



CONSELHO ECONÓMICO E SOCIAL

LOCAL DEVELOPMENT INITIATIVES

Series "Documents and Internal Studies"

• LISBOA •

CONSELHO ECONÓMICO E SOCIAL

**Annual Meeting of the Presidents and General Secretary
Of the Economic and Social Councils of the European Union**

10 november 1995

Lisbon

Local Development Initiatives

Series "Documents and Internal Studies"

• LISBOA •

Edition: **Economic and Social Council**
Printed by: Economic and Social Council
60 exs.
Printed in February de 1996

INDEX

– JOINT DECLARATION, ADOPTED IN THE MEETING OF THE PRESIDENTS AND GENERAL SECRETARY OF THE ECONOMIC AND SOCIAL COUNCILS OF THE EUROPEAN UNION	6
– REPORT « LOCAL DEVELOPMENT INITIATIVES » AND THE RESPECTIVE APPENDIX	11
– MINUTES OF THE MEETING	57
– PARTICIPANTS LIST	61

JOINT DECLARATION

Des Presidents and General Secretary of the Economic and Social Councils of the Member-states of the European Union, together with the President and the General Secretary of the European Economic and Social Committee, gathered in Lisbon on November 10th 1995 to review and to discuss the matter of *Local Development Initiatives*:

- having taken note of the more recent trends and of the outlook for development which, at the level of the various Member-states of the EU, have been brought to the attention of those taking part, both through the «report» on *Local Development Initiatives* prepared by the President of the ESC/Portugal with the contribution of the other ESCs, and the debate which took place during the meeting;
- having reviewed the more relevant Community information concerning the matter (namely, the «Inventory of Community Actions in Favour of Local Development and Employment», report on the initiative “Local Development Initiatives and Regional Policy” by the European Economic and Social Committee and the Communication of the European Initiatives and Employment”);
- whereas the «White Paper on Growth, Competitiveness and Employment», the «White Paper on European Social Policy», the «Specific Action in Support of the Experimentation» and the «Community Programmes in Support of National Structural Policies” constitute landmarks for local development at the level of each Member-state.

1° CONCLUDE

- a)** that strategy for the Internal Market aimed solely at economies of scale and at international competition is insufficient to recover employment levels;
- b)** that new economic approaches and new relationships between the economic and social areas are required to give emphasis to activities that are less exposed to foreign competition or reflect needs that generate new markets and create a potential for a sharp growth of employment, underscoring, in this context, the role of the SME;
- c)** that such approach involves a strategy of local development. The Internal Market would thus provide synergy with interactive dimension: European, national and local;
- d)** that the European Community is providing strong support to these objectives and, at the level of each Member-state, there is a currently prevailing consensus as to the priority to be given to the framework of local development as part of Economic and social policy;

- e) that the predominant question of the current national debate with the various Member-states is focused on the manner of complementing the strategies aimed at economies of scale – the European and national dimensions – with local development initiatives and with the creation of employment, as well as the way to open up space to the autonomous reappearance of regional and local points of interest. From this point of view, it would appear to be unquestionable that local development must not be bound by a single model;
- f) that in addition to the involvement of the European Union and of the Governments of the Member-states, local development implies, most particularly, the involvement of local authorities and of the local economic and social agents, without which it will not prove possible to generate the synergies required to take full advantage of local resources;
- g) in order to achieve a new local development strategy, adequate answers have to be found to national situations, regarding the following questions:
 - finances;
 - training and professional providers;
 - status of service providers;
 - administrative procedures;
 - types of intervention of public authorities.
- h) Regarding the types of intervention from local authorities, we should consider three fundamental aspects:
 - the principle of subsidiarity is of particular importance to the relations between the Union and the Member-states;
 - the closer association of all the economic and social partners, based on the greater intervention of the territorial organisations and those representing the interests of the people, gives rise to a healthy and harmonious complementary with the traditional role attributed to representative democracy on a parliamentary basis; and
 - decentralisation of the powers of the Administration implies that a greater emphasis be given to the role of local organs, to institutional co-operation and to trust in the citizens and in their organisations.
- i) The European Union and each Member-state are called on, at various levels, to adopt technical, organisational, financial, tax and administrative measures suited to

its own characteristics, so that its local development strategy can achieve sufficient flexibility, dynamics and effectiveness. The adoption of measures should take into account the negotiating practice of each Member-state so as to ensure a wide participation by the people and co-responsibility for the timeliness and quality of the application on the measures;

- j) It is essential, in this context, to encourage the professional development of the workers through the acquisition of professional qualifications, and the attribution of a judicial and social dignified status, paying particular attention to the workers coming from outside the Community, in order to prevent xenophobia, racism, illegal work and social exclusion;
- l) The European Union, despite the fact the reformation of the funds will provide the technical, financial and organisation framework for the local development policies and projects aimed at overcoming existing obstacles, should also emphasise the disclosure of experiences and «good practices» and should proceed in a timely manner with such adjustments and alterations to the Community instrumentalities as may be justified so that, at the level of the Member-states, the local development initiatives may acquire increasing efficacy.

Within this context, the Presidents and General Secretary of the ESCs of the countries of the European Union, as well as the President and the General Secretary of the European ESC:

- 2° **AFFIRM** their understanding that growth, competitiveness and employment constitute the strategic orientations of the European Union that will guide the quality and the speed of the deepening of their political, economic and social dimension;
- 3° **DECLARE** that Europe, in parallel with the European dimension that the Internal Market provides to companies, should also guide its economic and social development within a local dimension, in balanced and renewed way, in order:
 - on the one hand, to complement the economies of scale and gains of competitiveness that foster a capacity for international competition among European companies; and;
 - on the other hand, to take advantage of activities less exposed to foreign competition, of the new needs generated by family and social change, of cultural diversity and of the bio-diversity of local resources, in whose specific, intrinsic values lies the profitability of any activity;
- 4° **UNDERLINE**. That this point of view of local development balances the consequences of exposure to foreign competition, structures the markets through the consolidation of demand generated by new needs, favours the creation of SME, calls on

the intervention of local economic and social agents and on institutional co-operation, stimulates the endogenous use of local resources and of synergies that will generate the added value that makes activities profitable. Therefore, a guideline will be drawn that will open up the way for sharp creation of employment with lower relative investment costs and will create new activities, products and demands, which in turn will favour the growth of a different offer, in the collective and social interest, as well as new types of employment;

5° POINT OUT, however, that the obstacles mentioned in conclusion g) must be overcome so that this prospect of local development is allowed to implement the objectives linked to it, particularly, the aim of fighting unemployment and social exclusion:

6° AGREE that the Economic and Social of the Member-states of the EU may contribute, on the communication and national level, to the affirmation of a local development strategy through the direct participation or the promotion of autonomous initiatives in their territory, according to the different institutional norms and practices of each country, with the following indications:

- a) fostering discussion on the local development theme, requesting the commitment of all participants, with to the conception, organisation and application of policies enhancing the solidarity that generates economic and social cohesion and enriches the strategies and efficacy of the measures and initiatives concerning the growth of employment and the dissemination of discussion protocols in the field of local development, according to the peculiar systems of each country;
- b) Disclosing experiences and «good practices», both within the scope of each Member-state and the level of the interchange of information between the various ESCs;
- c) Periodically reviewing the impact of the local development initiatives, appraising them the light of their marking features and of the objectives of the economic and social policies of the respective Country;
- d) Propose the enlargement of the restrictive and localised dimension of the market of local areas of enterprises, through the co-operation with external economic areas, but close to the European Community.

LOCAL DEVELOPMENT INITIATIVES
(Report)

I - Introduction

In January 1995, the Economic and Social Council of Portugal, after taking into consideration the strategies laid down in the «White Paper on Growth, Competitiveness and Employment » and the «White Paper on European Social Policy», proposed for the next meeting of the presidents of the EU Economic and Social Councils a consideration of the subject of Local Development Initiatives.

At the preparatory meeting held in Lisbon on the 25th of May, the General Secretary supported this proposal and in the ensuing centring on the preparatory document prepared by the Portuguese ESC, underline the relevance and importance of finding the social and economic responses in the field of local development to combat unemployment.

The Economic and Social Councils represented at the aforementioned meeting and the Economic and Social Committee of the European Communities agree on contributing to the widening of the debate, issuing a report which lays out the available information about local development in relation to the following aspects:

- the unfolding of the national debate regards its political, economic and social components;
- Empowered institutional bodies: The European Union; Member-states; regional and local government; companies and associations;
- the main characteristics of initiatives/programmes;
- funding and accounting;
- the role of the ESCs.

Among the relevant information on the material⁽¹⁾, the following working documents were also taken into consideration:

- «An Inventory of Committee Action in Favour of Local Development and Employment» (working document of the Commission Services);
- «Local Development Initiatives and Regional Policy» (opinion of initiative of the European Economic and Social Committee);
- «A European Strategy for the Promotion of Local Development and Employment Initiatives» (Communication of the European Commission).

(1) To highlight the resemblances to the Regional Committee.

The present report lays out the information in the terms outlined above, seeking to indicate the ways forward and the existing difficulties.

II - Framework: Local development as a new strategic approach for growth, competitiveness and employment

Growth, competitiveness and employment are the strategic options of the European Union which govern the quality and speed of the deepening of its political and socio-economic dimension.

Experience demonstrates that one of the significant causes of European unemployment is rooted in the loss of competitiveness of European Companies.

With the trend towards globalization of markets, the overcoming of this loss of competitiveness – if not achieved through structural means - , will increase the levels of unemployment and will have a negative impact on the financial balance of the social security system.

The *White Paper for Growth, Competitiveness and Employment* makes, in this context, an appeal to strong and consistent action at all levels of activity, namely:

«Profiting from the internal market»...taking advantage of all the opportunities that a well-populated, developed and affluent area without frontiers offers both in terms of markets and the dual advantage of «know how» and organisation – all combining to generate increased wealth in each Member-state, on its own, would be unable to achieve.

Thus, there is a great and urgent need to create favourable conditions for competitiveness at structural, economic, technical and organisational levels.

The strategic orientation for these conditions has, so far, been especially developed to take advantage of economies of scale and encourage the international competitive ability of European companies.

However, the measures adopted, while benefiting also the small to medium-sized enterprises, have above all been exploited by large organisations.

A strategy geared towards economies of scale and international competition, is not therefore, enough.

