by a local partnership initiative.

Chapter 3

CULTURAL AND LEISURE SERVICES

TOURISM

**THE AUDIOVISUAL
SECTOR**

CULTURAL HERITAGE

**LOCAL CULTURAL
DEVELOPMENT**

TOURISM

1. Perspectives

Over the last 10 to 15 years this sector has experienced strong growth (of the order of 7% per annum and 10 to 20% according to country for rural tourism). Europe receives around 60% of the 350 million tourists each year and a doubling of this figure is expected in 10 years, even if this growth has fallen off over the last three to four years. In France, the experts are expecting a 70% increase in tourist flows for the next 10 years.



While certain backup activities (accommodation, development of sites) may require heavy investments, tourism uses labour on a very large scale and is capable of creating jobs rapidly, which explains why many national or local governments (Ireland, for example) are interested. Furthermore, it has a strong knock-on effect for other activities (the attractiveness of the area for other enterprises) and constitutes an important element in town and country planning policies.

While remaining sensitive to seasonal factors (particularly for open-air activities), fashion and political events (security, monetary instability, etc.), the latest statistics suggest that an irreducible consumption threshold now exists in European household budgets. The diversity of the European supply responds quite well to the variety of demands.

Changes in Europeans' tastes and lifestyles prompt greater interest in new forms of tourism, such as rural tourism and cultural tourism, in that they show more respect for the natural environment and local fabric where they are established, and can even provide permanent jobs for competent professionals.

New information technologies will probably lead to major upheavals for sectors such as travel agencies and entail job losses. But they also permit the creation of innovative marketing instruments (smart cards for all sporting activities of a microregion in the mountains). They are also used to supplement tourist attractions (productions at historic sites). Within 5 to 10 years, there is likely to be a demand for interface activities between equipment using information technologies

(reservations, reception, advice, information, etc.) and clients. This use could create jobs.

2. Taking stock of initiatives

Tourism employs many young people and women (45% to 65% of jobs are for women), essentially because access to these jobs is easy (quantitatively and qualitatively). But these jobs are not necessarily long term and, particularly in rural areas, they are 'bits of jobs', responding to a desire for diversification of other activities (farming, for example).

The development of new branches also appears to be a source of net job creation, particularly escort work (responding to requests from individual tourists and elderly people), the professionalization of tourist reception (particularly in the big cities) and the conversion of certain voluntary jobs in social tourism in order to ensure quality.

As a byproduct, through maintenance of the natural or cultural heritage, the public authorities responsible for tourism may sometimes offer jobs directed at integration, but the general trend seems to be rather towards greater professionalization and a quite high technical content of such jobs.

Among other initiatives collected:
Holiday smart cards for the Toy region (France)
The Landes Regional Nature Park (France)
Tourist development of the confluent (France)
AM19 Progetto Bucaneve (Italy)
Villers St Gertrude estate (Belgium)

3. The main obstacles

The main obstacles to the emergence and development of local initiatives in the field of tourism seem to be linked to:

- (i) the precarious nature of the proposed jobs, aggravated by the highly seasonal nature of

BOIVENISTIER, THE BREAD VILLAGE

(Belgium)

Situated in a Walloon country area, the village of Boivenistier (population 300) is trying to revitalize economic activity through a craft industry tourist strategy based on the theme of bread. The project stems from consultation of the population, the initiative and will of the villagers. It has been worked out with the support of a broad partnership involving public and private institutions. It has changed the local environment appreciably (population, partners, tourists). The first two craft fairs organized by Boivenistier ASBL, the bread village, drew a large crowd (8 000 visitors in 1993 and over 10 000 in 1994). Since 1993 five direct jobs have been created and approximately 10 indirect. These are full-time jobs, with employee or self-employed status.

What are the new needs satisfied?

Firstly, the villagers are learning to know each other again, to mix, to associate in order to organize activities. Community life and working together, in a living village, have been reborn.

Secondly, new economic activities have seen the light of day and are allowing the villagers to find jobs and to work in their own village.

In the long term, the initiators of the project hope that visitors/tourists will come to their village to buy locally made products and also to enjoy themselves (walks in the area, exhibitions on special themes, gastronomic circuit, village cinema, discovery of traditional crafts, etc.).

CATHAR REGION

(France)

The method used in this area is based on making use of its heritage:

- the whole tourist development policy is targeted on the Cathar region image and is centred around a network of eight sites/centres focusing on special themes in each case;
- each site/centre is designed as a cultural enterprise aimed at creating a maximum of economic activity centred on the site;
- work on the sites/centres is accompanied by programmes to improve village architecture and to create a specific type of hotel trade giving coherence to the whole and making the Cathar region a genuine cultural park.

The development programme around the eight sites/centres is accompanied by a series of measures to promote SMEs, crafts and neighbourhood services and a plan for putting agricultural and forestry products to optimum use with:

- (i) the development of a diversified range of Cathar region farm products;
- (ii) the implementation of a training programme for regional guides and escorts;
- (iii) exchange for public contracts by the project leader;
- (iv) Minitel job exchange;
- (v) promotion outside the area of the know-how of Cathar region enterprises on the subject of restoration of the heritage and cultural engineering;
- (vi) training plan for all the economic participants concerned: creators of enterprises, reception staff, group escorts.

The expected results are:

- (i) the attraction of an additional 160 000 persons a year (at present 640 000 visitors), that is, an estimated additional turnover of FF 24 000 000;
- (ii) the expansion of tourist reception potential by 240 beds, that is, an additional turnover of FF 8 400 000;
- (iii) the fixing of 300 to 500 jobs of various kinds in the tourism sector and at least as many jobs resulting in other sectors, that is a total of 600 to 1 000 jobs.

the activities and the lack of professional training for new tourism jobs;

- (ii) certain types of traditional commercial behaviour. The strategy recommended by tourism specialists, combining extension of the tourist season and winning the loyalty of customers, does not always meet with favour amongst the managers of tourist products (hoteliers, owners of campsites, etc.) who prefer to aim for a maximum occupation rate over a short period, even if it entails closing their facilities for part of the year and laying off their staff. Thus, the policy of time management clearly does not meet the wishes of the main parties concerned;
- (iii) the virtual absence of quality control, extending well beyond just the checking of standards;
- (iv) the structure of SMEs too compartmentalized;
- (v) the weakness of cooperation between the private sector and public authorities, on financial matters but also for the planning and implementing of organizational and commercial innovations. These gaps are curbing the development of projects combining accommodation, public works and promotion;
- (vi) the rigidity of legal, tax and welfare regulations which complicate matters and militate against necessary adaptations, for example, for carrying out a range of interrelated activities.

4. Possible approaches to removing the obstacles

4.1. At European Union level

- (i) Better information, upstream, for tourism professionals, their trade bodies and local authorities on Community actions in favour of tourism and, more particularly, opportunities for receiving Community funding.
- (ii) The systematic dissemination of good practices for mounting projects for tourist development and commercial innovation, at Community level.
- (iii) An evaluation of the effect on employment of measures in favour of tourism adopted by the European Union.

4.2. At Member State level

- (i) Improved access to types of finance existing for SMEs, through information and advice, and diversification of financial instruments, such as risk capital;
- (ii) trial, including in SMEs, of quality assurance techniques;
- (iii) changes to legal and fiscal regulations in order to offer real opportunities for multiple activities;
- (iv) a dialogue with employers and workers to review, if need be, the minimum rules concerning hours, qualifications and skills in order to link young professionals with the tourism sector on a long-term basis, to offer real opportunities of redeployment for certain unemployed persons and to respond better to the demands of clients.

4.3. At local level

- (i) Systematic efforts to exploit the local potential and use existing tourist investments in a more innovative manner;
- (ii) the improvement of certain types of initial training, aiming at greater adaptability to future skills (human relations, escorting, information-reception, organization of tourist products, mastery of new technologies, etc.);
- (iii) the need for concerted action and partnership between all concerned.

THE AUDIOVISUAL SECTOR

1. Perspectives

The audiovisual sector is made up of four subsectors: film production, film distribution, production of television programmes and broadcasting. In Europe, this boom sector



represents around 9% of GNP. The audiovisual services market is now worth ECU 36 billion, shared between television (61%), music (20%), home video (11%) and cinema (8%).

Jobs in this sector are thought to number 1.8 million for the European Union. However, these are not truly full-time jobs; the full-time equivalent is probably of the order of 900 000 jobs. Between 1983 and 1992 numbers working in the audiovisual sector increased by 37%, that is, an average annual increase of 4%.

Most development scenarios for the sector are very optimistic. For example, experts predict that the number of television channels, including encoded channels, could increase from 117 to 500 in Europe by the year 2000, thereby responding to a doubling of individual household demand, particularly for video and interactive television. On this basis, the potential for the creation of new, mainly highly qualified, jobs can be put at one million by the year 2000.

