



CITY GUIDELINES

Innovative solutions to address long-term unemployment - lessons learnt from cities' practices

May 2019



Key Messages

- Innovation can only happen in an environment in which city experts have the right to do mistakes from which they can learn, innovate and experiment.
- Experimentation and innovation are supported by innovative funding which can rely on public financial resources or private money attracted to achieve social objectives.
- Social innovation works better when there is a clear definition of what innovation means in a specific context and when the social return on investment is clearly determined.
- Labour market (re-)integration policies should centre on a bottom-up participatory approach to build on the capacities of the long-term unemployed people and the needs of the neighbourhoods in which they work.
- Cities design measures to complement the public employment services, by facilitating the cooperation among training providers, local employers, social partners, chambers of commerce and NGOs.

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Introduction

EUROCITIES is committed to develop and support innovative solutions to combat long-term unemployment (LTU) in European cities. The network's working group on employment brings together 50 cities from across Europe to work jointly towards improving local policies to help Europe's 6.5 million long-term unemployed get back into the labour market.

EUROCITIES organises regular activities for mutual learning between cities to foster the transfer of knowledge, experience and innovative practices among city authorities. The methodologies we use for mutual learning aim at transferring and scaling up innovative policies or practices from one city to another. In practice, by visiting a 'role model' city and seeing its good practices on site, other cities learn how to transfer elements or aspects from the successfully implemented practice with the goal to achieve policy change that leads to better and more integrated quality social services and active inclusion into the labour market.

Three EUROCITIES Working Groups - WG Employment, WG Smart Social Inclusion and WG Entrepreneurship & SMEs - met for a joint policy transfer in Lille Metropole, on 27-29 May 2019. The focus was on Lille's innovative practice to combat long-term unemployment through social economy. The meeting gathered 39 participants from 14 cities¹, as well as representatives from the European Commission, the French employment ministry, the Organisation for Economic Co-operation and Development (OECD), a member of the European Parliament and the president of Lille's experimentation funds on 'communities with no more long-term unemployment'. The aim of the joint meeting was to transfer know-how from Lille Metropole's good practices on fighting long-term unemployment through social economy, by engaging in a mix of site visits, presentations and discussion with key local stakeholders and decision makers.

During the meeting, the cities have shared their experience on addressing long-term unemployment and the lessons learnt on how to develop innovative solutions to tackle long-term unemployment at local level.

City experts developed a set of guidelines to help other cities in their process of designing and developing new solutions to address long-term unemployment. The guidelines build on the '**Policy guidelines on cities fighting long-term unemployment**'² produced by the members of the EUROCITIES working group employment in 2018, while being complemented with insights and suggestions from practitioners on lesson learnt in the process of creating new and innovative actions at local level.

¹ Amsterdam, Barcelona, Braga, Bristol, Brussels, Cluj-Napoca, Ghent, Lille Métropole, Milan, Nantes, Rotterdam, Stockholm, Strasbourg, Grenoble

² [EUROCITIES Policy guidelines on cities fighting long-term unemployment](#), September 2018, Madrid

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on innovative solutions to address long-term unemployment - lessons learnt from cities' practices

1. Background

Long-term unemployment persists as a key issue across Europe. In the first quarter of 2019, 6.5 million people were unemployed for more than one year in the EU, of whom 4 million for more than two years. In EU cities, the rates of long-term unemployed out of the general unemployment ranged from a low of 3% in Vienna to a high of 53.2% in Antwerp. The data collected from cities show concerning numbers especially for cities that have low level of unemployment, like for example Warsaw with 2%, but the rate of LTU reaches 52.1% of its workforce in unemployment.³

Long-term unemployed face a variety of challenges, among which risk of poverty, social exclusion and inequalities are the most prevalent ones.⁴ Long-term unemployment is not only damaging people by eroding their skills and hampering the human capital, but also affecting the physical and mental health, generating costs for social and healthcare services, and, in consequence, lowering the potential growth of the EU's economies and putting at risk the social cohesion in our cities⁵.

Cities are working hard to develop innovative solutions to address long-term unemployment at local level and support re-integration on the labour market. The design of creative solutions requires a flexible approach, structure and available funding. What works is:

- The approach to creating jobs for the people rather than matching people for existing roles.
- Developing people's skills and their self-esteem by doing and experimenting themselves.
- Commitment of the community in which the project will be implemented.
- New way of public management within the city hall, like bottom-up and participative management.
- Innovative strategies to reach out to people that are not registered as unemployed to the public employment services.

Based on the lessons learned from their work, city practitioners have mentioned the actions presented below that created the environment for designing new and alternative solutions.

2. Enabling a city innovative mindset

✓ **Define innovation.** One of the most important steps is the common understanding of what innovation means and how it is referred in the specific local context. Enabling the creativity requires that people working on designing the solutions operate with the same

FACTS

Profile

- People aged 45+, youth and low-skilled, people with disabilities and minority or migrant background

Emerging groups

- Working poor, the digital illiterate, women, single parents, people living in deprived urban areas.