It is not enough because taking advantage of economies of scale obliges enterprises to give priority to technological modernisation and rationalisation with a deep remodelling of their activities – a policy which reduces jobs and penalises workers with unsuitable qualifications.

It is therefore necessary to implement other complementary economic strategies and even more so as high rates of unemployment reduce consumption and levels of confidence which affects the growth potential of Europe in sectors that generated employment until the eighties.

Among that strategies it is worth mentioning new economic approaches that give importance to activities less exposed to external competition and that meet the need to create new markets and lay a solid foundation for job creation – stressing in this context the role of the SME.

We are talking about a new strategic approach to development which results from the efforts of local administrative agents making use of local resources and the synergies that give them increased value.

The internal market would be in this way a synergetic force of two interactive dimensions: the European dimension and the local dimension.

III - The unfolding of the national debate in its political, social and economic components

1. The initial outlook for local development

1.1. For several decades, the social and economic policies of the Member-states have had as one of their objectives the improvement of the quality of life at local level.

This objective was pursued through infrastructure development (transport, energy, water, basic sanitation) and provision in the fields of education, health, welfare and housing. Basic conditions were sought in work premises as well as the satisfaction of the basic social of the population.

However, these policies were drawn up and carried out without a local, strategic dimension with minimal mobilisation of local resources and insufficient involvement of local government and participation of social and economic agents.

1.2 At the beginning of the eighties as the unemployment situation worsened due to structural reasons rather than from measures taken in all Member-states to boost competitiveness, it was recognised that there was a need to create conditions at the local level to encourage job creation in small to medium-sized enterprises as well as encouraging initiatives at local level to create employment.

«(...) the interest of the Union for local development revealed itself for the first time in 1979 in the “extra quotas” programmes of the European Fund for Regional Development (FEDER) and a consultative programme carried out between 1982 and 1984 organised in connection with the OECD and related to around 50 local job

creation projects (...).» (Inventory of Committee Action in Favour of Local Development and Employment).

The European Community gave a key boost to these objectives at the level of each Member-state. It could even be acknowledged that the innovative development was mainly stimulated by community measures being used to undertake specific support and experimentation actions, as well as by community initiative programmes for the spread of good practices and by support for national structural policies.

In this sphere, the Member-states adopted various programmes and measures according to their own situations and objectives and these programmes represented the most visible result of the measures set in motion. We can see in real terms the measures developed by taking a look, to this end, at the “Inventory of Committee Action in Favour of Local Development and Employment”:

«(...)

(a) *Specific measures in support of experimentation*

Following primarily an aim of supporting experimentation, the community measures financed under article 8 of regulation FEOGA, article 6 of the European Social Fund (ESF) and articles 6 and 7 of FEDER are as much about identifying new approaches to urban problems and rural development as they are with job creation ; both directly through financing connected to the ESF and indirectly through actions in favour of the SME..

(...) (LEDA; ERGO; ELGEI; ELISE; TURN; POVERTY III, ILE, SPEC and other programmes having the SME as an essential target).»

In this «inventory» of the Commission’s services, the following evaluation is made of these measures:

«(...)

If the majority of specific measures meet their aim of multiplying the pilot schemes and widening the methodology of local development, the amounts awarded remained extremely low rarely allowed for real dynamic to be set innovation to be set in motion at community level.”

«(...)

(b) *Community initiative programmes for the spreading of good practices*

Under the terms of the 1988 reform of structural funds, the Commission can propose, on its own initiative, to the Member-states who make requests for

contributions to support measures that they deem to be of special interest to the Union and are not covered by the CSF and DOCUP (...).

That they reflect the interests and goals of the Union, besides those of the Member-states, and authorize the repayment (during the programme's run) of supplementary aid to the areas or to the workers, as the developing economic situation demands. Finally, they should contribute to the implementation of innovations, namely the trying out of new approaches. Should the latter prove successful, they may become an integral part of the CSF, and the DOCUP (LEADER and to a lesser extent HORIZON, INTERREG, REGIS, NOW)»

In summing up the Community Initiatives Programme (PIC) the «inventory» notes:

«(...)

The launching of community initiatives allowed for an overall better co-ordination to be organized between the pilot-schemes and the programmes registered within the QCA.

(...)

The first results to be observed were:

- the important mobilization on the ground of all agents and broad participation at «grass roots» level;*
- a stronger sense of regional identification amongst the local population accompanied by cultural renovation conducive to the desire to get on;*
- the appearance of multiple innovations – in terms of the methods used to start up and accompany rural development as well as the nature of the actions undertaken;*
- the diversification of local economies which creates and maintains employment;*
- improvement of services to the population ;*
- giving greater value to the environment as a strategic axis for local development;*
- the vigorous mobilization of private capital as a multiplying factor of state support;*
- jobs created directly or indirectly (over 2000 in Ireland for example).*

(...)

(c) Community aid programmes for national structural policies

Since the reform of 1988, the structural funds allow the financing of local development initiatives at the level of the interactive processes of dialogue between the Member-states and the Commission based on the CSF and on the DOCUP (...).

The Member-states are applying programmes geared towards the following objectives:

«(...)

(c1) *Local development*

The predominant criterion in local development actions in general is the territorial nature, once the actions are defined to the characteristics of the zones apply to (...)

In this case they are less developed areas (objective n.º 1), industrial zones in decline characterised by a high unemployment rate and a significant decline in industrial employment (objective n.º 2), as well as zones with an integrated strategy of rural development (objective n.º 5)..

«(...)

(c2) *Local Employment Initiatives*

ESF intervention is concentrated on the people in a given area and particularly on those for whom it is more difficult to benefit from the more general measures designed to stimulate the local economy, as in the case of the long-term unemployed, young people, women, migrations, refugees and workers threatened with unemployment.

Within the field of the CSF or the DOCUPs, the ESF encourages local development by co-financing a vast range of activities which can be grouped schematically into three main categories:

- *The creation of jobs and the development of companies (...),*
- *More extensive socio-economic support, to change mentalities and improve the image of an area so as to prevent its desertification and attract investors;*
- *Programmes to develop local responsibility, designed to exploit endogenous potential, including the training of the local development agents to help individuals and groups to identify and evaluate entrepreneurial*

opportunities and the technical assistance to reinforce financial areas of management and evaluation.

(c3) Programmes to favour micro-enterprises and handicrafts

«(...)

This programme particularly Community contributions for the improvement of the administrative, legal and tax systems of the SME and the creation of support services for the SME, improvements to access to financing and credit, to co-operation, better quality management and to the adaptation of the SME to structural changes and the internal market..

(...)

The summing up of the period of programming from 1989-1993 shows the relatively insignificant share local development has in the CSFs, representing about 5% of all structural funds (...)»

2. The reinforcement of local development in the 90's

On the one hand, the «Inventory of Community Programmes for Local Development and Employment » may emphasise the positive results of the experiences, on the other hand it demonstrates the lack of strategic orientation in the measures adopted by the Member-states for local development in the following terms:

«(...)

Dans la période qui va de 1989 à 1993, la part des actions communautaires en faveur du développement local et de la création d'emploi est demeurée relativement faible, en dépit des nouveaux instruments créés.

(...)

The provisional balance of the previous programme (1989-1993) shows very little use of the instruments for local initiatives (...).»

It was not possible to lower the level of unemployment in the European Union despite the various measures which were adopted. More serious still was the fact that, as the causes of unemployment were fundamentally structural and technological, a tendency began towards long-term unemployment, which particularly affected groups coming into the labour market, such as young people and women or those who had been inactive for a long period of time.

These facts coloured the concerns of the early 90s and passed one of the most important structural reflections about economic and social policy onto the European Union and the Member-states.

The “White Paper on Growth, Competitiveness and Employment” and the “White Paper on European Social Policy” are basic dynamic references for this reflection.

They constitute a strong appeal to mobilise everyone and to work for new and more efficient economic and social strategies to create employment.

To this end, the «White Paper» stresses:

- The need for a new model of sustainable development;
- The importance of developing the SME;
- The need to create new jobs and new activities in general;
- The indispensability of participation and co-operation so as to:

«(...)

- *reinforce the role of developing jobs and of the local economies, with a view to achieving the above objectives, by decentralising the budgets and decisions of the different bodies and public administrations, supporting these measures by using multidisciplinary mechanisms for intersectoral co-operation at Community level, which are designed to permit the transfer of knowledge and experience.(...)*»

At the Corfu and Essen European Councils, a push was made to develop these guidelines for economic and social policy, particularly for its integration in strategies for local development.

Moreover, the European Economic and Social Committee prepared an opinion favourable to the promotion of a model of local development, so as to review several advantages through it.

Finally, a communication on local development from the European Commission concerning «A Strategy for the Promotion of Local Initiatives for Development and Employment», recently presented, and refers to⁽²⁾ :

«(...)

A new procedure for the creation of activities, local development and employment initiatives are flourishing in all European Union countries, because local aspirations are very strong at the present time. On the one hand, they meet the growing needs of

(2) Below indications are given of proposals made in this document.

a higher standard of living or changing behaviour, which are still barely met by companies or by the traditional administration. On the other hand, they offer their promoters the possibility of putting their creativity and dynamism to use the local development project, in a rural or urban environment which is vaster than the initiative itself.»

The deepening interest which has been stimulated recently in the problem of local development is reflected in changes made to guidelines in the CSF through the revision of Regulations ESF (2084/93) FEDER (2083/93) and FEOGA-guideline (2085-93), informing the Commission that the lack of resources is not predicted.

In addition,

«(...)some Community initiatives adopted by the Commission in June 1994 may allow the Member-states to show their political willingness to undertake true programmes for local development, favouring a "bottom up" approach.» (“Inventory” mentioned above).

The Member-states are assimilating and assuming these new work perspectives and have endeavoured to adopt into their policies the measures which experience has shown to be appropriate and efficient.

The «Annex» to this report briefly shows the framework which some Member-states favour for the promotion of local development and employment initiatives in the light of Community policy objectives.

The evaluation of the contributions we received allows us to conclude that the central question in the current national debate in the various Member-states has to do with how to complement economy-of-scale strategies – the European dimension – with local development and job creation initiatives, as well as how to make way for the autonomous re-emergence of regional and local areas of interest.

It is necessary to distinguish between a local initiative or a local support for the creation of employment and local development initiative.

