

# EUROCITIES WG EMPLOYMENT 'INNOVATIVE SOLUTIONS TO COMBAT LONG- TERM UNEMPLOYMENT THROUGH SOCIAL ECONOMY'

## CONCEPT NOTE

### Background

Cities are looking into innovative ways to break the barriers to labour-market integration in order to address the long-term unemployment (LTU) - a persisting challenge in Europe. One year after the implementation of the [European Pillar of Social Rights](#), the latest development show that long-term unemployment share - 43.5% is still very high in the total unemployment rate<sup>1</sup>. In the third quarter of 2018, there were around 6.9 million people in unemployment for more than a year in the EU, of whom 4.3 million for more than two years.

Employment competences lay at national level, however cities are completing the national policies by coordinating their activities in partnership with regional and national public employment services, training providers, local employers, social partners, chambers of commerce and NGOs<sup>2</sup>. The main focus is to bring people close to labour market and to invest in the human capital, by creating sustainable employment opportunities through individualised approach.

In order to provide new ways of addressing LTU, cities are exploring the role of social economy as a vehicle for social cohesion. Contributing to a resilient local economy, social and solidarity-based economy is a great resource to offer job opportunities for those further from the labour market. The community-based character of social economy enables it to respond better to the specific needs of the communities and offer the services and products needed. This makes social economy a catalyst of innovation of both social and territorial cohesion.

Recently EUROCITIES, has launched the '[Inclusive Cities For All: Social Rights in my City](#)' a new political initiative to show the cities' contribution to a more cohesive and inclusive Europe starting from the local level. Mayors and deputy mayors have pledged to act on the principles of European Pillar of Social Rights in line with cities' strategic objectives. Lille Metropole is one of the cities that have shown a strong committed to facilitate a better access to job opportunities for people in LTU and people that live in the most deprived districts through engaging with social economy<sup>3</sup>.

EUROCITIES is organising a study visit to contribute to the wider efforts of building a more inclusive labour market, by supporting its member cities in implementing principle 4 of the pillar, on 'active support to employment' and principle 5 on 'secure and adaptable employment'. The visit will focus on the strategic documents adopted by Lille Metropole in order to find innovative solutions to fight long-term unemployment.

The participants will have the opportunity to visit the Job factory and to get depth understanding on other three good practices that have been implemented in order to realise these objectives (Mobility platform, Call for social economy projects and Entrepreneurship Factory).

<sup>1</sup> [Employment and Social Development in Europe - Quarterly Review](#), March 2019, European Commission.

<sup>2</sup> [European Pillar of Social Rights: Cities delivering social rights](#), December 2018, EUROCITIES, p. 27

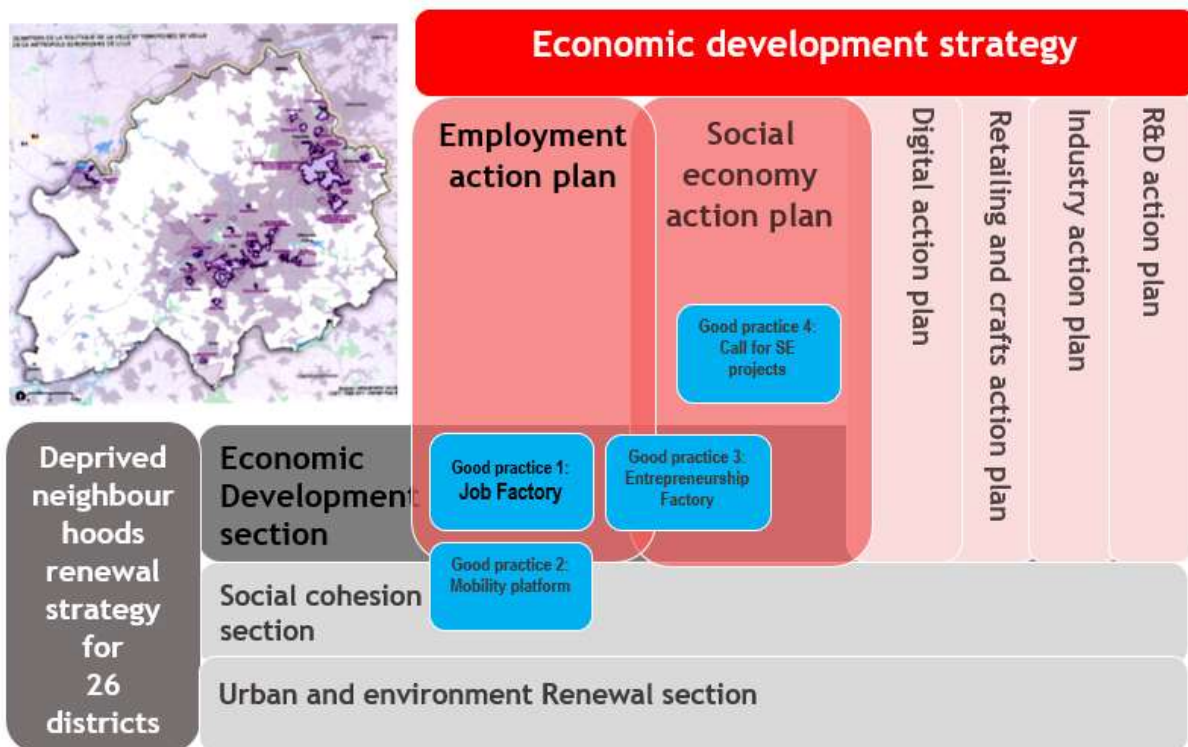
<sup>3</sup> Lille Metropole's pledge to European Pillar of Social Rights, [http://nws.eurocities.eu/MediaShell/media/Lille\\_Metropole\\_Pledge\\_on\\_EPSR.pdf](http://nws.eurocities.eu/MediaShell/media/Lille_Metropole_Pledge_on_EPSR.pdf)

