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**Working Paper**

## The institutional pre-conditions for regional labour market policy making in the EU: Case Studies and Policy Conclusions

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## **The institutional pre-conditions for regional labour market policy making in the EU: Case Studies and Policy Conclusions**

**Working Paper no 70**

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**October 2014**



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# ***The institutional pre-conditions for regional labour market policy making in the EU: Case Studies and Policy Conclusions***

***Work Package 502***

***MS96 “Summary paper on task 502.2”***

***and***

***MS97 “Policy paper on task 502.3”***

***Working Paper no 70***

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# **The institutional pre-conditions for regional labour market policy making in the EU: Case Studies and Policy Conclusions**

**Peter Huber (WIFO)**

## **Abstract**

Based on questionnaires conducted among PES organizations as well as Pacts and LEIs (Pacts/LEIs) in 40 cities of 12 EU member states and 2 non-EU member states – we take stock of the preconditions for conducting local labour market policies in an urban context in Europe and analyse the development of both regional PES organisations as well as Pacts/LEIs in the time since the economic crisis of 2008.

Our findings suggest that the most effective measures to foster partnership based regional labour market approaches in the EU would consist of: a.) Increasing budgetary autonomy of the regional level of labour market policy institutions and aligning their competencies in other fields of labour market policy to the results that are expected from them, b) Investing in the development of partnership based policy institutions such as territorial employment pacts of local employment initiatives both in terms of the number of actors and their structure, d) Increasing the problem solution capabilities of regional actors by providing additional information in terms of evaluation and monitoring results with respect to policy measures and the regional labour market situation.

In addition, the European Commission should on the one hand aim to raise awareness among national and regional policy makers on the benefits of decentralisation and devolution for regional labour market policy and to provide know-how and potentially also tools, sufficiently flexible to accommodate for the potentially widely varying needs of different local initiatives, for data generation, monitoring and evaluation. National governments, by contrast, should on the one hand aim to improve the vertical co-ordination of regional labour market policies by using best practice management tools of new public management in PES organisations and take an active role as a partner in Pacts/LEIs. They should also align the vertical distribution of formal competencies for labour market policy making in their respective countries with the tasks of (and the results expected from) regional policy organisations. From the perspective of the regional organisations, in particular this last point seems to be of major importance, since it is also considered to be the most important impediment to effective regional labour market policy making by them.

## **Contribution to the Project**

This paper summarizes the findings of task 502.2, conducting the case studies on individual countries and regions from a multi-level governance perspective. Furthermore it formulates policy suggestions with respect to regional labour market policy and summarizes and contextualizes the results of work package WP502.

**Keywords:**

Academic research, challenges for welfare system, European governance, full employment growth path, good governance, high road strategy, institutional reforms, labour market policy, labour markets, local employment initiatives, multi-level governance, policy options, public employment services, socio-ecological transition, welfare state

**Jel codes:**

J68, R23

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## 1. Introduction<sup>1</sup>

Recent decades have seen an increased trend towards dispersing formal authority from central states to regional and local authorities. According to a number of analyses (e.g. Regaglia 2008, Rodriguez-Pose and Timstra 2009, Shakel et al. 2014) this trend has been particularly pronounced in the European Union (EU), where the introduction of a supranational authority has on the one hand led to the devolution of central state competencies to the EU level, but where at the same time the increasing depth of integration has strengthened sub-national authorities (Hooghe and Marks 2001). As pointed out by some of the authors researching in the field of multilevel governance, this devolution of power to the sub-national level has taken various forms. For instance Hooghe and Marks (2010) argue that two major forms of such derogation can be observed in the European Union. The first of these (referred to as type I multi-level governance by Hooghe and Marks, 2010) involves general purpose jurisdictions with system wide and rather durable architecture that are non-intersecting in membership and organize themselves in a limited number of levels. An example of this would be the separate tiers of government in federal states. The second form – referred to as type II multi-level governance by Hooghe and Marks (2010), - by contrast, are task specific jurisdictions that have a rather flexible design and in principle can have both intersecting memberships and no limits to the number of jurisdictional levels. An example for such organizations, that are usually not regulated by constitutional law, but rather through private agreements between different actors, are the so called “Zweckverbände” among Swiss communities.

Aside from this, a second international trend in policy making in recent decades, in particular at the regional and local level - as documented for instance by the OECD (2004) - has been the increasing importance of policy networks. In these, actors in various policy fields interact in a partnership based approach in the provision of public services as a mechanism for horizontal co-ordination within regions (Eberts 2009). Again as pointed out by the OECD (2004), this trend has taken different forms, such as regional policy platforms, area based partnerships or open governments acting as agents of change in different countries and has in part also been driven by the European Union’s strong emphasis on the partnership principle in designing regional policy (Bauer 2002, Bachtler and McMaster 2008, Chardas 2012).

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<sup>1</sup> The author would like to thank Judith Schicklinski and Hewig Lutz for helpful comments and Andrea Grabmayr, Andrea Hartman and Maria Thalhammer for valuable research assistance.

European labour market policies are a particularly interesting example to study the evolution of both these trends in policy making. This is, first of all, because - in contrast to many other policy areas in which the EU is involved - European labour market policy, on account of lacking formal competencies of the European Commission, is mainly based on a soft (open) method of co-ordination in which EU authorities have only little coercive powers to influence labour market policy directly. It has been argued that even this soft co-ordination, combined with the European Commission's repeated attempts to encourage more region based approaches to employment and labour market policy<sup>2</sup>, has empowered domestic sub-national government levels in this policy field (see e.g. Lopez-Santana 2005). At the same time, this empowerment has also resulted in the creation of large and diverse stakeholder networks with respect to the institutions conducting labour market policy. As will be shown below and as it has also been documented by other research (e.g. OECD 2009), this trend has prompted organisations involved in conducting regional labour market policies to increasingly include national and regional social partner organisations, NGOs, educational institutions, individual companies as well as potential further actors as members or stakeholders in their respective networks.

Second, labour market policy is also an interesting policy field to study from the multilevel governance perspective because of the close interaction of (in the terms of Hooghe and Marks 2010) type I and type II multi-level governance organisations in this policy field. In most European countries labour market policy is conducted by national or regional ministries and is supported by Public Employment Services (PES), which according to the EU's definition "*...are the authorities that connect jobseekers with employers... through information, placement and active support services at local, national and European level*" (<http://ec.europa.eu/social/main.jsp?catId=105&langId=en>) and are often organized as typical multi-tier type I institutions. At the same time, encouraged by the advice of a number of international organizations (e.g. the OECD LEED program - <http://www.oecd.org/regional/leed/>) as well as the active support by the EU, in many

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<sup>2</sup>) This encouragement by the European Commission has taken various forms. For instance, the importance of local partnerships has been repeatedly stressed in the guidelines of the European Employment Strategy with the current (2010) guidelines clarifying that the Europe 2020 strategy should "...be implemented, monitored and evaluated in partnership with all national, regional and local authorities, closely associating parliaments, as well as social partners and representatives of civil society...". Aside from this, the Commission has previously also launched various initiatives to foster local policy approaches such as in the Community Initiatives and projects under Articles 6 and 10 in the 1994 to 1999 funding period or the territorial employment pacts initiated in 1997 (see Prats Monne 2004, Martinez-Fernandez et al. 2011, and Strauss 2000 for detailed descriptions).



countries also a set of less formal institutions, often referred to as local employment initiatives (LEIs) or territorial employment pacts (Pacts) co-exist with regional PES organisations. These organisations have been defined in different ways by different authors. One very general definition of Local Employment Initiatives is that LEIs are :*“Local in origin...[they] respond to local needs and are created and controlled by individuals and groups in the community”* (OECD 2009a p 15) while the EU defines Pacts by the following key features: *“The pact is the result of a debate leading to an agreement between local partners, published in a strategic document and accompanied by operational or financial commitments made by each partner ...[with]...a bottom-up approach [and]... a broad, active partnership: The resulting initiatives must be coordinated and integrated within an action plan. They must also innovate on local practice”* (EC, 1999, p 20) Irrespective of the concrete definition, these organizations may be considered classical type II organizations according to the typology of Hooghe and Marks (2010) as they combine the characteristics of being task specific, having a flexible design and in principle allow for intersecting memberships.

These organisations have received substantial attention in the economic literature. In particular it has been repeatedly argued by the literature on the organisation of PES that more decentralised public employment services, due to a better knowledge of the local circumstances, make possible more tailor made policies and promote innovation as well as improve accountability of local policy makers (Mosley 2011) Recently Eberts and Giguere (2009) presented evidence that more decentralised labour market policy regimes are associated with higher country wide employment rates. By contrast, critiques have stated that decentralisation bears the risk of leading to unequal standards in PES service delivery and duplication and of “reinventing the wheel” type situations as well as of failing to take account of the potential economies of scale. It is further warned that decentralisation can even undermine accountability, if regional systems of policy deliverance are inferior to national ones in terms of democratic control or accountability (see Mosley2009 for a detailed discussion of pro’s and con’s of decentralising PES organisations).

Similarly, the literature evaluating local employment initiatives or territorial employment pacts (see ECOTEC 2002, Huber 2005, Buchegger, Buchegger-Traxler 2002, OECD 2013) argues that such initiatives in many cases have been successful in achieving their self-set labour market policy goals, that they have a) raised awareness for “missing” elements in regional labour market policy, b) provided innovative new approaches to regional labour market policy, c) have improved the planning of regional labour market policy and d) secured

additional funds for policy as well as having helped communities to adapt policies to local needs and concerns. This literature, however, also stresses that the success of these organisations has often been dependent on a number of context factors such as their interactions with other institutions, the policy space in which they operated and the support they obtained from national policy makers. Furthermore, a number of case studies have argued that some of these initiatives have been poorly administered and were rather ineffective in improving labour market policy, especially in cases where these institutions received poor guidance from central government and where local capacities were poorly developed. Others (e.g. Mantino2011, Geddes1998) have noted that the complexity of the partnership approach has a high potential for creating substantial transaction costs and may lead to the entrenchment of elite interests rather than to true bottom-up development initiatives.

In this study – based on questionnaires conducted among PES organizations as well as Pacts and LEIs (Pacts/LEIs) in 40 cities of 12 EU member states and 2 non-EU member states – we aim to take stock of the preconditions for conducting local labour market policies in an urban context and analyse the development of both regional PES organisations as well as Pacts/LEIs in the time since the economic crisis of 2008. Since there are only few comparative studies focusing on these institutions in this time period, our aims are primarily descriptive. In particular, our first aim is to assess the current institutional pre-conditions for urban labour market policies in the EU at the time of interview (which was 2013). We argue that these preconditions are shaped by both the autonomy of the institutions conducting these policies and by the stakeholders involved in the decisions of these institutions.

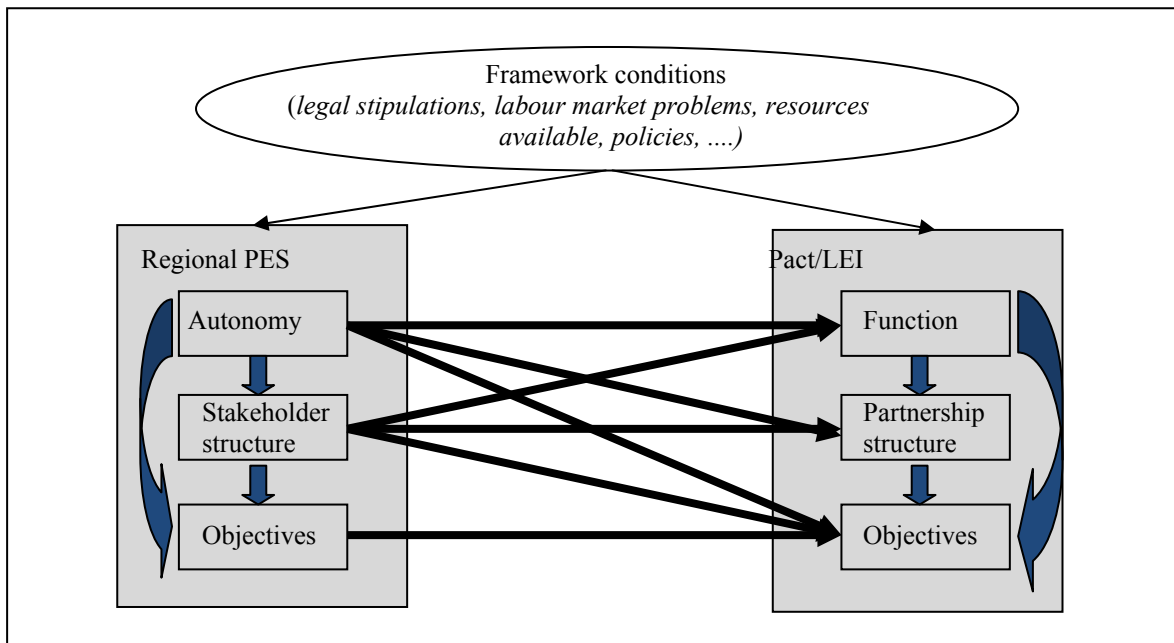
However, as a second aim we also want to know, how both regional PES and Pact/LEI organisations evolved over the period 2008 to 2013 in terms of autonomy, objective structure and target groups. Here we are interested in, whether the trends towards larger and more diverse stakeholder networks and increased decentralisation found in many studies predating the economic crisis of 2008, have also continued since. This may be important because it has been argued (see Rhodes 2012) that the economic crisis of 2008/09 has had an important impact on the national systems of governance. Thus, it is interesting to see, whether these changes are also reflected in regional governance structures.

Third, we want to know, how the type I and type II institutions in labour market policy (in the terms of Hooghe and Marks 2010) interact in their development. Thus, in contrast to a large number of studies (e.g. Regalia 2007, Bachtler and McMaster 2008, Chardas 2012) that have focused on the interaction of local

initiatives with higher tier levels of governance such as the EU or the national level, our concern is with how a classical type I organisation interacts with the development of type II organisations such as Pacts/LEIs in a particular region.

Although our aims are mainly descriptive, the conceptual framework on which we base our analysis in its most general terms (see Figure 1) starts from the assumption (supported by results of e.g. Froy and Guigere 2009, Regalia 2007, Bachtler and McMaster 2008, ECOTEC 2002, Mosley 2011) that regional PES organisations and Pacts/LEIs in Europe differ widely with respect to their organisational structure (which in the case of a PES organisation may be described by its autonomy and its stakeholder structure – and in the case of Pacts/LEIs by the functions it is expected to fulfil in the regional policy arena and its partnership) as well as with respect to their objective structure (which we measure in terms of objectives, targets groups and strategies).

Figure 1: Conceptual framework of the Study



Both the organisational structure and the objectives of these regional PES and Pact\LEI organisations are on the one hand determined by a number of regional, national and EU wide framework conditions (which may for instance consist of legal stipulations, the specific labour market problems of a region or country, the resources available to conduct certain policies, or national or EU-wide support for certain policies). On the other hand, the different elements of the organisation and objective structure of Pacts/LEIs and PES organisations,

however, also interact. Thus, for instance the degree of autonomy of regional PES organisations may impact on the size and structure of the stakeholder network created in the regional PES (either because more autonomous PES organisations are more interesting for a larger range of stakeholders or because more autonomous PES organisations – or their governing bodies – seek to involve larger stakeholder networks to help plan activities). Similarly, the organisational structure of both the regional PES and Pacts/LEIs also influences their objective structure (e.g. by providing certain stakeholders or partners with a voice in formulating policies, or by defining the activities that can be undertaken by these different organisations). In addition to this, however, also the organisation and objectives of the PES influence the organisational and objective structure of Pact/LEI (e.g. by the autonomy of the regional PES defining the political space in which the Pact/LEI can cooperate, or by facilitating or hampering the conditions for the emergence of a Pact/LEI or the inclusion of a certain partner in the Pact/LEI).

Clearly, within this general conceptual framework many linkages and correlations between different variables can be considered. Of these in this study we are interested in two aspects: firstly in the interrelationship between autonomy or function, stakeholder or partner structure and objectives in both regional PES and Pact/LEI organisations and secondly in the influence of the organisation and objectives of the regional PES on the organisation and objectives of Pacts/LEIs. As a consequence, after a description of the data and after highlighting its sources of heterogeneity, in chapter 3 we describe and analyse the differences among regional PES organisations in Europe in terms of autonomy and stakeholders involved. Here, we focus on the link between the autonomy of a PES and the stakeholders involved. Chapter 4 then describes and analyses the relationship between the organisational structure of regional PES organisations and the organisation of Pacts/LEIs. Here we focus on three levels at which this interaction can take place. A first one is the probability that a Pact/LEI exists in a region, the second is the interaction of the organisation of a regional PES with the function taken by a Pact/LEI and, finally, a third is the interaction of the organisation of a regional PES with the partnership of a Pact/LEI. In addition, in this chapter we also look at the determinants of satisfaction of regional PESs with the Pacts/LEIs in their region.

Chapters 5 and 6, by contrast, look at the objectives of regional PESs and Pacts/LEIs. Here, chapter 5 focuses on the target groups and sector strategies of the PES organisations and asks to what degree different institutional features of the PES impact on the diversity and heterogeneity of target groups and strategies

considered of the regional PES and how these features impacted on the flexibility and the extent of policy changes in the period since 2008. Chapter 6, by contrast, provides descriptive evidence on the importance and changes in importance of various objectives and sector specific strategies followed by Pacts/LEIs and compares them to the results for the regional PES. This chapter also analyses the interaction between Pacts/LEIs and the regional PES on the level of objectives and sector strategies. Finally, in chapter 7, based both on our results and additional results in the literature, we summarize and contextualize results and draw some policy conclusions.

## 2. Data

The data we use for our purposes was collected in the framework of the *wwwforeurope* project by field researchers in 40 European cities located in 14 countries (see Dohse and Gold 2014 and Sauer et al. 2014 for descriptions). In the course of the field phase of this project, which was concerned with collecting information on wide set of topics on the governance and self-organisation in European cities, field researchers interviewed decision makers in the fields of labour market policy, migration and in the sectors of energy, water and green spaces/land use in each of the cities. In the fields of labour market policy and migration all data was collected by face to face interviews using a questionnaire consisting mostly of closed form questions. In the labour market questionnaires field researchers were asked to interview one persons from the management of the regional PES and one person from the management of one Pact/LEI operating on the city territory. Since in many countries the territories serviced by different PES-tiers do not correspond to the administrative city limits and since interviewing multiple tiers of the PES was not feasible on account of financial and time constraints, interviewers were asked to interview the lowest tier level of this organisation operating on the territory of the city they were researching, irrespective of whether this level of organisation was also responsible for other regions or not.<sup>3</sup> These representatives were presented a questionnaire that interviewed them on the autonomy, objective structure and target groups of their organisations as well as on the major changes that occurred with respect to these dimensions since 2008.

The second type of actor interviewed were representatives of local employment initiatives or territorial employment pacts. Since from the literature (e.g. Regalia 2008, Buchegger and Buchegger-Traxler 2002, Geddes1998, Pyke 1998) it is known that these organisations are extremely diverse in their organisation and objectives, and also often hard to identify for an outsider, and because a comprehensive interviewing of all initiatives in the city was not feasible, only one initiative operating in each of the cities was interviewed. To select this initiative, the field researchers asked the interviewed PES representatives for a suggestion and, if such

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<sup>3</sup> We decided for this lowest tier organisations even though this implied sampling organisations that service a larger or a smaller territory than the administrative city limits of the respective city level to on the one hand guarantee the best possible comparability between different PES organisations and on the other hand because, as will also become apparent below, even the lowest tier PES in most regions operates on a regional scale exceeding administrative city limits. This can be justified by the openness of urban labour markets, which often necessitates a close co-ordination of urban labour market policies with the suburban regions surrounding the city (see OECD, 2009a), but also clearly documents the complicated position of cities when attempting to have their specific labour market problems considered in designing regional labour market policies.

a suggestion could not be obtained, interviewed a randomly selected initiative.<sup>4</sup> Field researchers were, however, also told that in some cities no Pacts/LEIs may exist. In this case they were instructed to conduct no interviews with Pacts/LEIs.

*Table 1: Sample Structure by City Size and European Region*

Region	City Size			Total
	Small	Medium	Large	
Western Europe	8 (7)	3 (2)	1 (1)	12 (10)
Eastern Europe	3 (2)	5 (3)	1 (0)	9 (5)
Northern Europe	2 (2)	4 (3)	2 (0)	8 (5)
Southern Europe	2 (1)	4 (2)	5 (2)	11 (5)
Total	15 (12)	16 (10)	9 (3)	40 (25)

Source: wwwforeurope questionnaire. Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK. Values in brackets refer to the number of Pact/Lei institutions sampled.

The survey was designed so as to capture the heterogeneity of European cities with respect to size and national institutional environment as well as with respect to economic development (see Dohse and Gold 2014, Sauer 2014). Reflecting this intention, the sampled cities differ substantially with respect to population (table 1). Around 38% of the cities have less than 250.000 inhabitants and thus qualify as small cities and another 40% of the cities are medium sized with between 250.000 to less than 1 million inhabitants. Only 9 cities are large with more than 1 million inhabitants. Furthermore, while a PES organisation was sampled in each of the 40 cities, Pacts/LEIs were only identified in 25 of the 40 cities, with in particular the number of such institutions sampled in large cities (with only 3) being very low indeed.<sup>5</sup> Clearly given the small sample size and its heterogeneity we cannot claim to have a representative sample, nonetheless we think that given the paucity of international comparative results in the field of regional labour market policy governance we think that our data can be used in the framework of an explorative study to provide some illustrative empirical evidence on the potential validity of some of the hypotheses that will be discussed below.