The potential diversification of products offered (remote access to libraries, museums, etc.) should find an increasing demand from an elderly and less mobile population, on the one hand, and from young people wishing to use individualized and quickly accessible services, on the other.

2. Taking stock of initiatives

Although it is concerned with meeting new needs, the audiovisual sector falls, however, within the framework of a particular logic compared

with the other 16 sectors, marked more by the importance of infrastructures and conditions of international competition than by local experience. Nevertheless, an analysis of the policies adopted at

national or European level reveals the existence of two possible development strategies.

- (i) One giving priority to horizontal integration on a local or regional geographical basis of all producers and consumers on the multimedia market. Bringing together the different public and private participants, it is concerned with training for these jobs, the education of users and equipment. For example, it is typified by the MEDIA programme and the Baden-Württemberg/Rhône-Alpes regional cooperation.
- (ii) The other, more traditional, aims at integration of the vertical type, based on the American model. It insists on establishing optimum conditions to ensure the economic

NORTH EAST MEDIA DEVELOPMENT TRUST

(Tyne and Wear, United Kingdom)

In the declining area of Tyne and Wear, a trust was set up in 1992 to link three projects in the media sector.

The originality of the operation, which resulted in the immediate creation of 18 jobs and the safeguarding of 25, comes precisely from the juxtaposition on the same site of a multimedia centre, a development agency for audiovisual activities and a training centre for the professions of this sector.

The ERDF partial funding for the three years concerned amounts to ECU 306 000.

competitiveness of the sector in the face of its main American or Asian competitors.

3. The main obstacles

The obstacles to the creation of jobs in the audiovisual sector in Europe are linked with:

- (i) the structure of supply, characterized by fragmentation around national markets and undersized enterprises: the sector appears to be highly disorganized with regard to the supply of jobs, because of its youth and its rapid growth, but also because of the deregulation and privatization carried out in the 1980s;
- (ii) the difficulty of access to sources of funds: not being sufficiently competitive, the European audiovisual sector fails to attract the necessary capital. The main obstacle to the creation of a European market is the problem of the economic profitability of production enterprises (these are often SMEs rather than big distribution groups);
- (iii) the partial unsuitability of initial training, whose content is either too specialized, or not specialized enough (in France each year there are 1000 graduates competing for every 100 positions). In contrast to the United States, there is no partnership between universities and enterprises (the European Union does not have the equivalent of Harvard).

The multimedia industry and associated electronic and telematics services activities are based on the creativity and combination of existing backup knowledge, and this calls for the creation of new skills covering traditionally distinct activities (publishing, audiovisual, software, graphic arts, etc.);

- (iv) regulations: a good regulatory framework capable of ensuring the dissemination of European works and legal security is yet to be found. The rules are suffering from delay in adapting to the new economic and technological realities of the market;
- (v) the time available for consumers: while the reduction of working hours and the increase in time available for leisure activities represent long-term trends, they are not necessarily translated in the medium term into prospects for a significant increase in consumption. On the other hand, the trend in

the content of the supply of pure entertainment programmes towards educational programmes may probably push back these limits and, in particular, expand the range of products offered;

- (vi) difficult financial and practical access to programmes: it remains to be seen whether consumers are increasingly prepared to pay for this type of product and service. The development of European audiovisual programmes over the last five years has demonstrated the limits of recourse to advertising as a major source of funds. Economies of scale appear to offer a good way of bringing down costs. Arrangements for standardizing programmes may also be possible;
- (vii) the education of Europeans for the consumption of this type of product: the experience of Minitel, driven by the success of the 'messageries roses' (call-girl services), as well as studies by American experts, who are expecting a demand centred more on video games, reveals chronic underuse of the potentials offered. Education in the use of these tools for personal self-fulfilment has yet to take place.

4. Possible approaches to removing the obstacles

4.1. At European Union level

- (i) Improvement of conditions for funding, by adopting a support and encouragement policy and not one of subsidies and by exploring the financial engineering capacities of the European Union (the MEDIA programme has already acted as a catalyst, though its share represents only 24% of the total financial volume of the activities generated by projects). In addition, private investment in production and distribution should be stimulated.
- (ii) Definition of strategy, refocusing the MEDIA programme to avoid the dispersal of resources by establishing close coordination of the programme activities within the two priority sectors: training and research, development/distribution/promotion. Complementary action by the European Union and Member States should be organized, by establishing a framework for exchanges and discussion. Particular attention should be paid to the presence of European pro-

grammes on the markets of non-Community countries, particularly through partnerships with Central and East European countries.

- (iii) Creation of new structures in the audiovisual sector through cross-border cooperation and the regrouping of enterprises (this effect, already sought by the MEDIA programme, must be strengthened). The encouragement of joint European productions (cooperation with the Eurimages Fund of the Council of Europe) and the setting up of cross-border projects in the audiovisual sector could contribute to this.
- (iv) Adaptation of regulations to economic and technological developments of the market (television without frontiers Directive). Revision of the arrangements for exercising copyright and related rights: cable and satellite, hiring right and lending rights, and period of protection Directives.
- (v) Provision of financial encouragement for the introduction of new services (format 16/9) and to ensure the lasting technical quality of long-term European catalogues (action plan for the introduction of advanced TV services in Europe).
- (vi) Stimulation of participation by enterprises in the audiovisual pilot projects of the framework research and development programme (sector of new information and communication technologies). Encouragement of partnership between enterprises in the audiovisual sector and enterprises which, technologically, converge with it: informatics, telecommunications, electronics for the general public.
- (vii) Development of an appropriate training policy at European level, by preparing a plan for rationalizing and regrouping action relating to training, research and publications (operated through the MEDIA programme). This policy involves identification of needs for audiovisual and multimedia training in Europe, by establishing joint research and development projects (industries, universities, private sector) and also partnerships for training.
- (viii) Easier dissemination of information within the professional sector and to the general public for better consumer training and information (cooperation with the European Audiovisual Observatory).

4.2. At Member State level

- (i) Ensuring the quality of programme content. Tax concessions may be envisaged to help producers, or else the setting-up of a compensation fund (as is done for the French cinema) to assist producers and ensure training. Another proposal is inspired by the American model where production costs are largely borne by the main distribution networks. Public intervention should therefore promote the formation of this type of vertically integrated groups.
- (ii) Improvement of production conditions and industrial development structures of the sector (granting of licences, development of infrastructures and establishing conditions of access, policy regarding competition, backup machinery).

4.3. At local level

Development of the training and education of young people in the direction of a greater requirement for quality, based on a more active participation of teachers and pupils.

CULTURAL HERITAGE

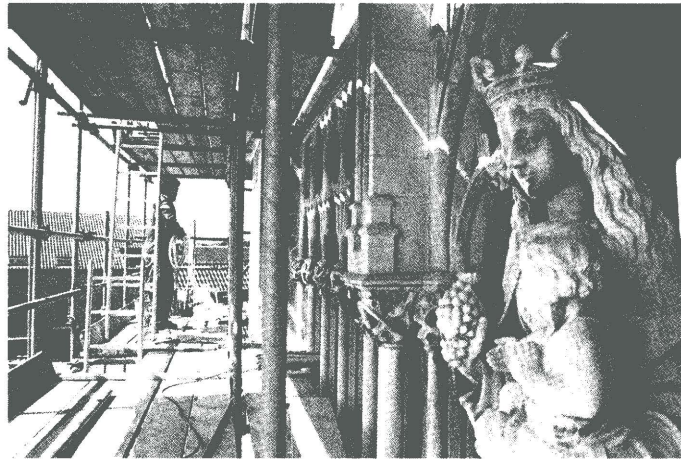
1. Perspectives

Future potential seems great for a number of reasons:

- (i) Consumer attitudes¹ more receptive to the cultural and artistic heritage, because both people at work and the elderly have more free time (diversification of leisure activities, development of cultural tourism), and because the development of educational techniques is revealing a new clientele (children of school age).
- (ii) Greater opportunities are offered by new technologies (development of sites, renovation of buildings by laser or use of new materials, storage and dissemination of documents using new information technologies, remote access to libraries, management of tourist flows, etc.).
- (iii) There are more open and dynamic attitudes to the heritage (aimed at deriving benefit and not only preservation, sponsorship, promotion of the heritage as an international attraction, rational management to avoid misuse).
The launching and success of national policies (Ireland, France, Italy, Spain) or local ones (European cities of culture) based on this asset should also be stressed.