## Lille Metropole's approach to LTU

- FACTS**
- ✓ 1,2 mil inhabitants;
  - ✓ labour force rate 70,4% (employment rate 58%, unemployment rate 11,4%);
  - ✓ 90 municipalities: Lille (230000), Tourcoing (97000)
  - ✓ 2800 employees;
  - ✓ €1,8 billion budget;
  - ✓ 26 deprived districts with 207 000 inhabitants.
  - ✓ main competences: management of urban networks and services (roads, public transports, water, energy, telecoms, waste collection and treatment), land use planning, sustainable development, economic development and attractiveness (culture, sports, tourism, international relations);

Whereas employment remains a national government's competence in France, Lille Metropole is fully committed to facilitate the access to job opportunities for the most fragile people, in particular for those living in the 26 deprived neighbourhoods of the metropole.

In order to tackle the severe de-industrialization which caused a loss of 130 000 jobs, Lille Metropole has invested in supporting new sectors like health, IT, innovative textile and materials, design, agribusiness, and creative industries. However, the actual success of these sectors has not been strong enough to reduce the unemployment rate gap between local and national level (11 % compared to 8,5%). This has left behind 33000 long-term unemployed people, many of which are living in the most deprived districts. The unemployment rate in these 26 districts is 33%.



To address all these challenges Lille Metropole has adopted three strategic documents: **employment action plan**<sup>4</sup>, **social economy action plan**<sup>5</sup> and the **metropolitan economic development strategy for the most deprived districts**.

One of the main practices that is at the core of the programme of the study visit is the **Job**

<sup>4</sup> Metropolitan action plan for employment: <https://www.lillemetropole.fr/en/mediatheque/media/1452>

<sup>5</sup> Metropolitan action plan for social economy: <https://www.lillemetropole.fr/fr/economie-sociale-et-solidaire>

**factory** (La fabrique de l'emploi)<sup>6</sup>. This initiative, which is part of a national experiment aiming at eliminating the long-term unemployment, is designed based on the following premises:

- no one is unemployable;
- if there is a lack of jobs, not work. There are many basic services or goods that people in deprived areas can't afford and which could be delivered by unemployed people;
- money is here but not correctly used.

The main innovation is to transform the direct and indirect costs of social support provided to unemployment into activation measures. The experiment is seeking to show that employing LTU's would cost less to the society than letting them remain in unemployment. Based on a call for interest, the government selected 10 territories, among which Lille Metropole, to implement this experiment within two local communities (one of 3000 inhabitants and the other of 7000 inhabitants). Created in July 2017, The Job Factory has now employed 120 ex-LTU people offering them a permanent job. Moreover, it offers new services to local communities that they could not afford otherwise, giving to the whole neighbourhood better living conditions.

## Objectives of the policy transfer

Considering the common challenges that cities face at local level, the objectives of this mutual learning event are to:

1. Transfer know-how from Lille Metropole's good practices on fighting long-term unemployment through social economy, by engaging in a mix of sites visits, presentations and discussion with key local stakeholders and decision makers.
2. Analyse the strengths, opportunities and challenges of the practices, in order to identify successful factors to overcome the challenges at local level.
3. Develop a set of innovative solutions to fight long-term unemployment through social economy.
4. Showcase four cities' challenges on long-term unemployment and draft possible actions to respond to the them.

## Expected results



- A report of innovative solution to combat LTU through social economy.
- A collection of good practices with analysis of the challenges and success factors.
- A collection of actions to address similar challenges in four different cities.

## Replication and transferability

1. The transferability element that has been at the centre of designing the learning process. Thorough the objectives and the format, cities are encouraged to develop and improve their local programmes and policies based on the lessons learned from Lille Metropole.
2. The policy transfer is designed also to benefit to four cities that are facing similar challenges in their context. Using a structured way of sharing the lessons learned, successful factors and challenges the participating cities will be engaged in a co-creation step, to find solutions to the presented challenges.



*This event has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020). For further information, please consult: <http://ec.europa.eu/social/easi>*

<sup>6</sup> Good practice 1: Job factory, <https://www.lillemetropole.fr/fr/territoire-zero-chomeurs>