



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

7-8 July 2005, Imperial Hotel, Copenhagen, Denmark

## **Cross-Border and Transnational Co-Operation for Local Employment Development**

### **1. Introduction to IDELE**

The European Commission (DG Employment, Social Affairs and Equal Opportunities) has appointed ECOTEC Research and Consulting to implement the **IDELE** project to “*identify, disseminate and exchange good practice in local employment development*”. **IDELE** pays particular attention to identifying and disseminating best practice between localities that share common characteristics. The **IDELE** seminars provide a platform for policy-makers and promoters facing similar problems to share a real dialogue about how the local approach can make a difference and thereby strengthen local employment development across Europe. The lessons, principles and tools identified will inform EU policy as well as being disseminated across Europe.

The focus for IDELE is local employment and economic development policy and action. The series of seminars seeks to explore policy and various programme initiatives in a way that enables policy makers and practitioners to develop a better understanding of individual issues and to move them forward. It also aims for each seminar topic to set the tone for and lead into the next issue to be considered.

Each IDELE seminar brings together around 30 local actors as well as regional, national and EU policymakers to consider the theme. The seminars include expert presentations as well as case example presentations and offer the opportunity to debate and discuss the lessons emerging. The seminars are primarily a means to an end; ECOTEC then reports the findings to the Commission as well as disseminating them across Europe.

### **2. Introduction to the Copenhagen Seminar**

The local level has gained increasing importance in EU policy since the first official Communication in 1984 and then since the creation of the European Employment Strategy in 1997. At the end of two decades of experimentation and significant funding both for pilot actions and under Structural Funds measures there is a need to review what has been learned and disseminate and exchange the lessons from practice. Moreover, with the ‘old’ Member States facing a likely reduction in

Structural Funds from 2007, there is also a need to build sustainability into local actions.

Previous IDELE seminars have considered how this plethora of local partnerships and local actions can become sustainable by connecting with higher levels of governance and by securing sustainable sources of finance.

The Copenhagen seminar will build on these previous seminars, but will look beyond national borders. Its main focus will be on local employment development in cross-border localities – those areas who, under their own initiative or with the encouragement of EU funding, have enhanced their development by co-operating across an international border. The seminar will also review what has been learned from transnational co-operation and networking between local employment development partnerships more generally and how best practice can be sustained.

### **3. Background: the desirability and inevitability of labour mobility<sup>1</sup> across borders**

For the European Employment Strategy to be successful in creating *more and better jobs and greater social cohesion*, labour markets need to be flexible enough to adjust effectively to changes in demand; to adopt and adapt to new technologies and to provide macroeconomic adjustment<sup>2</sup>. Geographical mobility provides the most obvious means of adjustment between different localities, regions and countries.

Mobility of labour across borders is, then, in some ways, desirable (as a means to achieving flexibility) and also inevitable as workers respond to differentials in wages, working conditions, etc. – witness the current migration (both legal and illegal) of labour into old Member States from the New Member States<sup>3</sup> and beyond in response to the (real or perceived) greater opportunities.

The creation of the Single European Market and of the Euro, the accession of New Member States and improvements in transport infrastructure remove barriers to mobility as well as increasing the opportunities for cross-border trade and investment - ultimately creating new employment opportunities. These developments create new potential and opportunities for employment development as well as creating new risks and threats. Cross-border localities are often those most likely to face such opportunities, risks and threats. In light of this, cross-border co-operation may in fact be a necessary response to economic and social pressures, rather than a policy 'option' freely chosen by local actors.

The issues facing such localities in the field of employment development may include:

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<sup>1</sup> See 'Mobility and regional labour markets', Collier and Vickerman, Centres for European, Regional and Transport Economics, University of Kent at Canterbury.

<sup>2</sup> For example, addressing balance of payments imbalances or restoring regional/national competitiveness through lower factor costs/higher productivity or enabling industrial restructuring, especially where exchange rates and monetary policy cannot be used.

<sup>3</sup> Although levels of migration from the New Member States have not, as yet, been as high as some commentators had predicted.