Three types of jobs are directly affected by a potential for development:

- (i) those connected with the creation and restoration of sites (skilled craftsmen, artists, approved enterprises, curators of museums);



- (ii) those connected with the dissemination of culture (reception staff, guides, scientists, technicians, publishers, etc.);

- (iii) those connected with the maintenance of sites (caretakers, managers of visitor flows, etc.).

In addition to these jobs, which often call for high qualifications, there are secondary jobs which are hard to quantify, the majority of which stem from the tourist sector.

2. Taking stock of initiatives

Although institutional investors are often more attracted by prestige operations, the results are not always positive, as the investment cost is high and the spin-off for jobs is very limited. On the other hand, tourist operations based on the cultural dimension and a multiproducts approach turn out to be more profitable and create more jobs, as for example the restoration of historic village houses and craft industry promotion (Bokrijk in Belgium, Enkhuizen in the Netherlands, Beaulieu in the United Kingdom, Bunratty Castle in Ireland, etc.).

Among other initiatives collected:
Archaeological Society of Douai (France)
Nausicaa in Boulogne-sur-Mer (France)
Antwerp 93 (Belgium)
Belgium Pact (Belgium)
Tautavel 2000 (Prehistory) (France).

¹ Surveys of household budgets are very promising.

EUROPEAN CENTRE FOR CULTURAL DISSEMINATION

(Barcelona, Spain)

Created at the beginning of the 1990s, the European Centre for Cultural Dissemination functions as an initial post-university training and professional training school. Employing around 30 people, including 20 teachers, this centre receives 1 600 students a year to teach them new skills linked with enhancing the cultural and artistic heritage. It involves, for example, techniques of communication with the general public, the use of new information technologies, the management of tourist flows, the marketing of culture-related products (postcards, works of art, videos, etc.).

With an immediate recruitment rate of 65 % for graduates, this training opens the path to new trades which meet a very strong public demand.

A network is being formed with UK and Belgian universities to pass on this successful experience.

EUROPEAN CITIES OF CULTURE

Every year since 1985, a city in Europe has been designated as European city of culture. This event has a very different impact from city to city, but at the end of 10 years of operation, it is possible to take stock of this initiative.

The most successful operations in terms of economic, media and social spin-offs have often involved outlying, medium-sized cities, which have adopted a comprehensive approach with programming spread over 12 months.

Glasgow probably provides the best example of this with a net economic return of the order of UKL 10.3 to 14 million for a basic investment of over UKL 32 million; over 5 000 jobs were created on this occasion.

Antwerp, the European city in 1993, adopted a less comprehensive strategy, placing greater emphasis on complementary action in relation to its existing heritage and therefore giving priority to contemporary art. The preparation and management of the operation led to the creation of 100 jobs (not including several hundred volunteers) as from the end of 1990 for four years.

3. The main obstacles

Compared with the potential, actual job creation is often limited, even disappointing. There are a number of reasons for this.

- (i) Professionalization: jobs linked to the maintenance of sites call for fresh qualifications (training for reception and certain basic cultural ideas for caretakers, technological mastery for the management of flows, etc.) and the recognition of new skills. The content of artistic training must be restructured to include new teaching (adaptability, basic economic and managerial training, technological education, etc.). The training institutions are isolated from the local context and also need to participate in networks in order to develop regional and interregional synergies.
- (ii) The very closed nature of the sector: arts and crafts and restoration work demands high quality, which almost always leads to the system of approval of enterprises. However, the skills of these professionals are not assessed regularly (no penalties for an unsuccessful operation).
- (iii) The elitism of heritage professionals: museum curators, archaeologists, teachers and historians are not very happy with what they consider to be a popularization of their area of activity in the shape of a reform of the content of teaching programmes, the creation of new schools or the recognition of related skills (management, reception).
- (iv) The gratuitous nature of culture: it would, of course, be wrong to deny an intrinsic value to culture and the arts which frees us from any short-term economic calculation and

Moreover, these enterprises which are often SMEs, frequently adopt a very Malthusian attitude (little actual competition, very closed markets, practices with weak job creation potential, etc.).

Fresh regulation of this market is the key to the future of a number of new enterprises which have developed over recent years (in Spain 'Talheres-Esualas', in France training-schools, etc.) and which are planning to offer very advanced training to unemployed persons, in accordance with local needs for renovation and enhancement of the heritage.

which explains the existence of the rich European heritage and conditions its future. However, this approach often handicaps any artistic and cultural activity: it leads to overdependence on public funding which at present is subject to many budgetary restrictions. Sometimes it engenders a perpetuation of precarious situations where the recruitment of volunteers provides the most frequent solution.

- (v) The absence of legal rules adapted to the potential of new technologies (for example, the bases for calculating copyrights make the establishment of a cultural documentation and information centre very difficult).
- (vi) The embryonic nature of partnerships: if sponsorship (the association of two partners: enterprise and artistic organization) has developed markedly, multiple partnerships (SMEs, residents, public authorities, marketing or distribution chains) are still rare, when in most cases they represent the only possibility of achieving the development of multiple local activities and the creation of jobs.

4. Possible approaches to removing the obstacles

4.1. At European Union level

- (i) Observance of a European code of behaviour stressing the fragile and destructible nature of the cultural heritage (as of the natural heritage) and the need to maintain it, in order to avoid the abuses linked with greed which gives rise to the manna of tourism and infatuation for certain historic sites. Technical advice and instruments must be provided to public powers and the owners of sites.
- (ii) Improvement of information and support to transnational exchange networks for training schools for art crafts and trades enhancing the value of the heritage.

4.2. At Member State level

- (i) A fiscal policy giving the sector financial autonomy (parafiscal charges) like the tourist taxes in certain countries which link the money obtained from visits or copyrights and intellectual property rights with the expenditure necessary to enhance the value of the heritage.

- (ii) A legal, political and logistics framework which encourages development of the 'para-cultural' sector (bookshops, printing works, sales of *objets d'art* or copies, cultural promotion for different categories of the public), as the major European museums (the Louvre, British Museum, Cinquantenaire, etc.) are beginning to do. An incentive of a financial, information or technical nature encouraging those with projects towards the more intensive use of labour, could then be envisaged.
- (iii) Adaptation of legal and financial regulations, in order to guarantee proper remuneration for authors (intellectual property rights).

4.3. At local level

An intermediate role is played by the media and the school which can change the quality of demand considerably and guide behaviour in the direction of use of the heritage rather than waste. They may also, in the long term, increase awareness of the need for a more dynamic and less conservative approach to culture.

The public authorities play a vital role as initiators of projects and sponsors of worksites. By pushing for a more open renovation market, they would benefit from lower prices for works.

Resorting to new methods of financing and organization, while respecting a certain professional code of ethics¹ is a basic element for guaranteeing the durability of projects: to enable the jobs of volunteers to last in order to transform them into real jobs; to make certain prestige operations profitable, to facilitate dissemination.

¹ Many money-making excesses have, quite rightly, been denounced.

LOCAL CULTURAL DEVELOPMENT

1. Perspectives

The place occupied by popular culture (light music, folk music, theatre, reading, etc.) in the life of Europeans, matches that of the arts and heritage but is less well known. Furthermore, the various associated activities require little heavy infrastructure and are positively perceived as new industries (non-polluting, heavy demand due to leisure time, welcoming of outside people).

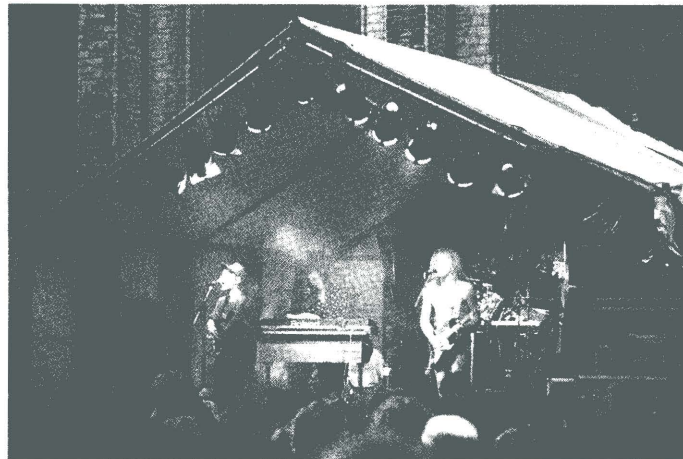
For cities or regions faced with recession (due to the redirection of industries or stemming, in an increasingly uncertain manner, from a strategy based on large enterprises) which are striving to make use of their own potential, culture then seems like a card to be played 'by default'.

The increase in leisure time for all population categories, the wish to renew links with regional or local cultural traditions and a better level of education are playing their part in increasing the demand from Europeans for such activities.