The sample also encompasses countries with different traditions of multilevel governance such as federal (such as Switzerland, Germany and Austria) and classical unitary states (e.g. France and most of the

<sup>4</sup>By referring field researchers to the advice of an expert institution such as the PES, we hoped to get a sample of initiatives that are rather highly esteemed and both well known and functioning in the respective regions. One disadvantage of eliciting interview suggestions in this way is that the regional PES may have been more likely to mention initiatives in which it had a strong role.

<sup>5</sup>Originally it was planned to interview one high performing and one low performing city in each of the sampled countries. In some countries, however, some cities did not consent to being interviewed so that the original sampling plan had to be adapted slightly. (A detailed description of the sampling process can be found in Sauer et al. 2014)

Eastern European countries) and includes EU countries and non-EU countries (i.e. Switzerland and Turkey)<sup>6</sup>. The countries are also drawn from rather different welfare state regimes (i.e. including countries that follow the liberal, corporatist and social democratic welfare model described by Esping-Andersen, 1990) and have rather different experiences of economic crisis since 2009 as is evidenced by the inclusion of Poland (which was the only European country to experience growth in 2009) and Greece (which experienced massive GDP declines since the 2009 crisis). Clearly the size of the sample and the heterogeneity provides for a number of ways to group countries.<sup>7</sup> For the primarily descriptive purposes of this study we will structure countries according to geographic criteria. Thus, we divide countries into the Western European countries (France, Germany, Austria and Switzerland), Eastern European (Poland, the Czech Republic and Romania) and Northern (Sweden, Denmark and the United Kingdom) as well as Southern European countries (Italy, Spain, Greece and Turkey).

## **2.1 Economic and labour market conditions of the cities**

The sample also covers cities with rather different unemployment levels, such as for instance Linz where the unemployment rate amounted to 3.6%, according to EUROSTAT sources, in 2010 and Valencia where this unemployment rate was 22.3% in the same year, and has increased to over 27% since. This large difference in the labour market situation is also reflected in the case loads (i.e. the number of unemployed per case manager) reported by the different PES organisations (see Figure 2). These are highest in the high unemployment regions of Southern Europe, where there were on average 409 unemployed persons per case manager at the PES in the cities of our sample, while they were lowest (with 93 unemployed per case manager) in Northern Europe (in particular in Swedish and Danish cities), where on the one hand unemployment rates are lower, but where on the other hand also activating labour market policies based on intensive consultation and training of unemployed (and thus lower case loads) have a longer tradition than in most other European countries.<sup>8</sup> Furthermore, case loads, reflecting the high unemployment rates in the large cities of Western,

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<sup>6</sup> In a number of cases countries with strong autonomous regions and secessionist movements (e.g. Spain and the UK) were covered. In each of these countries at least one city from the autonomous regions (i.e. the Basque County, Catalonia and Scotland) was included.

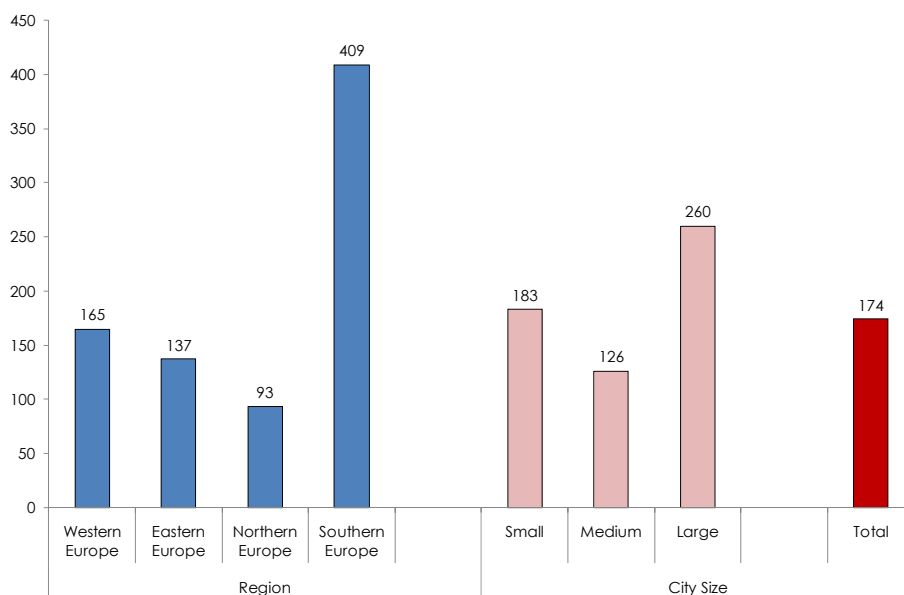
<sup>7</sup> Such a grouping of countries is necessary because the sample size in individual countries is too small (with at most 5 PES organizations being sampled in one country) to allow for a country by country analysis.

<sup>8</sup> In addition the case load may, however, also be influenced by the degree outsourcing of a regional PES as well as on the different job descriptions of the employees at the PES (which in some cases may be specialized case managers and in other cases could be less specialized).



Southern and Northern Europe, are noticeably higher than average in large cities and lower than average in the medium sized cities, while in small cities they are just slightly higher than the average case load (of 173 unemployed per case manager).

Figure 2: Average case load (number of unemployed per case manager at the PES) reported PES organizations by region and city size



Source: wwwforeurope questionnaire. Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

## 2.2. Territory serviced by PES organisations and Pacts/LEIs

The heterogeneity in terms of city size and experience with multilevel governance also leads to some heterogeneity with respect to the size of the territory serviced by the respective organisations. Among the 40 interviewed regional PES organisations in the cities, 23 were responsible for a territory that is larger than the administrative city limits, while in only 13 the territory serviced by the regional PES accorded with the administrative city limits and in 4 cases (Rennes, Birmingham, London, Naples) PES organizations were interviewed for which the territory serviced was smaller than the administrative city limits. As was to be expected, the share of PES administrations servicing territories larger than the administrative city limits is particularly large among the small cities and substantially smaller among the medium sized and large cities (Table 2). In addition, however, also national differences in organisation of the PES impact on this indicator. In Western and Southern Europe, the majority of interviewed regional PES organisations service a territory that is larger than the administrative city limits and only a very small number of PES organisations (Dortmund and Kiel

in Western Europe and Valencia, Istanbul and Milan in Southern Europe) serve a territory that corresponds to the administrative city limits. In Eastern and Northern Europe, by contrast, the majority of PES organisations in cities serve a territory that corresponds to the city limits. What is, however, common to cities of all sizes and all regions is the low number of regions in which the regional PES is responsible for servicing a territory smaller than the administrative city limits.

*Table 2: Territory serviced by PES organisation relative to administrative city limits*

	Territory serviced by PES organisation relative to administrative city limits		
	Corresponds in size	Is larger than the city	Is smaller than the city
		Region	
Western Europe	2	9	1
Eastern Europe	5	4	0
Northern Europe	3	3	2
Southern Europe	3	7	1
		City Size	
Small	3	11	1
Medium	7	8	1
Large	3	4	2
Total	13	23	4

Source: wwwforeurope questionnaire. Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

*Table 3: Territory serviced by pact/LEI organisation relative to administrative city limits*

	Corresponds to administrative city limits	Is larger than administrative city limits	Is smaller than administrative city limits	covers part of city and part of other territories	Total
			Region		
Western Europe	0	8	1	1	10
Eastern Europe	2	3	0	0	5
Northern Europe	2	3	0	0	5
Sothern Europe	0	4	0	1	5
			City size		
Small	1	10	0	1	12
Medium	4	6	0	1	11
Large	0	2	1	0	3
		Territory covered PES ... administrative city limits			
Corresponds to	2	5	0	0	7
Is larger than	2	12	1	2	17
Is smaller than	0	1	0	0	1
Total	4	18	1	2	25

Source: wwwforeurope questionnaire. Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

The same observation applies to the interviewed Pacts/LEIs, although for them the number of observations is somewhat smaller than for the PES organisations, because no such organisations could be identified in a number of cities. Also among the 25 Pacts/LEIs sampled, the vast majority (18) was responsible for a territory that is larger than the administrative city limits, while in only 4 cities the territory serviced by these

organisations accorded with the administrative city limits and in 2 cases the territory serviced was smaller than the administrative city limits. In contrast to the PES questionnaire, however, one organisation partly serviced the city limits and partly also other territories (Table 3). Furthermore, also for these organisations the share of organisations servicing territories larger than the administrative city limits is particularly large among small cities and substantially smaller among medium sized and large cities. Also the share of organisations servicing a territory that is larger than the city is particularly high in Western and Southern Europe, while in Eastern and Northern Europe the share organisations serving a territory corresponding to the city limits is slightly larger.

These findings suggest that the territory covered by a Pacts/LEIs relative to the city limits often corresponds to that of the regional PES. This is also confirmed by the bottom panel of Table 3. In this we cross tabulate the size of the territory serviced by the Pact/LEI relative to city limits and the territory serviced by the PES relative to city limits. In the vast majority of cities (12 of 25) both of these organisations service a territory larger than the administrative city limits, while in only 2 the regional PES serves a territory larger than the administrative city limits and the territory covered by the Pact/LEI corresponds to the city limits. Similarly, in five of the cities, the regional PES serves a territory corresponding to the city limits. In these the Pact/LEI services a territory larger than the city limit, and in 2 the Pact/LEI also corresponds to the city limits.

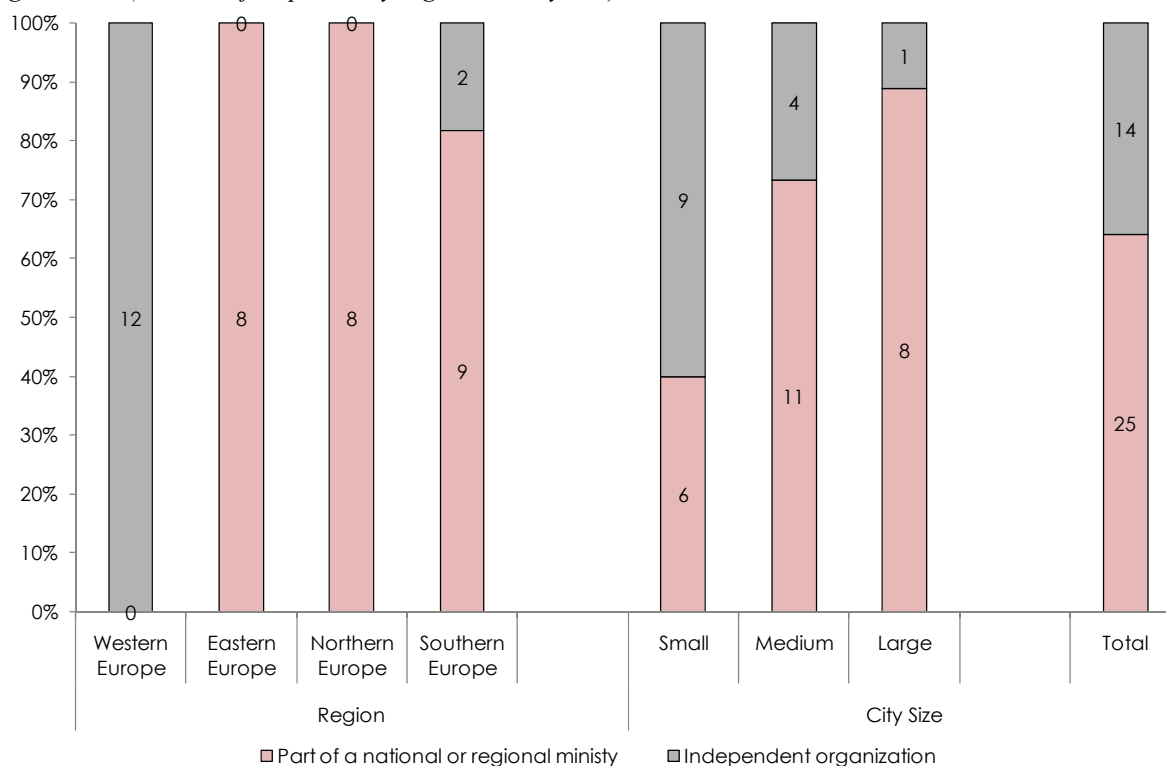
### **2.3 Independence of PES organisations**

National differences also have a strong impact on the independence of PES organisations, which are mostly organized at the national level and whose competencies are usually regulated by national law. Of the 40 PES organisations interviewed, 28 are part of a (national or regional) ministry while 12 are part of an independent organization, which, however, in the vast majority of cases is also organised at the national level and only has regional sub-organisations.<sup>9</sup> The strong impact of national regulations on the organisation of the PES is reflected by the vast heterogeneity of this indicator across different EU regions. For instance, in Western Europe all of the interviewed regional PES organisations are also part of an independent organisation. In Eastern and Northern Europe all of the PES organisations are part of a ministry, while in Southern Europe only a small number of the PES organisations (those in Greece) are parts of an independent organisation.

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<sup>9</sup> See <http://ec.europa.eu/social/main.jsp?catId=105&langId=en> for a description of PES organisations in Europe.

Figure 3: *Is the regional PES part of a (national or regional) ministry or part of an independent organisation (Number of responses by region and city size)*



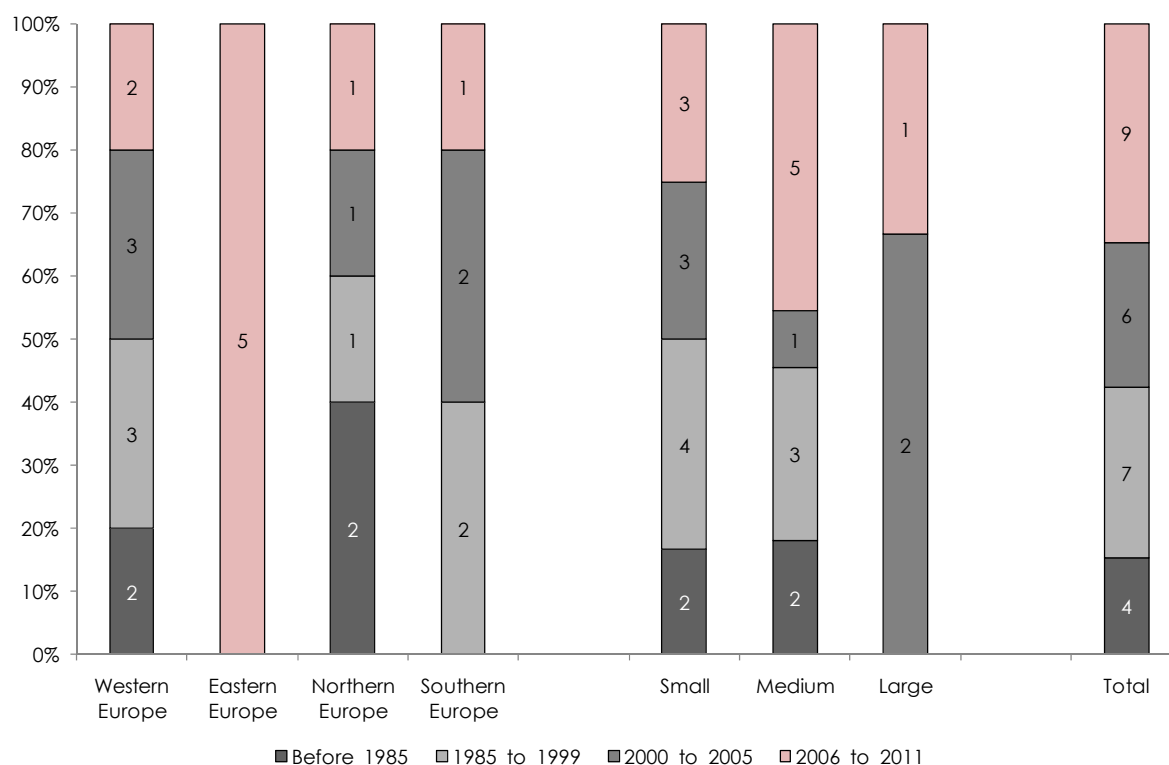
Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

## 2.4 Age and function of Pacts/LEIs

Finally, in accordance with the findings of the literature, there is also substantial heterogeneity of the identified Pacts/LEIs. For instance Regalia (2008) remarks that while most territorial employment pacts and local employment initiatives are rather young, there are also quite a few examples, where such institutions have already existed for a rather long time. ECOTEC (2002), in constructing a typology of territorial employment pacts, suggests that these institutions may serve quite different purposes. In particular ECOTEC (2002) argues that the most often found functions of Pacts/LEIs are those of being a) a forum for the co-ordination of policy measures of the involved partners, b) an institution for designing and implementing policies and c) an exchange platform for strategies and plans of regional actors, where some of such institutions may serve only one of these functions and others more than one.<sup>10</sup>

<sup>10</sup> In this typology which is not exclusive co-ordination Pacts/LEIs conclude a formal agreement on the policies to be followed by individual partners, with these policies administered in the partner organizations, while implementation Pacts/LEIs administer policy measures that are formally agreed on by the partners and information platform Pacts/LEIs do not conclude any formal agreements on policy.

Figure 3: Period of creation of Pacts/LEIs by EU-region and city size



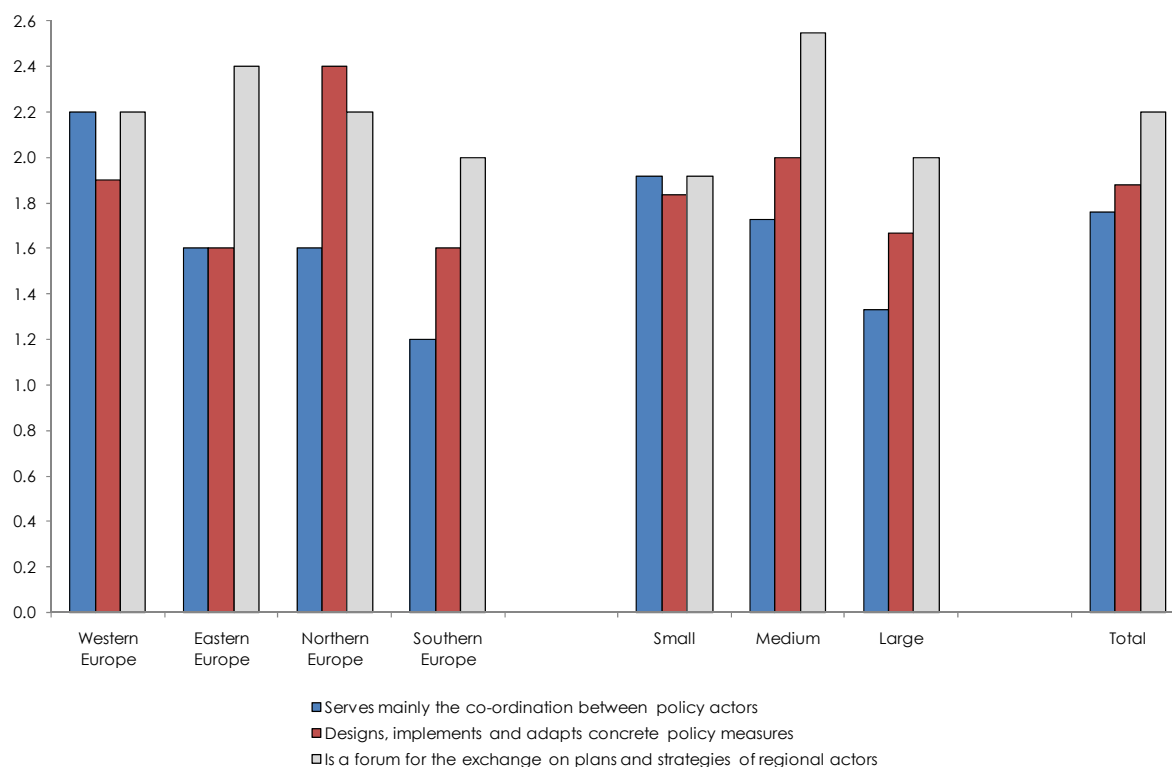
Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

These findings are reflected in the results of the Pact/LEI questionnaire. The oldest Pact/LEI in our sample was founded in 1970 (in Copenhagen) and among the 25 Pacts/LEIs identified, 4 had already been founded before 1985 and have thus existed for more than 3 decades. Most of the Pacts/LEIs (15) are, however, rather young and were founded after the year 2000 (Figure 3). For historical reasons the youngest pacts are found in the Eastern European countries, where unemployment only started to be registered openly after the political shifts after 1990 and where thus many institutions for conducting labour market policy (including Pacts/LEIs) have been founded later than in the other parts of Europe. The oldest such institutions, by contrast, are found in Northern and Western European countries (in Denmark and Germany), while the development of such institutions – at least judging from our sample – set in after 1985 in Southern Europe. In addition, also large cities seem to be latecomers to this institutional development, since all Pacts/LEIs sampled in large cities were founded after the year 2000, while the oldest pacts are found in small and medium sized cities.