For this reason, it is necessary, on the one hand, to remove the assistance and protection «stigma» suffered by many initiatives and measures for creating jobs, lending them normality and utility in terms of employment, which means that the people helped by these initiatives and support are not considered to be of a precarious and lower status.

On the other hand, policies for local development should be based on the endogenous potential of local resources and on the synergy of the public and private agents for local economic and social objectives; to become generally more dynamic through business

initiatives or the paid rendering of services; to create their own local markets for specific goods and services which satisfy supply and demand; to fit into the framework of territorial planning and to be in harmony with medium-long term strategic economic and social objectives.

The opinion from the European Economic and Social Committee also states the same:

«(...)

2.1 Local development does not follow one single model. Which is why we insist that the essential nature of the local dimension should be emphasised, and particularly the following aspect: each local situation is a microcosm with its own particular features, and is able to follow its own ways of development.

(...)

2.2. From an economy point of view, local development can be defined as a process of changing and enriching the economic structures in a territory which is homogenous thanks to its cultural, social and economic aspects. And also with the use, for development, of all resources which in another way and from the outside would not have been identified.(...)»

IV - Empowered institutional bodies: European Union; Members-states; Regions and Local Governments; Enterprises and Associations

When the empowered institutional bodies for local development are evaluated, the involvement of the local authorities and the remaining local economic and social agents should be included, because they possess proper knowledge of local resources and the creation of synergies which would permit the exploitation of the endogenous potential of these same resources.

Through their respective services, the European Union and the Member-states naturally provide framework and incentives and even encouragement, which is fundamental for stimulating, structuring and evaluating the projects.

In the «Inventory of Community Actions for Local Development and Employment», it is said that local employment initiatives are affected by a lack of organisation and ways of working at local level, which is caused essentially, either by obstacles posed by the existing administrative organisation in the Member-states, or by the poor participation of the local agents. These short-comings are due to:

«(...)

- *the difficulties encountered by most Member-states in involving the local and regional authorities and the private sector in a real partnership from the preparatory phase onwards;*
- *the inefficient training of local agents, who do not have the necessary technical «know-how» for the planning, execution, organisation, control and evaluation of the projects;*
- *a lack of information, at local and regional level, on the possibilities of Community financing and the ways to gain access to it. This omission is often reinforced by the perception of a great complexity and bureaucracy involved in the application and control processes used by many local groups;*
- *the risks related to forms of financing which may be stopped when regulations are revised.*

(...)

In practice, despite the growing participation of the local authorities and the agencies, the centralised design of programmes according to non-local logic may lead to the misuse of the potential offered by Community financing. (...)

If the majority of the Member-states accept recent reforms, like the one from the ESF, for them to be implemented in the field it will necessary for some important changes to be made in the organisation and management of resources from the structural funds, particularly those to improve the co-ordination between the different ministerial departments, between the national and regional authorities and with other agents involved.»

The «Inventory of Community Actions for Local Development and Employment» referred to above also talks about difficulties which are inherent to the Commission itself as follows:

«(...)

The passage from the actual experimental phase to the dissemination of experience gained through the network of Community initiatives, like the CSF-DOCUP, has not been efficient enough because not enough attention was given to the transition between successive phases which correspond to the co-ordination of the different instruments: firstly information-sensibilisation, followed by the establishment of a methodology, the dissemination of “good practices” and experimentation and lastly the setting up of a network .

To finish the quality of the results obtained at local level and the degree of acceptance by the agents in the field depend on the time they have available and their ability to accompany the employees who are in charge of these programmes, including at

Community level. The importance of the human investment needed to assure these specific functions to support innovation have sometimes been underestimated.»

The document entitled “A European Strategy for the Promotion of Local Initiatives for development and Employment” indicates other kinds of obstacles to local development which will also require conferring responsibilities to many different bodies. It states the following:

«(...)

Certain obstacles affect all activities with a large labour content (the excessive weight of the ancillary costs of less-qualified jobs), though the greater part is specific to the 17 fields. The obstacles are mainly financial, technical, legal and institutional.

Financial obstacles are mainly:

- *the excessive cost of unskilled labour force;*
- *a poor quality-price relationship for supply whenever the management methods are not adapted to the reigning demands and technological potential;*
- *the cost of the initial investment and the difficult access to capital for the micro-enterprises and for the individuals who wish to set up their own enterprise, and for the associations which do have sufficient financial guarantees;*
- *the solvency of more underprivileged couples and the low profitability of certain kinds of services.*

The obstacles linked to training and professional qualifications caused by:

- *initial training which is inadequate, given that the demand from customers is for versatility and the development of accompaniment and information;*
- *the weakness of sectorial devices for vocational training and reintegration in certain sectors where there are a large number of poorly organised small and medium-sized enterprises;*
- *the late adaptation of skills and working conditions in certain traditional sectors in terms of working hours, laboriousness and stress;*
- *the lack of training in new technologies and its transfer between companies, particularly the SME.*

Legal and Regulatory Obstacles are:

- *the rigidity of statutes which does not allow for multiple activities, nor the accumulation of sources of revenue, in relation to farmer-entrepreneurs or to the unemployed-promoters of social enterprises;*

- *sometimes the absence of legal statutes adapted to the organisations created by a partnership between the private and public sectors;*
- *the frequent absence of statutes for the assistant-spouse;*
- *the maintenance of regulations and statutes inherited from the past, which are often limiting and not only always efficient;*
- *the strict division between professions which make it difficult or even impossible to create versatile jobs;*
- *the obsolescence of certain systems for the state approval of specialised companies, which penalises new admissions;*
- *the absence of certain technical standards for quality control which could make the job more dynamic;*
- *the failure to adapt individual and consumer protection systems and personal ownership to new mean of communication.*

Obstacles linked to forms of government intervention show:

- *a lack of knowledge about processes of local development to create employment;*
- *an organisation which is too vertical and sectorial in public administration, which prevents it from correctly assuring their role of informing the local players, the political leaders, the private companies, the non-profit making associations ant the local inhabitants;*
- *the short duration of financial incentives, which weakens the durability of the initiatives."*

The overcome these obstacles, normative, financial, administrative and management measures should be taken, either by the Community or by each Member-state, involving the central and local governments, the local economic and social agents and the social partners who intervene in collective negotiations.

At is a process whose results depend on the synergy which encourages the exploitation of local endogenous resources and consequently depend on diverse bodies, it is necessary to guarantee that the intervention of all concerned with sufficiently good timing and quality to achieve the final results of the projects or initiatives.

In relation to local development, the position of consensus demonstrated by the Member-states and by the Commission should be stressed in the sense that it is an area of intervention where the principle of subsidiarity has most influence on the relations between the Union and the Member-states.

Finally, within the area of each Member-state, local development policies call for two kinds of development at politico-administrative level:

- the strengthening of participative democracy through the greater intervention of territorial organisations and those who represent the interests of the general population, as a way to enrich representative party democracy;
- greater decentralisation and distribution of areas of competence which are still concentrated in the central departments of the ministries.

V. Dominant Characteristics of Initiatives and Programmes

Two situations must be distinguished here:

The first concerns the instruments, techniques, resources etc. being used (training, vocational guidance, incentives for creating jobs, incentives for contracting labour and others), even within active employment policies. In this case, their regulatory definition and application at European Union and Member-state level has long been established and tested, and their evaluation in this report is not justified.

On the other hand, in relation to the integration of these and other instruments and means in a strategy of local development whose new outlook involves changes to frameworks and behaviour and requires new technical, organisational, financial etc. measures, particularly for the Member-states. In this case, despite some previous experience, in relation to the challenges set by the «White Paper», we can consider ourselves to be in a phase of planning and experimentation.

In fact, most of the Member-states and the European Union itself are still trying to identify and try out more appropriate measures. The “Commission” provides some indications of this:

«(...)

From the experience of some Member-states and numerous local organisations, the Commission has identified 17 areas which are likely to satisfy the new needs of Europeans and to offer important opportunities for jobs: home labour, child care, new information and communication technologies, help for young people in difficulty and their integration, the improvement of housing, safety, local public transport, the improvement of public urban areas, local commerce, tourism, audiovisuals, the cultural patrimony, local cultural development, waste management, water management, the protection and preservation of nature, the creation of regulations, the control of pollution and respective installations.

The Commission has show us that local initiatives are, at the present time, most suitable for creating employment adapted to these needs, because they are better equipped to take the diversity of each culture and each socio-economic organisation into account.»

As the dominant characteristics of the systems to be applied to these areas in all the Member-states have not yet been found, it would appear to be useful in this phase of the work, to indicate the essential aspects to be considered for a local development strategy to gain sufficient dynamism and efficiency.

To this effect, we have taken the Community documents referred to above as our work base. They make the following proposals:

- *A strategic integrated vision of animation, planning, with a entrepreneurial or remunerative perspective*

«(...)

Despite great developments, it is observed that local development project still frequently face a lack of strategic, integrated vision of animation and planning, as well as the neglect of territorial potential, when compared with the advantages and diversity of the patrimonies and cultures.

(...)

- *Adapt training and qualifications to consolidate the new professions*

It is pertinent to establish personnel adapted to value the different areas of responsibility and to publicise the new professions. (...) These areas of responsibility and jobs should be sanctioned by laws and, in the case of new skills or areas of competence, methods of recognition should be developed. Recognition by society also takes place through the application of social guarantees. (...); the social partners should enrich the contents of traditional negotiations on skills.

- *Revise the legal framework*

the framework which presently divide the areas of private and public, agricultural and no-agricultural, paid and unpaid activity used to be useful for building systems of social protection or for clarifying responsibilities. They must be changed, and adapted or simplified taking into account new situations illustrated by local initiatives: the diversification of individual professional paths, the complementary nature of the public and private services, the versatility of agricultural and handicraft companies.

According to the traditions of each country, various ways of legal innovation are possible, such as:

- *The establishment of statutes which facilitate multi-activity especially in the rural areas.(...);*
- *Easy reintegration in the work market, authorising the combination of remunerated activity and unemployment benefit;*
- *The creation of the title of entrepreneur-partner in non-profit making organisations, subject to similar conditions to wage earners in terms of taxation and welfare;*
- *The adaptation of work legislation and social protection to the forms of work made possible by information and communication technologies..*

In the same way, the concept of public service concessions and delegated management deserves to be widely applied to cover the field of activities of use locally, which are still inaccessible to the rules of the public statutes, and to facilitate the public-private partnership..