Direct jobs are linked either with artistic creation, or with the dissemination of practical experience. The potential is more important in terms of numbers in the second case, considering that it often involves new trades, linked sometimes with technological developments (close to the audiovisual sector), and sometimes with democratization of access to culture (library assistants for underprivileged children, schools of Celtic singing, etc.).

2. Taking stock of initiatives

The innovation of recent years comes from the example of whole territories (cities, regions) which have staked a great deal on culture for their development.



Among other initiatives collected:
Temple Bar in Dublin (Ireland)
Black Périgord Festival at Sarlat (France)
The Liverpool Institute for Performing Arts (United Kingdom)

Roving mediabus (France)
Quercy Open-air Museum (France)
Douarnenez Port-Museum (France)
Association in Loco (Portugal)
Zona historica da sé/s Nicola (Portugal)
Region of Colombey and south Toulouse (France)
Making Music Work (United Kingdom).

FORUM DANCA

(Lisbon, Portugal)

Forum Danca is a non-profit-making association, jointly financed by the State and the EU; it provides initial training leading to a job opportunity in the cultural sector. Created in 1990 as a meeting place for the study and creation of the arts and more particularly contemporary dance, its activity is focused on four main areas: artistic and formal education, research, choreographic creation and the production of shows and video.

Forum Danca is creating a specific and increasing demand for Portuguese dance within the European creation-production context: it has given an international profile to Portuguese dance productions.

Since 1990, Forum Danca has created five permanent direct jobs and, indirectly, 27 permanent and 61 temporary jobs. Of the 40 trainees trained, 80% have found a job. This training has led to the creation of 22 SMEs in the world of culture.

3. The main obstacles

The main obstacles encountered, which vary with the size of projects and their ambitions, are:

- (i) **Legal:** the implementation of these projects often needs concerted action on property renovation or land development and the adaptation of existing legal instruments (rights of ownership, joint ownership, possession, etc.).
- (ii) **Financial:** artists who set up their own business rarely have a profit motive and low profitability characterizes such enterprises. The banks are not very interested in this type of risk but local savings may sometimes be mobilized (high motivation of the local people, including in rural areas). With a view to ensuring the development of these activities, the public authorities tend to give priority to a strategy which relies heavily on public funds by trying to guarantee free distribution or a low sale price and, if necessary, by providing budget-balancing subsidies.
- (iii) **Technical:** creators lack commercial training and information on legal and financial arrangements from which they may benefit. Young unemployed persons or students might join some of these professions but lack information on job and career prospects.
- (iv) **Psychological:** culture is often regarded as a superfluous need even when access to it is free (museums, libraries, etc.). In the absence of an apprenticeship which will allow them to get used to culture, some social groups and young people in particular will express no demand.

As the case may be, the conversion of artistic and cultural needs into actual demand presupposes training and time. The supply stemming only from a public political will, sometimes reinforces psychological alienation, by seeking a brand image and a more up-market position rather than by satisfying the needs of people considered rather ordinary.

A contribution from new technologies seems essential in certain professions (music, cinema, etc.). However, they still offer minimum potential, because the attention of suppliers and authors of programmes has above all been concentrated on the effect on industries.

4. Possible approaches to removing the obstacles

4.1. At European Union level

When a choice has to be made between different types of investment or policies, one possibility might be to make more internal use of gains in social costs and education achievable through 'paracultural' action (comparison of effects on employment with heavy investment operations must be very detailed).

Community support for demonstration projects should be increased.

4.2. At Member State level

UK evaluations on the cost of jobs created in this sector are very positive. They are worth disseminating more widely.

Cultural exchanges would be increased mainly by democratizing creation (through training, assistance for creation and the starting-up of enterprises, etc.), by minor adjustment of the cost of access by consumers, by dissuading individual appropriation of art and by encouraging more collective cultural uses.

4.3. At local level

New technologies may contribute to a simultaneous increase of supply and demand but the psychological barriers must be dealt with by themselves in a more general context of education or social integration (mediators).

A 'cultural audit' of local potential, of the city or area as a starting point for economic development seems to produce very good results (many leader projects, a frequent practice in some English-speaking towns).

Chapter 4

ENVIRONMENTAL SERVICES

THE MANAGEMENT OF WASTE

THE MANAGEMENT OF WATER

**THE PROTECTION AND
MAINTENANCE OF NATURAL
AREAS**

**THE REGULATION AND MONITORING
OF POLLUTION AND THE
CORRESPONDING INSTALLATIONS**

THE MANAGEMENT OF WASTE

1. Perspectives

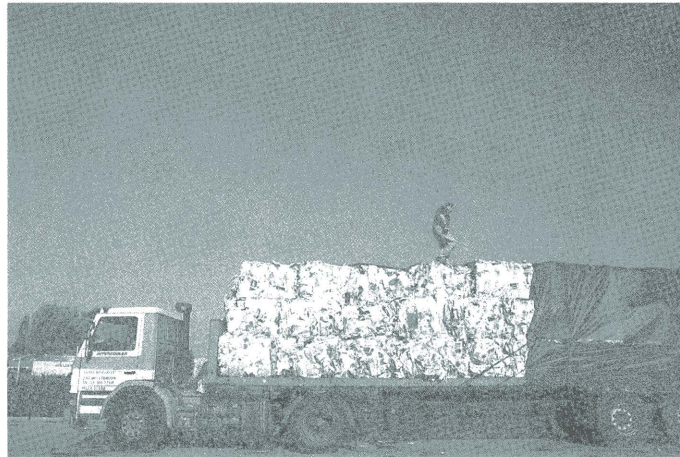
European interest in ecological issues has increased considerably over recent decades. This is explained by a growing awareness of the scarcity of natural resources and the need to use them in a more rational manner. The education of children, by schools and adults, through publicity and official propaganda campaigns, are also pushing in the direction of less-wasteful behaviour, better knowledge of the ecological stakes and greater public-spiritedness with regard to waste.

We are also seeing private citizens, particularly in the Scandinavian countries and in northern Europe, taking action perceived as good for the environment. The use of bottle banks is a typical example of this personal contribution: it costs nothing for the people who do it and the satisfaction they obtain from it strengthens their feeling of belonging to a social group. The sorting of household rubbish follows the same logic: this approach is seen as appealing to the citizen's sense of responsibility.

By way of contrast, the decisions of enterprises with regard to waste management are more clearly influenced by financial calculations (sometimes the results may prove to be positive). The brand image of enterprises is increasingly dependent on their behaviour towards the environment and in particular their management of waste.

Satisfying the needs linked with a new waste management may give rise to two types of job creation.

- (i) The first source comes from the selective collection and treatment of different types of waste by appropriate methods (mainly separation of glass, metal, fibres, plastic materi-



als and rotting matter). The jobs created generally add to the costs, linked with labour, of the body normally responsible for waste management. These additional charges, or occasionally, earnings, from the sale

of recovered materials, are often passed on to the local public.

- (ii) Another potential for job creation is represented by services that devise optimum methods of recovery and market these materials. These enterprises are not generally involved in the local management and sorting of waste; they may be located elsewhere and operate on a competitive market. Except for materials such as glass or insulating materials for which there is a growing potential market, it must be recognized that opportunities for job creation are relatively limited in such enterprises.

The quality of waste management jobs is variable. The chain starts with sorting and recovery jobs which are generally insecure and unskilled. However, new automation and waste-sorting techniques may open the way to a greater quality of work and even the acquisition of high technical skills. But it has to be admitted that in the majority of cases, technical improvement is synonymous with fewer jobs.

2. Taking stock of initiatives

Waste management clearly offers an opportunity for the re-employment in manual jobs of badly-marginalized individuals and populations. However, it must be recognized that most of the jobs offered are temporary or part-time and that the conditions of work relating to them are difficult.

REDUCTION OF BUILDING WASTE

(Copenhagen, Denmark)

In Copenhagen, efforts have been made over the last five years to reduce waste from the demolition of buildings (400 000 tonnes in 1989, 2 000 tonnes in 1994). Bricks and cement are converted into gravel, sawn wood is incinerated. The greater the care taken to preserve materials during demolition, the greater the amount of work and labour required. Selective demolition reduces waste by almost 95 % and the cost of access to the rubbish tip.

Extrapolating what has been done in Copenhagen to the whole of Denmark, 850 long-term jobs would be guaranteed by this method of selective demolition, 130 of which are linked with the reuse of bricks.

Among other initiatives collected:

Triselec (France)

Juratri insertion (France)

SAKFB (France)

TERRE (Land) (Belgium)

Aesse Ambiente Solidarieta Brescia (Italy).

3. The main obstacles

There are two types of main obstacles in the area of waste management. They relate first to market conditions, and secondly to the quality of jobs.