Similarly, the functions fulfilled by Pacts/LEIs vary substantially across the different European regions and cities of different size. While most of the interviewed persons agree that their respective Pact/LEI serves as a

platform for exchange of information of regional actors, followed (at some distance) by the function of implementing policy measures, this is primarily due to the importance of this function in Pacts/LEIs in Southern and Eastern Europe and in large and medium sized cities. In Northern Europe, the interviewees much more strongly agree that the Pact/LEI designs and implements concrete policy measures, while in Western Europe the policy co-ordination function of the Pact/LEI is stressed. This is a function that is not much emphasized in the other parts of Europe.

*Figure 4: In your opinion how applicable are the following statements to your pact/local employment initiative*  
*Average score on a scale from 3 = very applicable, 1 = not applicable*



Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

### **3. Differences in autonomy and stakeholder structure among PES organisations**

One issue that can be addressed with our data is to what degree the institutional heterogeneity reflected in our data impacts on the autonomy and stakeholder structure of regional PES organisations. This may be of relevance because a number of authors (e.g. Froy and Guigere 2009, Rodriguez-Pose and Tijnstra 2009) have argued that to design adequate regional labour market policies, organisations at the regional level need to involve a large number of stakeholders and to have some autonomy in designing, implementing, administrating as well as monitoring and controlling regional labour market policies. As, however, inter alia pointed out by Rodriguez-Pose and Tijnstra (2009), different regions may find themselves in rather different positions with respect to the capability of conducting autonomous regional labour market policies and of recruiting and shaping stakeholder networks. For instance, one could hypothesize that regional PES organisations servicing larger cities as well as those that are part of an independent institution are likely to have more competences than those that are servicing small cities or are part of a ministry. Similarly, one could hypothesize that PES organisations enjoying more autonomy and/or being part of an independent organisation should have more possibilities to decide on who they define to be their stakeholders (or in deciding in how to involve stakeholders).<sup>11</sup> In addition, PES organisations serving larger cities, on account of a larger number of competent potential partners, could find it easier to recruit large stakeholder networks. Alternatively, however, PES organisations serving smaller cities may have an advantage in involving stakeholders on account of such stakeholders being easier to locate in small cities.

A second issue that can be addressed with our data is whether the tendencies in regional policy making highlighted in the introduction – i.e. the tendencies of increased devolution of autonomy to the regional level and increasing involvement of larger stakeholder networks - also apply to the PES organisations sampled in our interviews for the period 2008 to 2013. This, as argued in chapter 1, may be important because it has been argued that the economic crisis of 2008/09 may also have an important impact on the national systems of governance. Therefore, it is interesting to see whether these changes are also reflected in regional governance structures.

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<sup>11</sup> The reasons for this may be that such institutions also enjoy more autonomy in designing their stakeholder networks or that more autonomous PES organizations are more attractive to potential partners, on account of them providing for a larger influence on labour market policies (see Gambaro, Milio, Simoni 2004).

In this chapter we therefore analyse how the autonomy and stakeholder structure of the PES organisations correlates with the different sources of heterogeneity in our sample described in the last chapter and ask to what degree the tendencies towards increased diversity and interdependence of stakeholder networks have also been applied to regional PES organisations in the last decade. In the next section we analyse the autonomy of PES organisations and section two considers the stakeholder networks of PES organisations while finally sections three and four consider changes in autonomy and stakeholder networks.

### **3.1 Autonomy of regional PES organisations**

#### *Budget autonomy*

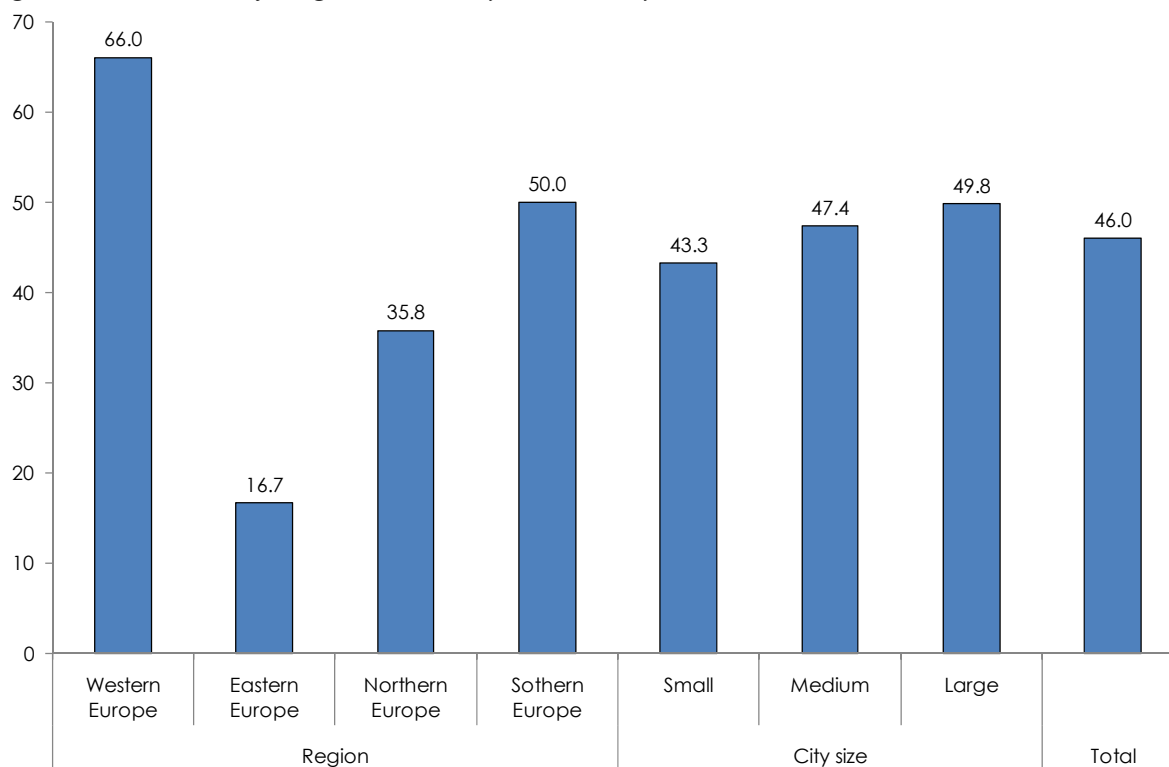
To assess the autonomy of the regional PES organisations we use two questions posed in the interviews. In the first of these, representatives of the regional PES were asked approximately what share of the organisations' total budget the regional PES could decide on autonomously. This question was unfortunately only answered by 28 regional PES organisations, but - in accordance with our prior expectations - suggests that both PES organisations in larger cities as well as PES organisations that are part of an independent organisation as a rule decide on a larger share of their budget autonomously: While in average the share of total budget decided on autonomously by PES organisations is 46%, this percentage reaches almost 50% in large cities but only 43.3% in the small cities (Figure 6). PES organisations that are part of an independent organisation in average decide on 60% of their budget autonomously, while with PES organisations that are part of a ministry this share is only 37% of the budget.

The share of autonomously decided budgets by the regional PES in our sample is also noticeably larger among Western European countries, where PES organisations also are more often part of an independent institution, serve a larger territory and where in particular German and Austrian PES organisations have a high share of autonomous expenditures, on account of the federal structure of the PES and because of differences in management system (e.g. the degree to which management by incentives has been implemented). In the Eastern European countries, where PES organisation as a rule are part of a ministry, by contrast, the budget autonomy of the PES organisations is substantially lower. In these countries, PES organisations in average decide on only around 17% of their expenditures autonomously. In Northern and Southern European countries, the average PES organisation autonomously decides on 36% and 50% of the budget, respectively. Differences between PES organisations that serve a territory that corresponds to the administrative city limits of the studied city and those



that do not, by contrast, are more limited. PES organisations serving territories corresponding to city limits in average decide on 50% of their budget and organisations that do not on 44% of their budget.

Figure 6: Share of budget autonomously decided on by the PES



Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

### Decision Powers

Budget autonomy, however, is only one aspect of the autonomy of PES organisations. As recently pointed out for instance by OECD (2009), regional PES organisations also differ with respect to a number of decision powers in designing programs, allocating budgets<sup>12</sup>, defining target groups, monitoring and evaluating results as well as administrative competencies (including those to form partnerships) that are not always reflected in budget autonomy. As a consequence, regional PES organisations were also asked whether they are at least partially responsible for a selected list of tasks. The responses to this question (Table 4) suggest that while on average a regional PES can decide autonomously on 46% of its budget, a much larger share of such

<sup>12</sup> In contrast to the budgetary autonomy, which measures the share of total budget decided on autonomously, the decision powers with respect to allocating budget refer to whether a PES has at least partial autonomy in deciding on certain budgets (e.g. for active labour market policy). This indicator therefore focuses more on the power to make a certain decision than the budgetary share.

organisations have at least partial autonomy in a number of fields. This applies in particular to tasks such as administration of employment policy, deciding on the participation of individuals in labour market programs, monitoring the regional labour market situation, recruiting employees for regional PES and delivering placement services. For these, over 60% of the interviewed regional PES organisations stated that they had at least some autonomy in fulfilling the task.

In addition, activities such as developing new active labour market programs, controlling compliance to eligibility criteria for unemployment benefits, monitoring success of active labour market policy, outsourcing active labour market policy measures, deciding on budgets for individual active labour market programs in the region and defining organisational structures at the regional PES were named by at least 50% of the PES organisations. In fields that are more often regulated by national law and/or are closely associated to national labour market strategies such as designing passive labour market policy (unemployment benefits), designing social benefits, administrating labour law, formulating principles of active labour market policy, by contrast, less than a quarter of the interviewed PES organisations are at least partially responsible.

*Table 4: Policy fields for which regional level PES is at least partially responsible*

	Western Europe	Eastern Europe	Northern Europe	Southern Europe	Total
Designing passive labour market policy (unemployment benefits)	16.7	12.5	0.0	10.0	10.5
Designing social benefits	16.7	42.9	12.5	9.1	18.4
Administrating labour law	8.3	16.7	57.1	22.2	23.5
Formulating principles of active labour market policy	41.7	12.5	12.5	27.3	25.6
Deciding on budget for active labour market policy at regional level	30.0	37.5	12.5	33.3	28.6
Payment of social benefits	33.3	57.1	0.0	27.3	29.0
Deciding on budget for developing and testing new active policy measures	45.5	28.6	12.5	36.4	32.4
Deciding on administrative budget of regional PES	27.3	14.3	50.0	40.0	33.3
Controlling compliance to eligibility criteria to social benefits	41.7	57.1	12.5	30.0	35.1
Payment of unemployment benefits	50.0	87.5	12.5	18.2	41.0
Developing new active labour market programs (other than existing ones)	58.3	62.5	50.0	30.0	50.0
Controlling compliance to eligibility criteria for unemployment benefits	50.0	85.7	62.5	20.0	51.4
Monitoring success of active labour market policy	50.0	71.4	50.0	44.4	52.8
Outsourcing active labour market policy measures	63.6	62.5	42.9	40.0	52.8
Deciding on budget for individual active labour market programs in region	90.0	57.1	37.5	45.5	58.3
Defining Organizational structures at regional PES	54.6	71.4	57.1	54.6	58.3
Administration of employment policy	63.6	50.0	71.4	55.6	60.0
Deciding on participation of individuals in labour market programs	70.0	75.0	83.3	30.0	61.8
Monitoring the regional labour market situation.	83.3	57.1	75.0	54.6	68.4
Recruiting employees for regional PES	72.7	85.7	62.5	66.7	71.4
Delivering placement services	72.7	83.3	75.0	85.7	78.1

Source: wwwforeurope questionnaire. Note: Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

Aside from clarifying that the autonomy of PES organisations is specific to certain tasks and very often only weakly correlates with budget autonomy<sup>13</sup>, this also highlights the heterogeneity of the degree of autonomy of regional PES organisations. Thus, for instance, while in terms of autonomously decided budget shares Eastern European PES organisations have the lowest degree of autonomy, a large share of them has at least some responsibility in a number of other tasks. Over 50% of the Eastern European regional PES organisations have some responsibilities in payment of social benefits, controlling compliance to eligibility criteria to social benefits or payment of unemployment benefits which are not in the competencies of many regional PES organisations in the rest of Europe. Therefore, in particular in areas where decisions concerning payment of benefits are concerned, Eastern European regional PES organisations as a rule have slightly more competences than in other parts of Europe. The high level of budgetary autonomy of the PES organisations in Western Europe, by contrast, seems to be associated with the very large share (over 80%) of the PES organisations that are at least partially responsible for deciding on budgets for individual active labour market programs in their region, and for monitoring the regional labour market situation.

To further analyse this data, we follow the typology developed by Froy and Guigere (2009). This divides the competencies of regional PES into competencies related to designing programs, allocating budgets, defining target groups, monitoring and evaluating results, administrative competencies (including those to form partnerships) and competences in outsourcing. For each of these competence fields we constructed an index of autonomy, (by counting the number of items for which the regional PES had some competence and divided this by the total number of competencies) which takes on a maximum of 1, if a regional PES has competencies in all items belonging to a field and a minimum value of zero if it has none.<sup>14</sup> The results (in table 5) reconfirm that the organisation of the PES is important in determining the autonomy of the regional PES.<sup>15</sup> PES organisations that

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<sup>13</sup> Correlations of the share of the autonomously decided budget of a PES organisation with the areas in which the regional PES has at least some responsibility suggest that many of the fields of responsibility are only weakly correlated to higher budgetary autonomy. Only the responsibility for deciding on active labour market policy budgets, designing passive labour market policies and monitoring the success of active labour market policy are significantly (at the 10% level) positively correlated with the share of the autonomously decided budget, while being at least partially responsible for placement services correlates negatively with budget autonomy.

<sup>14</sup> Table A1 in the annex shows the allocation of individual competencies to these areas.

<sup>15</sup> Aggregated results for these indices differ somewhat from those of Froy and Guigere (2009) due to asking slightly different questions, but also due to our focus on cities for a slightly different set of countries than in Froy and Guigere (2009).

are part of an independent organisation have more competencies in all fields except for outsourcing. The differences between cities of different sizes are somewhat less pronounced. Regional PES organisations in large cities tend to have more competencies in allocating budgets, defining targets and monitoring and evaluating. Regional PES organisations in small cities, by contrast, more often have at least partial responsibilities in designing programs and in performing administrative tasks.

*Table 5: Share of policy fields in different areas for which regional level PES is at least partially responsible (In %)*

	Designing programs	Allocating Budget	Defining target groups	Monitoring and Evaluating	Administration	Outsourcing
Region						
Western Europe	30.6	50.0	55.0	58.3	45.5	31.8
Eastern Europe	38.1	40.0	43.8	66.7	61.1	41.7
Northern Europe	20.8	28.1	50.0	45.8	47.6	28.6
Southern Europe	14.8	36.1	25.0	40.7	47.2	24.1
City Size						
Small	28.6	25.0	46.2	45.8	51.4	32.1
Medium	25.6	37.5	42.3	50.0	42.6	32.1
Large	22.2	48.1	37.5	57.1	50.0	26.2
Territory covered PES ... administrative city limits						
Larger	22.2	33.3	43.2	56.1	53.9	28.6
Corresponds	33.3	50.0	41.7	44.4	38.3	34.7
Organisation is part of						
A ministry	25.8	37.5	40.9	50.0	47.8	33.3
An Independent organisation	26.2	41.7	45.8	54.8	48.6	26.9
Total	25.9	39.1	42.6	52.0	48.1	30.8

Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

Furthermore, differences between regional PES organisations that serve a territory corresponding to administrative city limits and other regional PES organisations are rather small. The former more often have autonomy in designing programs, allocating budgets and outsourcing, while the latter are more often involved in defining target groups, in monitoring and evaluation and in administration. Differences between regional PES organisations in different European regions, by contrast, are more pronounced and seem to be of equal importance as those between independent PES organisations and PES organisations that are part of a ministry.<sup>16</sup>

Western European PES organisations in average have substantially more autonomy in allocating budgets and defining target groups, while PES organisations in Eastern Europe have more autonomy in monitoring and

<sup>16</sup> This is confirmed by a regression in which we control for city size group, country group and independence of PES organisations. Among these variables for budgetary autonomy, the indicator variables for city size are significant as is the control for independence of the PES organisation. For the responsibility variables, only the indicator variables for country groups (for allocating budget, monitoring and evaluating and outsourcing) and the dummy for independent PES organisations (for allocating budgets, defining target groups, monitoring and evaluating as well as administration) are significant.

evaluating, administrative tasks and in outsourcing.<sup>17</sup> PES organisations in both Southern and Northern Europe as a rule have less autonomy than in average of the whole sample in all fields, except for defining the target groups of active labour market policies in Northern Europe. Aside from being influenced by city size and independence of the regional PES, regional autonomy is also impacted upon by national regulations of labour market governance that are not directly measured in our data.

In sum considering different aspects of the autonomy of the regional PES suggests that national institutional arrangements and size of the city served by the PES are major determinants of the budgetary autonomy of PES organisations, while most other aspects of autonomy are primarily governed by national stipulations such as the independence of PES organisations and other national institutional aspects not measured directly in our data.

### **3.2 Stakeholder involvement**

There are, however, also substantial differences in the types of stakeholders involved in the decision making of the regional PES. A number of authors have argued that the existence of broad based actor networks involving a multitude of actors is a precondition for successful regional labour market policies. Thus the regional PES organisations sampled were asked, which of a given list of stakeholders is involved in decision making of the regional PES. These stakeholders can be divided into regional, national and other stakeholders<sup>18</sup>. Figure 7 reports the average number of stakeholders involved in the decision making of PES organisations by the region in which the organisation is located and by city size as well as by organisational features of the regional PES. The average PES has 3.7 national and 4.3 regional stakeholders. Other stakeholders, by contrast are rather rarely included. In average, the regional PES has only 0.1 such stakeholders.

There is also substantial variance in the size of stakeholder networks. Southern European PES organisations and organisations located in medium sized cities as well as regional PES organisations serving territories not corresponding to the administrative city limits have noticeably smaller stakeholder networks than

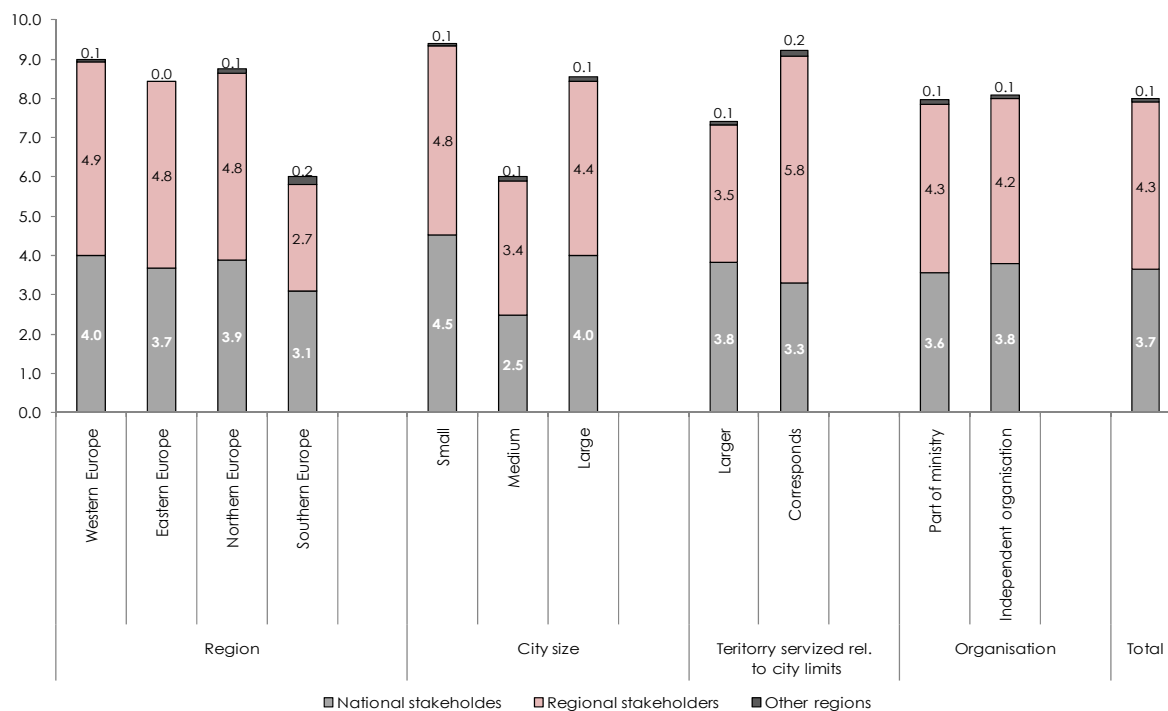
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<sup>17</sup> This is consistent with findings of Mosley (2011) stating that PES organisations in Eastern Europe have high levels of managerial decentralisation on account of their labour market policy institutions having been developed in course of accession to the EU.

<sup>18</sup> Regional stakeholders are municipalities, regional social partner organisations, regional NGOs and regional social policy, employment policy, and regional policy actors. National stakeholders are national social partner organisations, national NGOs and national social policy, employment policy, and regional policy actors as well as EU structural funds committees and other stakeholders are private actors, research and education institutions and actors in neighbouring regions.

the average. Western European PES organisations and organisations located in small cities have larger networks than average. Differences between independent PES organisations and organisations that are part of a ministry, by contrast, are only minor.