Consequences of LTU

- Lack of self-respect, intergenerational poverty, lack of health care, social exclusion, low quality of life, eroding of skills, distrust in community

³ [EUROCITIES Report on Cities Delivering Social Rights: Equal opportunities and access to labour markets](#), December 2018, p.29

⁴ [Results of the first administrative data collection on the implementation of the Recommendation on the integration of the long-term unemployed into the labour market](#), November 2017, European Commission, DG EMPL, p.35

⁵ [Study supporting the evaluation of Council Recommendation on the integration of the long-term unemployed into the labour market](#), April 2019, European Commission, DG EMPL

concepts and understanding of what innovation is.

- ✓ **Change the mindset.** Creating new ideas requires time to think and exchange views between city practitioners. This requires a decision from management level to allow time to be used specifically for brainstorming, getting inspiration and debate. Another important dimension of developing the innovation mindset is to build the capacity of the city practitioners to design and think beyond the tradition ways of solving the local challenges through study visits, mutual learning, peer reviews and mentoring events with other cities.
- ✓ **Create structures to innovate.** The successful practices show that creating internal ‘innovation labs’ gives the opportunity for civil servants to produce new ideas. The labs are described as being regular ‘two hours’ meetings across different services from the city to coordinate their activities and brainstorm new ideas to better integrate their work. As an example, for activation of long-term unemployed cities engage social, health, employment and education services working together to find ways to reach out and offer support to NEETs or LTU over 45.
- ✓ **Pilot innovative ideas.** The ideas that are identified as adding a value to the existing way of working should be piloted. As it is rather an experiment, both the failure and the success are a learning result. Cities recommend that the design of the pilot action should consider the idea of being scaled-up in case of being successful.
- ✓ **Define the social return.** When designing innovative actions is very important to create the measurements (indicators, targets, benchmarks) for tracking the impact, as well as determine what is the social return on investment. It will also help to show the benefits of investing in social innovation.
- ✓ **Enable funding that allows innovation.** One of the biggest challenges when piloting or implementing new ideas is having the financial resources that can allow experimentation and enable innovation. Besides the public money, successful practices show that attracting private funding to social objectives has enabled new knowledge and experiments. Cities have created ‘innovation funds’ to encourage the design and implementation of new ideas. Innovative funds usually mix public and private funding coming from business sector or foundations.

3. Innovative solutions to address long-term unemployment

3.1. Understand the challenge of long-term unemployment

- ✓ **The data behind the challenge.** Starting from the question ‘what is the cause and the roots of long-term unemployment in our city?’, cities have highlighted the importance of gathering updated data on the current situation of long-term unemployed at local level. The design of new responses should be rooted in the latest data regarding the targeted groups in each city. Equally important is the knowledge of the existing trends in the labour market (digitalization, robotization, ageing population etc.), the skill shortages and what are the skills required for delivering those new jobs. Cities have also highlighted the importance of understanding the legal framework as the level of competences a city has on employment policies impacts the potential for intervention (if limited or no competences then limited potential for intervention). However, given the needs faced by people at local level, many cities do more on the ground than what role is prescribed to them for legal responsibilities, showing they are ready to take action when needed to improve the lives of their citizens⁶.

⁶ [EUROCITIES Report on Cities Delivering Social Rights: Equal opportunities and access to labour markets](#), December 2018, p.27

✓ **Understanding the existing policy responses.** Creating new ways to address the challenge of long-term unemployment requires a deep understanding of the existing responses and their obstacles and challenges. It is also essential to know why new responses are needed and how they can build up on the lessons learnt from previous interventions.

✓ **Mapping the specific needs of LTU.** Understanding the specific needs of people that are long-term unemployed, helps in designing effective responses for their (re-) integration into the labour market. The target groups include young people (NEETs), people aged over 45 years, low-skilled, people with disabilities or minority/migrant background. There are also new groups at-risk, identified by cities, such as working poor (people working on a low income, not sufficient to make ends meet), the digital illiterate, women, single parents, people living in deprived urban areas where access to public services is scarcer⁷.

Cities have identified connected challenges, besides the unemployment, for example lack of self-esteem, intergenerational poverty, lack of access to health care, difficulty to reach the target group, social exclusion and overall low quality of life.

To promote a participatory approach, cities are recommending the organisation of focus groups and community dialogue sessions to identify what are their specific needs and potential solutions in direct dialogue with the people concerned.

✓ **Mapping of existing resources and stakeholders.** The essential part of preparing effective policy responses is to have the overview of specific resources and stakeholders that can be involved and contribute to designing tailored solutions to the (re-) integration of LTU into the labour market. The mapping should include financial resources, which usually come from local budgets, national/European grants, private sector (companies, investors), philanthropies or foundations.