The main curb on the emergence of initiatives relates to the existence of an economically viable market for recovered materials. The creation of stable outlets and marketing channels may be relatively easy in certain cases (aluminium cans) but not in others. For example, in Scandinavia, with its high transport costs, but cheap raw materials from forests and long distances between populated areas and paper production centres, there may be less point in collecting waste paper than in other European countries.

The second problem is linked with the possibility of assessing the size of the market correctly. It may happen that it is simply overestimated or that public interest in this type of action is underestimated and the quantity of waste to be recycled is too large to cope with. The consequences of these two bad market assessments are the same. Waste is then generally treated by traditional methods which do not meet user demand and stocks run out. Likewise an overassessment of

the market may lead to dysfunction among private operators, and possibly many bankruptcies. Market evaluation must take account of public policies relating to the storage of waste and the use of land which are not necessarily favourable to a more selective management of waste.

Another obstacle to the development of these initiatives concerns the quality of jobs and the difficulty of re-employing workers in this type of job. Very often it involves a low-grade unskilled job offering no real channel for re-employment. Furthermore, legal provisions which might allow projects to be set up in the mixed economy or social economy sector, to carry out these operations, do not exist in all European countries. As the cost of labour is high, these problems can only be solved in many cases by measures similar to active employment policies (systems combining unemployment benefit and authorization for them to take this type of job) or by a significant public financial participation.

The last obstacle stems from lack of information to those proposing projects on the possibilities for the creation of enterprises, or even of partnerships, to carry out these waste management operations. Likewise, information is insufficient on the technical conditions for operation and marketing.

4. Possible approaches to removing the obstacles

4.1. At European Union level

The Commission has already made a number of proposals; it may however seem necessary to insist more on the importance of providing optimum framework conditions in order to allow the creation of economically viable markets for recycled materials.

Their existence depends largely on the general economic context and national or European policies for energy and raw materials. If the costs of raw materials and energy are low, there will be very little encouragement to use waste products for the generation of energy and electricity. The Union should continue its action to introduce taxation more favourable to natural and human resources and less favourable to material investments.

Likewise, the European Union can help significantly in educating young people and increasing awareness of the challenges of waste management and protection of natural resources.

Finally, the Commission can pursue a policy of incentives for research, to improve and diversify recycling conditions and commercial outlets for sorted waste.

4.2. At Member State level

The role of the Member States is essential for the stability or development of the economic context, mainly as regards taxation. For example, if property costs are low and Member States receive low receipts, enterprises have little incentive to use and manage waste products in the best possible manner.

The national level may also be appropriate for the introduction and trial of recovery schemes. One example to note is provided by the experiments with the use of old refrigerators or other similar domestic capital goods in Denmark. The establishment of such recovery channels may have significant long-term effects, not only on the market and job creation, but also on the behaviour of manufacturers who will be encouraged to produce longer-lasting or recoverable capital goods.

The Member States also have a role to play in exploring and introducing legal provisions allowing, first, the creation of private or social economy enterprises specialized in this type of activity and secondly, the drafting of satisfactory employment contracts in order to arrive at a genuine policy of professional integration.

At actual employment policy level, formulas could be tried to make this type of activity suitable for the unemployed while allowing them to continue to receive their unemployment benefits.

4.3. At local level

Compared with other sources of employment in the environmental sector, waste management involves a significant contribution from public funds, both for investment and in management. That suggests that waste management schemes should be planned locally, in an integrated manner, taking account of the true possibilities of the local market and experience and information obtained from comparable practices. Theoretically, local authorities have it in their power to improve the economic context and to encourage consumer enterprises to act in a more public-spirited manner.

Likewise, the viability of a number of waste management projects involves going outside the individual commune to develop intercommunal projects and also partnership projects between the public and private sectors.

THE MANAGEMENT OF WATER

1. Perspectives

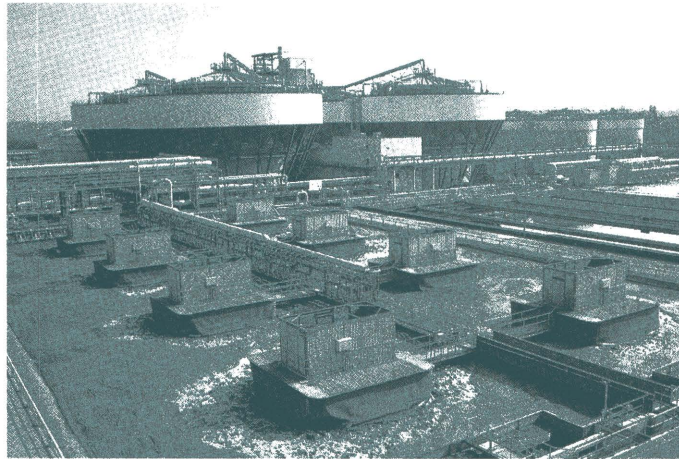
Water consumption increases as society becomes richer and individuals demand better health and living conditions. This has been a continuing trend in Europe for several decades and is now leading to a situation of extreme imbalance, where water resources for 140 million Europeans are no longer managed on a sustainable basis. It therefore calls for far-reaching reforms in water management. It is in fact fair to say that hydrological reserves have been exploited far too intensively in relation to possibilities for natural regeneration in Europe.

The solutions to this problem require an integrated approach to water management (protection of the resource, cleaning up of rivers, cleaning and maintenance of the banks of waterways, protection against polluted rain water, etc.).

Unlike other continents, the infrastructures and legal and financial systems for water management already exist in Europe but they date essentially from the 19th century and have proved to be unsuitable. A total overhaul of the present system is out of the question but it must be realized that any reform undertaken from now on will only produce results in the very long term.

The most common estimates of job-creation potential in this sector put this figure at around 500 000 new jobs in Europe by the end of the century. They are based on the assumption that the rate of growth in this area will be equal to that of the pollution control sector and the associated technologies.

As for the technologies linked with pollution, there are three ways in which these prospects may be realized. The nature of employment and the subsectors involved are, however, qualitatively different.



First, direct job creation may come from the management of infrastructures. Water management is very capital intensive and the cost of infrastructures is frequently borne by public, generally

local authorities, aided by forms of partnership with the private sector. The level of skill for the jobs concerned is not very high but it rises with the technological advance of civil engineering works. The work is not simply linked with construction, which would only provide very short-term jobs, but also with the management of infrastructures and the monitoring of operations.

Second, the export of innovative technologies and know-how, which has developed in Europe, offers considerable potential. Certain water engineers of Member States are rightly regarded as world leaders in this market. However, the export potential is more concentrated on management and consultancy posts than on maintenance jobs for the majority of works, and infrastructures linked with the construction of these installations are carried out at local and national level in these export markets.

Third, improvements in the management of water resources may open the way to substantial savings in public management and, consequently, promote associated activities involving the creation of jobs: public education, training of local participants and operators. However, these potential gains must not be overestimated for experience shows that water consumption by households is generally less compressible than consumption by industries, and that financial savings are less spectacular for individuals than in the case of energy savings.

Another sort of secondary effect, which is probably more important in quantitative terms for employment, is the improvement of the environ-

ment linked with a more rational management of water; this can open the way to new activities using water for leisure purposes. One example might be water sports, some of which have not been able to develop in certain regions or areas because of lack of water or poor environmental quality.

2. Taking stock of initiatives

Initiatives which have received financial assistance from the European Union show how difficult it is to make the general public and industrialists aware of what is at stake and of the possibilities offered by better water management. On the other hand, they confirm the existence of a job-creation potential linked with greater public awareness of water management, particularly in the area of education. Finally, the experiences recorded show clearly that quite substantial public investment is necessary for the carrying out of projects, and this calls for greater cooperation between neighbouring local authorities.

THE SEGRIE-FONTAINE HOUSE OF WATER

(Orne, France)

Located in a rural area, the House of Water and the River has as its main objective the development of genuine education on water and the river, making visitors receptive to the idea of preserving the environment, promoting new activities such as tourism, fishing and river classes, in order to strengthen the economic development of the Orne. This association, which receives funds from local authorities and the EU, regularly employs two people.

Among other initiatives collected:
Water, today for tomorrow (France).

3. The main obstacles

Three obstacles seem particularly important in the various areas of water management: first, low public awareness of what is at stake, second, the difficulty of putting in place satisfactory financial arrangements, third, the constraints of public service.

The very nature of water management infrastructures and their relative invisibility to consumers explains in part the general public's poor under-

standing of what is involved; in particular, virtually no individual has any means of appreciating the level of water resources, their quality, or prospects for exploitation in the future. Unless considerable efforts have been made to educate the public and particularly young people, a sort of collective apathy results. Most frequently, the public only reacts when water supplies are cut off, generally to the great annoyance of households. The public then directly questions the efficiency of the public authorities and thinks of it as a serious failure to ensure continuity of a public service.