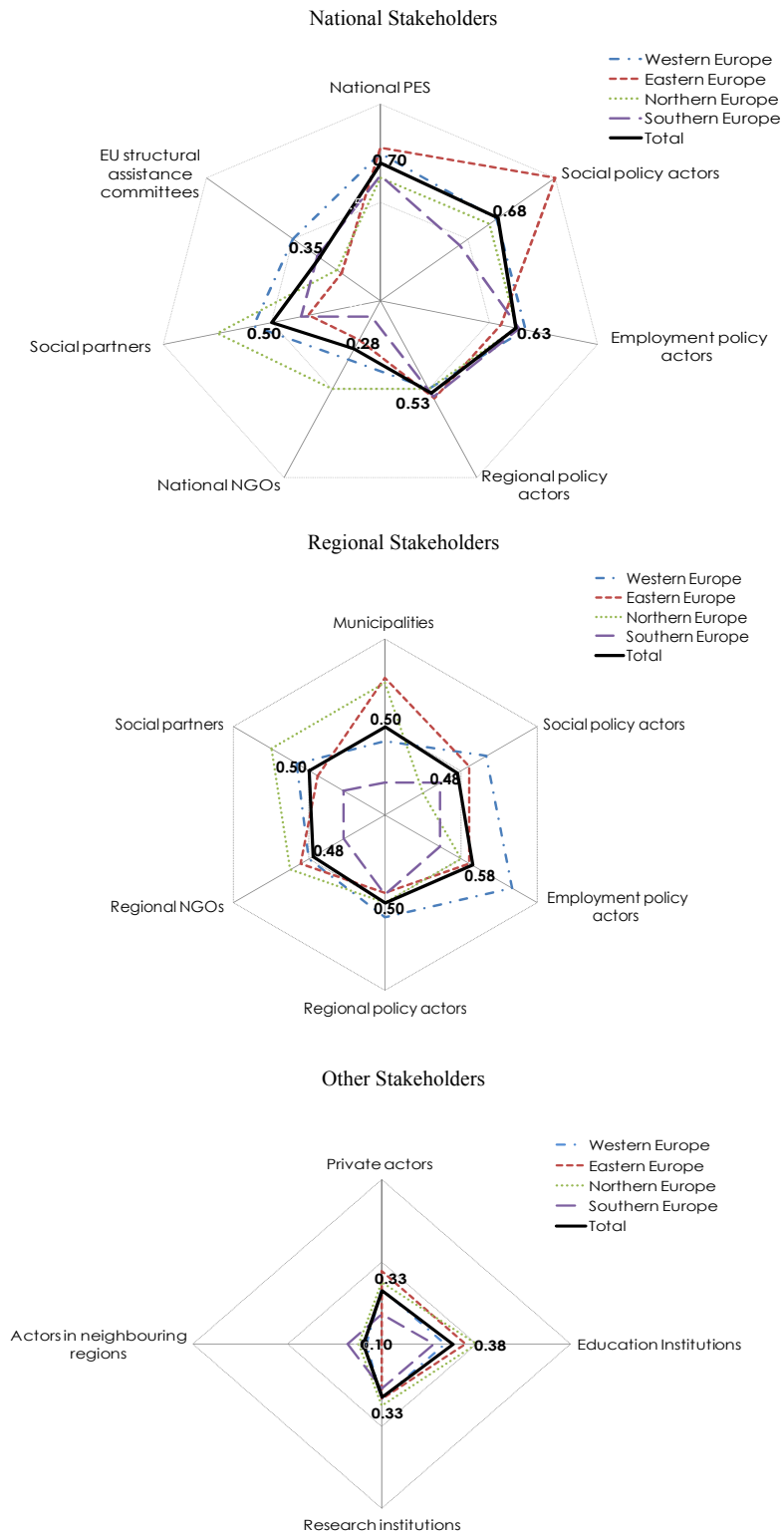
Figure 7: Average number of stakeholders involved in the decision making of regional PES organisation



Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe = CZ, PL, RO; Southern Europe = ES, GR, IT, TK, Northern Europe = DK, SE, UK.

There are, however, also some differences with respect to the structure of the stakeholder networks. In the aggregate - as could be expected - the stakeholder that most often participates in the regional PES organisation is the national PES followed by national social policy and national employment policy actors. The national PES is named as a national stakeholder by 70% of the interviewed PES organisations and national social and employment policy actors are named so by 68% and 63%, respectively (see Figure 8). Furthermore national policy actors in regional policy and national social partner organizations are named as further stakeholders by over half of the PES organizations, while EU structural assistance committees (38%) and NGOs (28%) are only named by a minority of the PES organizations.

Figure 8: Stakeholders involved in PES decision making by city size and regions (share of positive answers)



Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

Among the regional actors, in particular regional social partners, municipalities and regional actors in employment and regional policy are important for PES decision making. These are represented in more than half of the PES organisations. Among the less often mentioned stakeholders, regional NGOs are named by a little less than half of the PES organisations and other stakeholders such as research institutes, education institutions are stakeholders are named even more rarely. Private actors, finally, are considered stakeholders only in about one third of the PES organisations and actors in neighbouring regions are stakeholders in only a very small number (10% of all) of the regional PES organisations.

Also for these indicators, important differences between different regions of the EU as well as between cities of different sizes exist. PES organisations in Western Europe, aside from having the largest number of involved stakeholders, also have the strongest involvement of both regional and national social partner organisations and a well above average involvement of regional policy actors among the stakeholders. This can be explained by the federal structure of in particular Germany and Austria in this group of countries. Involvement of municipalities is, however, somewhat weaker than in other regions in Western European PES organisations. Southern European PES organisations in average have the smallest stakeholder networks. This is due to a below average involvement of all of the stakeholders. Also the similarly sized stakeholder networks in both Northern and Eastern European regional PES organisations differ substantially in structure. In the Northern Europe both regional and national social partners as well as NGOs are stakeholders in a large number of PES organisations, while (in particular regional) social and employment policy actors are stakeholders much less often than on average. In Eastern Europe national social policy actors are always stakeholders of the regional PES organisations, while social partners and national NGOs are on average less often involved than on average. Thus, despite a rather similar size of stakeholder networks, the only common feature in Eastern and Northern Europe is that in both regions municipalities are much more often included than on average.

Regional PES organisations thus differ substantially in terms of both the number and structure of stakeholders they involve. One could suspect that the factors determining different aspects of autonomy discussed in the last section (i.e. national differences, the size of the city serviced by the PES and whether or not the PES is part of an independent organisation) also impact on a regional PES organisation's capability to involve certain stakeholders (or equivalently on the incentives of certain stakeholders to collaborate with the regional PES). For instance, regional PES organisations that are part of an independent PES organisation rather



than a ministry, may find it easier to collaborate with partners that may consider co-operation with a ministry less attractive or which ministries are less inclined to involve. This would suggest that PES organisations that are part of an independent organisation should both have more partners and also should have more partners of a certain type.

Similarly, regional PES organisations serving cities of different sizes could face rather different pre-conditions for co-operation with other partners. With respect to this variable, two opposing forces may be at work. On the one hand, PES organisations serving larger cities, on account of these cities hosting a larger number of competent potential stakeholders, could be faced with more favourable conditions for building a large stakeholder network. On the other hand, PES organisations in small cities, on account of smaller cities providing for more accessible and denser informal networks, could also offer more favourable conditions for building networks. These two countervailing tendencies would lead us to expect a non-linear relationship between city size and size of stakeholder networks, with in particular medium sized cities being disadvantaged.

In addition one could also expect the degree of autonomy of a regional PES to have an impact on the stakeholder structure. This would in particular be the case with respect to budgetary autonomy, because - all else equal - it should be more attractive for stakeholders to co-operate with a regional PES that has a high command of its own resources. The reason for this is that co-operation with such an organisation will also allow potential partners to acquire a higher influence over policy. Budgetary autonomy (but also other aspect of autonomy, discussed in the last section) should thus on the one hand increase the size of stakeholder networks and to on the other hand have a particularly strong influence on the probability of co-operating with regional PES organisations of partners representing certain interests.<sup>19</sup> Furthermore, in extension of this, certain types of autonomy may have different impacts on the probability of co-operation of certain groups of potential partners with the regional PES. Thus, following the above logic, social partners and NGOs should have a particularly high propensity to co-operate with regional PES organisations with a high budgetary autonomy, since such a co-operation could potentially make accessible substantial funds for the clientele of these organisations. Education institutions and enterprises, by contrast, might be more interested in the co-operation with regional PES-

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<sup>19</sup> This may also arise from the self-interest of the stakeholders since aside from stakeholders potentially being interesting for the regional PES on account of their expertise, regional PES organisations with high budgetary autonomy may also be of interest for interest groups on account of their financial resources (see Buller 2000 and Locksmith 2000 for a similar argument referring to Pacts/LEIs)

organisations with a high autonomy to sub-contract, because co-operation with such PES organisations may allow obtaining additional sub-contracts.

### *Predictors of Stakeholder Network Size*

To test these hypotheses with the data at our hands, we conduct two kinds of analysis. In the first of these, we aim to explain the number of stakeholders involved in a PES-organisation (both in total as well as for national, regional and other stakeholders) by a regression of this variable on indicator variables for city size (which may be medium and large cities with the base category small cities) and for whether a PES organisation is part of a ministry. City size should be non-linearly associated to stakeholder network size, while being part of a ministry should have a negative impact on this variable. In addition we also include the share of budget decided on autonomously by the PES organisation as well as the indices of autonomy for various sub-fields discussed in the last section in this regression. Following our hypotheses, these variables (in particular budgetary autonomy) should have a positive impact on the stakeholder network size of a regional PES. In addition, we also include control variables for whether a regional PES serves a territory corresponding to the administrative city boundaries and for the European region in which the city is located. These variables are included to control for any distortions in estimates that could arise from PES organisations serving a territory differing from the administrative city limits (and thus incorrectly measuring the size of the territory covered by the PES) and from omitted variable bias from not measuring any of the institutional country level details, that were shown to impact on determining autonomy of a regional PES organisation in the last section, but are not measured in our data.

The results in the bottom panel of table 6 include country group dummy variables, while in the top panel country dummy variables are excluded to assess the impact of co-linearity with country level autonomy (shown to exist in the last section). Both specifications are consistent with our hypotheses. For instance, the results of both specifications suggest that the share of the budget autonomously decided on by the PES as well as a higher index of budgetary autonomy and a higher index of autonomy in outsourcing statistically significantly increase the overall size of the stakeholder network. By contrast, PES organisations that are part of a ministry as well as – contrary to our expectations – regional PES organisations that have a higher index of autonomy for defining target groups, have a statistically significantly smaller stakeholder network. Furthermore, as also predicted, the PES organisations located in medium sized cities have the smallest network size, while the network size of large cities is significantly smaller than that of small cities (but larger than that of medium sized

cities) when not controlling for the European region, in which the city is located. The network size is statistically significantly smaller in medium sized cities than in small ones, but does not differ statistically significantly between small and large cities once the European region in which the city is located is controlled for. Finally, the control variables (i.e. European region dummies and the indicator variable for PES organisations serving a territory of the same size as the administrative city limits) remain statistically insignificant determinants of the stakeholder network size of regional PES organisation. The former of these stylized facts suggests that after controlling for autonomy, the effects of unmeasured region specific effects on network size cannot be reliably identified.

Table 6: Regression results for the number of stakeholders involved in a PES-organisation

	All actors		National actors		Regional Actors		Other Regions	
	Coef.	Std. Err.	Coef.	Std. Err.	Coef.	Std. Err.	Coef.	Std. Err.
Medium city	-8.49 **	3.32	-4.59 ***	1.43	-4.04 *	2.23	0.15	0.25
Large city	-6.75 **	3.33	-2.95 *	1.43	-3.96 *	2.24	0.17	0.25
Territory corresponds	3.67	2.77	1.31	1.19	2.39	1.86	-0.03	0.21
Part of ministry	-7.18 **	2.87	-3.38 **	1.24	-3.76 *	1.93	-0.04	0.22
Autonomous budget share	0.09 ***	0.03	0.04 ***	0.01	0.05 **	0.02	0.00	0.00
Designing programs	7.78	6.05	3.08	2.60	3.97	4.06	0.73	0.46
Allocating budget	10.48 **	4.53	5.47 **	1.95	4.74	3.04	0.27	0.34
Defining target groups	-7.17 *	3.96	-3.36 *	1.70	-3.36	2.66	-0.44	0.30
Monitoring	4.51	4.88	1.01	2.10	3.61	3.28	-0.12	0.37
Administration	5.63	4.09	2.57	1.76	2.81	2.75	0.24	0.31
Outsourcing	16.84 **	6.54	6.09 **	2.81	10.49 **	4.39	0.26	0.50
Constant	6.14 **	2.50	4.70 ***	1.08	1.53	1.68	-0.09	0.19
Obs		28.00		28.00		28.00		28.00
R2-value		0.60		0.60		0.59		0.73
Medium city	-8.13 **	3.34	-4.50 **	1.55	-3.73	2.11	0.10	0.27
Large city	-3.25	4.05	-2.08	1.88	-1.09	2.56	-0.08	0.33
Territory corresponds	3.97	2.79	1.42	1.30	2.55	1.76	0.00	0.22
Part of ministry	-8.63 **	3.69	-4.35 **	2.11	-3.93	4.22	-0.35	0.54
Autonomous budget share	0.10 **	0.03	0.04 **	0.01	0.06 ***	0.02	0.00	0.00
Designing programs	6.80	6.43	2.33	2.99	3.82	4.06	0.64	0.52
Allocating budget	10.07 **	4.65	5.57 **	2.16	4.12	2.94	0.39	0.37
Defining target groups	-8.65 **	3.94	-3.70 *	1.83	-4.58 *	2.49	-0.36	0.32
Monitoring	5.04	4.96	1.27	2.30	3.83	3.13	-0.06	0.40
Administration	8.14	4.73	3.66	2.20	4.24	2.99	0.23	0.38
Outsourcing	14.27 **	6.57	5.56 *	3.05	8.32 *	4.15	0.40	0.53
Eastern Europe	0.11	6.55	-0.30	3.04	0.77	4.14	-0.36	0.53
Northern Europe	-1.54	6.88	-1.37	3.20	0.22	4.35	-0.39	0.55
Southern Europe	-5.83	5.59	-2.03	2.60	-3.76	3.53	-0.04	0.45
Constant	7.31	6.93	5.48	3.22	1.60	4.38	0.23	0.56
Obs		28.00		28.00		28.00		28.00
R2-value		0.69		0.63		0.73		0.79

Source: wwwforeurope questionnaire Coef. = estimated coefficient, Std. Err = Standard Error; \*\*\*, (\*\*), [\*] signify significance at the 1%, (5%), [10%] level respectively.

Furthermore, the results also suggest that the statistically significant parameters have a particularly strong impact on the size of national stakeholder networks at regional PES organisations, while for the size of

regional stakeholder networks effects are less significant and for the size of networks of other actors they remain insignificant altogether. This applies in particular to the specification, which includes controls for the regions of Europe. In this specification, only the share of autonomously decided budget and the indices for regional autonomy in terms of outsourcing and designing active labour market programs remain to be significant predictors of regional actor network size, while none of the variables is significant for other actors' network size.

In sum, the results of this first regression analysis are highly consistent with theoretical predictions and suggest a) a non-linear relationship between city size and network size and b) a positive correlation between budgetary autonomy and autonomy in outsourcing with network size.

#### *Probability of individual stakeholders to be part of the network*

In the second exercise we extend on previous results by focusing on the probability of a particular stakeholder to be part of the stakeholder network of a regional PES organisation, while leaving the explanatory variables unchanged. In contrast to the results of the first regression, results of this regression (reported in Table 7) therefore allow us to assess to what degree the probability of a particular actor participating in the stakeholder network is predicted by the explanatory variables. Once more results in their majority are consistent with our hypotheses. As originally hypothesized, PES organisations that are part of a ministry have a lower probability of involving all partners, but this lower probability is statistically significant (at the 5% level) only for national and regional social partner organisations as well as for national social policy actors. Thus, PES organisations that are part of a ministry are particularly unlikely to have these actors as a stakeholder. Similarly, a higher budget autonomy (statistically significant) increases the probability of social partner institutions, of national employment policy actors, of national and regional policy actors in regional policy, of committees for EU structural funds assistance as well as of enterprises and education institutions to be stakeholders. Also the probability of regional and national social partner organisations being stakeholders is significantly higher in regional PES organisations that have more competencies in allocating budgets. This suggests that first of all social partners and also other less considered stakeholders (e.g. enterprises, education institutions) are more often involved in regional PES organisations with high budgetary autonomy, which could be explained by such organisations being more attractive for these partners or simply by the fact that organisations with higher budgetary autonomy simply need larger decision-making bodies to decide on the budgets. Finally, regional PES organisations with more competencies in outsourcing also have a statistically significantly higher probability of

having (both national and regional) NGOs, enterprises and education institutions as well as regional policy actors as stakeholders. Here in particular the positive impact of outsourcing competencies on the involvement of NGOs and enterprises suggest that these organisations are involved primarily to secure potential contracts.

*Table 7: Regression results for the probability of a stakeholder to be involved in a PES-organisation (Probit regression)*

	National actors							
	PES	Social policy	Employment policy	Regional policy	National NGOs	Social partners	Committees for EU structural assistance	Municipalities
Medium city	-0.716	-1.094***	-0.420	-0.457	-0.197	-0.760**	-0.950***	0.390
Large city	-0.443	-0.806***	-0.113	-0.035	-0.267	-0.971**	-0.317	-0.551
Territory corresponds	0.192	0.681**	-0.145	-0.092	0.102	0.227	0.341	0.531
Part of ministry	-0.395	-0.712**	-0.425	-0.519	-0.091	-0.750**	-0.487	-0.515
Autonomous budget share	0.005	0.003	0.006**	0.006**	0.002	0.008***	0.006**	0.003
Designing programs	-0.147	0.608	0.577	0.599	0.026	0.328	1.089*	-0.556
Allocating budget	0.645	0.555	0.911	0.787	0.764	1.054**	0.750*	0.399
Defining target groups	-0.370	-0.608	-0.426	-0.449	-0.209	-0.474	-0.823**	0.444
Monitoring	0.399	0.880*	-0.164	-0.452	-0.163	0.155	0.357	0.334
Administration	-0.004	0.031	0.239	0.412	0.534	0.946**	0.417	0.216
Outsourcing	0.510	0.479	0.472	1.213	1.933**	0.938	0.546	0.583
Constant	1.012	0.975***	0.953***	0.689	-0.054	0.672**	0.454*	0.320
	Regional actors							
	Social policy	Employment policy	Regional policy	NGOs	Social partner	Private actors	Education Institutions	Research Institutions
Medium city	-0.731**	-0.040	-0.616	-0.560	-0.425	-0.357	-0.271	-0.550
Large city	-0.365	-0.151	-0.312	-0.886**	-0.717**	-0.113	-0.256	-0.399
Territory corresponds	0.228	-0.131	0.237	0.358	0.630**	0.106	0.296	0.217
Part of ministry	-0.265	-0.002	-0.519*	-0.616	-0.652**	-0.330	-0.425	-0.562
Autonomous budget share	0.004	0.004	0.008**	0.004	0.006**	0.006***	0.004**	0.006
Designing programs	0.569	0.165	0.673	0.424	0.448	1.401**	0.437	0.950
Allocating budget	0.152	0.103	0.854	0.862	0.839**	0.528	0.737	-0.608
Defining target groups	-0.449	-0.240	-0.836	-0.015	-0.091	-1.152***	-0.241	-0.623
Monitoring	0.661	0.480	0.446	0.361	0.308	0.326	0.494	0.286
Administration	-0.195	-0.043	0.218	0.496	1.074***	-0.192	0.485	0.494
Outsourcing	1.020	0.624	1.518**	1.112	0.887	1.485**	1.683***	1.274
Constant	0.254	0.194	0.278	0.324	0.083	0.157	-0.238	0.076

Source: wwwforeurope questionnaire Coef. = estimated coefficient, Std. Err = Standard Error; \*\*\*, (\*\*).signify significance at the 1%, (5%), level respectively.

In addition higher administrative competences are statistically significant positive predictors of the probability of regional partner organisations being a stakeholder. Competencies in defining target groups are statistically negatively correlated with the probability of enterprises and committees for EU structural fund assistance to be partners, while more competencies in designing programs are also statistically positive predictors of enterprises being partners. More interestingly, however, the U-shaped relationship between stakeholder network size and city size found in the last section is strongly associated with a U-shaped probability of having national and regional social policy actors and committees for EU structural funds assistance as

stakeholders, while the probability of having both national and regional social partner institutions and NGOs as stakeholders is uniformly falling in city size. This may indicate that PES-organisations in large cities face particular problems in attracting these later stakeholders.

### **3.3 Changes in competences and stakeholders of PES organisations**

Aside from being asked on their autonomy and stakeholder structure, the PES organisations in our questionnaires were also interviewed on the change in their autonomy and in the importance of their stakeholders since 2008.<sup>20</sup> The responses to these questions allow us to assess whether the tendencies of devolution of power to regional actors and the increasing involvement of a larger number of actors on the regional level, which – as stated in the introduction - were the predominant trends in regional (labour market) policy making before the economic and financial crisis in the EU, have continued since.

