

INTEGRATED APPROACHES TO ECONOMIC AND WORKFORCE DEVELOPMENT

RECIPE 7



Recipe seven

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The occasion: Europe 2020, the EU's growth strategy for the coming decade includes the three mutually reinforcing priorities of smart, sustainable and inclusive growth. In a rapidly changing world the strategy recognises that all common EU policies - from Cohesion Policy through to Agricultural Policy - need to be aligned to deliver high levels of employment, productivity and social cohesion across EU member states.

Building on this, the European Commission's proposals for Cohesion Policy from 2014 to 2020 stress the importance of an integrated approach to urban development. More alignment between policy and financial instruments (particularly European Social Fund and European Regional Development Fund) will be a major success factor if these proposals are to succeed.

A recent OECD report – “Breaking out of Policy Silos: Doing more with Less” (OECD 2010) – also highlights the need to change the way we work: “Harnessing economic opportunities in a knowledge-based economy requires simultaneous investment in infrastructure, skills, research and innovation to raise productivity and adapt to new markets.....Raising skills levels requires a joined up approach between employment agencies, economic development and local employers with a focus on both the supply and the demand for skills”.

Cities across the EU need to develop new working methods and move away from traditional vertical policy and delivery structures if they are to address the complex multi-layered challenges of the 21st century. As the OECD report puts it, “historical working relationships – (‘it has always been like that’) and organisational cultures (‘they don’t work like we do’) need to change radically”.

But what are the secret ingredients that will help you to develop an integrated approach to economic and employment development? Are there any special utensils that can make things easier?



Key ingredients of an integrated approach to economic and employment development:

Do you and your partners have the following ingredients in your food cupboard? If so, you are well on the way to cooking up an integrated approach to local development which will not only contribute to economic recovery and resilience but also improve the quality of life in your city thereby retaining and attracting talent and investment.

Here is a list of ingredients to help you prepare your mixture and ensure that your integrated approach to economic and employment development is cooked to perfection and ready to contribute to your cities' smart, sustainable and inclusive growth.

<i>Ingredients to add to your shopping list</i>	✓	✗
<i>Sufficient flexibility within national and regional policy frameworks to allow local actors space to adapt local policies and programmes responsive to the local economic context</i>		
<i>Agreed set of coherent and holistic local development priorities and objectives which all stakeholders sign up to and which focus on the really big market failures</i>		
<i>A "whole system approach" to economic development which creates a virtuous circle and puts as much emphasis on employer ambition as on unemployment</i>		
<i>Preparedness by all to work flexibly together towards the agreed common priorities which may necessitate some sacrifices / compromise at organisational level</i>		
<i>A number of policy instruments equal to or greater than the number of agreed policy objectives</i>		
<i>A detailed and realistic implementation framework for how objectives will be achieved including joint activities, budgets, responsibilities, timescales, etc.</i>		
<i>A common understanding that economic growth can only be achieved by creating new jobs and filling them with skilled people - need to focus on employment and productivity</i>		
<i>A realisation that employers need to be put at the heart of the system: "what do employers need to be successful"</i>		
<i>Use peer to peer learning to engage employers - good employers can help others understand the business case for engagement</i>		
<i>Clear and defined roles and responsibilities and institutional mandates</i>		
<i>Ongoing review and reflection</i>		
<i>New forms of accountability for all actors which reflect the new integrated approach</i>		

Utensils: So now you are clear about the ingredients, what utensils do you need to blend them together and effectively develop an integrated approach to economic and employment development?

A STRUCTURAL APPROACH TO IDENTIFYING EMPLOYER NEEDS is a vital tool if you are going to get the consistency of this recipe right. Cities need to be proactive in engaging their employers in this debate and, as part of this, need to develop a systematic approach to identifying needs. This may for example include an annual Employer Survey combined with regular (sector specific) business events and meetings and employer visits. Robust

and up to date information on employer needs is a prerequisite of local economic and employment development. Only by creating new jobs and filling them with a skilled workforce will a local economy grow.

Linked to this, good **LOCAL INFORMATION AND INTELLIGENCE** is also important when attempting to coordinate labour market policy with economic development. For example, employers may need help identifying future local and international trends and increasing their knowledge in this area could help avoid future skills shortages and thereby improve productivity.