Financial problems stem in large part from under-evaluation of the economic importance of the water resource. To the high costs of the investment necessary to renew old and inefficient installations, is added the difficulty of justifying improvements of water management systems. The absence of an adequate tariff policy weakens the financial equilibrium of administrations or private enterprises entrusted with water management.

Public service constraints are inherent in the treatment and distribution of water. It has to be recognized that the basis of the private/public partnership is generally an old legal commitment, worked out during the 19th century. Transformation of this system must be progressive, in order not to disturb the conditions of service to households and other clients. Finally, the last problem is linked with the existence of closed markets for new investors. Essentially water management is subject to long-term contracts between the public authority and a private body.

4. Possible approaches to removing the obstacles

4.1. At European Union level

Making the population more receptive to the idea of an integrated water policy represents a major challenge for the European Union. For example, publicity highlighting the indicators of water quality at bathing places in coastal areas has received considerable support from public opinion. The European plan of action for underground water is to be published in 1995; it should provide a good opportunity for informing the public. Public opinion may also be significantly alerted by the major problems of dilapidated installations in the countries of Central and Eastern Europe.

The European Union already plays a role, through the Structural Funds, in the improvement of water management systems. Its intervention, within a clear and reasonable framework for State assistance since April 1994, is contributing to the removal of financial obstacles. But the European Union could do more. For example, some of the costs of water management, which are borne by individual consumers, can be substantially reduced by the application of technological research. Likewise, new ways may be opened by an exchange of experiences between the different management and infrastructure systems installed in different cities or regions of Europe to improve the conditions of water management.

Finally, the reforms of the common agricultural policy may contribute substantially to improvements in this direction, since incentives for intensive production, through supported or guaranteed prices, are reduced.

4.2. At Member State level

The intervention of Member States rests mainly on simplification and rationalization of the organization of water management rules, on the one hand, and on the improvement of information to, and education of, the public on the other.

The Member States are, in principle, responsible for all regulation of water systems, the agencies governing catchment areas, the authorities responsible for water and their counterparts. These organizations often have a natural monopoly status with the possibility of transferring all costs to the end consumer. As a result, they themselves have little incentive to undertake works or to reform their organization in order to reduce water consumption. The consequence is the well-known figure according to which, in many European cities, nearly 40% of the water distributed is lost as a result of leakage.

This situation could be greatly improved by national surveys and studies involving managing bodies and administrations, as has been the case for electricity in Denmark. A public debate could probably increase public knowledge and awareness on this subject.

The intervention of Member States is also important for the establishment of quality control and standards, the introduction and trial of attractive tariff policies, the amendment of laws with the possibility of developing related commercial operations. One possibility, in particular, might be

the introduction of new systems of delegated management contracts.

Finally, the role of the national authority in educating and creating awareness as well as in the training of qualified staff is quite fundamental. This last objective may be achieved by a fuller social dialogue and a systematic joint study by employers and employees of conditions of employment, qualifications and the skills required.

4.3. At local level

While the responsibility for managing water resources is basically at local level, it has to be recognized that autonomy and freedom of action at this level is, relatively speaking, very limited, basically for financial reasons. The most promising approaches will therefore aim at setting up new systems of public financing through cooperation between the public and private sectors and cooperation between the national and local levels to establish new instruments and new financial channels.

Likewise, the question of turning these opportunities for new water management into new jobs mainly concerns the local level and the links that may be established between the public authority, on the one hand, and the private enterprises directly providing services and water suppliers, as well as individual or industrial consumers, on the other.

THE PROTECTION AND MAINTENANCE OF NATURAL AREAS

1. Perspectives

Over the last 50 years, the population has moved from rural areas to the towns almost everywhere in the European Union. With an urbanization rate of 75 to 80%, the European population can be regarded as mainly urban. In the country, there have been contrasting developments: certain outlying areas are increasingly losing their population and activities, while other areas closer to cities are benefiting from the attraction of better quality of life linked with a better preserved environment.

Natural areas in Europe can be territories with difficult access but remarkable fauna and flora, or areas which have long been cultivated but which, as a result of the drift from the land or difficult living and farming conditions, have returned to a more, or less, abandoned state. These fragile areas are faced today with a risk of deterioration linked, on the one hand, with excessive use by tourists (coastal areas, ski resorts, etc.) and, on the other, with the loss of traditional maintenance techniques (cutting of meadows, construction of walls and terraces, live hedges, drystone walls, etc.).

Besides the ecological risk, the deterioration of natural areas is adding significantly to local authority costs, in terms of repairing damage or protecting human life (fires, avalanches, landslides, floods, etc.). As a result there has been strong pressure for preventive action, and in particular for the establishment of long-term schemes for the maintenance of natural spaces.

If understanding what is at stake and interest in these matters vary considerably with the country, population categories and ages, the image of nature is generally better, because it is more positive, than that of the environment. Increasing public awareness has for some years facilitated



the introduction of regulations for the protection of these areas (nature parks, reserves, reforestation programmes or for the restoration of land, etc.). Most often it corresponds to a strong demand for sites for

leisure activities, whether wild areas (mountains, undersea exploration, deserts, wet and swampy areas, etc.) or more welcoming and better maintained areas (the countryside).

Jobs linked with the protection and maintenance of natural areas are of three types:

- (i) new highly-skilled professions,
- (ii) those concerned with maintenance,
- (iii) those resulting from a policy of reconversion and multiple activity involving agriculture or fishing.

Contrary to appearances, jobs linked with the protection and maintenance of natural areas are not all unskilled. While the work is often highly labour-intensive and the working conditions are considered to be difficult, if not unpleasant, it also requires specific technical skills or the adoption of new practices in the case of farmers. They benefit from a positive public image, particularly among young people.

The long-term nature of the majority of jobs can be easily demonstrated. Certainly, the largest number of jobs, generally linked with major works, are by definition short term. But natural areas require constant maintenance and offer practical prospects for research activities (new equipment, agronomic research, development of new techniques, and fertilization and treatment products, etc.).

2. Taking stock of initiatives

The majority of initiatives are publicly funded: this takes the form of subsidies or grants, in the

case of the application of agri-environmental measures, following the reform of the common agricultural policy, or measures of tax exemption or exemption from social security contributions, in the case of the application of unemployment benefit and anti-exclusion policies. This finance allows the starting of operations, which may then be carried out in partnership with the private sector or non-profit-making associations. The teams used are most often made up of a majority of unskilled workers but also a few supervisory staff and staff specially qualified for traditional landscaping techniques. As for cultural projects, such operations may be the starting point for local mobilization and a drive for economic development.

COASTAL DEFENCES

(Ireland)

The next planning period (1994-99) includes a large-scale project for preserving and enhancing the value of the Irish coast. It involves, first, the safeguarding and development of the dunes and coastal vegetation, and secondly, heavy works on sea walls, the consolidation of cliffs and restoration of dunes. For a total cost of ECU 6.8 million, 75 % of which is ERDF-funded, the creation of 250 long-term jobs is planned.

ILETS PIGEON

(Guadeloupe, France)

As part of the activities of the National Park of Guadeloupe which was its initiator, a project has been launched for the creation of a worksite specialized in the maintenance of aquatic sites (edges of beaches, canals in the mangrove swamp, tourist coast). Initially financed by public funds, it is to be taken over after a year, by a company, under private law.

This project, which directly creates six jobs for young people awarded RMI (minimum income support), forms part of a local overall strategy for enhancing the value of the coral barrier and a maritime eco-tourism (under-sea routes, diving activities, video, reception and information, educational aids for schools, etc.).

Among other initiatives collected:

Clearance sites in the Gard (France)

Cleaning of forests and rivers in Velay (France)

Verttigue (France)

Ryton Gardens (United Kingdom)

Living land (France)

Lower Don Valley (United Kingdom)

Experimental transhumance (France)

North York Moors farm scheme (United Kingdom).

3. The main obstacles

The obstacles to the development of initiatives are psychological and financial:

First heavy investment costs, because of the extent of the works to be carried out and the special equipment required, to which high management costs are added. In fact, the maintenance of natural areas is highly labour-intensive and, by definition, involves repetitive jobs (tasks must be carried out annually at best).

The absence of commercial markets for the majority of the byproducts of these works (except sometimes for forests) and the limited tourist or recreational spin-off (excessive use by humans has a deterrent effect on potential users) are also major obstacles. It is mainly private or public owners who bear the financial burden of restoration and maintenance. In the case of a public community, it is not always easy to decide between preventive measures and a compensation or repair policy.

