

# INTRODUCTION

Unemployment continues to be Europe's major challenge. The crisis has led to budget cuts and it has made the socio-economic integration of people who have low educational attainment, low skills, a history of long-term unemployment and who are vulnerable even more difficult. At the same time, environmental degradation, climate change and unsustainable development are amongst the most serious threats that our society has to address; the environmental and health costs often outweighing the gains from economic activity.<sup>1</sup>

In tackling these threats we must also seize the opportunities they can offer. The green sector is among the most promising for Europe's economic development; it has grown even during the crisis and is estimated to generate 20 million jobs by 2020.<sup>2</sup>

The job creation potential of the green economy also brings with it opportunities to help reduce poverty. Assisting vulnerable people to gain the necessary skills and work experience to access jobs in the green sector is an investment with high potential return and a promising tool for social inclusion.

Europe's major cities are committed to climate mitigation and adaptation measures, promoting circular economy and improving the environment for the well-being of their residents. Cities are also committed to boosting economic development and implementing a range of programmes to create jobs at local level. To bring the two together targeted interventions are needed with an active role for local government – to ensure that those people furthest from the labour market can also benefit from job opportunities in the green economy.

As EUROCITIES Declaration on Work<sup>3</sup> underlines, the right mix of demand and supply side policy interventions is needed to connect disadvantaged and vulnerable people to employment opportunities. This mix needs to make sense in the context of our local labour markets at the city and metropolitan area level. Specific measures are needed to promote access of vulnerable groups to the green economy; activation policies and skills development need to be linked to local job opportunities and local economic development initiatives. Addressing all aspects of the labour market comprehensively will ensure the effectiveness and sustainability of these interventions and can eventually create inclusive labour markets.

Local governments contribute directly to achieving the Europe 2020 targets. In this particular area, by focusing on green jobs for social inclusion cities contribute to 4 out of 5 targets:

- increasing employment
- reducing school dropouts
- lifting people out of poverty and climate change
- lower greenhouse gas emissions, more renewable energy, and an increase in energy efficiency.

Taking an integrated, place-based, city perspective on our Europe 2020 targets is part of a broader EU urban agenda; an agenda that recognises the role cities play in fostering a smart, sustainable and inclusive Europe and empowers them to help reach our targets on employment, social inclusion and the environment.

<sup>1</sup> 'Green Jobs: Towards decent work in a sustainable, low carbon world', International Labour Organisation: <http://bit.ly/1JsPOYI>

<sup>2</sup> Commission staff working document: Exploiting the employment potential of green growth (2012): <http://bit.ly/1FjLJCE>

The impact on the volume of employment (in percentage points) may however be more modest as new green jobs replace those that disappear as a result of shifting towards a low carbon, climate resilient, and resource efficient economy or other global and technological developments.

<sup>3</sup> EUROCITIES Declaration on Work: <http://bit.ly/1wj5fIX>

## WHAT ARE 'GREEN JOBS'?

There is no clear-cut definition of 'green jobs' but in the broadest sense the term applies to all employment and entrepreneurial opportunities that arise through any action to prevent, limit, minimise or correct the negative impact of human beings on the environment. The jobs are mainly related to combating climate change, production of energy from renewable sources, reducing carbon emissions, increasing energy efficiency, waste and water management, improving air quality, and restoring and preserving biodiversity.

Green jobs tend to stay local as they are not easily outsourced. The green economy has also shown to be resilient to business cycle changes. Developing the green economy stimulates demand for both high and low skilled labour.

## KEY FINDINGS

In this publication 'Green jobs for social inclusion', we present a number of examples of how cities are combining the objective of becoming greener with social and labour market inclusion of vulnerable groups. We demonstrate how public intervention at the local level can help people with low employability profiles gain employment.

The examples cover a range of activities in a variety of areas, from energy efficiency, waste management and greening public spaces, to circular economy, upcycling and green construction (see table 1 for overview). They also illustrate different models: initiatives run by the city directly, and others implemented in partnership with private and third-sector organisations.

**TABLE 1:**  
**TYPES OF INTERVENTION BY CITY**

INTERVENTION	CITY
Maintenance of green public spaces in the city	Barcelona Oslo Zagreb
Training young people in solar technologies	Berlin
Greening of public administration	Glasgow
Recycling, upcycling, and the circular economy	Gothenburg
Road construction and renovation of public space (environmentally friendly methods)	Amsterdam
Improving energy efficiency of buildings (also combating energy poverty)	Birmingham Newcastle Antwerp
Supporting the development of green enterprises	Brussels
Waste management Greening local businesses	Rennes Metropole
Improving the energy efficiency of buildings	Tampere

## TARGET GROUPS

The city practices have a focus on training, skills development, and creating employment opportunities for a range of target groups including:

- Young people
- Unemployed (including long-term unemployed)
- People with disabilities
- Older workers
- People discharged from the Armed Forces
- People inactive on the labour market

Most target groups have low employability profiles, such as people with low educational attainment or no qualifications, little or no work experience or a long history of unemployment. Some are highly vulnerable, such as people with disability, mental health issues or a history of drug abuse; others are receiving social benefits on a long term basis. Most of the young people targeted by these programmes have dropped out of school or are disengaging from the education system. Many fall into the category of NEETs (not in employment, education or training).