- *Plan an efficient decentralisation of administrative action*

The partnership between the local public authorities and the promoters of initiatives, on the one hand, and national administration officials, on the other, implies the efficient decentralisation of administrative acts themselves.

The partnership is particularly justified for the management of aid, vocational training and the management of the local labour market.

It may also help the intervention of local development agencies, whose role consists of giving guidance, training and then assistance to the promoters of initiatives.

In the same spirit of partnership, the placement of local interactive communication networks between the local groups, the administrations and the local players are part of the more promising innovations of the information society.

(...)

- *Support national policies for the benefit of local initiatives*

(...) local initiatives for development and employment, which are made more visible in this way, should be taken into account more by the Member-states when preparing and revising structural actions to be submitted to Community co-financing.

It is not a case of applying a new reform of the structural funds, but rather to make a more efficient and dynamic use of the resources available and of the instruments which exist for the creation of jobs and to guarantee a development process through

the actions of local initiatives. (...) («Inventory of Community Actions for Local Development and Employment»)

Other instruments are necessary to complete or encourage national initiatives particularly financial and fiscal instruments, the framework for which is referred to below.

VI - Financing and Accounting

Local development policies show themselves to be the most efficient and economic in terms of costs and benefits..

The document called «A European strategy for the Promotion of local Initiatives for Development and Employment» states the following:

«(...)

From the perspective of cost-benefit analysis, the undertaking of the local initiatives doubtlessly offers one of the most favourable options among the different employment policies. As they satisfy new needs, the effect of simple substitution linked to the concession of financial advantages to sectors and categories of workers is limited. A comparison of various measures taken in France shows that an active employment policy geared towards satisfying new needs, would be about fifty times more efficient than measures which aim for a simple increase in permanent workers in the public sector to satisfy these needs and ten times more efficient than a “Keynesian” economic relaunching through infrastructure work.»

The appropriate framework for local employment initiatives will favour the development of their own ways of working shown in the style of business or services rendered or the like acquired by the initiatives, thereby accentuating the logic of the market, and compensated by a price or remuneration, without harming the inherent social function.

In all Member-states, the programs are financed by national Community subsidies – in this case according to the objectives which have already been referred to – which are added to the private financing. In relation to Community financing, the «Inventory of Community Actions for Local Development and Employment» states that *«it is estimated that the share of local development should increase to about 10% of the structural funds.(...) The local employment initiatives move much lower sums than infrastructure projects, but involve much more and organisational effort. In contrast, these results also emphasise the importance of the margin of financial flexibility which is available to both the Union and the Member-states if they wish to help local development: if 10% of the money dedicated to the financing of important*

infrastructures were transferred to local initiatives, the money available to them would be duplicated.

To sun up, the revision of Regulations ESF (2084/93) FEDER (2083/93) and FEOGRA-Guidance (2085/93) to create a greater openness to the co-financing of innovative projects and actions (article 6 ESF, article 8 FEOGA and article 10 FEDER), should permit almost all the funds to contribute to local development with larger amounts of money.»

But there are also obstacles in this area.

The document called «A European Strategy for the promotion of Local Initiatives for Development and employment», suggests some measures for overcoming them:

«(...)

- *the co-ordinated approximation of the changes made to the tax system and the lightening of the tax burden on less skilled jobs;*
- *the use of Community financial instruments, such as the EIB and the EIF in favour of the SME, whose extension to new sectors of services and commerce could be studied.*

(...)

- *Service-cheques (instruments for payment which are issued in advance for the purchase of certain services, and may offer considerable advantages for stimulating the structure of supply and the expression of demand);*
- *Common funds for local application in a city district or a rural area. Also combined with capital-risk formulas and guarantee funds, they associate “those who save” to project leaders and stimulate local initiatives;*
- *A revision of the treatment of running costs in relation to expenditure on public accounting equipment. Investments in necessary human resources would be facilitated by long term public-private contracts signed in partnership»*

In the case of social welfare which, in some way, has been provided until now by the public services, would pass over to a local market area, and there will be a need to find solutions, through tax measures or reimbursement to make up for part of the costs which the citizen would begin to bear for the payment of the services received.

VII - The Role of the ESCs

Independently of the differences between the ESCs of the Member-states concerning attributions, jurisdiction, representation and organisational model, there are at least three

elements which are common to these institutions and which are of interest for this approach to local development:

- At the present time, the problem of unemployment determines the predominant orientation of the respective pieces of work, the greater value given to economic and social policies may be attributed to this;
- representative organisations with specific and interests which are directly or indirectly local;
- the methodology for action on participation, communication and the concerning of the two parts positions.

In the opinion, these three elements provide the basis for the contributions which the ESC may be able to make to local development. Such contributions should aim:

- to stimulate the debate between all participants for the planning, organisation and application of policies, strengthening the solidarity which creates economic and social cohesion and enriches strategies and efficiency of the measures and initiatives for employment;
- to publicise experiences and «good practices» either in the area of each Member-states or in the exchange of information between the various ESCs;
- to periodically analyse the impact of local development initiatives, assessing them in the light of the respective characteristics which mark them and the objectives of the economic and social policies of the respective country.

VIII - Conclusions

- 1°** A strategy for the internal market, concentrating exclusively on large-scale economies and international competition is insufficient to recover the level of employment.
- 2°** New economic approaches are needed which emphasise activities which present a minimum of exposure to foreign competition or which meet the needs generated by the new markets and which make it possible to create a great deal of employment, thereby accentuating the role of the SME in this context.
- 3°** Such an economic approach involves a strategy for local development. The internal market would, therefore, be a synergic force for two interactive dimensions: the European and the local.

- 4° The European Community has given a great push to these objectives with each Member-state, with a great consensus as to the priority, to be given at the present time, to including local development in economic and social policies.

The «White Paper on Growth, Competitiveness and Employment»; the «White Paper on European Social Policy», the specific programs of «support and experimentation», the «programs of Community initiative for the dissemination of the good practises» and the «Community programs to support national political structures» constitute important references for local development for each Member-state.

- 5° Local development should not follow one single model. In effect, as said in the opinion from the European Economic and Social Committee, already referred to:

«From the economic point of view, local development can be defined as a process of change and enrichment of the economic structures in a territory which is homogenous due to cultural, social and economic aspects. And also which the use of all resources for development, which in another way and from abroad, would not have been identified. »

- 6° In addition to the involvement of the services of the European Union and of the governments of the Member-states, local development involves the implementation of projects by the local authorities and the local economic and social agents, without whom it would be possible to generate the synergies needed to make the most of the local resources.

- 7° It is important to make it clear that this is an intervention model based on the following fundamental ideas:

- the principle of subsidiarity is of particular importance for the relations between the Union and the Member-states;
- the strengthening of participative democracy based on the greater intervention of the territorial organisations and representatives of civil society's interests gives rise to some healthy complementary aspects, and acts in harmony, with the traditional role attributed to parliamentary representative democracy;
- the decentralisation and levelling-off of the Administration's powers requires important organic changes which put greater stress on the role of local organs, institutional co-operation and confidence in citizens and their organisations.

- 8° There are diverse obstacles to achieving a local development strategy, which present different forms according to each Member-state.

- 9°** Each Member-state is called upon to adopt technical, organisational, financial, fiscal and administrative measures which are appropriate to their characteristics, so that their local employment strategy gains suitable dynamism and efficiency.
- 10°** Furthermore, the European Union, even though reform allows for technical, financial and organisational frameworks to be set up for local development projects and policies, aimed at overcoming existing obstacles, must work harder to make people aware of previous experience and good practices and must carry out, in a timely manner, adjustments and changes that are justified in order to bestow ever greater efficiency on local development initiatives at Member-state level.
- 11°** The adoption of measures must into account the negotiating practices of each Member-state so as to ensure the broad participation of civil society and joint responsibility in opportunities and in the quality of the application of measures.
- 12°** The ESCs can contribute towards the affirmation of a local development strategy through the participation/initiative of the bodies which belong to them, and may take measures, in accordance with the practices of each one, in the following areas of labour.
- vitalising the debate on the topic between all those involved in drawing-up, organising and applying policies, deepening the solidarity which generates economic and social cohesion and enriching the strategies and efficacy of the measures and initiatives in relation to employment;
 - making people aware of experiences and «good practices», whether it be in the sphere of each Member-state or at the level of information exchange between the various ESCs;
 - periodically analysing the impact of local development initiatives, evaluating them in the light of their respective characteristic features and of the political economic and social goals of the respective country.

APPENDIX

LOCAL DEVELOPMENT: A SUMMARY OF THE CURRENT SITUATION IN VARIOUS MEMBER-STATES*

* This summary was prepared using extracts from texts sent by the various ESCs, or by members of the Economic and Social Committee of the European Communities. It's of the exclusive responsibility of the ESC of Portugal.

- **Germany**

1. No economic and social committee has so far been established in Germany. Since the foundation of the Federal Republic of Germany in 1949, however, an ever closer network of contacts has been in existence, linking the social partners, trade associations, consumer associations, chambers of commerce and industry, craft associations, associations representing the liberal professions, charity associations, the Churches, sports associations and cultural bodies.

2. The different bodies co-operate at local, regional, «Land» and national level. In many cases, they also co-operate with responsible bodies and individuals in public administrations and the Federal Employment Office and its widespread network of placement offices.

3. At local level a number of development initiatives have led to the establishment of institutionalised bodies, whilst others have given rise to “associations for the promotion of economic development” with private limited company legal status, and yet others result in the establishment of boards of trustees responsible for formulating and carrying out highly specific tasks.

4. There is also a large number of «ad hoc bodies» whose duties are limited in both scope and time. I am thinking here, for example, of bodies which create jobs in connection with either measures to protect the environment or with the major restructuring of particular areas, such as the Ruhr District in the “Land” of North Rhine-Westphalia. Other such bodies are responsible for the redevelopment of areas in Thuringia and Saxony where uranium mining operations were carried out by the Soviet Bismuth Company or the wholesale rebuilding of a former car plant in Jena (ex-Germany Democratic Republic where the “Wartburg” cars used to be built and where the Opel Company has now built a completely new, modern car plant. A whole series of other such examples could be quoted from all German Federal States.

5. Local development initiatives involving a public corporation acting as the responsible body are particularly beneficial and successful. An example of such a public corporation is the Association of Greater Frankfurt am Main in the Rhine-Main region. Representatives drawn from all walks of life are elected to serve for four-year term of office. They work in committees and a full assembly, elect their own executive body, have their own budget and have to issue regular reports. The representatives come up for re-election every four years and members of the executive every six years.