The low profitability of agriculture in these areas constitutes a big obstacle to the maintenance of agricultural production, whereas it is known that it is one of the simplest and most effective methods for ensuring maintenance. The same is true for certain types of small-scale fishing. Possible solutions often come up against the inadequacy of tax and employment regulations, despite recent reforms in several Member States. The rules governing multiple activities sometimes penalize certain farmers or fishermen (application of Objective 5a, health standards for fish products).

Legal instruments and regulations are not always adapted to the present situation; they may prove to be the source of many problems and conflicts of interest, basically because the problems of natural areas are now scarcely consistent with a right of ownership and individual enjoyment, designed several centuries ago for a heavily populated rural world, engaged in different activities (livestock raising, for example).

The mentalities of people living in the country sometimes put a brake on these initiatives, which come up against people who are often set in their ways and not open to projects which upset practices and things taken for granted. Reconciliation

between the interests of resident populations and newcomers, moreover, is not always easy, mainly for the establishment of protected natural areas.

Psychological brakes are also applied by users, with regard to enhancing the economic value of this type of activity. Payment for access to or the use of natural areas is frowned upon, mainly in the countries of southern Europe. Systems of fees are still at an embryonic stage (cross-country skiing, hunting, fishing, etc.).

More generally, the promoters of projects or local authorities lack the information for finding the solutions that are socially and technically most suitable. In the absence of the relevant advice, investors are often the victims of effects of imitation and fashion, which can prove disastrous for fauna and flora in the medium and long term.

4. Possible approaches to removing the obstacles

4.1. At European Union level

- (i) Promotion of interregional strategies for cooperation and enhancement knowing that in many cases, natural spaces are located in border areas or involve different administrative zones.
- (ii) Improving the knowledge of public decision-makers and any private candidates concerning the real spin-off for jobs and the technically most satisfactory solutions. This objective implies systematic evaluation of the European Union programmes and assessment of the results obtained, particularly with regard to job creation and the setting up of long-term schemes for enhancing the value of an area.
- (iii) Educating the general public, particularly young people, to better respect the environment. Developing seals of approval and information to consumers, in order to encourage practices preserving the environment. Devising and publicizing quality indicators.
- (iv) Promotion of trials of methods of integrated management of natural resources and fauna (for example, fish-farming and its contribution to the development of angling). Using to advantage original solutions implemented in different countries or regions of Europe.

- (v) Continuation of the reform of the common agricultural policy in order to generalize the use of longer-term production methods; even if it means introducing measures to deter clearly damaging practices (the intensive use of pesticides or fertilizers, drainage, etc.). To demonstrate the viability and economic effectiveness of alternative practices, of approved quality products and of products from the soil resulting from new technological or farming applications. To take more account of regional or local diversities, particularly within the framework of agri-environmental measures.

4.2. At Member State level

- (i) To promote quality in agricultural products, particularly in order to further the continued farming of agricultural products in difficult areas; to encourage the setting-up of suitable marketing channels; to contribute technical and financial support for the development of land products (training, regulations for multiple activities, etc.).
- (ii) To draw up regulations adapted to the present situation of natural areas in Europe and ensure that they are respected so that they are true deterrents (penalties for bad practices) or incentives (financial or material assistance for clearing, cutting, maintenance, provided that these activities are not already being carried out).
- (iii) To work out job descriptions for new professions with employers and employees in the agricultural and environmental sectors.
- (iv) To introduce a more selective policy for enhancing the value of certain areas with a view to facilitating the emergence of collective strategies in accordance with local economic development methods and involving private participants (individuals and enterprises).
- (v) To diversify forms of employment, to provide better chances of employment for marginalized groups (regulations specific to the image of 'green' jobs in France) and then to create genuine channels of professionalization.
- (vi) To explore original means of coordinating public resources and twinning between rural and urban communes.
- (vii) To improve the information given to the public on the cost of a public compensation

or reparations policy as compared with preventive measures.

4.3. At local level

- (i) To have systematic recourse to methods of local development and to promote the intervention of local leaders, as mediators with the resident population, in order to launch initiatives and draw up medium and long-term projects for natural areas. Cooperation between communes may help rural communes to reach the optimum size to guarantee the viability of an enterprise.
- (ii) To extend the areas of financial contracting between Member States and local public authorities to sectors such as enhancing the value and maintenance of natural areas.
- (iii) To encourage experiments and participation in networks of transnational and trans-regional projects, which may facilitate access to information for local participants and their strategic or investment choices.

THE REGULATION AND MONITORING OF POLLUTION AND THE CORRESPONDING INSTALLATIONS



1. Perspectives

All societies seem to pass through a development phase during which demand for less-polluting technologies increases. In fact, in an initial phase of industrialization, economic development goes hand in hand with increased consumption of natural resources. At a later stage, when per capita income has reached a sufficient level, society calls for a cleaner environment. However, gross national product continues to rise, and the economy's resources decline proportionately as society develops towards a structure which is more based on services, and industries, while continuing to perform well, set up arrangements for environmental regulation.

Europe, and in particular the countries of northern Europe, have recently reached this state, with highly competitive enterprises that use technologies that are much cleaner and environmentally friendly. In different parts of the world, experts are expecting a similar development over the next few years. Technological innovations open prospects in the same direction.

International public awareness is sufficiently great with regard to these problems for all the countries of the European Union to have moved along the road towards increased regulation and monitoring of harmful emissions, particularly following the conclusions of the Rio conference.

It is possible to identify three main activities as sources for the creation of new jobs:

(i) The supply of goods or services linked with less-polluting technologies, such as technologies concerning filtration, chemical separation or energy saving. The long-term nature of these jobs is disputed by some, on

the pretext that the demand for such goods or services is forced and linked with the existence of recently introduced standards. This objection is difficult to accept, for it does not take account of long-term trends and the increasing sensitivity of public opinion to pollution issues. In fact there is a considerable risk for enterprises that fail to make this type of expenditure, that they may suffer the effects of a poor brand image in the mind of the public and lose their good technical performance.

(iii) The exporting of know-how and technologies, outside Europe. In fact, European enterprises enjoy a competitive advantage, since they have been active on this market for a long time; they have a good brand image throughout the world which allows them to export such services.

(iv) Substantial gains in operating costs, linked with improvements in the monitoring of pollution, particularly for energy-saving technologies. The sums thus saved may be devoted either to extending research in these areas, or to initiating more economical management of the environment and exploring new possibilities on the subject of pollution control.

The jobs created in this way are often highly-skilled consultancy or monitoring posts, but also jobs linked with maintenance, which represent the more traditional skills. They relate both to the private sector (supply of equipment and provision of services) and to the public sector (checking of installations, drafting of standards, etc.).

2. Taking stock of initiatives

The majority of jobs created in Europe in this sector do not result from local initiatives, but fall within an industrial logic. However, it is important, at local level, to increase the awareness of SMEs and to change their behaviour with respect to less-polluting installations and practices. They may be encouraged by greater cooperation between public participants and the private sector, and by logistical support: mutual encouragement over a long period of time to achieve significant environmental improvements, collective and individual enhanced value from the spin-offs of brand image and competitiveness of the enterprises concerned. Many new jobs result from this.

CLEANING-UP OF THE AGOÛT AND THORÉ RIVERS

(Tarn, France)

A joint operation of the EU and the Member State (ECU 35 million) has provided assistance for the installation of facilities for cleansing the water from around 50 enterprises specializing in shearing, dressing of skins, curing and stone-masonry, established close to the Agoût and Thoré Rivers. In three years an improvement has been recorded in the cleanliness of these waters in the areas of the Montagne Noire and in particular for the city of Castres. These small industries, which had lost a lot of their standing, because of the pollution they were causing, have recovered their reputation, and their jobs (at least 1 500) have been made safer as a result. A relaunching of tourist activity in this region is under way.

This operation has had other consequences:

- The Textile Institute of France located in Mazamet is now expert in terms of technology transfers on environmental matters.
- A research centre is going to be set up in Castres. It concerns environmental protection within the framework of the treatment of industrial effluents.
- A broader dissemination of these new technologies has been launched for the enterprises of the region.