It is essential to build an ecosystem to implement the new responses by identifying the key actors and their specific roles in addressing the challenge. Local authorities have often the role of a facilitator and they should bring together all relevant actors, including:

- Companies and businesses from the area / city
- Representatives of the target groups
- Politicians and elected representatives
- NGOs
- Service providers like job centres, social services, training providers
- Public employment agencies
- Social entrepreneurs, social start-ups and social innovators
- Change-makers from the community
- Beneficiaries and community workers
- Think tanks to share expertise
- Survey/statistic institute
- Universities (detect expertise mapping, evaluate social impact, impact assessments, share practice)

3.2 Design creative employment solutions

✓ **Interdepartmental cooperation.** Giving the cross-cutting effects of the long-term unemployment on people, the collaboration between the city's departments and services is essential in providing integrated solutions and actions. This can take different forms like taskforce on long-term unemployment gathering city practitioners, participation of an expert on LTU in each relevant service in the city administration, digital tools for collaboration and exchange of data among the departments or agreements of cooperation

⁷ [EUROCITIES Report on Cities Delivering Social Rights: Equal opportunities and access to labour markets](#), December 2018, p.33

which involve setting up of a central steering committee, which can gather managing directors from the city hall.

- ✓ **Create the partnership.** It is important that the key actors and their roles are defined and shared from the start. This will enable an efficient cooperation among stakeholders, working together to find solution for the local challenge. A case-based approach facilitates the contribution of the stakeholders to create a common vision, to build alliances and find support structures from the beginning of the project. Cities usually work with advisory bodies involving all relevant stakeholders on LTU, networks of organisations or they organise open workshop, focus groups and roundtables with the relevant actors.
- ✓ **Get inspired.** The long-term unemployment is a challenge that is faced and addressed in many European cities. This means that there are already solutions and implemented projects that were tested at local level. City representatives have highlighted the importance of knowledge exchange and inspiration from other cities, showing that study visits and mutual learning activities help them to transfer elements in their context.
- ✓ **Create jobs for people, not people for jobs.** The direct and regular involvement of the target groups in designing and implementing the solutions will ensure the relevance of the proposed actions. The programmes and the actions need to be designed with a participatory approach, by involving all the relevant groups of beneficiaries. Usually cities organise workshops and meetings with the target groups, work with social workers for a tailored involvement of beneficiaries, or they create consulting mechanism with planned sessions of dialogue with long-term unemployed.

3.3 Implement the new actions for inclusion into the labour market

- ✓ **Define clear roles.** The participatory approach requires the involvement of many stakeholders it is essential that roles are clearly defined when it comes to implementation. This includes the main responsible, the resources that all the stakeholders bring to the piloted idea, as well as their commitment for the entire period of implementation.
- ✓ **Funding and negotiated budget.** Beside accessing funding opportunities, which has been seen as a priority when piloting the innovative ideas, city practitioners have mentioned the importance of negotiating budget to ensure minimum resources for the implementation of the actions. Building the inter-services/departments alliances will increase the support for a dedicated budget for measures on LTU.
- ✓ **Outreach of the target group.** For successful initiatives, the cities have highlighted the importance of sharing the information with the community for two main purposes: outreach to the target group and raise awareness on the importance of integration into the labour market of LTU. The communication strategy should be tailored on the different target groups and it must provide clear and structured information. This has to consider the online channels like websites, social media (for young people and NEETS), announcements in local TV channels, through radio in bus/metro stations, in local newspapers etc. However, cities have mentioned the importance of outreach through social workers and NGOs, especially for the LTU or NEETs which come from deprived areas, without access to basic services.
- ✓ **User friendly communication.** The available data should be user friendly and accessible for the beneficiaries. This has to consider the level of digital literacy of the target groups as well as the access to digital tool.

3.4 Follow-up and celebrate results

- ✓ **Evaluate and monitor the implementation.** When piloting projects, it is essential to have clear indicators of what success and failure means. For this, city practitioners have explained how important is to prepare clear monitoring and evaluation plan.
- ✓ **Raise awareness on the success.** In order to celebrate the success of the practice, a good and creative dissemination strategy has to be designed. This will help also on capitalizing on the social return of the investment in experimenting new actions and ways of working at local level.
- ✓ **Build on lessons learnt from failure.** As part of the learning process, cities have expressed the importance of sharing the challenges of the piloted project. These should be analysed, and they should be considered when design new actions to address the long-term unemployment at local level.

3.5 Scale-up the successful practices

- ✓ **Scale-up successful practices.** Successful practices have the potential of being scaled-up, however cities have mentioned the importance of adapting the actions to the new environment/target group, even if it is in the same city.
- ✓ **Further develop an ecosystem of innovation.** In order to support the innovative mindset, the partnership created around the idea or the identified challenge, needs to be nurtured and transformed into an ecosystem.
- ✓ **Share the lessons learned with other cities to inspire policy transfer.** Cities have mentioned the importance of sharing the lessons learned with other cities. This helps them to gather new ideas on how they can scale-up the practices in other areas, or in case of challenges, how these were overcome in other contexts. Programmes like mutual learning, study visits or co-creation and co-learning sessions have proved to be effective in terms of sharing policy knowledge.



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<http://ec.europa.eu/social/easi>