## SUCCESS FACTORS

We have identified three main factors that contribute to the success of these city initiatives to create green jobs for social inclusion at the local level. They are:

- 1. Combining demand and supply side interventions**
- 2. Linking the interventions to local employment opportunities**
- 3. Tailoring activation measures to the specific needs of people**

### 1. COMBINING THE DEMAND AND SUPPLY SIDE INTERVENTIONS

Implementing the right mix of demand and supply side labour market policy interventions is key to improving their effectiveness. This means that an intervention does not solely focus on developing people's competences, skills and motivation (supply side intervention) but also aims to create a tangible route into the labour market (demand side intervention). See table 2 for an overview.

On the demand side, there are two different approaches taken by the cities presented in this publication to create employment opportunities: (1) intermediate labour market (ILM) initiatives and (2) local job creation.

**1. Intermediate labour market initiatives:** the majority of the examples are intermediate labour market (ILM) programmes. They work on the demand side of the labour market, creating a job or a work placement. The concept of the intermediate labour market (ILM) approach is based on the premise that there are people so far from the labour market that they have no chance to access it. The objective of ILM programmes is to provide a 'protected' working environment with the view of supporting people to gain real work experience to enable them to compete in the mainstream labour market.

**2. Local job creation:** Four of the examples demonstrate how a city can create new employment opportunities and support disadvantaged people in accessing them. Birmingham and Newcastle created new jobs by setting up energy efficiency programmes via private-public partnership. Tampere stimulated demand for jobs through awareness-raising and running a centre to demonstrate energy efficiency improvements for heritage housing. The Brussels Capital Region provided grants to new entrepreneurs who have ideas for sustainable businesses.

These demand side interventions are then complemented by well-matched activation and training measures (supply side interventions) helping people to gain specific skills and improve their chances of accessing the labour market.

For instance, the grant programme in Brussels is complemented by training and advice on running an enterprise. The work placements in Amsterdam, Antwerp, and Rennes Metropole are combined with both on-the-job training and educational programmes that allow participants to gain formal qualifications. The work placements in Amsterdam, Glasgow and Gothenburg include programmes to improve soft skills. Antwerp and Rennes Metropole’s programmes in addition offer job search advice and assistance, after people complete the programme. Almost all cities implement this intervention ‘mix’.

Another way to integrate demand and supply side policies can be seen in Barcelona, where on-the-job training and skills development measures are integrated with programmes to make a local public company more inclusive in their operations.<sup>4</sup>

Engaging with schools is also important. Berlin has an educational programme for reengaging disadvantaged young people in the education system and raising awareness of the job opportunities in the green economy. Likewise, Birmingham in addition to the local job creation and activation measures runs a career guidance programme for its young people to direct their education and employment choices towards the green economy.

**TABLE 2:**  
**TYPES OF INTERVENTION BY CITY**

CITY	DEMAND SIDE INTERVENTION	SUPPLY SIDE INTERVENTIONS
	<b>Intermediate labour markets</b>	<b>Activation and training</b>
Amsterdam Antwerp Glasgow Gothenburg Oslo Rennes Metropole Zagreb	<ul style="list-style-type: none"> <li>▪ Work placement</li> </ul>	<ul style="list-style-type: none"> <li>▪ on-the-job training</li> <li>▪ educational programme</li> <li>▪ developing soft skills</li> <li>▪ job search advice and assistance</li> </ul>
	<b>Local job creation</b>	<b>Activation and training</b>
Birmingham Brussels Newcastle Tampere	<ul style="list-style-type: none"> <li>▪ new jobs created by energy efficiency programme</li> <li>▪ grants for new entrepreneurs</li> <li>▪ stimulating demand by encouraging energy efficiency refurbishments</li> </ul>	<ul style="list-style-type: none"> <li>▪ targeted recruitment among disadvantaged groups</li> <li>▪ pre-employment training</li> <li>▪ educational programme</li> <li>▪ entrepreneurship and business development advice</li> </ul>

<sup>4</sup> This demand-side intervention does not create new job placements but by working with an employer, it ensures job retention.