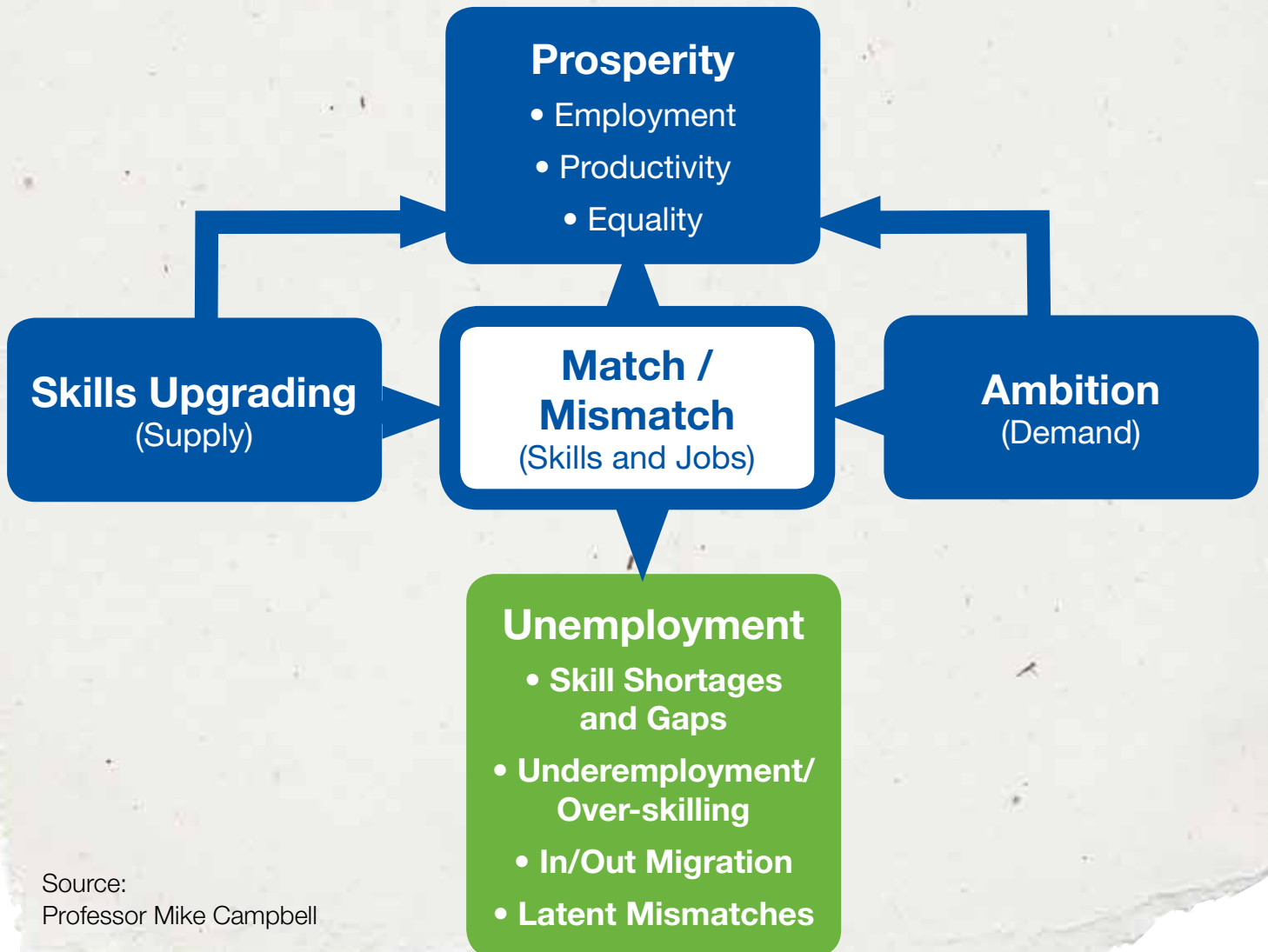
Perhaps not surprisingly one of the most important utensils is **MATCHING SUPPLY AND DEMAND IN THE LABOUR MARKET**. It is not unusual for employers to have recruitment difficulties even in times of high unemployment. If skills needs can be forecast in advance and appropriate education and training provided, this, combined with brokerage services, will help narrow the gap between the supply and demand for labour.

Developing **LOCAL ORGANISATIONAL SKILLS AND CAPACITIES** is also important. For many, integrated local development is a new approach and therefore requires a whole new skills set – genuine collaboration towards a common goal does not always come easily and some new skills need to be developed to achieve this. Leadership, communication and strategic thinking skills, for example, will be vital.



**What is to be done?
Create a Virtuous Circle**

PUMA



Source:
Professor Mike Campbell

Good food guide listing:

The US is home to some good examples of integrated approaches. It helps that policy in the field of skills training and economic development is relatively decentralised. More and more responsibility is devolved to local stakeholders and the business-led Workforce Investment Boards (WIBs) are at the heart of design and delivery. Maryland Workforce Development Board's strapline for example is "workforce development is economic development". Under the Act that established them the WIBs are obliged to set up at least one "one stop centre" for job seekers and companies to use to access their services. There is no doubt that these WIBs have strengthened integration.

Another US initiative which has helped align economic and employment policies is the Department of Education's Career's Cluster Initiative. This maps job profiles across an entire industry and highlights how different careers are linked, interact and depend upon each other. The initiative also plots career pathways from school to employment. It is delivered through a collaboration between schools, local government, employers, employer groups and intermediaries who have come together to develop new curricula, standards and professional development systems.