#### *Budgetary autonomy*

Looking first at the responses to the question on changes in budgetary autonomy (Figure 9) provides evidence of an unbroken trend to increased budgetary autonomy in regional PES organisations. More PES organisations experienced an increase in the share of budgetary autonomy than experienced a decrease. Yet, the development in budgetary autonomy in the PES organisations in the period since 2008 has been far from uniform across the EU. In particular in this period budgetary autonomy across regions tended to converge, since in particular those types of PES organisations where budgetary autonomy was lower in 2013 experienced the clearest tendencies of increasing budgetary autonomy.

For instance in Eastern Europe and Northern Europe, where budgetary autonomy was below the EU average in our sample, there were more organisations stating that their budgetary autonomy has increased since 2008 than organisations stating that their budgetary autonomy reduced. In Southern and Western Europe, where this budgetary autonomy was above EU average, by contrast the opposite applies.<sup>21</sup> Similarly, among PES organisations that were parts of an independent organisation, which had the highest budget autonomy at the time of the interview, the number of PES organisations stating that their share of autonomously decided budget decreased since 2008 exceeded the number of PES-organisations stating the opposite. The only typology, for

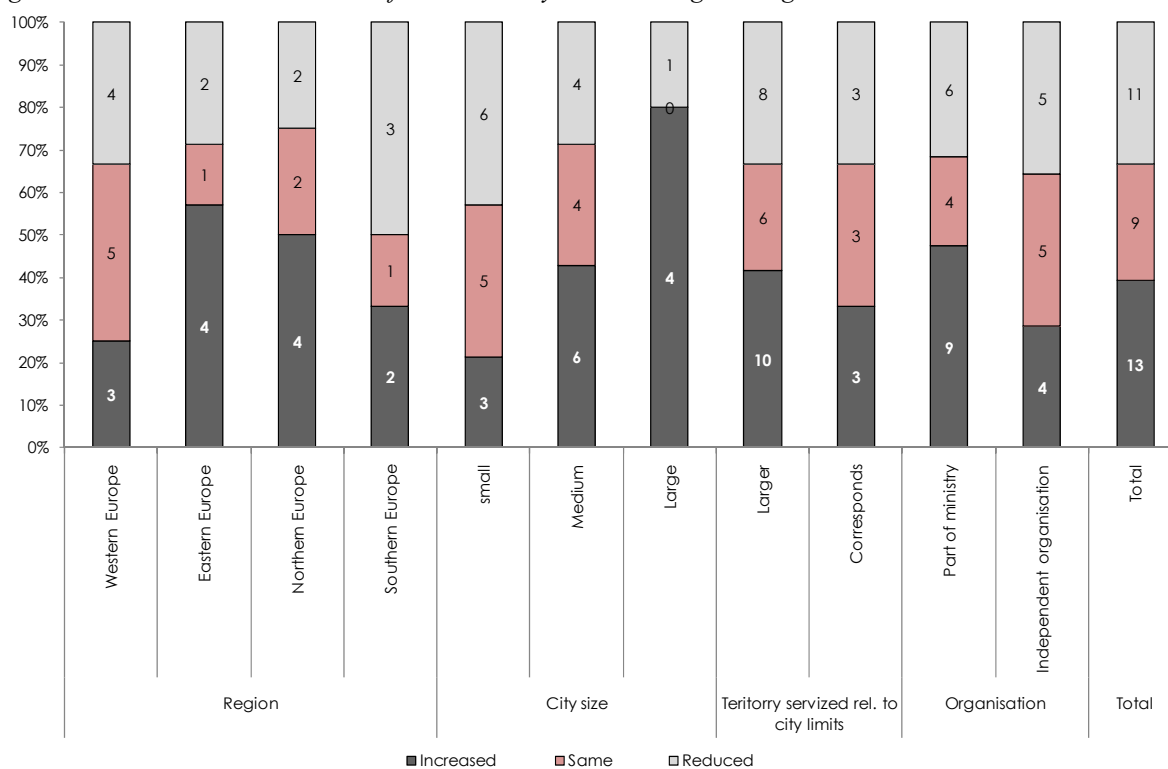
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<sup>20</sup> In these questions respondents were asked whether their autonomy (measured in the same dimensions as above) increased or decreased relative to 2008 and whether the importance of the various stakeholders increased or decreased relative to 2008.

<sup>21</sup> These results, however, are often based on a rather low number of observations. As a consequence the difference in the number of organisations stating an increase and a decrease in the share of autonomously decided budget is rather small.

which this does not apply, is the typology of PES organisations according to city size. Here 4 of the totally 5 interviewed PES organisations in large cities – which also had the largest share of an autonomously decided budget in 2013 - stated that they experienced an increase in the share of autonomously decided budget, while the number of PES organisations in small cities experiencing a reduction in budgetary autonomy since 2008 was double as high as the number experiencing an increase, although these cities already had the lowest share of autonomously decided budgets in 2013. This suggests that while in the aggregate budgetary autonomy continued to increase in regional PES organisations in the EU in the last 5 years, with in particular PES-organisations in countries with low budget autonomy experiencing the clearest increases, small cities experienced a reduction in their budget autonomy.

Figure 9: How did the share of autonomously decided budget change since 2008



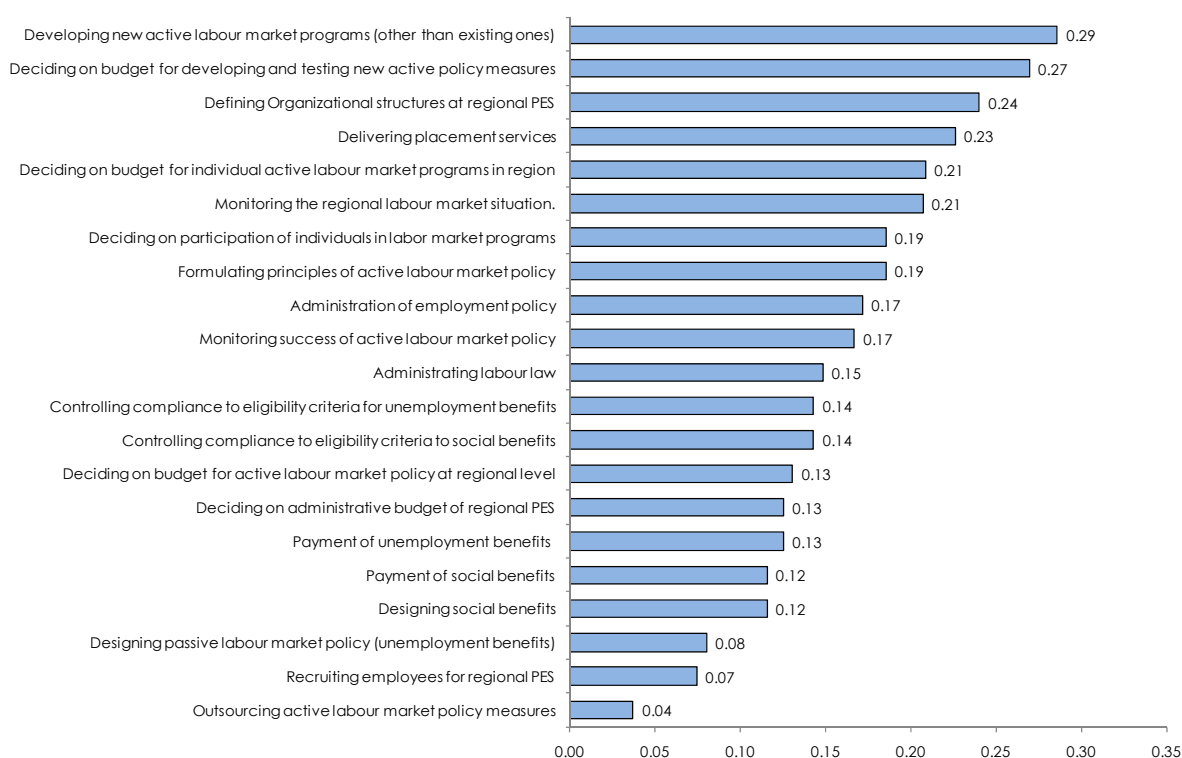
Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

### Decision powers

A more detailed breakdown of competencies in which regional PES organisations have at least some decision power also indicates that the devolution of powers to regional authorities has continued since 2008. In all of the policy fields listed in this question the number of the PES organisations stating that they have

experienced an increase in decision powers since 2008 exceeds the number stating that they have experienced a decrease in their competencies (Figure 10). This overhang of PES organisations experiencing an increase is largest in competencies related to active labour market programs (such as developing new active labour market programs, deciding on a budget for developing and testing new labour market programs as well as deciding on budgets for active labour market programs). It also applies to organisational tasks such as defining the organisational structure of the regional PES and delivery of placement services but is least pronounced in outsourcing and recruiting decisions and the design of benefits or social policies.

Figure 10: How did the regional PES competencies in the following areas change since 2008?  
 1=increased, 0= stayed same, -1 decreased, mean value



Source: wwwforeurope questionnaire.

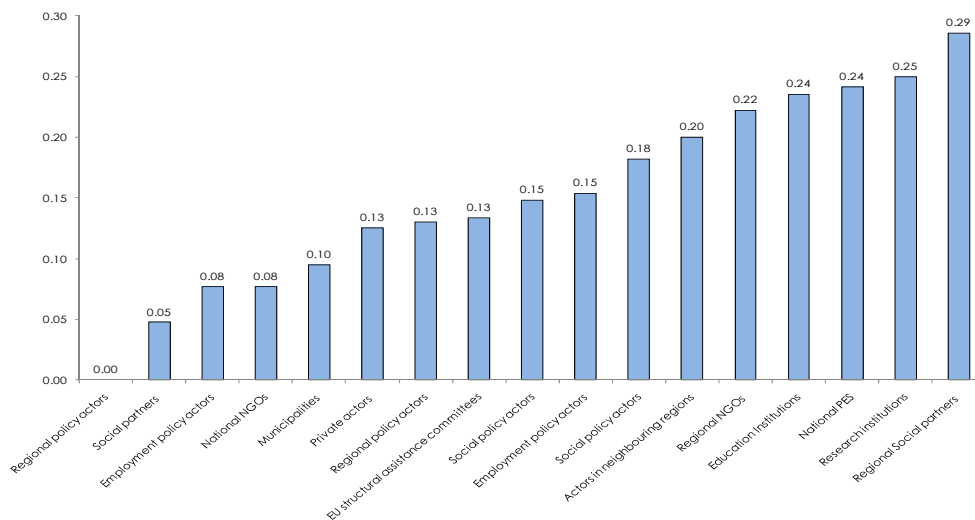
Once more these developments have been far from uniform across Europe. Thus, for instance, constructing an indicator of the change of competencies by major competence fields (Table 8) suggests that the devolution in power has been highest in budgetary competencies followed by competencies related to designing programs and defining target groups, while in terms of outsourcing these changes have been lowest. Furthermore, the responses also re-confirm the picture of convergence in terms of budgetary autonomy between PES-organisations located in different regions and between organisations that are part of an independent





Figure 11: How did the importance of the following stakeholders change since 2008?

1=increased, 0= stayed same, -1 decreased, mean value



Source: wwwforeurope questionnaire.

### Changes in importance of Stakeholders

Evidence on the change of influence of stakeholders in the PES organisations interviewed suggests that the second major tendency in pre-crisis regional labour market policies (towards an increasing importance of stakeholders and a larger number of involved stakeholders) has also continued since 2008.<sup>22</sup> The interviewed PES organisations stated that the importance of all stakeholders (except for actors in regional policy where there has been no change in the aggregate) listed has increased since 2008. Once more there are, however, relevant differences between different types of stakeholders. Regional social partners, regional NGOs and research as well as education institutions experienced the largest increase in importance<sup>23</sup>, while national social partner organisations, national employment policy actors and national NGOs experienced the smallest increase. Correlating aggregated indicators of the change in importance since 2008 with the level of importance reported in 2013, however, provides only very little evidence of a convergence of across actors. Both less influential stakeholders, such as research and education institutions, and very influential groups, such as the national PES, gained in influence in quite a number of organisations, whereas both influential (e.g. employment policy actors) and less influential actors (e.g. national NGOs) gained only very little. Rather than indicating convergence, the

<sup>22</sup> Notice that this analysis is weakened by the fact that we do not observe stakeholders that were part of the network before the crisis but have withdrawn from this network since.

<sup>23</sup> Given that these partners were also the least important in 2008 this result may, however, be due to a level effect.

evidence therefore suggests that also regional stakeholders have become increasingly more important in conducting regional labour market policy. This accords with the finding of increased regional autonomy of PES organisations.

*Table 9: How did the importance of the following stakeholders change since 2007?  
(1=increased, 0= stayed same, -1 decreased, mean value)*

	Stakeholders			All
	National	Regional	Other	
			Region	
Western Europe	0.03	0.13	-0.03	0.05
Eastern Europe	0.02	0.14	0.21	0.11
Northern Europe	0.10	0.24	0.41	0.22
Southern Europe	0.30	0.20	0.21	0.25
			City Size	
Small	0.07	0.14	0.11	0.11
Medium	0.01	0.19	0.18	0.11
Large	0.23	0.24	0.33	0.26
			Territory covered by PES	
Larger than city limits	0.10	0.12	0.09	0.10
Corresponding to city limits	0.10	0.26	0.35	0.21
			Organisation is part of	
Part of ministry	0.12	0.22	0.28	0.19
Independent organisation	0.07	0.13	-0.03	0.07
Total	0.10	0.18	0.20	0.15

Source: wwwforeurope questionnaire. Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK.

Again there is substantial variation across different types of PES organisations (Table 9). The average number of PES organisation reporting a larger increase in the influence of regional than national stakeholders is higher among Northern, Eastern and Western European PES organisations as well as for PES organisations located in small and medium sized cities and organisations that are part of a ministry. This does, however, not apply to Southern European PES organisations, where national actors have gained more influence. Furthermore, the difference is also much less strongly pronounced among PES organisations that are part of an independent organisation and also among PES organisations in large cities. Similarly, other stakeholders are reported to have increased their influence substantially more often than national stakeholders in Eastern and Northern European PES organisations, in large and medium size cities and in PES organisations whose territory serviced corresponds to the city size as well as in PES organisations that are part of a ministry. By contrast, among PES organisations that serve a territory that differs from the administrative city limits and among Southern European PES organisations, the opposite applies and amongst Western PES organisations as well as amongst PES

organisations that are part of an independent organisation, more PES organisations report a decline in the influence of other stakeholders than report an increase of influence of these stakeholders.

Overall therefore – despite indicating a continuing increase in the importance of many stakeholders – these results also indicate that this tendency has been far from uniform since 2008. In the aggregate – as shown in the last column of Table 9 - this tendency was strongest in Southern and Northern Europe, in large cities and in PES organisations that serve a territory corresponding to the city limits as well as organisations that are part of a ministry. In Western and Eastern Europe, in small and medium cities and in PES organisations that are part of an independent organisation, this tendency, by contrast, was slightly weaker. In general these changes, however, also do not suggest a fundamental shift in regional labour market governance structure since the crisis, relative to pre-existing trends.

#### **4. Organisation and partnership structure of Pacts/LEIs**

Similarly to PES organisations, also the identified Pact/LEI organisations in our questionnaire were asked on the structure of their respective partnerships. Since results in the literature (e.g. ECOTEC2002, Huber 2005, Pyke1998, Geddes1998, Martinez-Fernandez2011) suggest that these organisations often operate on a rather informal basis, they were asked to differentiate between formal partners (i.e. those involved in the agreement on account of a formal pact agreement) and informal partners (i.e. organisations that the interviewed respondents considered partners for other reasons). Furthermore, the respondents to the Pact/LEI questionnaire were also presented a slightly different list of potential partner institutions, which put substantially more emphasis on regional partners. This choice was made to reflect the finding in the literature that Pact/LEI institutions often have local and regional actors as partners (Regalia 2007, Martinez-Fernandez 2011, City of Munich 2005). As with the stakeholder networks of the PES discussed in the last chapter, one may expect that also the partner structure of Pacts/LEIs is in part shaped by the organisation of the Pact/LEI. Thus, for instance, it seems plausible to assume that the age of a Pact/LEI should increase the size of the partnership network and should also make this partnership more formal, on account of older Pacts/LEIs having had more time to build and formalize their partnership.<sup>24</sup> In addition, one could also argue that the structure of partnership networks may be affected by the function Pacts/LEIs fulfil in the regional labour market policy arena. For instance, Pacts/LEIs that have the function of a platform for the exchange of information, may require less formal (and potentially also smaller) partnerships than Pacts/LEIs, whose aim is to formally co-ordinate labour market policies. At the same time, however, also the national institutional environment as well as the regional specifics of the city in which a Pact/LEI operates may influence the partnership. In particular, similar to the findings for stakeholder networks of regional PES organisations, the size of the city in which a Pact/LEI operates may have a non-linear impact on the size of a Pact/LEI partnership because for actors in small cities it may be easier to organise informal co-operations, while in big cities the presence of important and competent potential partner organisations may facilitate the formation of potentially also more formal partnerships. This could also lead to Pacts/LEIs in smaller cities having a larger share of informal partners.

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<sup>24</sup> In this context for instance Geddes (1998) cites evidence that potential partnerships may take half a decade to develop and become effective.

Table 10: *Involvement of PES in Pacts/LEIs by pact and PES characteristics (share of positive responses)*

	Operates and finances of at least one Pact/LEI	Is partner of at least one Pact/LEI	Contributes financially to at least one Pact/LEI	Provides consultancy to at least one Pact/LEI	Co-operates informally with at least one Pact/LEI
Regional characteristics					
Western Europe	50.0	40.0	0.0	0.0	10.0
Eastern Europe	20.0	20.0	0.0	0.0	0.0
Northern Europe	20.0	20.0	20.0	0.0	40.0
Southern Europe	33.3	16.7	0.0	16.7	33.3
Small city	25.0	33.3	0.0	0.0	25.0
Medium city	40.0	30.0	10.0	0.0	20.0
Large city	66.7	0.0	0.0	33.3	0.0
PES characteristics					
Larger than adm. terr.	27.8	27.8	5.6	0.0	27.8
Corresponds to adm. terr.	57.1	28.6	0.0	14.3	0.0
Part of ministry	30.8	23.1	7.7	7.7	15.4
Independent organisation	41.7	33.3	0.0	0.0	25.0
Pact/LEI characteristics					
Before 1985	50.0	25.0	25.0	0.0	0.0
1985 to 1999	28.6	14.3	0.0	0.0	28.6
2000 to 2005	33.3	16.7	0.0	16.7	33.3
2006 to 2011	25.0	37.5	0.0	0.0	12.5
Coordination	50.0	30.0	0.0	0.0	20.0
Design	42.9	21.4	7.1	0.0	28.6
Platform	42.1	26.3	5.3	5.3	21.1
Total	36.0	28.0	4.0	4.0	20.0

Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

In addition to these features, however, a number of authors have also argued that Pacts/LEIs are often formed in order to overcome gaps or deficits in the policy networks of a particular region. This could lead one to expect that also the form of organisation of the regional PES in a region may have an impact on the formation of a Pact/LEI in a region. This impact could be on a number of levels. A first one is whether a Pact/LEI is organised at all in the region. This could on the one hand be influenced by the size of the stakeholder network of the regional PES. If a large network of regional stakeholders collaborates within the regional PES. This may make the organisation of a further network through a Pact/LEI unnecessary. On the other hand, however, the existence of such a large network may also reduce the set-up costs encountered for a new network and thus facilitate the creation of a Pact/LEI. Similarly, the emergence of a Pact/LEI may also be affected by the level of autonomy of the regional PES organisation. If a Pact/LEI is a means of regional actors to overcome institutional deficits in labour market policy making in a region, Pacts/LEIs should have a high probability to emerge in regions where the regional PES has only little competences or autonomy. By contrast, however, lacking autonomy to finance regional Pacts/LEIs by the regional PES may be an impediment to the emergence of a Pact/LEI.

This later line of reasoning seems to be particularly relevant in the context of the results of a set of questions in our questionnaire in which the regional PES organisations were asked if and in what form the PES interacts with the Pacts/LEIs. As can be seen from the answers to these questions (Table 10), this interaction is rather close in most cases.<sup>25</sup> 36% of the interviewed PES organisations state that the regional PES operates and finances at least one of the Pacts/LEIs operating in the region. In another 28% of the cases the regional PES is a partner in the Pact/LEI and in a further 4% of the cases each the regional PES contributes financially or through consultancy to the Pact/LEI. Only in 20% of the cases the regional PES only co-operates informally with the Pacts/LEIs on its territory.<sup>26</sup>

Other channels through which the organisation of the regional PES could impact on the organisation of the Pact/LEI could be the purpose fulfilled by the pact and the PES organisation's influence on the Pact's/LEI's partnership structure. Thus, for instance, in regions where the PES has only few stakeholders or is under a particularly strong influence of central organisations (either through lacking autonomy or because the PES is strongly influenced by a central government ministry), the regional PES may be keen to construct larger and potentially more formal networks than in regions where the PES is more independent, in order to circumvent lacking autonomy, but may also be less able to provide such networks with formal decision powers.