The author of this paper is the elected representative for Königstein in the High Taunus district and works in particular in the field of the promotion of economic development. The above-mentioned institutions are fully involved in this development work at local and regional level. As we are dealing here with the Greater Frankfurt am Main district, responsible bodies from the towns, local governments, the airport, road and rail authorities, the Frankfurt Fair, water supply authorities, refuse disposal authorities and authorities responsible for the protection of nature and rural areas have all been specifically involved in this initiative .

6. If local development initiatives are to be successful, it is essential to ensure optimal co-operation, based on the principles of voluntary agreement and solidarity, with the aim of securing, in the long term, productive employment for the maximum number of job-seeking women, men and, in particular, young people and creating within the local/regional area a healthy, dynamic, varied labour market and living environment for the whole population.

7. JOBS ARE NOT CREATED BY HIGHER AUTHORITIES BUT RATHER BY A VARIETY OF GRASS-ROOTS INITIATIVES. Local development initiatives should therefore be given considerable support.

Local development initiatives have a particularly important role to play in the creation of jobs in the European SINGLE MARKET.»

- **Belgium**

«(...)

In the first phase, the National Labour Council based its efforts on the various forms of jobs and services within a similar area – the field of jobs and services in the inter-personal field, that is to say facilitating the activities and tasks of everyday life.

These jobs and services consist namely of the care of the sick and/or handicapped, children, home-treatment work, small-scale repairs, gardening, assisting with supplies, the administration involved and in schooling (...).

These jobs and services can be assured by:

- the public sector, namely by public social aid centre, town and parish councils, hospitals and public rest homes ... ;

- the «paid»private sector (self-employed, liberal professions, enterprises) and «non-paid/free» (such as associations, with non-profit making ends, employment centres, trades unions, Christian, social and cultural associations and friendly societies (...)).

The funding of local jobs and services is assured relative to the types of services and jobs by:

- the involvement of the end-user of the service;
- the public authorities; that is to say, the federal state and/or the communities and/or the regions and/or the local authorities (provincial councils, public social aid centres) that are involved in personnel costs and the functioning of certain services or centres and subsidise certain categories of workers;
- the involvement of certain public funds established for the effect, e.g. the European Social Fund (in the area of adult education and child care outside of the home);
- social security mechanisms, which can be called upon under the statute of the service provider (unemployed, (early) retired or income support beneficiaries);
- taxation, offering advantages to users of certain services.

The suppliers of service and employment are:

- ordinary workers;
- workers receiving unemployment benefit or income support and those in work but in a insecure position because of a program of «readaption» at work;
- workers in training;
- volunteers;
- illegal workers.

(...)

The Council carries out its work most especially through a study of inter-personal services, taking into account the fact – among others – that certain needs are met by resort to the illegal labour market. It will be necessary to regulate this. From this perspective and with the resolve to tackle Belgium's employment problems, the Council decided to pay essential attention to the social statute of the service suppliers, to the service-user/service-provider/service intermediary relationship, as well as to the tax aspects.»

- **Danmark**

«Regional business policy in Denmark is conducted by the EU, central government, the counties (amtter) and the municipalities (kommuner). Local decisions on business policy are taken by a wide range of players (municipalities, counties, labour market councils, technological information centres and training establishments). However, greater coordination is needed both among these different agencies and between them and business in the various regions. This is the backdrop to the government's proposal to set up so-called business centres at regional level. The aim is to establish a common organizational framework to coordinate regional business policy. At the same time, it will be possible to offer more effective guidance to local businesses.

There is talk of extending regional business development programs, which many municipalities and counties have been using as a framework for cooperation on regional business policy. With the new business centres the number of participants can be increased and cooperation can cover more areas. The business centres may consist of cooperation agreements or actual organizations with statutes, a joint secretariat, etc. The individual regions themselves decide how the concept should be put into practice. The intention is that, from 1997, development costs will be co-financed in those regions where a decision is made to set up business centres.

In connection with the reform of the EU's Structural Funds the number of the regions entitled to support has been increased considerably. The number of municipalities covered by Objective n.º 2 (regions in industrial decline) has increased from 10 to 25, while the number of municipalities covered by Objective n.º 5b (rural areas) has increased by 30. In the latter case, further changes mean that grants now go to a wider range of bodies, enabling associations, organizations, food companies, institutions and public authorities to apply for grants to implement projects.

Labour market policy was regionalized in 1993 making it easier to tailor policy to the needs of individual regions.

The development of regional tourism has been boosted with a five-year framework program to set up regional companies within which the tourist industry, counties, municipalities, etc. will work together to promote tourism in the regions. The development companies will strengthen public/private cooperation on tourism. In addition, a program has been set up for nationwide networking to promote the development of more specialized tourist products.

The Danish government has suggested that the «upland areas Directive» should be applied in Denmark to Bornholm, Samsø and 25 other small and medium-sized islands to compensate for their disadvantages and to preserve farming, thereby maintaining a productive population in smaller, more isolated island communities.

- Following the collapse of the fishing industry, it was decided in 1993 to implement a five-year regional initiative for the island of Bornholm. The initiative involves compensation for the island's high transport costs, special backing for those starting a business, the development of biomass-generated energy and setting up a research centre for regional economy and tourism with a view to a closer definition of integration in the Baltic region.
- The government's action plan for rural areas, in operation since 1993, is intended to promote economic development in rural areas by encouraging business activity as a way of anchoring the grass roots of the population and services. Research and experiments have got under way at the same time as action geared towards building up positions of strength and new areas of business. The intention here is to maintain and boost independent enterprises within agriculture, industry and the service sector by supporting the development of supplementary sources of income based on existing farming (tourism, farm shops, and niche production ventures).

In addition it is felt that the EU's agricultural policy should place greater emphasis on the development of rural areas. With regard to future national legislation, a consistent assessment of the potential impact on rural areas is recommended as well as giving municipalities the greatest possible freedom in the way they organize education, care and public services in cooperation with local associations. There is also a desire to see the culture of self-dependency fostered as a means of getting more initiatives under way and encouraging more people to take responsibility for development in their immediate surroundings.»

- **Spain**

«The prominence acquired in Spain by local employment and development initiatives has run parallel to the gradual establishment of a state with autonomous regions based on the promulgation of the 1978 Constitution. In this system of autonomy, the local level is the second layer in the administrative decentralization which characterises the modern political organisation of Spain.

Responsibility for managing local development initiatives falls basically to the municipalities; hence it is possible to say that Spain has achieved the «adequate

administrative decentralization» in local development matters which the Communication lists as a priority objective in its Communication of June 1995 to the Council and European Parliament on «*a European strategy for encouraging local development and employment initiatives*».

In Spain numerous local employment and development projects have grown out of initiatives undertaken thanks to co-operation between municipalities and local promoters, formed as a rule from various bodies and organizations, such as the Local Development Agencies, Technology Parks, Crafts School Workshops, Trades Centres and Integrated Employment Services.

Taking an overall approach to development which sees job creation as linked to the economic, social and cultural regeneration of the local environment, three fields of action for local employment and development initiatives can be distinguished in Spain: one aimed directly at expanding employment opportunities, the other two at stimulating and industrial activity, always at local level. They are:

Local initiatives to promote employment: These include all measures aimed at facilitating the restructuring of the local labour market, with special emphasis on training the participants in projects. Assistance mostly takes the form of incentives to take on workers and vocational training courses (basically Crafts School Workshop and Trades Centre programs). The so-called Integrated Employment Services have been set up specifically to channel employment at local level.

Initiatives to promote local economic and social development: On the basis that employment should be subordinate to successful development and that the latter can in certain respects be stimulated better in a smaller area, the aim is to create the infrastructure and support services for business management and technological innovation. To this end special units are set up within the local administration, in particular the Local Development Agencies.

Initiatives to strengthen local economies: the purpose of these initiatives is to develop a dynamic strategy for SME aimed at stimulating small-scale economies and local production zones, making maximum use of the opportunities afforded by the social, economic and cultural features of the region.

This set-up that local development initiatives offer numerous possibilities in Spain and are tailored to the actual geographical and social-economic structure of the country. It must be borne in mind that Spain is still a country of sharp contrasts, manifest in an unequal distribution of income between regions. Eighteen per cent of population lives in rural areas (less than 2 000 inhabitants⁹ and 17% in so-called intermediate areas (between 2

001 and 10 000 inhabitants), many of the latter areas having arisen around the outskirts of large cities as they expand. It is in these areas that local development is most needed and can offer better employment prospects to the 35% of the Spanish population living there.

The EU Commission recently approved the Spanish integrated development programs for rural areas under the Community LEADER II initiative; 17 Autonomous Communities, with a potential target of 5.1 million inhabitants, are taking part. The objective is to promote the integrated, endogenous development of the chosen areas through the “Local Action Groups” comprising public and private bodies. The projects include measures to assist vocational training, the recruitment of workers, small enterprises, rural tourism, craft, industries, local services and the conservation and improvement of the environment and rural heritage. It has been shown that the rehabilitation of the rural environment through this type of program is proving one of the most successful initiatives in Spain, very depressed areas are being restored, population levels are being maintained and the inhabitants of these areas – young people especially – are being given hope for the future. The imminent implementation of the second phase of the LEADER program is therefore eagerly awaited.

As the Commission states in its a fore-mentioned communication, the training of promoters of initiatives, aimed at consolidation local development projects and making them viable, is a key element. The municipalities, in co-operation with the central administration, are making a huge effort both through the Crafts School Workshops and Development Agencies and through regulated vocational training. One of the most striking aspects of the work carried out by these Agencies is the continuing training and advice for promoters of initiatives in their daily activity. The Organic Law on the General Organization of the Education System (dubbed LOGSE), currently being phased in, has reintroduced numerous craft trades which seemed doomed to oblivion, creating new qualifications, while at the same time promoting the use of new technologies. One of the specific objectives of this law is to encourage the participation of the social interest groups in the preparation of a *guide to available vocational training*, a genuine nerve-centre for adjusting employment to the real needs of regional and local development.