- Barriers to traditional or ‘natural’ market opportunities, where a border (particularly one that is not of long historic standing), does not reflect any geographical feature (river, sea, mountain range, etc.);
- Remoteness from main centres of population, in some cases;
- Transport and communication barriers;
- Cultural and language barriers;
- Bureaucratic or administrative barriers, including different fiscal and legal jurisdictions, non-recognition of qualifications, etc.;
- Stimulation of the black economy by price/tax differentials and by difficulties in trading/migrating legally across national borders; and
- The social insertion of migrants in some localities and the loss of skilled workers (often the brightest and best) from others.

Opportunities facing such localities include:

- natural economic opportunities;
- cultural similarities/solidarity with neighbouring cross-border localities;
- new opportunities from relaxation of border controls, accession to the EU, etc.
- improvements in transport and infrastructure;
- harmonisation through the single market, e.g. regulations, tax, etc.; and
- EU programmes, e.g. ESF, Interreg, EURES, Phare, etc.

#### **4. European Policy**

The European Employment Strategy anticipates the migration of labour and goes some way to promoting it as a means of improving the functioning of the labour market and enhancing social cohesion. The preamble to Guideline 16 of the Integrated Guidelines for Growth and Jobs (2005-08) states that

*‘...mobility of workers within the EU is key and should be fully ensured. Full consideration must also be given to the additional labour supply resulting from immigration of third country nationals.’*

Guideline 16 itself highlights the need:

*‘to improve matching of labour market needs through...greater transparency of employment and training opportunities at national and European level to facilitate mobility across Europe; (and) appropriate management of economic migration.’*

Similarly, the preamble to Guideline 20 states that:

*‘Geographical mobility is also needed to access job opportunities more widely and in the EU at large.’*

National and European levels of governance are usually best placed to deal with the big, macro-issues linked to migration and cross-border co-operation, such as large infrastructure projects, differences in fiscal or legal systems, etc. However, local

players are usually best placed to address issues that arise locally and experience shows that a partnership approach can reap particular benefits.

Indeed, the European Employment Strategy provides specific recognition of the role of local partnerships. Guideline 10 of the 2003 Employment Guidelines, which concerns the need to address regional employment disparities, asserts that the “*potential for job creation at the local level, including in the social economy, should be supported and partnerships between all relevant stakeholders should be encouraged*”.

This emphasis on the role of the local has been maintained in the preamble to the Integrated Guidelines for Growth and Jobs (2005-08), which states that:

*‘In taking action, Member States should ensure good governance of employment policies. They should establish a broad partnership for change by involving parliamentary bodies and stakeholders, including those at regional and local levels.’*

European policy and programmes have provided support to local partnerships in cross-border localities to enable them to exploit the new potential and opportunities, as well as countering any threats. These have included ESF, Interreg IIIa, Phare, Territorial Employment Pacts and EURES amongst others. Elements of these programmes (as well as national and regional ones) have initiated and/or supported local partnership activity to develop employment. Activity has also been initiated by bodies such as the Nordic Council of Ministers as well as by local actors themselves.

Such policies and programmes have included cross-border co-operation between EU and non-Member States. For example, the Phare Cross-Border Co-operation programme assisted border regions in the (current and former) Candidate Countries to integrate more closely with EU Member States and with other countries of Central and Eastern Europe. Similarly, the Nordic Council of Ministers has created a network of cross-border co-operation regions which includes parts of Russia. The Carpathian Foundation<sup>4</sup> has provided grants and technical assistance to NGOs and local authorities for inter-regional economic development and transfrontier activities in Hungary, Poland, Romania, Slovakia and the Ukraine.

European programmes have also encouraged local partnerships (not only in cross-border localities) to co-operate and network transnationally, in order to share information, experience, results and good practice and develop complementary of joint approaches. For example, the EQUAL ESF Community Initiative requires development partnerships to co-operate with at least one (and ideally more) other development partnership in another country. EQUAL also operates European Thematic Groups that bring together development partnerships from across Europe to share experience in the themes of employability, entrepreneurship, adaptability, equal opportunities and asylum seekers.