In this chapter we therefore analyse how the partnership structure of the identified Pacts/LEIs in our questionnaire correlates with the organisational structure of the Pact/LEI and the PES organisation operating in the region. Since the small number of Pacts/LEIs identified in our questionnaire is a serious impediment to statistical analysis, in the next section we describe the extent and structure of the partnership network of the Pacts/LEIs identified in our questionnaire, while in the next section we consider the interaction between the organisation of the regional PES and Pacts/LEIs by considering the factors determining whether a) a Pact/LEI is formed in a particular region, b) the factors influencing the purpose of the Pact/LEI and c) the factors influencing the size and structure of the partnership of the Pact/LEI. We find that while the organisation of the regional PES does have some impact on the probability of observing a Pact/LEI in a region (with in particular the size of the

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<sup>25</sup> Only 2 regional PES organisations reported no form of interaction with any of the Pacts/LEIs existing on their territory.

<sup>26</sup> Interestingly the involvement of the regional PES is strongest in Western Europe, where in 90% of the cases the PES either operates or is partner of a Pact/LEI and also increases with city size. Furthermore, PES involvement is larger with older pacts and with pacts that serve the co-ordination of policy. Informal co-operation is most preponderant in Northern Europe and PES-organisations, which are part of a ministry, by contrast.

stakeholder network of a regional PES and its autonomy in deciding on budgets playing an important role), there is only very limited evidence of interaction in terms of functions fulfilled by the Pact/LEI and the size and structure of its partnership. Since this stands somewhat in contradiction to the clear indication that the regional PES is an important actor (and financier) in many Pacts\LEIs presented in table 10, in section 4 we ask, what factors determine, whether a PES organisation is satisfied with different aspects of its co-operation with a Pact/LEI.

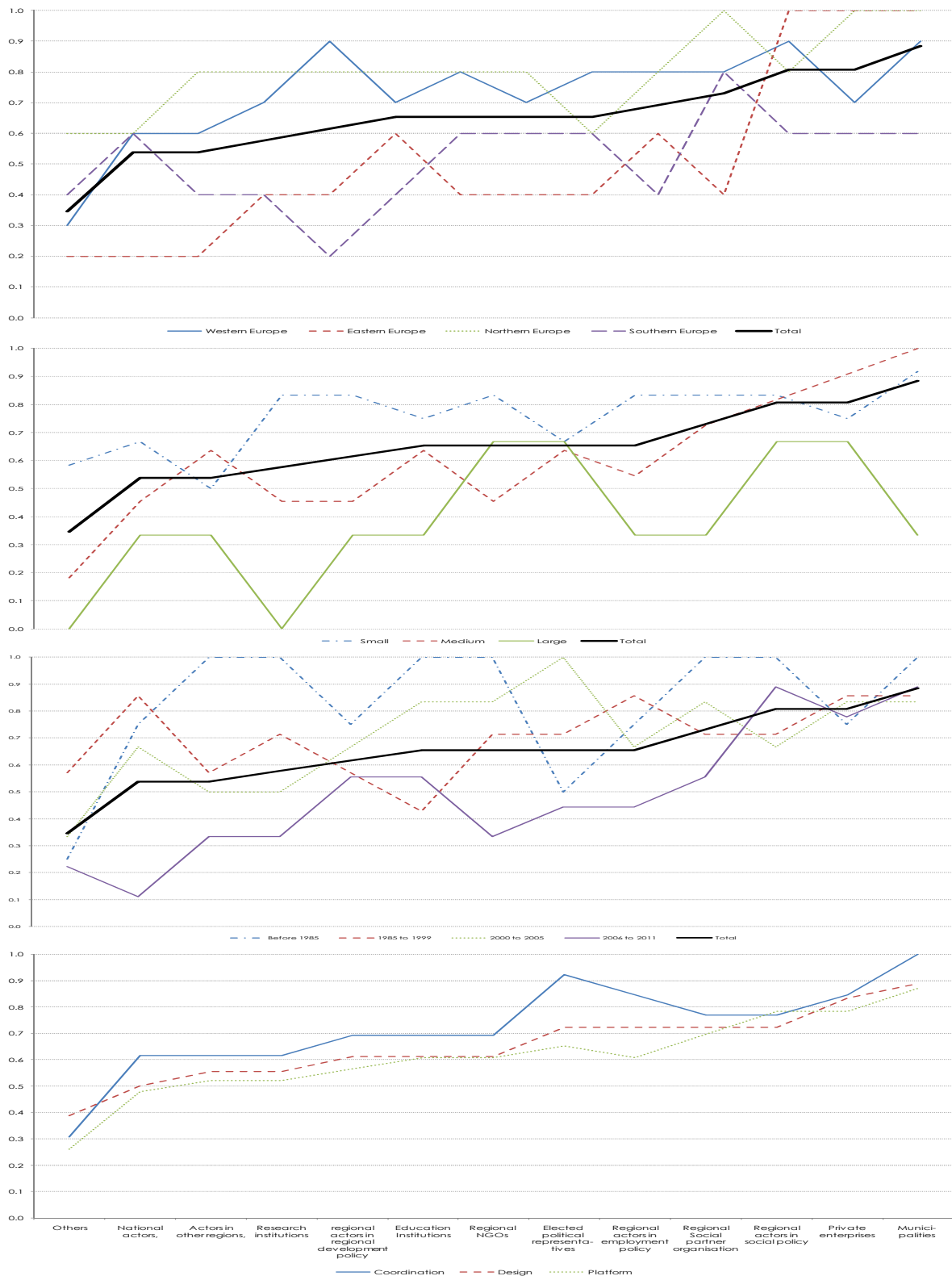
#### **4.1 The Partnership of Pacts/LEIs**

Considering first the responses to the question on the size and structure of the partnership (Figure 12) suggests that the heterogeneity in the size of Pact/LEI partnerships is much larger than for PES organisations and that they also differ substantially in structure from PES stakeholder networks. When focusing on the types of institutions that are named as partners– more than 70% of the Pacts/LEIs state that the municipality, enterprises, regional social policy actors and regional social partners are formal or informal partners to the pact/LEI. Therefore, compared to the stakeholder structure of the regional PES, regional actors are much more often represented in these organisations, and the most important partners (municipalities and enterprises, regional social policy actors as well as social partners) are substantially more often considered in the partnership of Pact\LEIs than the most important partner in PES stakeholder networks (the national PES organisation). National actors as well as actors in other regions and research institutions are partners in just over 50% of the Pacts/LEIs. Regional NGOs, education institutions and regional development actors, however, belong to the least considered partners. Although they are formal partners in 65% of the Pacts/LEIs, this in particular confirms the underrepresentation of regional civil society actors also noted in other studies on Pacts/LEIs (see e.g. Martinez – Fernandez 2011, Huber 2005).

Differences in the structure of the partnership structure of Pacts/LEIs are, however, slightly smaller than in regional PES organisations. Thus, both Eastern and Southern European Pacts/LEIs, which have the smallest partnerships in the aggregate also have a below average probability of involving any particular partner, while



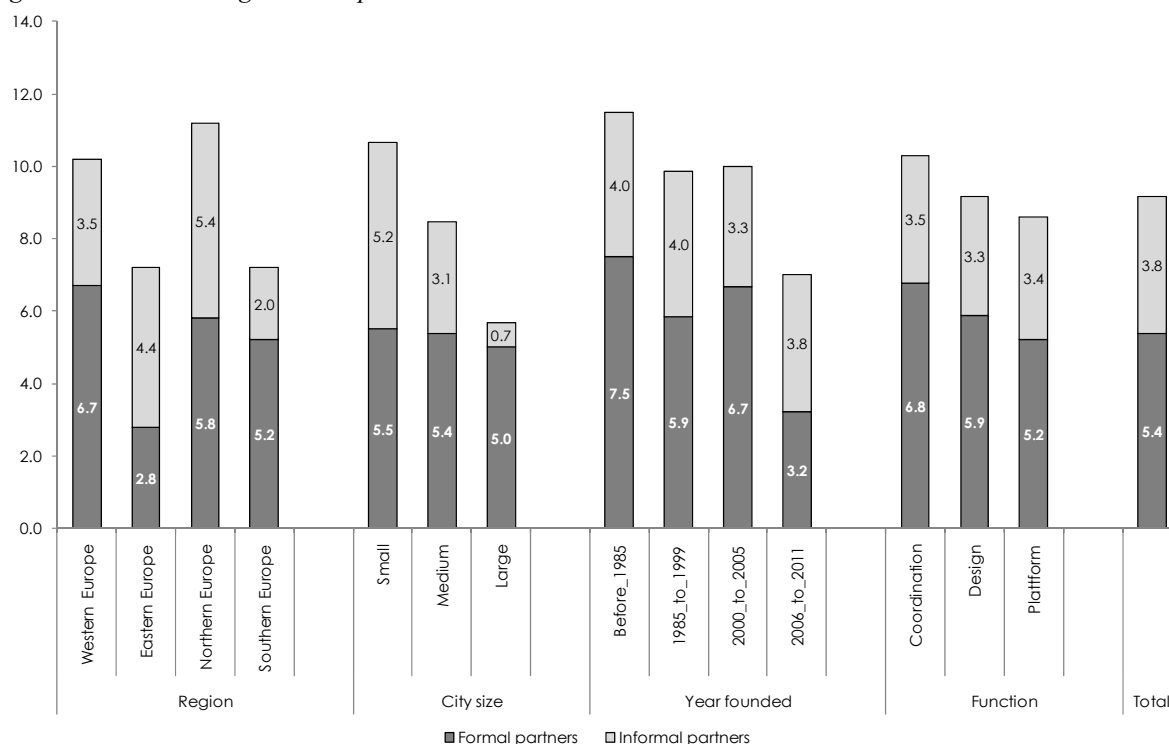
Figure 12: Structure of partnership in Pact/LEI institutions



Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

Western and Northern European Pacts/LEIs, which have an above average number of partners, as a rule also have an above average probability of including any particular partner. Similar observations apply for Pacts/LEIs in small and large cities, pacts of different ages and pacts fulfilling different purposes. Furthermore, in accordance with some of the hypotheses derived in the introduction to this chapter, the largest partnerships are found among Pacts/LEIs that serve co-ordination purposes, in small cities and in Pacts/LEIs in Northern Europe. The smallest partnerships are found in the few Pacts/LEIs that were identified in large cities and in Pacts/LEIs located in Southern and Eastern Europe as well as in pacts\LEIs that serve an information platform purpose only. Furthermore, the size of the partnership increases with the age of these organisations.

Figure 13: Average number partners in Pacts/LEIs



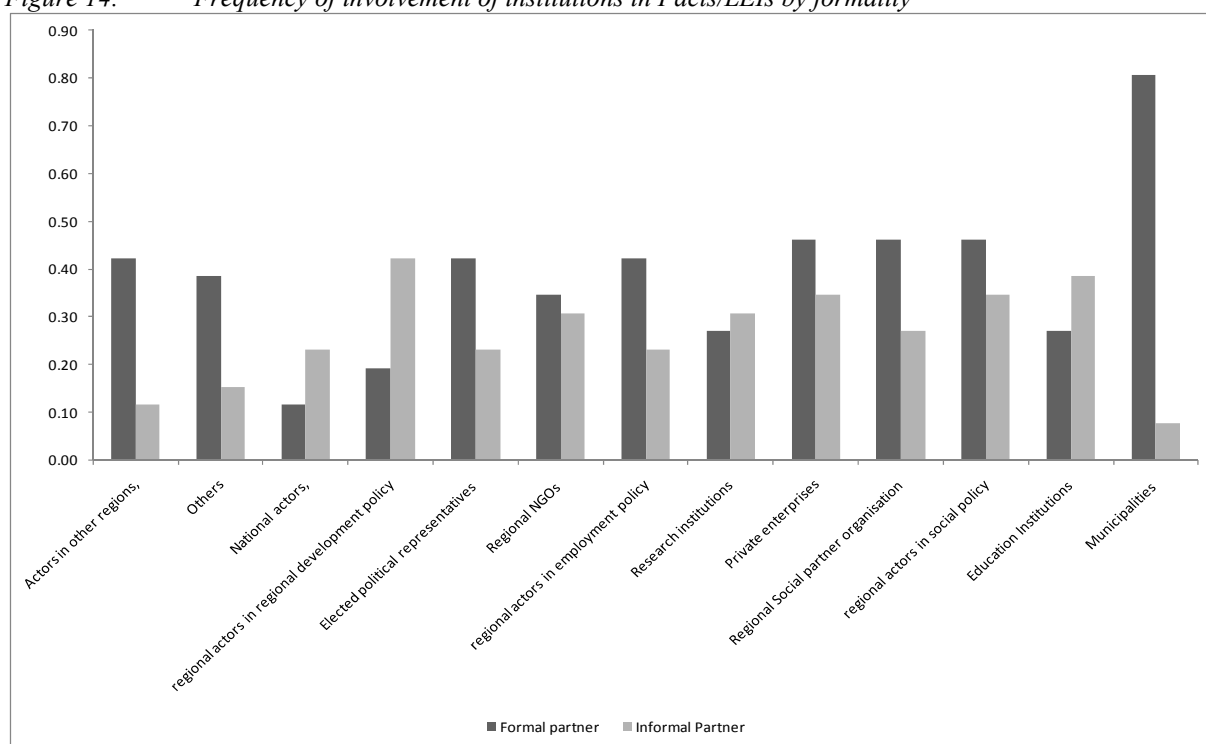
Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

Also the differences in the formality of the partnerships accord with our prior expectations. Thus, for instance, while there seem to be only few differences in the average number of formal partners among Pacts/LEIs in cities of different sizes, partnerships in small cities are driven primarily by a larger number of informal partners. Similarly, also the average number of formal partners is larger in Western European

Pacts/LEIs than in Northern European ones, so that the larger number of partners in Northern European Pacts/LEIs is primarily associated with a large number of informal partners of these institutions (Figure 13).

In sum, Pacts/LEIs in Northern and Western Europe in general are the largest in terms of partnership with the Northern European Pacts/LEIs having a larger number of informal partners. Pacts/LEIs in Eastern and Southern European countries tend to have smaller partnerships with the share of informal partners, however, being substantially larger in Eastern Europe. Also the large partnerships of Pacts/LEIs located in small cities are primarily the result of a much larger informal partnership of these organisations in small cities than in large cities. In particular this later stylized fact may point to the advantages of small cities in motivating such informal partners.

Figure 14: *Frequency of involvement of institutions in Pacts/LEIs by formality*



Source: wwwforeurope questionnaire

The differences in the size of partnership between older and younger Pacts/LEIs as well as those between Pacts/LEIs serving different purposes, by contrast, are primarily due to differences in the size of the formal partnership. Older Pacts/LEIs, on account of the longer time they have had to develop partnerships, and also Pacts/LEIs that serve the purpose of co-ordinating policies, on account of the higher need for formality in the decisions of such pacts, have developed the largest formal partnerships, younger Pacts/LEIs and – following

their less formal activities – Pacts/LEIs that are serving as platforms for the exchange of information have the smallest formal networks.

Aside from differences in terms of formality of partnership of different Pacts/LEIs, there are also differences in the frequencies with which different partners are informally or formally involved in Pacts/LEIs (Figure 14). Municipalities, if involved, are overwhelmingly involved as formal partners, and most other partners are more often involved formally than informally. Research institutions, national actors, regional development policy actors, by contrast, are more often informally involved in Pacts/LEIs, which may be an indication of greater difficulties of reaching formal agreements with such partners at the regional level.

## **4.2 Interaction of Pacts\LEIs and PES organisation**

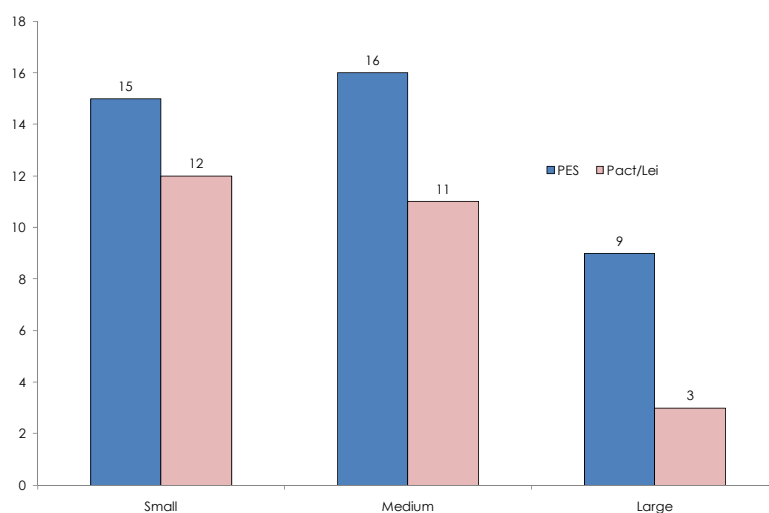
### *Probability of forming a Pact/LEI*

As argued in the introduction of this chapter, however, the organisation of Pacts/LEIs may also depend on the structure and autonomy of PES organisations in a region. To analyse the relationships hypothesized in the introduction we conduct three types of analysis. In the first of these, using a logit model, we regress a dependent variable that takes on the value of 1, if a Pact/LEI exists in the city under consideration, or zero else on a set of indicator variables, which measure whether the city is large, medium sized or small. A family of dummy variables for the region of Europe in which the Pact/LEI is located is also included. This is used as a proxy to measure national institutional differences among countries that may impact on the probability of forming a Pact/LEI in a particular country. These differences in city size and in institutional preconditions among countries may have an impact on the likelihood of observing a Pact/LEI in a particular city. In particular with respect to city size, a number of forces may be at work. On the one hand, larger cities may have a higher probability to have Pacts/LEIs on account of their larger territory and their higher heterogeneity in labour market conditions. On the other hand, smaller cities may also have advantages in forming Pacts/LEIs if, for instance, – on account of the PES organisation, serving a larger territory – small cities have a larger need for forming separate organisations to address their specific labour market problems or if such cities are in general characterized by socio-economic conditions more conducive of forming such organisations.

The descriptive results of our questionnaire indicate that Pacts/LEIs are more preponderant among the small cities. While in total according to the results of the PES questionnaire such organisations exist in 25 of the 40 interviewed cities (or in 62.5% of the cases), this share is 80% (or 12 out of 15 cases) for small cities but only

33% (3 out of 9 cases) for large cities (Figure 15). This also implies that in total there are only 3 observations of Pacts/LEIs in large cities, which has to be kept in mind when interpreting the results of the analysis below. National differences may, however, also impact on the organisation Pact/LEI since in a number of countries (e.g. Austria and Germany) such initiatives were consciously developed through subsidies and/or institutional support. Thus, while in some countries (such as Austria, Sweden, Romania and Greece) Pacts/LEIs could be identified in all of the cities interviewed; no such initiatives were identified in the Czech Republic, and somewhat surprisingly neither in Italy (Figure 16).<sup>27</sup>

Figure 15: Number of PES and Pact/LEI organisations interviewed by Region



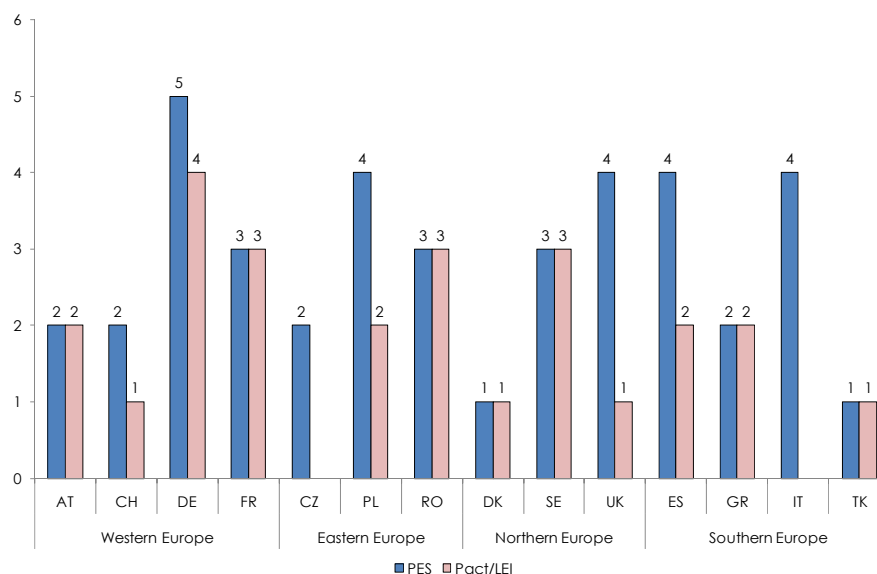
Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants.

In addition to these variables we also include variables measuring the size of the stakeholder network of the regional PES (the number of national stakeholders and the number of regional stakeholders in the network) as well as a large number of indicators measuring the independence and autonomy of the regional PES organisation. These are an indicator variable for PES organisations that are part of a ministry, the share of budget decided on autonomously by the regional PES and the indices of regional autonomy with respect to designing programs, allocating budgets, defining target groups, monitoring, administrating and outsourcing defined in chapter 3. These variables are included because, as explained in the introduction, depending on the forces at

<sup>27</sup> This finding is at odds with the literature that suggests that Italy was a country which formalized territorial pacts rather early (Saghin et al. 2013). The reason for this discrepancy may be that these Italian pacts are usually considered to be instruments for regional policy rather than labour market policy instruments.

work, they could have a positive or a negative impact on the likelihood of finding a Pact/LEI in the region under study.