Despite the progress logged in Spain in the field of local employment and development initiatives, there is still a long way to go. Among other things, further study is needed of systems for monitoring and evaluating both the effectiveness of measures to promote local development and the actual long-term viability of the initiatives. Such an objective is made more difficult by the diversity of the actions undertaken, which stems from the decentralized administrative set-up and the differing local situations; hence the lack of unified criteria for evaluating experiences. More important than actually putting local employment and development initiatives into practice is to guarantee, if possible, their

chances of survival over a period of time, i.e. to consolidate them so that they provide a long-term source of stable employment and new opportunities.

Encourage the maximum possible co-ordination between national and Community actions in this field, make more widely known the content and results of successful local initiatives, including an inventory of the possible jobs involved and how they relate to the demands and needs of present-day society; at the same time secure more Community financial support for this type of innovation: these are key concerns of all countries' local development and employment policies.»

- **France**

«(...)

According to the law passed on the 4th of February 1995, about land planning up to the year 2015, two new concepts were worked on and were considered the best adapted for local development: the region and the demographic make-up.

«(...)

A region is defined by its geographical, cultural and socio-economic cohesion. Thus it is a community of common socio-economic interests which eventually leads to solidarity between the urban and rural worlds. The region makes up a sphere in which the various land collectives can promote, in tandem with local agents, common development projects. (...) In sum, the region integrates the demographic basis in it, within daily life unfolds and local services find demand.

(...)

The classification of local services, surveyed by specialists, fundamentally follows the nature of the activities and their respective beneficiaries. (...)

- services connected to daily life;
- services to improve the quality of life;
- services do with culture and free time occupation;
- environmental services.

In their turn beneficiaries of these services are:

- the individuals, as private citizens or consumers;
- the collective whole;

- the enterprises, related to the activities which they consider «peripheral».
- (...)

In parallel with this range of resources, some of the authors or those with an active role highlight the interest of the involvement of all the categories in creating services (with prominence for the beneficiaries) so, that a collective effort can be made to correctly adapt those services to real needs. In the expression «**solid economy**» which characterises the new economic picture of those services, the term solid is fully justified, since the services show the three following features:

- They have solid with demand;
 - They have solid links with commerce (insofar as they do not jeopardise the commercial economy);
 - They have solid links with their employees.
- the services are conceived through public micro-spaces. These allow a tally between what is needed and what is on offer, thanks to interaction between the different parts. This collective package of services shows an advantage relative to the domestic economy, in the way which favours the constitution of social entities. In the case of services offering help to people it avoids isolation in the domestic sphere, namely in cases of common accord contracts. »

- **Ireland**

« The principle underlying the Local Development Programs in Ireland is recognition of the critical importance of incorporating the local dimension into the overall national strategy for supporting the development of sustainable employment, enterprise creation and Seater social equity. This local dimension is expressed through Partnership Companies and other local structures incorporating a partnership approach which have been established to promote integrated social and economic development at local level.

The primary framework for driving and funding local development in Ireland is the EU Operational Program for Local Urban and Rural Development, funded under the Community Support Framework for Ireland, 1994-1999. This program comprises 3 main elements:

- (i) Local Enterprise which is the responsibility of the Minister for Enterprise and Employment and is administered through the 35 County Enterprise Boards which have been established around the country;

- (ii) Integrated Development of I:) designated Disadvantaged and Other Areas which is under the aegis of the Minister for European Affairs and Local Development, Mr Gay Mitchell, T.D. This Sub-program is managed by ADM Ltd. And is administered on a local basis by Partnership Companies in the designated areas, community groups in other areas and other selected organisations.(...). Ce sous-programme est géré par l'ADM Ltd. et appliqué, au niveau local, par des partenariats dans les zones désignées, par des groupes communautaires dans d'autres zones et par d'autres organisations sélectionnées;
- (iii) Urban and Village Renewal is under the aegis of the Minister for the Environment and is principally administered through the Local Authorities.

«(...)

In Ireland's case, the elected local authorities have a relatively small role in recent local development initiatives. These are primarily undertaken by partnership of state statutory, voluntary and local groups. In Ireland, as elsewhere, there is now emerging a debate about the correct balance between representative democracy (such as local government) and participative democracy (such as the, recently developed, partnership).»

- **Italy**

«Today, in the light of the deeply felt crisis in the labour market, local development defended within the framework of Community policy and in the scope of the economic and social policies in each country appears to be, now more than ever, one of the only tools suited to the recovery and planning, on the territorial level, of the homogeneous areas of the production apparatus and the environment.

Indeed, such objectives of a territorial nature must necessarily fall within an institutional and administrative framework supported by the social partners.

To this end, since second quarter of 1993, the CNEL (National Committee of Economy and Labour) has made a significant contribution by supporting the drawing up, in several regions of the national territory affected by the crisis, of agreement conventions between central administrations and public and private agents – within the scope of a true local partnership – with a view to improved co-ordination of synergies to support the recovery of development.

These conventions resulted in the drawing up of local agreements which led at the operational level to important territorial projects funded by the Community structural funds, public resources (either national or local) or even with the participation of territorial economic bodies and organisations.

The action taken and being pursued by the CNEL, in relation to the territorial development agreements (with regard to this, Council in November 1994, set up a *Conseil pour le Mezzogiorno* – “Council for Half a Day” – made up of 72 members) was officially recognised by the Ministry for the Budget with the decision on the CIPE of 10th May 1995.

A similar measure taken by the Economic and Social Councils or by similar institutions would provide support for work of local collectives satisfying the demand for the creation of real projects based on a strong dialogue with Europe and each national public administration.

Finally, we are witnessing the emergence of a new cultural phenomenon: the transformation of “localism” to “territoriality”. This is being done through operational projects which value and encourage the production potential of different regions of the country while respecting general well being.

We feel it would be appropriate for us to convey to you documentation on the activities of the CNEL, in the area of socially useful actions and public intervention, in the regions which bear the brunt of the socio-economic recession.»

- **Luxembourg**

«(...)

An analysis of the evolution of Luxembourg society allows us to highlight the changes as far as concerns the structure of society, the way of life, the strong demographic growth, the ageing of the population, the increased percentage of working women, the higher rate of one parent families and the dropping off in the extent of domestic work.

An survey undertaken by the European Commission about local development and work initiatives defined 17 dominant regroupings, in four large areas of the growing European needs: daily life; quality of life; leisure and environmental protection.

As far as Luxembourg is concerned, there has been an effort to improve the situations which seem most immediately open to improvement.

Luxembourg’s reflections should be considered as ideas which grow into a vast movement, and which should be corrected, rectified and extended into future years.»

- **The Netherlands**

«(...)

Local and regional development policies in the Netherlands encompass three policy fields: rural development policy, regional economic policy and policy with regard to four big cities: Amsterdam, Rotterdam, The Hague and Utrecht. »

«(...)

- Rural development policy

(...)

One of the policy priorities for the future of agriculture and nature conservation is to bring about more dynamics in the countryside. The social and economic basis of the countryside has to be strengthened by reinforcing its capacity to adapt, by enhancing the mobility in land utilisation (business and other functional relocation) and by private initiative in nature conservation.

(...)

- Regional economic policy

In a small and highly urbanised country as the Netherlands, with a social and political structure that may in comparison be more homogeneous than that in other countries, regional policies today are not that prominent. There is no predominant political debate on strengthening investments in economic and social cohesion by regional criteria.

(...)

- The four largest cities

(...)

The latter policy tries to counter the cumulation of structural problems such as unemployment, crime, poor housing conditions, problems related to migration and the quality of life in general.

(...)

In the policy of the current cabinet (egged) different policy strategies (...):

- economic *deregulation* of the sheltered sector, for example: shop opening hours, business establishment rules;
- *lowering* the burden of taxes and social security contributions for business and citizens with at least 9 billion guiders in four years (about 1,5 percent GDP;

- *Additional or «melker»-jobs*: 40.000 supplementary jobs in the public sector (health care and public safety);
- Services-vouchers to convert unemployment benefits into employment subsidies (decision-making has yet to be finalised).

(...)

Irreversible trend towards decentralisation (...) and a system of collective bargaining has increased the capacities for private enterprise to adapt to market forces and to business environment in general. »

- **Portugal**

The problems of unemployment and rural migration from inland areas of the country continue. What must be recognised is that the local development initiatives play a key role fuelling the capacities of the local markets, creating jobs and giving a better standard of living to the people.

Through the promotion of potential for regional development, which seeks to contribute to a new dynamism of the internal market, based on giving fresh value to local potential and cultural diversity. This sees the creation of new jobs and anchoring the population; caring for the environment; a better standard of living and to this end sets our new support systems for micro and small enterprises; for services of a social nature; for innovative products, for traditional arts and crafts as well as encouraging local agents and initiatives aimed at livening up the area.

These objectives were laid down in the Program of Initiatives of Local Development and encompass the following type of projects:

1. Services of a local base or similar, including:

«(...)

- a) Social support services, such as:
 - i) Nanny services, crèches, and nurse-nurses;
 - ii) Nurse Schools;
 - iii) Free time activities, including a study room, tutoring and other benefits;
 - iv) Youth counselling services; vocational information and guidance, as well as professional support in the preparing and launching of projects;

- v) Services to help the handicapped; including rehabilitation; occupational; education and professional training;
 - vi) Services to help elderly, such as home help; follow ups; leisure activities; visiting and tourism;
 - vii) Services for young and adult addicts; created in association with the health services;
 - viii) Services concerned with the promoting; distribution and commercialization of products connected with the services rendered by social support.
- b) Services connected to tourism and leisure, such as:
- i) Using local heritage for tourism;
 - ii) Local tourist routes;
 - iii) The organisation of walks around surroundings;
 - iv) More, and better, tourist information;
 - v) Rural tourism and ecological initiatives.
- c) Services connected to cultural activities, such as:
- i) The protection and recuperation of the cultural and historic heritage;
 - ii) The promotion of shows; recreational activities; sports, entertainment, etc.
- d) Services connected to urban renewal and building safety, such as:
- i) The cleaning, maintenance and repair of buildings and dwellings;
 - ii) Measures to improve the safety of buildings;
 - iii) The gardening and beautifying of green spaces.
- e) Services connected to transport, such as:
- i) Services organizing carparks;
 - ii) The adapting of traditional non-mechanised transport for tourism;
 - iv) The co-operation of the transport services with scholarly or cultural activities;
 - v) River navigation and complementary activities.
- f) Services connected to the environment, quality control and the recuperation of heritage, such as:

- i) The prevention and control of pollution;
 - ii) The care of and cleaning of forests;
 - iii) The care of and cleaning of beaches;
 - iv) Quality control services and technical information and support;
 - v) The protection and restoration of heritage;
 - vi) The recycling of waste products;
 - vii) The installation of and technical assistance for alternative energy centres.
- g) Diverse services for the support of local communities, such as:
- i) The repair of domestic equipment;
 - ii) The restoration of furniture;
 - iii) Home help services such as meals; washing and shopping;
 - iv) The safety of people and property.
- h) Services to support local industry, such as:
- i) The commercialization and distribution of products;
 - ii) Collective restoration;
 - iii) Office work and translation;
 - iv) Professional training and business management of employment grants, etc.;
 - v) Accountancy consultation and computer training;
 - vi) Multi-media; audi-visual and publicity.
- (...).»