## 2. LINKING THE INTERVENTIONS TO LOCAL EMPLOYMENT OPPORTUNITIES

The second success factor is the strong link between the programmes and local employment opportunities. Cities as the level of government closest to the people have an in-depth knowledge of their local labour markets. They can design programmes in line with local economic demand and prepare people for jobs that are available locally. The effectiveness of the demand and supply interventions is made stronger when they are grounded in local businesses and job market needs.

In the majority of cities people received training linked to the demand of the local green labour market. This is a proactive way to ensure a job to skills match and avoid any anticipated future skill shortages in the green economy. Examples of sectors in which people have been employed following the programmes include:

- eco-construction
- energy efficiency industry
- energy auditing and advice
- renewable energy industry
- 'green' enterprises
- green area maintenance / bio diversity management
- waste disposal and recycling industry.

A number of cities are also active agents in shaping the local economy and creating local jobs. Birmingham and Newcastle contractually ensure that the supply chains of their energy efficiency programmes, set up via public private partnership, remain local. Additional interventions support small and medium size enterprises to capitalise on the business prospects that arise from these programmes. The Brussels Capital Region contributes to creating jobs in the target area by supporting the development of green enterprises, which in turn creates more new jobs.

## 3. TAILORING ACTIVATION MEASURES TO SPECIFIC NEEDS

The third success factor of the programmes is linking the activation measures to the specific needs of the target groups. For example, Barcelona engages a specialised team to address the barriers to employment of people with disabilities and Berlin uses an innovative teaching method to reengage young people who have dropped out of school.

Some of the initiatives cater for the needs of more than one target group and design interventions accordingly. Many interventions also put a strong emphasis on addressing individual needs in a comprehensive way, taking into account people's personal situation, abilities, talents, interests and their employability profiles. For example, Gothenburg's rehabilitative employment programme includes an in-depth assessment of each person's obstacles to employment and creates a highly individualised pathway for those people to move forward.

## CITIES' TOOLS

### PUBLIC PROCUREMENT

Cities can leverage the power of public procurement to create inclusive labour markets. The cities of Amsterdam and Rennes Metropole use clauses in public procurement to create employment opportunities for vulnerable people. Amsterdam procures work from private companies on the condition that they reinvest part of the profits from the public contracts into programmes with an added social value, such as employability programmes for young people without qualifications. Rennes Metropole uses social clauses to set up partnerships with social enterprises and requires that companies who bid on city tenders create social inclusion programmes within their service delivery, such as 'back to work' programmes for long-term unemployed.

In Birmingham and Newcastle a ‘competitive dialogue process’ has been used with the business sector to bring benefits to the local community. In setting up public private partnership to improve the energy efficiency of homes, each city works closely with its respective bidders to ensure that the contracts create or maintain local jobs and that some of the job opportunities also reach disadvantaged people.

## PARTNERSHIPS

Cooperation with a range of other stakeholders is important in creating inclusive labour markets in the green sector. City administrations have a key role in creating and brokering these partnerships and in leading them in the right direction. Table 3 shows the variety of partnership work done by our city examples.

## CONCLUSIONS

The green economy represents an opportunity to tackle major societal challenges and can contribute to combating poverty and exclusion in a sustainable way. In this context, public intervention is important to help disadvantaged people access the labour market. The practice examples demonstrate that well-designed local authority programmes can increase the labour market opportunities of vulnerable people and people with very low employability profiles.

For local authorities, programmes that combine greening and social inclusion bring added value, particularly during periods of budgetary constraint and growing demand for services. Integrated programmes, such as the ones in this publication that address several objectives with one investment bring efficiency to local interventions. Given the longer term perspective of the sector, linking job seekers to local jobs in the green economy should continue to bring results as the sector is set to grow.

**TABLE 3:**  
**OVERVIEW OF PARTNERS INVOLVED IN THE PROGRAMMES**

PARTNERSHIP WITH	CITY EXAMPLES
Departments within the municipality	Antwerp, Barcelona, Glasgow, Rennes Metropole, Oslo, Tampere
Community groups	Antwerp, Birmingham
Local advisory services and public employment services / referral agencies	Birmingham, Brussels, Gothenburg, Oslo, Zagreb
Welfare and housing organisations	Antwerp, Newcastle, Oslo
Non-governmental organisations	Antwerp, Newcastle, Tampere
Social/non-profit enterprises	Antwerp, Rennes Metropole, Tampere
Trade unions	Oslo
Training and educational institutions and local schools	Amsterdam, Antwerp, Berlin, Newcastle, Tampere, Zagreb
Private businesses and expert / business associations	Amsterdam, Birmingham, Brussels, Newcastle, Oslo, Tampere
Regional or national government departments or agencies	Antwerp, Oslo, Rennes Metropole