Similarly, many of the EU’s Preparatory Measures for a Local Commitment for Employment were transnational in nature. Networking was also encouraged through the Territorial Employment Pacts programme, for example through the organisation

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<sup>4</sup> [www.carpathianfoundation.org](http://www.carpathianfoundation.org)

by the European Commission of transnational 'Exchange Marts' for local partnerships.

## 5. Looking Ahead

The future for cross-border and transnational co-operation for local employment development features a number of challenges and opportunities, not least the proposed changes in the Structural Funds. European Commission proposals on cohesion policy reform for the 2007-13 period include several elements that are of interest here.

Firstly, it is proposed that the programmes under the new 'convergence' and 'competitiveness' objectives will cover specifically inter-regional actions. For example, the ESF would support '*transnational and inter-regional co-operation in particular through sharing of information, experiences, results and good practices and through developing complementary approaches and co-ordinated or joint action*'.<sup>5</sup>

Secondly, there is likely to be less support for pilot projects and more emphasis on the open method of co-ordination. This is likely to include: raising awareness of the EES at local level, and of LED; identifying, sharing and disseminating good practice; encouraging co-operation and promoting partnerships; building on the experience of a wide range of LED activity; and *mainstreaming* experience and practices from the Community Initiatives.

Thirdly, the Commission is proposing a completely new regulation allowing the creation of a cross-border co-operation structure or *European Territorial Co-operation Objective*. This will support cross-border co-operation through joint programmes, co-operation between transnational zones, and networks for co-operation and the exchange of experience. It will also contribute to the cross-border components of programmes of financial assistance to non-EU countries.

Overall, however, despite the continued emphasis on transnational and inter-regional co-operation and the new European Territorial Co-operation Objective, local partnerships for employment development in the old Member States must address the challenges of a likely reduction in EU structural funding. Those in the new Member States seem likely to enjoy new opportunities for EU funding but should nonetheless learn the lessons from experience in the EU-15 and build in sustainability from the outset.

## 7. The Seminar

The seminar will comprise:

1. Plenary sessions: featuring introductory comments from ECOTEC and the European Commission to introduce IDELE and the seminar; presentations

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<sup>5</sup> Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund; 2004/0165 (COD)

from high-level experts offering an overview of the theme; and presentations of current experience from across Europe.

2. Workshops: two pairs of parallel discussion workshops (four in all); each will feature one or two presentations from case study examples of local employment partnerships in cross-border localities; the presentations will be followed by 'peer review', i.e. debate and discussion to draw out the lessons learned.
3. Panel session: feedback from selected delegates on the lessons learned from the presentations, debate and the seminar as a whole.
4. Open debate and closing remarks.
5. Full thematic report produced afterwards by ECOTEC, circulated to all participants and disseminated via the IDELE website.

The seminar will open with lunch on 7 July and close with lunch on 8 July. Where possible, presenters will meet informally with the ECOTEC team on the morning of 7 July to fine tune their presentations. There will also be a formal dinner on the evening of 7 July.

## **8. The Key Questions**

- *Is EU policy right to encourage the mobility of labour across borders?*
- *What are the best ways to encourage and enable the mobility of labour across borders?*
- *How can the potentially negative consequences of mobility and migration be prevented or addressed?*
- *What economies of scale can be gained from cross-border co-operation for local employment development?*
- *In what ways do local approaches to cross-border co-operation add value to national approaches?*
- *How can local partnerships capture employment benefits from improvements in cross-border infrastructure funded by national governments or the EU?*
- *How can local partnerships overcome problems caused by different national jurisdictions, i.e. different fiscal, judicial and social security systems?*
- *Is cross-border and transnational co-operation sustainable without support from the EU Structural Funds?*
- *What are the benefits of transnational networks of local employment partnerships? How can they be sustained?*

## **FURTHER INFORMATION**

For further information on the **IDELE** project please visit our website at:  
[www.ecotec.com/idele](http://www.ecotec.com/idele)

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