Career Cluster Model

Source: National Career Technical Education Foundation and National Association of State Directors Career Technical Education consortium

Serving tip: turn the page for an example of how Sabadell, one of ESIMEC's Spanish partners, is taking a proactive approach to developing skills and employment initiatives as part of its wider economic development and business support role

Takeaway menu: if you like the sound of this recipe and want to try it in your kitchen you can find lots of useful equipment to make your life easier at:

EU Guide to Employment Policy – Professor Mike Campbell <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&ubId=6041&visible=1>

EU New Skills for New Jobs Initiative - <http://ec.europa.eu/social/main.jsp?catId=568>

OECD – LEED Forum – Breaking out of Policy Silos: Doing more with less - <http://www.oecd.org/dataoecd/3/52/43056251.pdf>

European Centre for the Development of Vocational Training – CEDEFOP - <http://www.cedefop.europa.eu>

National Association of Workforce Boards (USA) <http://www.nawb.org>

Careers Clusters www.careerclusters.org

Serving tip

AN EXAMPLE OF A CITY ATTEMPTING TO JOIN UP ITS ECONOMIC DEVELOPMENT, EMPLOYMENT AND BUSINESS SUPPORT SERVICES

Sabadell is a medium sized city of over 200,000 people located 20km North West of Barcelona in Catalonia, Spain. After extremely rapid economic and demographic growth based on a thriving textile industry during the 20th century (which saw the population grow from 25000 in 1900 to 182000 in 1975), it suffered a major economic crisis during the 1970s. Since then it has been trying to diversify its economy into a 21st century economy with a strong service sector. The recent economic crisis has exacerbated its problems and seen a massive rise in unemployment (which now stands at around 20%) and major problems with young people not in employment, education or training. In an attempt to counter this, Sabadell - through its Economic Development Company Vapor Llonch – has put in place a wide range of policy instruments including a sub regional innovation plan, a Local Pact for Employment and a Local Agreement for Competitiveness.

Sabadell is keen to build on these foundations and develop a long term integrated approach to local employment and economic development. Through ESIMEc it hopes to develop and embed a new workforce development angle into its business support offer.

Ingredients

DIVERSE AND RESPONSIVE TRAINING AND SKILLS OFFER

Vapor Llonch offers an extremely wide vocational training provision – from technical skills to in-house training customised to the needs of employers. It combines this with a web-based job bank / recruitment service backed up by employment advice and guidance. Different training methodologies are used, depending on the needs of the employer and / or the individual. Examples include self learning, classroom based training, online or e-training, internships, traineeships and workplace simulations.

STRUCTURED APPROACH TO DELIVERY

All training services offered by Vapor Llonch integrate the following four main activities:

- Forecasting of training needs
- Design of training actions
- Implementation of training
- Training impact evaluation

This is the same for all the projects that are delivered.

EMPLOYER ENGAGEMENT

Vapor Llonch has a proactive approach to engaging employers and to understanding their skills and training needs. It often uses corporate social responsibility arguments to convince employers of the business case for workforce development. It offers a Human Resource coaching service to enhance the professionalism of HR teams and has found that this improves their ability to recruit staff effectively. It also holds regular “Introduce your business” sessions where companies are invited to tell their peers and potential new workers about what they do. Where employer requirements are identified it develops tailor- made programmes and solutions to recruitment and training problems. Efforts are made to ensure that employer engagement is streamlined so that businesses are not inundated with requests for meetings and information. Finally trade unions, workers unions and banks act as intermediaries where appropriate.



WRITTEN COMMITMENTS

Sabadell has a range of written collaboration agreements between employment and economic development stakeholders (including employers) which help them maintain a systematic approach to integrated development. These formal agreements set the framework and ensure long term commitment from all stakeholders.

NEW APPROACHES TO IDENTIFYING NEW SKILLS NEEDS

In recognition of the changing shape of the local economy, Sabadell has started to map new jobs and look at ways of ensuring its citizens have the skills, attributes and qualifications required to fill them. In a recent pilot project, related to future trends of the textiles industry in Catalonia, Vapor Llonch identified the Production Manager and Personal Shoppers roles as occupations for which there is a high demand. These new jobs have undergone a major transition from a relatively manual occupation to a knowledge based one and this process is linked to the declining textiles industry. For both these roles the agency worked with industry to develop new job profiles and person specifications and is now delivering training to help people be ready to take up such positions.

Secret ingredients – herbs and spices

- Proactive approach to employer engagement
- Ability to work at different geographical levels using functional economic areas in different areas of work
- Modern and accessible infrastructure for training and skills (based in an old textile mill)
- Long term approach to forecasting employer skills needs
- Innovative and ever changing suite of training methodologies
- All services customised to user needs

Cook's tip: "Sabadell is a city with great potential to contribute to economic development in Catalonia and therefore in Spain. All our efforts to support companies which can help Sabadell to grow would be meaningless if we don't also focus on workforce

development. We are committed to training the people that businesses need to succeed. We believe that company survival depends upon the talents of its workers"

Montserrat Capdevila Tatché, Deputy Mayor for Economic Promotion and Trade

Takeaway menu:

<http://www.vaporllonch.net>
<http://oficinaempresaiuautonom.blogspot.com>
www.sabadelltreball.net
<http://www.xarxa-omnia.org>

