



European Commission



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

# The Metropolitan City: Seeking competitive advantage through local actions to integrate immigrants and minority groups

Second Thematic report of the IDELE Project

based on an international seminar on 16 July 2004 in Berlin-Germany



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## Introduction

IDELE is a three year project operated by ECOTEC on behalf of the European Commission. It involves the:

**I**dentification  
**D**issemination and  
**E**xchange of good practice in  
**L**ocal  
**E**mployment Development.

Each year, IDELE focuses on four themes in local employment development and identifies good practice examples from which key lessons can be learnt. These will be of interest to:

- Policymakers at all levels;
- Practitioners involved in local employment development;
- Other local stakeholders; and
- Academics and researchers.

**This second Thematic Summary** considers metropolitan localities that need to integrate immigrant and minority ethnic groups. It demonstrates the potential of local action to create local competitive advantage through:

- Recognising the skills and potential of such groups;
- Understanding their needs;
- Developing routes to employment; and
- Building mutual trust, including with employers.

Twelve international IDELE seminars and reports provide a platform for policy-makers and project promoters to share a dialogue about how the local approach can make a difference. This thematic report reflects the outcomes of the second IDELE seminar held on 16 July 2004 in Berlin, Germany.



## **Rationale behind IDELE**

IDELE is a key element of the European Commission's activity to encourage the exchange of good practice and networking in local employment development (LED). The local level has been recognised in EU policy since 1984 and has since gained in importance through the Commission's White Paper on Growth, Competitiveness and Employment in 1993 and the European Employment Strategy in 1997. While policies at other levels – macro-economic, structural and regional/sectoral – continued to address the broader competitiveness and cohesion agenda at the level of the economic system as a whole, a policy that proposed to use local actors to seek out local solutions had (and continues to have) strong appeal.

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. Local actors are becoming more involved in capturing employment and development for their areas and it is important to recognise this. While EU programmes have been a significant spur to action, IDELE provides an opportunity to capture learning from a much wider social movement. IDELE also has the capacity to look at how the overall aim of the EES is being achieved by actions in the wider local setting.

## **Possibilities for local action**

When the local approach came to play an increasing role in the policy frameworks of the EU and a number of Member States (during the 1980s and 1990s), it was chiefly envisioned as an instrument of unemployment policy and this has determined its development pathway. From the perspective of economic analysis LED is seen to work on both the supply and the demand side.

On the supply side, it offers a means to mobilise labour to adapt to new work opportunities and to acquire relevant skills by drawing the unemployed and socially excluded along 'pathways to integration' with strongly local points of entry. On the demand side, it is a means to prospect for new sources of jobs at the local level – particularly by identifying those service gaps and market failures that were unfilled by private enterprise or public provision as service demands changed faster than orthodox responses. With a re-awakening of interest in social enterprise and the social economy, another demand side option has been to stimulate alternative forms of enterprise within local communities that gave both the prospect of addressing gaps in 'proximity services' and the chance that the locally unemployed could create 'tailor-made jobs' by acting as social entrepreneurs.

Another entry point to the possibilities of action at the local level has come from the orthodox perspective of market economics and from the logic of arguments about *market failure*. Indeed, the essence of the highly influential LDEI initiative that emanated from the European Commission's Cellule de Prospective in 1996 was to position local action as an instrument to address existing and emergent market failures in a fast moving economy.



## **The Metropolitan City: seeking competitive advantage through local actions to integrate immigrants and minority groups**

The metropolitan city provides a particularly valuable context for the exploration of key aspects of the local approach. The geographical, social and political context provided by the key cities and metropolitan regions of the EU is a very particular one in terms of the opportunities for and constraints on local approaches to employment and development. Not least is the issue of their sheer complexity and, for most, the speed of labour market fluxes and transitions taking place. Most such cities are not obviously constrained by overall demand deficiencies in their labour markets. They are, however, challenged by shortages in particular labour market segments on the demand side while at the same time suffering extreme supply side barriers for certain groups and categories of workers.

### **Key features and problems of the Metropolitan City**

Since the 1970s the world's cities have declined as centres of manufacturing but are increasing their dependency on administrative and service functions. However, in addition to this process, cities are more and more facing a form of competition where continued economic success depends on attracting considerable numbers of migrants, both low-skilled and high-skilled.