2. Handicraft is considered «(...) a product of activities connected to traditional arts and crafts, developing with significant incorporation of labour force into the creative process, with a high quality and faithfulness to the traditional processes and characteristics (...).»

3. Tourism

«(...)

- a) Tourism in rural areas and ecological tourism, the units of tourism complexes (...);
- b) Tourist entertainment activities and cultural entertainment and undertaking cultural activity; sports and recreation (...)

(...)»

4. Trade

«(...)

- a) Commerce connected to traditional arts and crafts; the creating of commercial establishments to transact exclusively in products connected to the sale of traditional Portuguese products, (...)
- b) Traditional stores (...)

(...)»

5. Other Initiatives

«(...)

- a) Technical assistance designed to promote the emergence of business initiatives with the greatest chances of success, which could involve temporary contracting, or the acquisition of services, of human resources highly specialized in following a global plan of the development of activities foreseen in completed studies or those to be launched;
- b) Studies, which could involve:
 - i) Technical studies and projects seeking to support innovative action; global or partial reorganization; business concentration or fusion; internalization; the qualification of human resources and quality business management;
 - ii) Outside studies destined to promote and define business strategy seeking to up-grade the quality; management organisation and use of advanced telecommunication system;
 - iii) The carrying out of marketing plans, including the launching of new products.
- c) Advanced telecommunication and computer services, such as:
 - i) The acquisition of computer technology (hard and software) and the human resources necessary to modernize production processes and the management, including computerized production control and accounting;
 - ii) The acquisition of the means necessary and the information networks on the business sector; promoting access to an advanced telecommunication network to permit businesses to link into it and involve.

- d) New technologies, such as new forms of energy and the cleanest environmental technology, along with harnessing and conservation of energy;
- e) Co-operation networks, to facilitate access to information or to develop common activities and for action which could be of the following type, namely:
 - i) The setting-up of systems of collecting and dealing with information of common interest, especially that concerning the setting-up and availability of databases about public markets in the common market third countries;
 - ii) The constitution and access to databases or other information systems, related to experts or national or foreign bodies; especially concerning small to medium-sized enterprises so facilitating information exchanges and contacts of mutual interests;
 - iii) Centralized buying and selling for small to medium-sized enterprises permitting them better competitive conditions against large-scale enterprises;
 - iv) A central reservation system to connect enterprises for tourism and travel agents, guaranteeing them competitiveness in a broader market;
 - v) Connected services between foreign consultants in the external market and those with knowledge of specific products and small to medium-sized enterprises wishing to break into new markets;
 - vi) The co-operation between organizations of other member-states of the European Union specializing in auditing and consulting in the quality and the certification of products, conceiving, organising and commercialising.

(...)

In this line of work falls, for example, the recent «co-operation agreement» passé signed between the Department of State and banking institutions which will permit operational applications of this program, namely, those referring to the financing of own capital necessary to put each initiative/project into practice.

- **United Kingdom**

«Background

UK employment policy has been based on the removal of obstacles to business and to job flexibility and to job mobility.

In addition the government has encouraged the development of local partnerships between business and local authorities and with Community organizations and other interested parties to develop programs for local employment, particularly cities in the U.K. These partnerships have the responsibility of developing proposals with a view to local and/or national funding. The government has invited local organizations to work together to put in bids for funding local initiatives. These can cover training, job creation, environmental regeneration etc., but essentially the objective in the economic and social regeneration of the area and is, called the « Single Regeneration Budget».

Although there is no longer a national Economic Development Council, there are in addition to the «partnerships» regional Economic and Social Councils: the most «definitive» being for Northern Ireland where employers, unions and other interests meet. Also there are rural development agencies, e.g. Welsh Rural Development Board and the Highlands and Islands Development Board. They sponsor local development initiatives – for example, stimulating local craft industry.»

- **Sweden**

«1. General comments

The struggle for economic growth and improved employment in Sweden has a very strong local and regional profile. This may be self-evident in a country as large as Sweden and with a small population. However, the overall Swedish policy for growth and employment focused for many years on the central, western and southern regions, giving much support to individuals moving from the barren areas in the north to the growth areas in the south.

The years of «moving-vans policy» came to an end in the 1980's, and was replaced by a new vision for national and regional economic policy: «Let the whole country live». The agrarian and environment-conscious «Centre party» was first in launching this vision, but it soon attracted wide political and electoral support. The new vision may be described as an early realisation of preconditions determining the structure of a post-industrial society. However, when it was launched, the vision was more a protest to the policies of moving people rather than blueprint for the future.

The important aspect, from the viewpoint of the ESC meeting in Lisbon, is that Sweden with this policy embarked on a steady course of supporting local development initiatives already in the growth years of the 1980's. No doubt, this has been very helpful in strengthening these policies in the difficult years of the 1990's.

Sweden's administrative structure, with the country divided into 14 counties with its own county administrations, has also determined the implementation of policies for support to local development initiatives. Step by step, the county administration bodies, be they part of county administration as such or county affiliates to national government agencies, have been given a very own appreciation of county needs and growth prospects. Tax revenues to municipalities and county councils have added to the financial flexibility.

A considerable number of support programs have been established with the aim of providing financial support for setting up of new industry, for providing training arrangements, for tax relief's for newly started firms, for support to individuals who want to try to set up a firm of their own (for instance, in the service sector) and for assisting municipalities to implement whole programs for industrial re-establishment. Extra favourable assistance, also financial, is provided to firms in far-off regions.

The overall Swedish experience of the policies and programs for «letting the whole country live» can be described as mixed. When municipalities compete for new firms especially in the far-off regions, offering over more generous support schemes, there has to be cases of speculation and misjudgement.

2. Some specific Swedish support policies for local development

There is a firm belief in Sweden that education, training and competence development l«play a key role for economic growth and improved employment. Systematically, a «complete» educational system, including higher education, has been established in almost every county (a few counties do not have a university college). This ensures that every young person, and every adult wanting to pursue further training, will find education and training opportunities fairly close to the home city or village.

This systematic build-up is at present continuing especially in the sectors of higher education and competence development for those in working life. Here, of course, the input of the structural funds of the EU will add substantially to the overall training available.

The upper secondary school has been expanded so as to enable 80-90% of each youth cohort to pursue a complete 12 year education program, aiming at either professional work or higher education.

The education system is at present in some areas ahead of labour market demand; for example, in the higher education sector, output of graduates is considerably higher than the demand from industry. This is a very specific problem: how to create an understanding and interest among firms, especially small and medium-sized enterprises, that they have to invest also in labour force with higher education. This seems to be as difficult as to convince firms many of them – that they have to invest in an overall competence development of their employees.

In general terms, a number of special programs have set up supporting the start up of new SME and utilizing the creativity of individuals to exploit new ideas. To create a climate of entrepreneurship, also at local level, is more and more becoming a key aspect of Swedish policies for local development.

The county labour market administration boards have built up service and advisory offices in every city and village, offering unemployed or soon-to-be unemployed a vast array of retraining and re-establishment offers. The aim is to cut down the transition period as much as possible – but with present high level of unemployment there has to be added radical new services and support schemes.

One such example is to offer special training for those who want to set up their own firm – for instance, in the service sector. This type of courses is also offered especially for women.

Another example is the vast new efforts to train unemployed in information technologies – and to help them to be involved in home-based work (distance working).

A third example is the effort to provide special support for setting up services centres – telephone exchanges, ticket booking, etc. – in far-off regions. Booking a taxi in Stockholm today, or an air ticket, may mean that you talk with somebody working 1200 kilometres away from Stockholm!

Beside the more traditional schemes of supporting firms etc. affiliates in regions with high unemployment, the present impetus on the application of information technologies offers perhaps the most promising new trend in Swedish policies for local development.

Apart from these aspects, there should be added two more in this context one is that Sweden for some years now have been spending a very high proportion of GNP on research and development, and that facilities for R&D have been established also with the clear intention of supporting local and regional development initiatives. This is particularly evident in the northern parts of Sweden, where the establishment of universities and colleges have been clearly improving the potential for local development in whole counties.

Another aspect is the present focus on the build-up of better infra-structure systems, such as railways, roads, and information highways – with special attention to railways and information highways.

3. The role of the social partners in local development

Over 90% of the Swedish labour force is organized in trade unions, grouped in three different confederations. The dialogue between employer and employees is close at factory and firm level, but is also lively in the various administrative bodies where the partners are represented. It is fair to say that local development initiatives in Sweden are always planned and implemented in dialogue between the social partners – although, of course, the influence of the trade unions may vary from case to case.

The point to be made is that actors in the process of local development are striving to support innovation and change. The lessons of previous and dramatic industry restructuring at local, regional and national level has been well learnt.»

Sweden's industrial and economic future can only be found in efficient, advanced, high-tech and skills levels of education, training and competencies – and about that, every organization and every party is firmly agreeing.»

- **European Economic and Social Committee**

«1. This decade's unemployment in Europe, unlike that in earlier periods, tends to transform long-term unemployment into social exclusion, and is concentrated mainly (about 80%) in the peripheral regions of the European Union. It is characteristic of this phase of development that it is no longer focused on large enterprises, which have lost capacity to regulate the overall development of society: in the relationship between growth and employment, the role of the SME stands out.

The most optimistic forecasts of the Delors White Paper – provided that growth continues, the macroeconomics data are positive and active labour policies are pursued – give a scenario for the year 2000 in which unemployment falls to 7%. A level which would still be too high.

This is the background to the potential – still largely untapped – of the local development initiatives and the new measures to combat unemployment.

2. Indeed, local development is one of the decisive factors for renewed, balanced economic growth, in which we find all the elements now required for the success of an area: the interlinking of public and private players; the intersectoral nature of the measures; small-scale enterprises; attention to product quality; flexible specialisation.