Figure 16: Number of PES and Pact/LEI organisations interviewed by Region



Source: wwwforeurope questionnaire

Table 11: Logit regression results for probability of observing a Pact/LEI in a region

	(1)		(2)		(3)		(4)		(5)	
	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.
Medium city	-3.419*	1.997	0.682	1.290	0.421	1.527	-4.714**	2.361	-0.324	0.964
Large city	-4.140**	2.067	-1.520	1.342	-0.391	1.670	-5.904**	2.935	-1.900*	1.055
Part of ministry	-1.580	1.652	1.750	1.156	1.774	2.465	1.090	3.002		
No national PES stakeholders	0.329*	0.171	0.636*	0.367	0.806*	0.475	0.369	0.487	0.467*	0.259
No regional PES stakeholders	-0.232	0.226	-0.297	0.245	-0.493	0.328	-0.259	0.296	-0.301*	0.166
Autonomous budget share	0.003	0.012					0.008	0.020		
Designing programs			-4.230	2.825	-7.110*	3.928			-1.073	2.006
Allocating budget			4.632**	2.134	6.313**	2.597			2.654**	1.320
Defining target groups			2.303	1.658	2.280	1.720				
Monitoring			0.677	2.039	2.463	2.764				
Administration			0.168	1.793	0.557	2.098				
Outsourcing			-4.827	3.507	-3.827	3.641				
Eastern Europe					1.695	2.465	1.178	3.002		
Northern Europe					1.597	2.465	1.536	3.002		
Southern Europe					1.390	2.465	1.349	3.002		
Territory corresponds					0.428	1.102	1.919	1.502		
Constant	4.972*	2.593	-1.369	1.674	-1.805	2.465	-0.727	3.002	0.111	1.194
No. Obs	28.000		40.000		40.000		28.000		40.000	

Source: wwwforeurope questionnaire Coef. = estimated coefficient, S.E. = Standard Error; \*\*\*, \*\* signify significance at the 1%, (5%), level respectively.

Table 11 presents the results of five different variants of our baseline specifications. In the first of these, we exclude the various indices of regional autonomy and the controls for the region of location of the city, but include our measure of budgetary autonomy. This, on account of the large number of regional PES organisations

that did not report on their budget autonomy, results in a severe loss in the number of degrees of freedom available for our estimates. Despite there being only 28 usable observations, this specification suggests that in medium and large sized cities the probability of observing a Pact/LEI is statistically significantly lower than in a small city (which are the baseline in this and all other specifications). Small cities are thus particularly likely to have a Pact/LEI. In addition, cities in which the regional PES organisation has a larger number of national stakeholders, all else equal, have a statistically weakly significantly higher probability to have a Pact/LEI, while cities with a larger number of regional PES stakeholders have a lower probability of having a Pact/LEI. This effect as well as the positive effect of a higher budgetary autonomy and the negative effect of a regional PES being part of a ministry remains insignificant, however.

In the second specification we exclude the measure of budgetary autonomy from the regression, but include the various indices of regional autonomy defined in chapter 3 of this study. This specification corroborates the result of a positive weakly significant impact of the number of national stakeholders involved in the regional PES on the probability of observing a Pact/LEI in the region, the insignificance of the variables measuring the number of regional stakeholders in the regional PES as well as the variable indicating whether a regional PES organisation is part of a ministry or not. It, however, extends on previous findings by suggesting that city size is an insignificant determinant of the probability of observing a Pact/LEI, once a richer set of controls for regional autonomy is included. Among this richer set of controls a higher budgetary autonomy of the regional PES statistically significantly increases the probability of having a Pact/LEI in the region, while all other aspects of the autonomy of the regional PES remain to be insignificant determinants of finding a Pact/LEI in the region under investigation. In terms of our original hypotheses this therefore indicates that in particular the capability of the regional PES to finance a Pact/LEI is an important determinant of the existence of such an institution, while lacking autonomy in other areas seems to be of less importance.

Given the evidence of these two specifications, in the next two specifications we re-run specifications (1) and (2) but include the family of dummy variables indicating the European region in which the city under consideration is located. These specifications (reported in columns 3 and 4 of table 11) once more corroborate previous results by suggesting that the city size dummy variables are only significant determinants of the probability to observe a Pact/LEI in a region, if the detailed controls for the autonomy of the regional PES are excluded from the regression and that if such detailed controls are included, a higher autonomy of the regional

PES in allocating budgets also increases the probability of observing a Pact/LEI. In contrast to previous results, however, the results presented in column (3) of Table 11 also suggest that a higher autonomy of a regional PES in terms of designing active labour market policy programs tends to reduce the probability of finding a Pact/LEI in that region.

Finally, in column (5) of Table 11, we present a specification in which we include only those variables that were significant in at least one of the specifications shown in columns (1) to (4). In accordance with previous results, this specification suggests that the probability to have a Pact/LEI is significantly smaller in large cities than in small cities and that a larger number of national stakeholders as well as a higher autonomy of the regional PES in allocating budgets increases the probability to observe a Pact/LEI in a region. It, however, also suggests that a larger number of regional stakeholders in the regional PES reduces the probability of observing a Pact/LEI in the region.

In sum, these findings indicate that city size, the stakeholder size of the regional PES and its autonomy in allocating budgets are the most robust predictors of a city having a pact, with large cities having a disadvantage in forming pacts and regions in which the regional PES has more budgetary autonomy and a larger number of national stakeholders having an advantage.

#### *Correlates of the functions and partnership of a Pact/ LEI*

In the second step of our analysis, by contrast, we explore to what degree regional characteristics and the organisational features of the regional PES are correlated with the function a Pact\LEI fulfils and the size of the partnership structure. Since the low number of observations on Pacts\LEIs precludes a multivariate analysis in this case, we focus on pair-wise correlations of these variables with all the variables included in the regression analysis above (i.e. city size, indicator variables for PES organisations that are part of a ministry, budgetary autonomy and indices of autonomy) as well as a set of Pact/LEI characteristics. These, when focusing on the function of Pacts/LEIs, are the age of the Pact/LEI. When focusing on the number of partners, by contrast, these are the age of the Pact/LEI and indicator variables for its function. The results of these pair-wise correlations suggest that the autonomy and the organisation of the regional PES only weakly influenced the organisation of the Pact/LEI. This applies in particular to the function fulfilled by Pacts/LEIs. Here, the only weakly statistically significant correlations indicate that cities, in which the regional PES has more autonomy in designing programs



and administration more rarely, have a Pacts/LEIs that serves as an information exchange platform between different actors in the region.

*Table 12: Correlation of Pact/LEI functions and partnership size with regional and PES-characteristics*

	Function of the Pact/LEI			Number of partners of Pact/LEI				
	Co-ordination	Design	Information Platform	Total	Formal partners	Informal partners		
Population of city	-0.202	-0.277	0.118	-0.436	**	-0.042	-0.470	**
Part of ministry	0.199	-0.028	-0.138	-0.428	***	-0.477	***	0.151
No national PES stakeholders	-0.100	-0.053	0.056	0.012		-0.029		0.051
No regional PES stakeholders	-0.155	-0.054	0.088	-0.213		-0.245		-0.067
Autonomous budget share	0.034	-0.013	0.330	-0.186		-0.087		-0.188
Designing programs	-0.293	-0.008	-0.329	*		-0.298	**	0.046
Allocating budget	0.027	-0.129	-0.164	0.012		0.024		-0.008
Defining target groups	-0.213	0.062	0.013	-0.092		-0.146		0.016
Monitoring	-0.117	-0.157	-0.024	-0.059		-0.131		0.050
Administration	-0.155	0.033	-0.353	*		0.045		0.135
Outsourcing	-0.065	-0.207	-0.086	-0.018		-0.068		0.047
Territory corresponds	-0.064	-0.145	-0.044	-0.180		-0.140		-0.130
Year of founding of pact	-0.142	-0.036	0.086	-0.309	*	-0.373	*	0.013
Coordination pact				0.278	*	0.389	**	-0.062
Design pact				0.005		0.212		-0.197
Platform pact				-0.363	*	-0.130		-0.280

Source: wwwforeurope questionnaire table presents pair wise correlation coefficients; \*\*\*, (\*\*) signify significance at the 1%, (5%), level respectively.

By contrast, correlation results for the size and structure of the partnership reconfirm some of the earlier findings by suggesting that Pacts/LEIs in larger cities as a rule have fewer partners, which is primarily due to these Pacts/LEIs having less informal partners, that younger Pacts/LEIs (with a later year of founding) have fewer partners in total and fewer informal partners and that Pacts/LEIs serving the co-ordination of policies in general have more partners and those serving as a platform for information exchange have fewer. Among the organisational features of the regional PES, however, the statistically significant correlation coefficients indicate that Pacts/LEIs located in regions where the regional PES has higher autonomy in designing programs have significantly fewer formal partners and that Pacts/LEIs located in regions where the PES is a part of a ministry have fewer (in particular formal) partners. This latter fact may in part be due to PES organisations that are part of a ministry having more limited possibilities to enter formal partnership than PES organisations that are part of an independent institution.<sup>28</sup>

<sup>28</sup> In addition, in table 2 of annex 1 we report results of a similar analysis as this one on the level of individual partners. These show that the probability of a potential partner being involved in a Pact/LEI is significantly negatively correlated (at the 5% level) to whether the PES is part of a ministry for all potential partners but elected representatives, regional employment policy actors and national actors. In addition, the probability of the municipality being a partner is significantly negatively correlated to city size, elected representatives are significantly more often partners in pacts serving the co-ordination of

### **4.3 The satisfaction of the regional PES with the co-operation with the Pact/LEI**

In sum, therefore, while there is some evidence that organisational features of the regional PES organisation, such as the size of the national and regional stakeholder network and the autonomy in allocating budgets, impact on the probability of a Pact/LEI being formed in a region, the impact of these organisational features of the PES on the function and partnership structure is limited. This clearly contrasts with the important role of the PES in financing and organising Pacts/LEIs. Two natural questions to ask are therefore how satisfied the regional PES organisations are with the Pacts/LEIs operating in the region and which organisational features of both the Pacts/LEIs and the regional PES organisations affect this satisfaction. In the context of our questionnaire, this issue can be addressed by a set of questions in which regional PES organisations were asked how satisfied they are with the co-operation with the Pacts/LEIs, the results of the Pacts/LEIs and the co-operation with the individual partners of this co-operation on a three point scale reaching from -1 (indicating dissatisfaction) to 1 (indicating high satisfaction). As can be seen from Table 12, the results indicate that PES organisations mostly have a neutral attitude to the Pacts/LEIs operating on their territory, with the regional PES organisations in aggregate being somewhat more critical of the concrete results of the Pacts/LEIs than with the co-operation with the Pacts/LEIs and its partners.

Interestingly, there also seems to be much less heterogeneity across different types of regions and PES as well as across Pact/LEI organisations in this indicator than found for most other indicators in this study.<sup>29</sup> The only noticeable differences are that PES organisations in Northern Europe and PES organisations that are part of a ministry are more satisfied both with the results and the co-operation, while PES organisations in Southern Europe and PES organisations that are part of an independent institution are substantially more critical of Pacts/LEIs than on average. Similarly, satisfaction with Pacts/LEIs is higher when PES organisations only co-operate informally with Pacts/LEIs and satisfaction with the results of Pacts/LEIs is lower when they are a

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policies, actors in employment policy are significantly more often partners in Pacts/LEIs with high budget autonomy and national actors are significantly more seldom partners in Pacts/LEIs serving platforms of information exchange.

<sup>29</sup> This is corroborated by further analyses. In these we correlated the satisfaction scores reported by individual PES organisation with indicators for the size and structure of PES-stakeholder networks, measures of autonomy of the regional PES and with the size and structure of the partnership of the Pacts/LEIs to determine whether any of these variables impact on the satisfaction of PES organisations with Pacts/LEIs. None of the variables showed a statistically significant correlation with the measures of satisfaction.

partner. In part this may, however, be due to different levels of information (and also different aspirations) with respect to the concrete activities of these Pacts/LEIs.

*Table 13: Satisfaction of PES organisations with Pacts/LEIs in their city  
1 very satisfied, 0 satisfied, -1 not satisfied*

	Satisfaction with the co-operation in the pact (LEIs)	Satisfaction with the results of the pact (LEIs)	Satisfaction with the co- operation with individual partners in the pact (LEIs)
Western Europe	0.10	-0.13	0.10
Eastern Europe	0.00	0.00	0.00
Northern Europe	0.50	0.50	0.50
Southern Europe	-0.17	-0.17	-0.20
Small	0.10	0.00	0.10
Medium	0.11	0.00	0.11
Large	0.00	0.00	0.00
Larger	0.13	0.00	0.13
Corresponds	0.00	0.00	0.00
Part of ministry	0.20	0.20	0.22
Independent organisation	0.00	-0.20	0.00
Before 1985	0.00	0.00	0.00
1985 to 1999	0.00	-0.20	0.00
2000 to 2005	0.17	0.25	0.20
2006 to 2011	0.17	0.00	0.17
Coordination	0.10	0.00	0.10
Design	0.23	0.09	0.23
Platform	0.17	0.06	0.18
PES Operates and finances	0.11	0.00	0.11
PES is partner	0.00	-0.17	0.00
PES contributes financially	0.00	0.00	0.00
PES Provides consultancy	0.00	0.00	0.00
PES Co-operates informally	0.20	0.25	0.20
Total	0.09	0.00	0.10

Source: wwwforeurope questionnaire table presents averages across 25 cities in which Pacts/LEIs were identified. Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

## **5. Objectives, target groups and strategies followed by PES organisations and changes in priorities**

There are thus substantial differences in terms of autonomy and stakeholder or partnership structure among the institutions interviewed in the labour market survey of the *wwwforeurope* project. These are shaped by national differences, differences in the size of cities and also by other important organisational features of the respective PES or Pact/LEI organisations. This suggests rather different preconditions for regional labour market policy making in different parts of Europe. Since we expect that these different preconditions should to some extent also influence the objective structure of the interviewed institutions, one block of questions both in the PES as well as in the Pact/LEI questionnaire was dedicated to the objective structure of these institutions. Here, PES organisations were asked first of all, on their target groups and second of all, whether aside from focusing on certain target groups, they also followed sector specific strategies in sectors that according to some studies (e.g. EC 1996) hold a high potential for employment creation in cities (leisure and cultural activities, public utilities, public sector employment, domestic services, green jobs, health sector, social services). In addition, the regional PES organisations were also asked, whether the importance of individual target groups and sector strategies increased or decreased in the period since 2008.

In this chapter we focus on the target groups and sector strategies of the PES organisations. In particular in section 1 we ask to what degree different institutional features of the PES impact on the diversity and heterogeneity of target groups and sector specific strategies considered in the objective structure of the regional PES, while in section 2 we ask how these features have impacted on the extent of policy changes in the period since 2008.

### **5.1 Importance of target groups and sector strategies of PES organisations**

#### *Target groups*

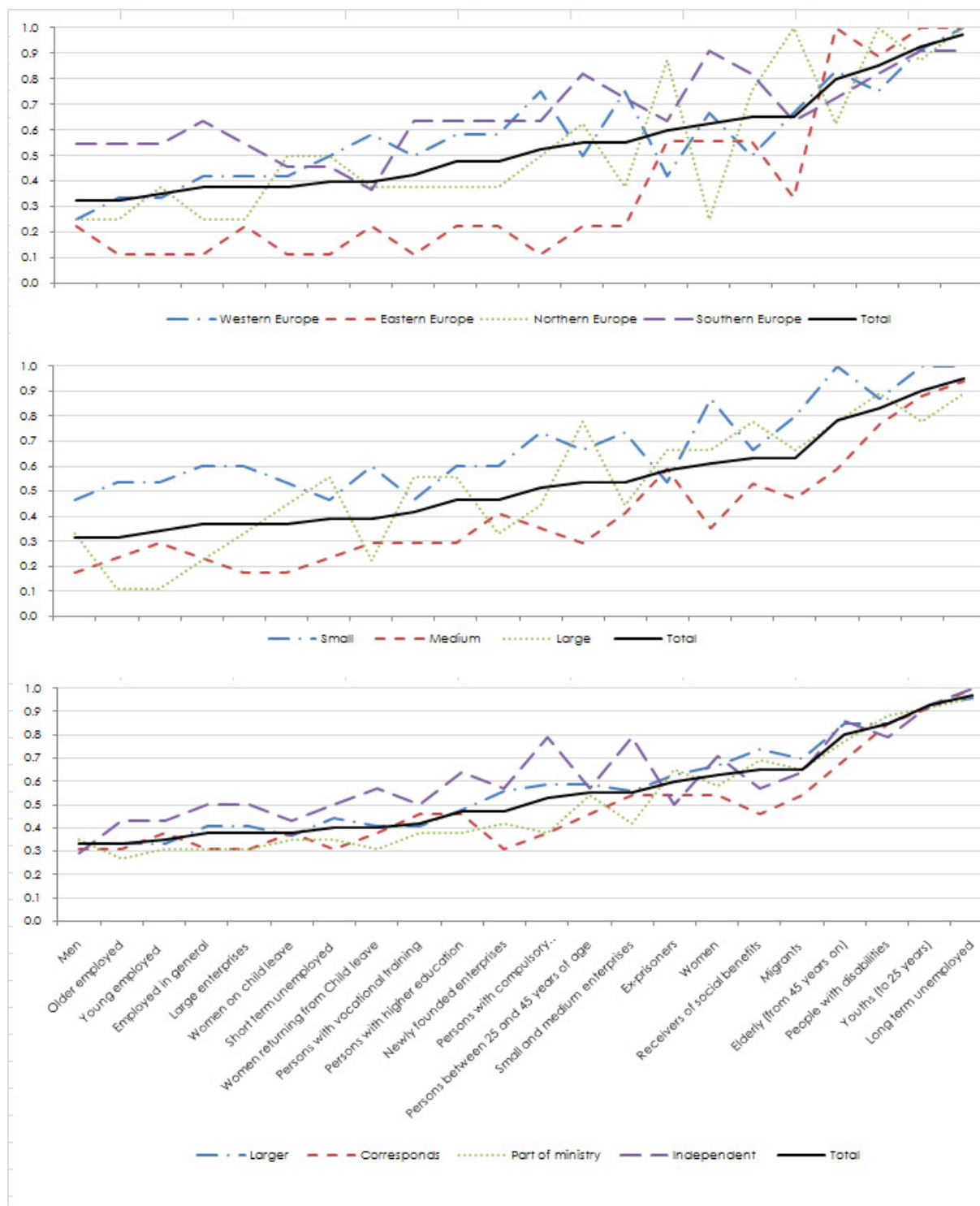
This block of questions clearly characterizes the regional PES as an organisation that is primarily concerned with the unemployed (i.e. are responsible for the matching of unemployed to jobs and for conducting active labour market policies for the unemployed). In the aggregate, 98% of the interviewed PES organisations stated that long-term unemployed are a target group of their policies and over 80% stated that also young persons, elderly persons and people with disabilities belong to their target groups. By contrast, persons who are employed belong to the core working groups or are out of the labour force such as men old or young employed

as well as employed in general and women on child leave are target groups in less than 40% of the interviewed organisations. Similarly, enterprises of all kinds are a target group for only 38% of these organisations, and 55% of the organisations consider SMEs to be part of their target groups, while 48% also focus on newly founded enterprises (Figure 17).

As with all indicators considered in this study, there is also substantial heterogeneity between PES organisations in different cities that are probably shaped by differences in the relevant labour market problems of the respective regions, but also by differences in national labour market policy, the autonomy and independence and potentially also by the stakeholder structure of the organisations. Thus, for instance, the most noticeable differences in target groups between country groups are the differences between PES organisations in Eastern and Southern Europe, which differ in all three factors influencing the formulation of target groups (i.e. independence in terms of the share of budget autonomously decided on - which is higher in Southern than in Eastern Europe-, the size of stakeholder networks - which are smaller in Southern than in Eastern Europe, and labour market problems – which may be considered to be more severe in Southern than in Eastern Europe). In general, target groups that are rarely considered in the European average are even more rarely considered in Eastern Europe, while the same target groups are considered by substantially more PES organisations in Southern Europe. For the target groups that are the most important in average, these differences are much less pronounced. The target group structure of Northern and Western European PES organisations follows the aggregate much more closely. The only major differences here are that Western European countries put a higher emphasis on persons with only compulsory education and on SMEs, and less emphasis on elderly persons and on migrants, while in the Northern European countries ex-prisoners are considered to be target groups a little more often than in average.