Cities are being re-invented, not so much as places for goods trans-shipment and production (though they still do this) but as nodal points on fast-flowing and volatile networks of flows dominated by "intangibles" and mobile people – flows of finance, information, people and ideas. In particular, metropolitan cities now depend on having people with the right forms of human capital to deliver good quality services, both to the local population and to the global marketplace. Internationally mobile labour - inevitably linked to migration - is a particularly advantageous source of human capital.

### **The Hedef project, Netherlands**

The Hedef project stimulates access to employment for immigrant groups in Rotterdam. Its main objective is to develop a working method for the reintegration of the target groups into the labour market. Activities consist of drawing up 150 individual 'route-plans' into work, education and care per year. Counsellors approach the target groups actively by recruitment, information, outreach, house visits or work with third parties (police force/justice/stakeholders from civil society). Each agency took a different but complementary role.

[www.rotterdam.nl](http://www.rotterdam.nl)

To compete, cities need to attract people with various skills levels. Demand for low-skill-low pay labour is being created by the high skilled knowledge and producer services economy. Personal, public and consumer services are exerting a strong demand pull - with jobs for office and household cleaners, in the retail and hospitality sectors and in construction, transport, health and leisure as well as domestic services. The high costs of living in cities makes it increasingly difficult to source the lower skilled labour required for such services while at the same time aging populations in Europe exacerbate demand for them. New migrant labour at the low skill/low wage end of the spectrum is clearly one potential solution to this issue.



At the same time, cities and metropolitan regions have a strong demand for high-skilled occupations that operate on a global labour market, such as doctors, nurses, radiographers and dentists as well as software designers, media and PR professionals. The dual demand for both low skilled and high-skilled labour makes large metropolitan cities and regions the hubs of a vast and complex system of international labour migration where the ability of some to gain a competitive advantage over others is a direct function of their ability to attract and successfully integrate a broad spectrum of migrant groups.

While European cities increasingly recognise the importance of migrants for their functioning, they often have considerable difficulty harnessing this emerging human resource. Experience across Europe shows that both new and established migrants are disadvantaged in their access to employment. Factors such as a person's migration status, qualifications and work experience from another country and lack of language skills and knowledge about working practices in the host country can be significant barriers. Prejudice and discrimination by employers are significant market barriers to integration. Lack of integration means, however, that minority ethnic and immigrant groups are particularly prone to poverty and social exclusion.

#### **Betet Skara, Antwerp, Belgium**

Betet Skara is a weaving house in Antwerp, Belgium. It develops, designs and produces fine handmade fabrics, using the 'Assyrian' method: a technique which the weavers brought from their home region in South East Turkey. Created in 1998, Betet Skara offers employment to Assyrian Christians who had fled Turkey and settled in the suburb of Antwerp. It was difficult for them to find work and integrate in society. The project co-ordinator identified weaving as the main 'professional qualification' possessed by the group. The interested parties began to work together and a weaving workshop was launched. Betet Skara is now a full socio-economic enterprise offering its services to fashion and interior design companies across Europe.

[www.betetskara.com](http://www.betetskara.com)

#### **Lessons from Experience**

Local employment development can directly support the integration of minority ethnic groups and immigrants into the labour markets of metropolitan cities in a number of ways. The 'added value' of local approaches is in recognising the employment potential of migrants, building up trust with local employers to support flexible approaches to employment, bringing together different agencies to tackle the problems faced by migrants, outreach services to hard-to-reach groups, sensitivity to local needs and opportunities as well as a creative exploitation of service gaps to stimulate sustainable, good quality local jobs accessible to all members of the local community. Indeed, the experience of the IDELE good practice examples shows that local level actions can maximise the comparative advantage offered to cities by migrant and minority ethnic populations.



Specific lessons are:

- A degree of flexibility is required in the definition of 'local' when dealing with minority ethnic and immigrant groups. Within large metropolitan areas, the existence of fast-moving labour markets and the dynamism of population and residence (certainly in the inner cores) can make it particularly difficult to focus in on one community at the local level. Local partnerships have to confront real issues of low attachment to a particular place and closer identity with communities based on ethnicity, faith or interest. It may therefore be wise to be flexible about the boundaries to any particular intervention.
- Whereas it is useful to 'anchor' projects locally within an individual district, it is important to link people with viable employment opportunities which may well be outside the local area. Aulnay-sous-bois, for example, links people with local growth poles, such as the airport, and established mobility and transport systems to support this. Linking people to demand for employment at the level of the city, rather than at the local level enables a much wider pool of jobs to be accessed.