It can contribute to a sustainable development model by using mainly local resources, respecting cultural roots and optimising the relationship between dedicated resources, autonomous development and employment. It enhances the relationship between growth, participation and responsibility, and supports and increases new entrepreneurial talents.

In any regional policy action from outside there is always the suspicion that it is of a welfare nature, that it therefore does not ensure the continuity of growth, and that it may destroy more potential resources than it succeeds in creating. By contrast, local development tends to stimulate the «immune system» and to initiate a process of self-driven growth, on the basis of material and non-material local resources – as occurred in the past in so many prosperous areas of Europe where certain historical conditions existed.

3. It is no easy matter to give a universal definition of local development. It cannot follow a single model: each local situation requires a specific approach, which creates an environment favourable to growth on the basis of the peculiarities and resources of each territory.

But there is one element common to all the genuine experiences of local development, distinguishing them from all the others which are such in name only: the leading role of the local players, i.e. local authorities, the social partners, economic and cultural bodies, interest groups and the voluntary sector.

For all above reasons, its success cannot be measured only in terms of quantities of capital, labour and product, but also by the extent to which it reduces the dependence of the local community on external assistance, strengthening its confidence in its own resources, and by the extent to which it leads to improvement in the standard and quality of life for the local population.

Its validity today – in the age of globalisation – depends on local development not being reduced to provincialism, but:

- moving easily within the single market;
- fitting into the overall plan at regional, national and European levels;
- being linked with local development in other areas through a network;
- being connected with external development.

4. The local development system is also connected with the new sources of jobs, the «new activities» mentioned in the White Paper and recently covered in depth in a study by the Forward Studies Unit and in a Commission document.

These relate essentially to services with a high labour force content to meet new needs arising from the economic and social changes of the last decade.

The Commission has identified 17 service sectors with a potential for creating between 140 000 and 400 000 jobs per year. It is an opportunity to promote the creation of broad «social economy» sectors (private or mixed-ownership firms, co-operatives, non-profit-making enterprises, etc.) at limited cost thanks to public subsidy and co-operation with the private sector.

5. The instruments made available by Community regional policy (funds and programs) are used in too restricted and timid a manner to these ends, whether from lack of a local development culture, from lack of information or because of the centralising tendency of public administration.

A more decisive shift is required from the experimental stage to that of promotion and generalisation of experience, using much larger resources than those envisaged for the 1994-1999 planning period.»

MINUTES

On the 10th November 1995, in Lisbon, the Annual Meeting of the Presidents and General Secretary of the Economic and Social Councils of the Member-states of the European Union was held, to analyse and discuss the theme of Local Development Initiatives.

Present at meeting, chaired by the President of the Economic and Social Council of Portugal, were the delegations detailed on the attached list.

The President of the Economic and Social Council of Portugal declared the session open and, after welcoming the participants, presented the draft Report on Local Development Initiatives, a document drawn up by the services of the Economic and Social Council of Portugal, which include contributions provided by several of the presentation, the President emphasised the timeliness and the importance of the search for economic and social answers to local development aimed at fighting unemployment and also addressed the theme of strategic social dialogue in the country. To this end, he drew a brief sketch of the economic and social situation in Portugal within the framework of the recent general elections.

Then, following approval of the methodology to be employed during the working sessions, the President of the Economic and Social Council of Portugal opened to discussion the content of the document, inviting each of the delegations present to take the floor.

The various speeches made welcomed the content of the said Report, though emphasis was given to the importance of several aspects, particularly:

- joining of efforts – Community, national and local – within the scope of the local development initiatives;
- financing the various activities;
- the SME /Small and Medium Sized Enterprises) the micro-enterprises and the so-called «proximity services» in the creation of new jobs;
- training for personnel qualification and re-qualification (re-adapting unemployed persons to the real needs of the local employment market).

During the second half of the morning session, the draft Declaration, previously sent to all Economic and Social Councils present, was reviewed and discussed. There was general consensus as to the content of the said document. However, several suggestions were made with a view to clarifying and reinforcing several points.

Thus, in summary, the various delegations pointed out:

- the absolute need to strengthen competitiveness in order to increase employment while attention should be given to promoting proper articulation between policies aimed at competitiveness and those aimed at local development;

- the importance of the Single Market as a synergetic force with interactive dimensions – Community, national and local – in the creation of new jobs;
- the importance of close links between all the economic and social partners as the level of local intervention;
- that it is essential to foster worker professionalism through training and through the attribution of a socially-dignifying legal status, giving special attention to the situation of non-Community workers in order to prevent xenophobia, racism, illegal work and social exclusion;
- that a balanced and reviewed approach to local development opens up the way to the creation of more employment with relatively lower investment costs. This will also lead to the emergence of other activities and products and new demand that, in turn, will favour the growth of new supply, which is also of collective and social interest. Furthermore, new enterprises will be created;
- the relevant role of the Economic and Social Councils of the Member-states of the European Union in the definition of a local development strategy, through direct participation or through fostering autonomous initiatives within their territory, in keeping with the various standards and institutional practices proper of each country;
- the need to enlarge the market of local company areas of influence, through co-operation with foreign economic areas, but neighbouring the European Community.

During the afternoon session, the wording of the said Joint Declaration was reviewed and revised in accordance with the proposals submitted, and was approved by all participants.

Other matters were, however, addressed and several resolutions, adopted, to wit:

- the organisation of the forthcoming meeting (1996) of the Presidents and General Secretary of the Economic and Social Councils of the Member-states of the European Union is to be the responsibility of the Economic and Social Council of France;
- approval of the proposal submitted by the President of the Economic and Social Council of Portugal in respect of publishing the Joint Declaration, the Report on Local Development Initiatives and their respective annexes in Portuguese, French and English. Moreover, the President of the Portuguese Economic and Social Council undertook to send out these documents, in the said languages, to all participants as soon as possible;
- unanimous approval of a vote of respect and consideration for the Mr Theo Quené who is shortly to relinquish the position of the President of the SER of the Netherlands;
- submission of information by the President of the Economic and Social Council of Spain, Mr Federico Durán López, concerning the Euro-Mediterranean Economic and Social

Summit, to be held in Madrid on December 12th and 13th next. This will take place in the wake of the Barcelona Conference, to be held on November 27th and 29th next. The Economic and Social Councils of the Member-states of the European Union will take part in the said Euro-Mediterranean Summit, as will the Economic and Social Council of the European Communities and the Economic and Social Councils or the similar institutions of twelve non-Community Mediterranean countries. The Spanish Economic and Social Council will provide the pertinent documentation as soon as possible.

Lastly, the Presidents and General Secretary of the Economic and Social Councils of the Member-states of the European Union recalled the spirit of close collaboration amongst all the participating Economic and Social Councils, emphasising also the support provided by the Economic and Social Councils of the European Communities, considered as being extremely useful within the framework of a relationship observing the competences of each Council and the spirit of mutual, loyal co-operation.

The President of the Economic and Social Council of Portugal closed the meeting thanking all for their presence and for their co-operation, not only through the submission of contributions to the Report but also for their suggestions and proposals made during the Meeting.

PARTICIPANTS LIST

**PRESENCES AT THE ANNUAL MEETING OF THE PRESIDENTS AND
GENERAL SECRETARY OF THE ECONOMIC AND SOCIAL
COUNCILS OF THE MEMBER-STATES OF THE EUROPEAN UNION**

LISBON, 10th NOVEMBER 1995

COUNTRY	NAME	CHARGE
BELGIUM Central Economic Council	Luc Denayer	General Secretary
	Lode Quintens	Adjunct General Secretary
BELGIUM National Council of Labour	Pierre Paul Maeter	General Secretary
EUROPEAN COMMUNITIES Economic and Social Committee	Carlos Ferrer Salat	President
	Simon-Pierre Nothomb	General Secretary
	Claude Laval	Chief of Division of Relations with the ESC
	Göke Frerichs	Deutschland – Employers Group
	Robert Moreland	United Kingdom – Diverse Activities Group
	Leif Nielsen	Denmark - Diverse Activities Group (Agriculture)
	Seppo Kallio	Finland - Diverse Activities Group (Agriculture)
	Anders Lönnberg	Sweden – Workers Group
SPAIN Economic and Social Council	Federico Duran Lopez	President
	Angel Rodriguez Castedo	General Secretary
	Ana Garcia Femenia	Director of the President Office
	Rafael Frutos	Director of the Studies Office

<p style="text-align: center;">FRANCE</p> <p style="text-align: center;">Economic and Social Council</p>	<p>Jean Mattéoli</p> <p>Patrice Corbin</p> <p>Bertrand Duruflé</p>	<p>President</p> <p>General Secretary</p> <p>Diplomatic Councillor of the President</p>
<p style="text-align: center;">GRECE</p> <p style="text-align: center;">Economic and Social Committee</p>	<p>Dimitris Tsoukalas</p>	<p>Member</p>
<p style="text-align: center;">IRELAND</p> <p style="text-align: center;">National Economic and Social Council</p>	<p>Rory O'Donnell</p>	<p>Director</p>
<p style="text-align: center;">ITALY</p> <p style="text-align: center;">National Council for the Economic and Labour</p>	<p>Silvano Veronese</p> <p>Domenico de Sossi</p> <p>Antonio Cianci</p> <p>Gianfranco Nicolais</p>	<p>Vice-President</p> <p>General Secretary</p> <p>Director</p> <p>Director</p>
<p style="text-align: center;">LUXEMBOURG</p> <p style="text-align: center;">Economic and Social Council</p>	<p>Robert Kiefferé</p> <p>Jean Moulin</p>	<p>Vice-President</p> <p>General Secretary</p>
<p style="text-align: center;">NETHERLANDS</p> <p style="text-align: center;">Economic and Social Council</p>	<p>Theo Quené</p> <p>Ronald Gerritse</p>	<p>President</p> <p>General Secretary</p>
<p style="text-align: center;">PORTUGAL</p> <p style="text-align: center;">Economic and Social Council</p>	<p>H. Nascimento Rodrigues</p> <p>Vítor Melícias Lopes</p> <p>João Proença</p> <p>Vítor Filipe</p> <p>Jorge Seabra</p>	<p>President</p> <p>Vice-President</p> <p>Vice-President</p> <p>General Secretary</p> <p>Councillor of the President</p>