3. The main obstacles

The obstacles occur mainly from the demand for technologies for pollution control and the associated services: once this demand has been expressed and met, new jobs follow almost auto-

matically. Obstacles to the expression and meeting of demand vary, but may generally be grouped under five headings:

- (i) Psychological blocks are often mentioned as the most important and even the sole barrier, to the improvement of environmental performance. This inertia is particularly great when clients, whether heads of enterprises or individuals, do not clearly perceive the benefit to be obtained from increasing investment or using services of this type. Clients are not generally prepared to pay an additional price solely for environmental reasons. Sometimes technological improvements are not made simply because of a lack of information or an instrument for measuring performance.
- (ii) The purchase price for the applicant may prove to be a deterrent, if it involves a more advanced technology or a service requiring more labour. For enterprises, requirements regarding the return on investments are sometimes so high that they may lead to dropping these technologies. Furthermore, the economic context may be unfavourable to change; for example, the use of energy saving technologies is not encouraged when the actual price of energy is low or falling.
- (iii) The write-off period for investments in industry is a major constraint on the dissemination of pollution control technologies, and in particular those known as eco-technologies. When the production system of a factory has to be completely restructured, the introduction of an alternative method that saves more energy and is more favourable to the environment is slow.
- (iv) The emergence of new professions requiring fresh skills which are often high in the sector of pollution control and the management of installations, may be curbed by delays affecting training and the recognition of qualifications.
- (v) The public authorities' approach may also prove to be too rigid. On the one hand, the regulations relating to the management and distribution of natural resources are sometimes unfavourable to change. On the other, regulations and pollution control are sometimes designed for industries and do not take account of small and medium-sized enterprises.

4. Possible approaches to removing the obstacles

4.1. At European Union level

At the present time, it is not certain that the European Union is well equipped to attack resistance to change. It must therefore provide means of promoting information and training. Increased public awareness may involve the use of publicity techniques adapted to the mass media, but also the dissemination of information based on environmental indicators, statistics on air quality, water quality, harmful emissions as well as by the provision of 'green' seals of approval.

The voluntary adoption by individuals and enterprises of more environmentally-friendly systems may be encouraged by networks of cooperation between private decision-makers or users.

The European Union also has its role to play as the place for intergovernmental coordination for the establishment of an economic context more favourable to this type of investment and services, and higher taxes on the consumption of natural resources and pollution and lower taxes on the labour factor. It may also support regulations and standardization which are favourable to services or products and less damaging to the environment.

4.2. At Member State level

The national level is probably the best for attacking cultural barriers, in view of the differences of attitudes to environmental issues and economic and legal contexts. The choice of the most suitable communication strategies and their regional variations is a matter for each Member State, in conjunction with professional or trade associations.

This action may also be concentrated on the education of young people or on the generalization of alternative methods of management and work. Professional training should not be confined to technical competence; it must also be oriented towards the adoption of behaviour patterns for which respect for the environment will be included as an element for decision-making. Such training should, in particular, be directed to the people who will be responsible for planning and maintaining these installations, in order to improve their relations with the public and facilitate their cooperation with other professions.

National administrations can contribute to changing the economic conditions for investment

by enterprises and force them to include pollution costs in their management. This action can also take the form of standards to be observed.

The national level can also encourage the adoption of methods of action and decision-making at local level that will better preserve the environment.

4.3. At local level

To educate the public better in terms of what pollution implies, local indicators should be widely used and their results publicized.

Another possibility is the development of an exchange of experiences and the dissemination of information at local level, in order to promote a climate of trust close at hand and a change of attitudes. Within this context, the use of local development methods (local audit, interpretation of demands in order to respond to them by services or installations) should be systematic. The mobilization of all private and public participants and inhabitants in projects that will win for the territory, the reward of a quality label linked with the environment, may prove to be worthwhile for employment and economic activity in the area concerned.

The local level lends itself particularly well to the adoption of schemes for regulating less-polluting natural resources. In particular, it is easy, through personal contacts, to encourage energy savings and to demonstrate the results, for individuals (energy consumption for heating, etc.) and for the community (less water, air pollution, etc.).

Annexes

1. LIST OF PARTICIPANTS IN THE PREPARATORY WORK

2. METHODOLOGY OF THE SURVEY

1. LIST OF PARTICIPANTS IN THE PREPARATORY WORK

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¹ The services named correspond to the posts held in 1994.

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CAMPBELL	Mike	Leeds University (UK)	
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CHAMPETIER	Yves	AEIDL – Leader (B)	Rural

¹ The services named correspond to the posts held in 1994.

 Outside experts (*continued*)¹

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ROBA	Alain	(B)	Rural
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ENJOLRAS	Bernard	Uniopps, Paris (F)	Big cities
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BUCK	Gerhard	LASA Brandenburg (D)	Big cities
BIRKHOLZER	Karl	TU Berlin (D)	Big cities
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DEVEN	Fred	CBGS (B)	Medium-sized cities
TYTGAT	Christian	GIEPP France, Lille (F)	Medium-sized cities
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WANNEPAIN	Jean-Loup	European Builders Confederation (F)	Housing
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¹ The services named correspond to the posts held in 1994.

2. METHODOLOGY OF THE SURVEY

The remit of a working group led by the Forward Studies Unit between 1 February and 15 October 1994 was:

- (i) to detail the obstacles to the creation of jobs responding to new requirements, more particularly those listed in the White Paper;
- (ii) to provide quantified information, as to the potential extent of job creation;
- (iii) to identify good practices, based on known national and local experience.

The obstacles were analysed at subject meetings organized in the form of hearings, in which the permanent members of four groups took part ('neighbourhood services', 'arts-leisure-culture-audiovisual', 'improvement of the living environment', 'protection of the environment'). They were assisted in their discussions by Commission and outside experts. For the main sectors concerned, seven questions had to be answered.

Subject questionnaire:

1. *What qualitative (changes in behaviour and living conditions, comparison of sectors of activity between Member States) and quantitative (statistics, population movements, etc.) indices give grounds for assuming that pools of jobs exist?*
2. *What are the structuring conditions (training/qualification, quality control, competition in the sector, existence of standards, etc.) for the supply and creation of jobs?*
3. *How is demand to be made visible and explicit?*
4. *How is a 'market' to be created to meet these new requirements (financial or legal instrument, choice of population particularly concerned, tariff policy, etc.)*
5. *What lesson is to be learned from local/national experiences and regulations and legislation arrangements in the Member States?*
6. *What can new information technologies contribute?*
7. *Are the participants concerned (consumers, employers and employees, territorial authorities, etc.) interested?*

- Quantification of the number of potential jobs and their cost was based by setting a micro-economic analysis drawn from specific examples and statistics supplied by Eurostat against a macroeconomic simulation combining national research work (France, the United Kingdom, Germany), the QUEST model of the Commission then being used to compare the effects on the macro-economic balances of traditional employment policies with a policy using vouchers for services to promote the creation of jobs in neighbourhood services.

- To carry out a census of good practices and regulations in force, questionnaires were sent to the Member States through the directors responsible for employment.

The representation offices of the Commission were asked to supply a press analysis of their country dealing with this subject.

Forms to be completed were sent to the units managing projects financed by the Commission and to outside experts responsible for European networks in order to assess the number of jobs created, their approximate cost and how they were created.

1. What measures are in force at present in your country, and more particularly, those adopted during the last five years, for the purpose of developing demand and satisfying the needs of individuals or the community?

- 1.1. Of elderly or disabled persons
- 1.2. Of parents caring for children (very young infants, children of school age outside school hours, etc.)
- 1.3. Of households where all adults work outside, more generally concerning home services
- 1.4. Of those in charge of young persons with problems
- 1.5. For environmental protection
- 1.6. For improvement and safety in the home
- 1.7. To facilitate travel over short distances (in urban or rural area)

2. What are the national provisions in force at present, and more particularly those adopted in the last five years, for the purpose of structuring the supply of products or services?

- 2.1. Concerning the fight against illegal work (social protection of registered employees, elimination of moonlighting)
- 2.2. Actions to enhance the image of new jobs (for example, the recognition of personal skills not sanctioned by professional qualifications)
- 2.3. Action by territorial communities to create a local employment market with a view to meeting new requirements
- 2.4. New legal structures (for example, associations for integration, for local development, vouchers for services, meal vouchers, sole proprietorship)
- 2.5. The financial instruments (for example, risk capital, savings fund, assistance for or financing of housing, etc.).

CENSUS OF JOBS CREATED RESPONDING TO NEW NEEDS, BASED ON EXPERIMENTS CARRIED OUT BY THE COMMISSION

(draft form to be completed)

Name of the operation:	
Form completed by:	
Place: (country, region, locality):	
Community programme (if applicable):	
Number of jobs created (minimum five):	
Nature of these jobs: (full-time, part-time, seasonal, etc.)	
Date of creation of jobs: (approximately, to evaluate their duration)	
Cost of creation of jobs: (specify if possible the information taken into account, such as cost of investment in equipment, the cost of creating the job structure, unemployment benefits, tax incentives, the cost of staff training, etc.)	
Type of funding: (joint financing, risk capital, etc.)	
Legal instruments used: (association/non-governmental organization, public limited company, territorial authority)	
How was the participation of employers and employees useful for carrying out this operation?	
Brief description of the project: (How is it unusual or innovative? What new needs are met?)	

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