### **Aulnay-sous-Bois, France**

The municipality of Aulnay-sous-Bois is one of the largest in the département of Seine-Saint-Denis, in the outskirts of Paris. The northern wards of the commune are disproportionately affected by the problems of long term economic and social decline. Funding for an URBAN Community Initiative Programme in 1994 created the opportunity to tackle a range of problems.

For the Aulnay project, it was most important to cultivate sustainable trust between employers and local people. This was partly achieved through setting up a local Centre for Employment and Enterprise which provided a one-stop shop for the needs of both employers and potential employees, and therefore proved a useful meeting point. The coordinators also built relationships with employers from the principle growth poles in the immediate proximity of Aulnay.

Through experience, the project co-ordinators realised that employment development will only work if it is based on local businesses and that local development is most effective if one authority has responsibility for economic and employment activities. It is also better to develop methods to promote equality and fight discrimination within wider initiatives to improve the image of local areas than concentrating public interventions on a single neighbourhood or a single category of the population.

[www.aulnay-m2e.com](http://www.aulnay-m2e.com)

- Local actions vary in whether they specifically target minority ethnic groups or wider issues of social exclusion. The Aulnay-sous-Bois project and the Trinijove project in Barcelona, for example, avoided any explicit focus on the ethnic origin of the people as they felt this could encourage stigmatisation by employers and that it was more important to bring together people from indigenous and non-indigenous communities, rather than single out particular communities. However, targeting very specific communities can ensure sensitivity both to available skills and to the specific barriers to employment that these groups face.



- Creating 'route maps' into employment is a strong feature of best practice projects examined. The Trinijove Foundation, for example, closely monitors the progress of all the participants in their transition from training to employment. The Foundation has established an advice and guidance service which offers vital moral and practical support to individuals as they follow what can often be a long and difficult road towards employment. Given the multiple problems faced by some minority ethnic and immigrant groups, it is especially important to establish such routes, and to offer the long term support required to see them to a successful conclusion. The inter-agency partnership offered at a local level is a particularly strong mechanism for seeing this work, as long as effective coordination is achieved.
- 'Public private partnerships' can be a solution for sustainability and financial security. A number of local practitioners are successfully engaging employers not only as clients for work placement, but also as sponsors of their activities. The current importance of 'corporate social responsibility' can encourage employers to get involved. It is clear however that being involved in the design of projects, and being able to identify business benefits from involvement are also important criteria for private sponsorship.
- There is some reporting of 'fatigue' at the local level and the need to support new forms of innovation, and transfers of best practice. A lack of statistics in this area (partly due to sensitivities around action) is also a barrier to action, as it is difficult to measure success. Best practice examples often seek support from regional, national and European policy makers.
- Many current projects have valuable tools to offer practitioners in other European cities. However, in transferring good practice, policy makers and practitioners will need to take account of the differences in policy context across Europe identified above.

### **The Trinijove Foundation, Spain**

The Trinijove Foundation, established in 1990, targets very deprived areas with many young immigrants and a high birth rates. It aims to increase participants' chances of finding employment and to create 'social enterprises'. The Foundation has set up two co-operatives to meet gaps in local services that are not filled by the market:

- one which is involved in gardening and conservation of green spaces; and
- another which undertakes environmental protection work (forestation and recycling of urban waste).

The co-operative legal form was chosen because it provides a participatory structure of internal management. In both co-operatives, contracts are agreed with members (they are paid in the same way as ordinary gardeners or recycling workers) and the usual period of work with the co-operative is one to two years. The intention is that within this time the workers can be rehabilitated and succeed in finding work in other enterprises in the regular labour market.

[www.trinijove.org](http://www.trinijove.org)



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- The Metropolitan City: seeking competitive advantage through local actions to integrate immigrants and minority groups (seminar 2 Berlin-Germany)
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- Sustainable rural communities: local approaches to job generation and learning & skills development (seminar 11 Santiago, Spain)
- Local and the European Employment Strategy: Lessons from IDELE (seminar 12 Brussels, Belgium)



## Contact Details

The full thematic reports and thematic summaries and further information on IDELE can be found on the project website: [www.ecotec.co.uk/idele](http://www.ecotec.co.uk/idele)

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