Differences between cities of different sizes are somewhat larger. This applies in particular to differences between PES organisations located in medium sized and small cities and once more applies in particular to those target groups that are generally not top-ranked among the priorities of PES organisations in average. Here, medium sized cities give a lower priority to almost all of these groups than in average, while small cities prioritise these groups more often. Similarly, also PES organisations that are part of an independent organisation rather than a ministry are more likely to prioritise less standard target groups. This applies in

Figure 17: Target groups mentioned by PES organisations (share of positive responses)



Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

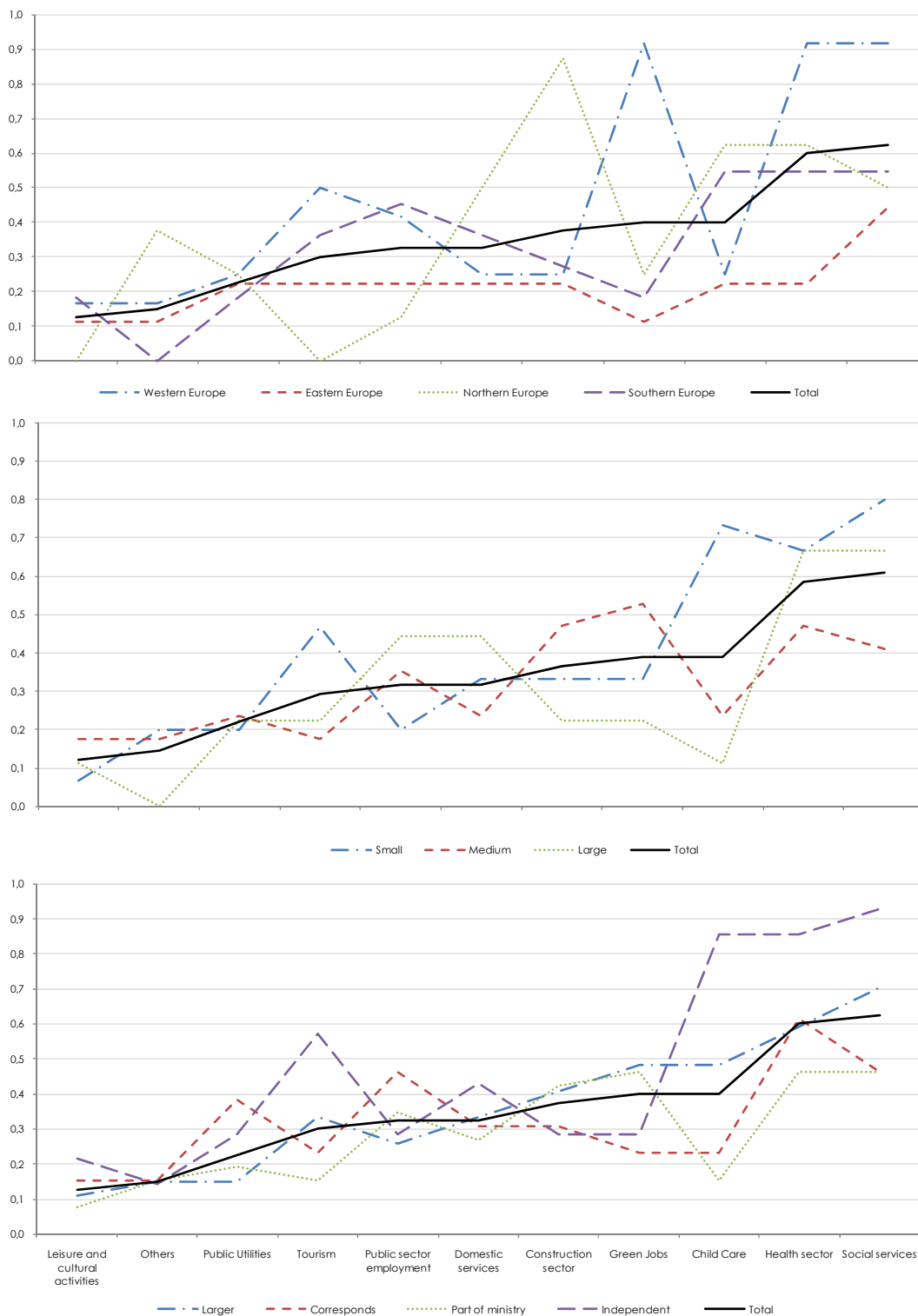
particular to those target groups that are employed or that are out of the labour force (older and younger employed, employed in general and persons on parental leave) as well as to all types of enterprises. This may indicate that the higher autonomy of the PES organisations that are part of an independent organisation may foster the inclusion of these groups. Differences in the target group structure between PES organisation serving a territory corresponding to the city limits and PES organisations serving a larger territory are minor and do not strongly affect the target group structure of PES organisations or the ranking of different target groups.

### *Sector strategies*

Sector specific strategies, by contrast, are much less regularly followed in PES organisations. While more than 80% of the interviewed PES organisations focus on the “core” target groups of the regional PES, even the most popular sector specific strategies (with respect to the health sector and social services) exist in only slightly more than 50% of the PES organisations. Strategies focusing on tourism, domestic services, public sector employment, construction and child care, all of which could be expected to be particularly important sectors in an urban context, exist at 30% to 40% of the PES organisations. Apart from that, less than a quarter of the PES organisations follow a sector specific strategy in leisure and cultural activities as well as in public utilities.

Differences in the share of PES organisations reporting such strategies - due to the fact that such strategies do not belong to their common portfolio of tasks – are also substantially larger than in terms of target groups (Figure 18). Some of these differences probably reflect differences in national policies. For instance, Western European countries have an above average share of PES organisations following sector specific strategies for most sectors (all but the public and construction sector and green jobs), with a strong focus on child care and the health and social service sector. Eastern European countries have a lower than average share for all sectors with the difference being largest for child care, green jobs as well as for the health sector and social services. Southern European countries focus more strongly on domestic services and green jobs but less strongly on child care, and Northern European PES organisations have a particular emphasis on construction and green jobs but less on tourism.

Figure 18: Sector strategies followed by PES organisations (share of positive responses)



Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.



These differences are, however, also correlated to city size. This applies to both the overall consideration of sector specific strategies as well as to their structure. Small cities follow sector specific strategies more often than large and medium sized cities and medium sized cities more often focus on construction, child care and less on the health sector and social services than small cities. The large cities more seldom follow strategies in almost all sectors, except for domestic services, the public and health sector as well as social services. A potential explanation for this is that the larger stakeholder network size in the small cities, found in chapter 3, leads to a more intensive consideration of less usual policies in PES organisations of small cities on account of less considered interest groups having a larger voice in formulating target groups on such a PES organisation (see Gambaro, Milio and Simoni 2004 on this point for Pacts/LEIs).

This hypothesis is also corroborated by the fact that PES organisations that are part of an independent organisation which – as shown in chapter 2 - have rather large stakeholder networks are also more likely to have sector specific strategies than PES organisations that are part of a ministry. Apart from that, differences between PES organisations serving a territory corresponding to the city limits and PES organisations serving a different territory are once more much less pronounced and suggest that the former more often engage in sector specific strategies with respect to the public sector but less often with respect to child care and the social sector.

#### *Determinants of diversity and heterogeneity of the objective structure*

Descriptive evidence on the objective structure of regional PES organisations therefore suggests that they have a number of “core” target groups, considered by almost all types of PES organisations, while differences between different types of regional PES exist in the consideration of less often mentioned target groups and in sector strategies. The central difference among PES organisations therefore is the diversity of target groups (or the number of target groups) and sector strategies followed. To analyse these differences, we construct a number of indicators on the diversity of the objective structure of different regional PES organisations. In the first of these, we divide the target groups into “core target groups” of the PES. These are target groups that are considered to be important by more than 80% of the PES organisations (i.e. elderly persons, people with disabilities, youths and long term unemployed) and into “less considered target groups” which are target groups considered by less than 40% of the PES organisations (men, older employed, employed, large enterprises, women on child leave, short-term unemployed and women returning from child leave). All other target groups are collected into an intermediate group. Based on these groups, we count the share of target

groups considered important by a regional PES in each of these groups so as to derive a measure of how strongly a PES emphasises “core”, “intermediate” and “less considered” target groups. Furthermore, as two further measures of the diversity of the objective structure of PES organisations, we also consider the total number of target groups (relative to the maximum number of target groups) considered important by each of the PES organisations and the total number of sector specific strategies (relative to the maximum number of sector specific strategies) followed by the regional PES organisations.

Table 14: *Share of target groups and sector strategies followed by PES organisations*

	Core Target Group	Less considered target groups	Intermediate target groups	All target groups	Sector strategies
Region					
Western Europe	0.88	0.41	0.59	0.58	0.45
Eastern Europe	0.97	0.15	0.31	0.37	0.21
Northern Europe	0.88	0.34	0.55	0.53	0.38
Southern Europe	0.84	0.51	0.71	0.66	0.33
City Size					
Small	0.97	0.54	0.67	0.68	0.39
Medium	0.79	0.23	0.4	0.41	0.32
Large	0.83	0.29	0.59	0.53	0.3
Territory serviced by PES					
Larger than city limits	0.90	0.38	0.59	0.57	0.36
Corresponds to city limits	0.87	0.34	0.47	0.49	0.32
Organisation of PES					
Part of ministry	0.88	0.32	0.51	0.51	0.29
Independent organisation	0.89	0.46	0.63	0.61	0.47
Total	0.89	0.37	0.55	0.55	0.35

Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

Table 14 shows the descriptive statistics for these variables stratified by some of the characteristics of PES organisations that may impact on the diversity of the objective structure of PES organisations. These results confirm a number of previous results: Thus, as also suggested by Figure 17, Eastern European PES organisations most strongly focus on the core target groups, while at the same time only paying little attention to the less considered target groups. Southern and Western European PES organisations pay most attention to the less considered target groups, with Western European organisation also paying much higher attention to sector strategies. Similarly, small cities pay more attention to almost all target groups and sector strategies than either large or medium sized cities and thus also have the most diverse objective structure, while regional PES organisations that are part of an independent organisation put comparable emphasis on the “core” target groups, as PES organisations that are part of a ministry, but in addition also consider more of the less considered target groups.

Small cities, Western and Southern European cities and independent PES organisations therefore have the most diverse objective structure. This, however, could be driven by co-linearity of these indicators amongst each other and/or with a number of other potential underlying factors collinear with these variables.<sup>30</sup> Table 15 therefore shows the results of a regression analysis in which each of the indicators of the diversity of the objective structure is regressed on the variables shown in Table 14 as well as on measures of stakeholder network size and the autonomy of regional PES organisations to control for this potential co-linearity. The results suggest that the primary variable predicting the diversity of target groups and sector strategies considered by a PES organisation is city size. Relative to small cities (which are the base category in all regressions), both medium sized and large cities have a statistically significantly smaller set of target groups irrespective of whether the core, less considered or intermediary target groups or all target groups are considered. In addition, large cities also have a statistically significantly lower number of sector specific strategies than small cities. This stylized fact could potentially be explained by the fact that in larger cities there may be more specialised institutions that are servicing these less considered target groups.

Aside from this rather strong evidence of a city size effect on the diversity of target groups and sector strategies, results also indicate that the diversity of target groups is positively correlated to the autonomy of a regional PES in designing programs. PES organisations that have a higher index of autonomy with respect to designing programs also consider a statistically significantly larger number of target groups for all indicators of target group heterogeneity. Furthermore, PES organisations with a larger number of stakeholders also (statistically weakly significantly) tend to consider more of the less considered target groups. This may be a result of the fact that in PES organisations with a larger stakeholder structure the less considered target groups (e.g. when represented in NGOs) may have a larger voice in formulating target groups.

For the sector strategies followed, by contrast, a number of variables have a statistically significant impact on the number of sector strategies followed. According to these imply that even after controlling for potential other factors, such strategies are significantly less often followed in Eastern European countries and that PES organisations that are part of a ministry follow fewer such strategies than PES organisations that are

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<sup>30</sup> For instance, the more diverse objective structure of PES organisations in small cities may be due to a true city size effect or the substantially larger stakeholder networks in small cities, which may also foster the inclusion of some of the less standardized target groups of PES organisations in their objective structure.

part of an independent organisation. Furthermore a larger number of stakeholders (potentially again on account to lending more voice to the proponents of such sector strategies) increases the number of such sector strategies followed and a larger budget autonomy also (weakly) statistically significantly increases the share of such strategies followed.

*Table 15: Determinants of share of target groups and sector strategies followed by PES organizations (regression results)*

Dependent variable	Core Target Group		Less considered target groups		Intermediate target groups		All target groups		Sector strategies	
	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.
Eastern Europe	0.242	0.193	-0.515	0.363	-0.410	0.363	-7.255	6.271	-9.179***	2.346
Northern Europe	0.198	0.201	0.076	0.377	0.016	0.378	1.558	6.514	-4.284	2.437
Southern Europe	0.083	0.166	0.181	0.311	0.112	0.312	2.900	5.376	-3.085	2.011
Medium city	-0.346***	0.090	-0.393**	0.168	-0.427**	0.168	-8.795***	2.903	-1.607	1.086
Large city	-0.315**	0.112	-0.706***	0.211	-0.632**	0.211	-13.226***	3.645	-4.101***	1.364
Part of ministry	-0.155	0.188	-0.178	0.354	-0.396	0.354	-5.997	6.111	-4.508*	2.286
No of stakeholders	0.002	0.007	0.020*	0.012	0.004	0.014	0.124	0.234	0.232**	0.088
Autonomous budget share	0.000	0.001	-0.003	0.002	0.000	0.002	-0.019	0.033	0.021*	0.012
Designing programs	0.435**	0.194	0.562**	0.264	0.677*	0.364	13.006**	6.286	-1.049	2.352
Defining target groups	-0.302**	0.127	0.071	0.238	-0.100	0.239	-1.632	4.116	0.165	1.540
Monitoring	0.074	0.138	-0.058	0.259	-0.133	0.260	-1.500	4.480	3.159*	1.676
Administration	0.223	0.145	-0.181	0.273	0.206	0.273	1.504	4.717	-3.984	1.764
Outsourcing	0.214	0.176	0.084	0.331	-0.153	0.331	-0.001	5.717	-3.149	2.139
Constant	0.832***	0.205	0.657*	0.385	0.889**	0.386	17.472***	6.653	10.111***	2.489
Obs	28		28		28		28		28	
R2	0.77		0.68		0.66		0.71		0.78	

Source: wwwforeurope questionnaire table presents regression results; Coef=estimated coefficient, S.E. = Standard Error of the estimate, \*\*\*, (\*\*).signify significance at the 1%, (5%), level respectively.

Finally, in the context of Pacts/LEIs Garbaro, Milio and Simoni (2004) have argued that aside from the number of stakeholders also the concrete identity of stakeholders may have an impact on the objective structure of labour market policy making institutions, if either stakeholders are attracted to participate in PES decision making in order to pursue their own objectives or because their expertise in a particular field leads the PES to follow a certain objective on its own account. Thus in table A3 in the annex we report correlations between the probability that a particular stakeholder is a stakeholder of the PES organisation and that a certain target group is addressed by the PES organisations. While these results have to be interpreted with some care due to the low number of observations potentially creating spurious correlations and due to the fact that a detailed analysis of these results is beyond the scope of this study, they do provide indication that in particular the presence of national and regional social partner organisations as well as of regional NGOs and research institutions is correlated with the objective structure of the PES in a region. PES organisations that have regional NGOs as stakeholders more often have persons with vocational or higher education and with disabilities but also women on (or returning from) child leave, receivers of social benefits, employed in general and older employed as target

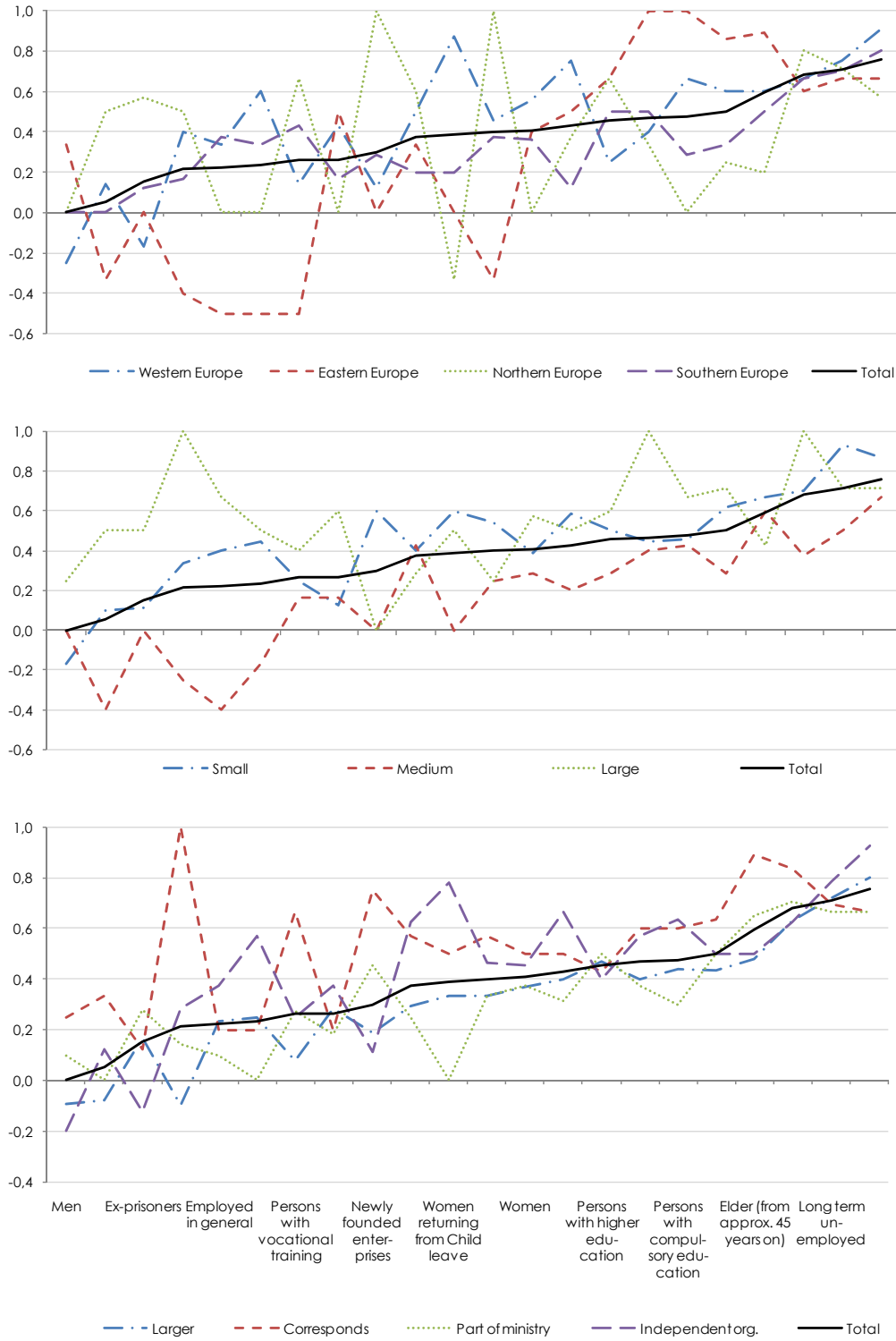
groups. As expected, many of these groups could also potentially be target groups of the respective NGOs. Similarly, PES organisations that have research institutions as stakeholders more often prioritise elderly persons, persons with vocational or higher education and the employed in general, while PES organisations with national and regional social partner institutions more often target elderly persons, persons with vocational and higher education, employed in the main working age and women on or returning from child care as well as migrants and ex-prisoners.

## **5.2. Changes in the objective structure of regional PES organisations 2008-2013**

### *Changes in importance of target groups*

The objective structure and also the importance of sector specific strategies for PES organisations have, however, also been subject to substantial change since 2008. In this time period, the increased unemployment and greater labour market difficulties have led to an increased importance of all target groups of labour market policy. As a consequence, when asked on whether individual elements of their target groups have become more or less important in the last decade, a larger number of PES organisations indicate a higher importance than a lower importance for most items. The only exceptions are men, for whom the number of PES organisations indicating an increased importance equals the number of PES organisations indicating a decreased importance (Figure 19). The strongest increases in importance are, however, reported for youths, long term unemployed, receivers of social benefits and older persons. This accords with the increase in youth and long term unemployment in the EU in this time period and the simultaneously increasing problems of elderly workers. Therefore, despite the increase of importance of all target groups, the relative importance of target groups

Figure 19: Changes in the importance of target groups mentioned by PES organisations (1= more important, -1 = less important)



Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

outside the “core” clientele of PES organisations seems to have decreased, since the importance of groups such as large enterprises, ex-prisoners and various groups of employed persons as well as women on maternity leave has increased in much fewer PES organisations than in the case of youths, long-term unemployed, elderly persons and social benefit receivers.<sup>31</sup>

Changes in the importance of target groups are, however, once more also marked by substantial heterogeneity. While the changes in the importance in target groups in Southern European regional PES organisations follow the aggregate tendencies, in the Eastern Europe there was a much clearer shift of priorities towards young and less educated workers but also to people with disabilities and elderly persons, while large, small and medium sized enterprises, persons with vocational training, employed persons and women on child leave lost in importance. In Northern European countries, women returning from child leave experienced a decrease in importance and persons with disabilities, compulsory education and elderly persons experienced a below average increase in importance, while all types of enterprises (large, newly founded and SMEs) have increased substantially more in importance than average. In Western Europe the importance of women on and returning from child leave as well as of migrants increased substantially more than on average, while the importance of men and ex-prisoners decreased.

In addition, reflecting the substantial increase of their labour market problems, large cities reported a stronger increase in the importance of all target groups (except for elderly persons, SMEs and newly founded enterprises) than average, while in the medium sized cities the increase in importance was below average for all target groups except for persons in the main working age (aged 25 to 44).<sup>32</sup> PES organisations serving territories that accord with city limits – again reflecting the mounting problems in urban labour markets – and PES organisations, which are part of an independent organisation, as a rule experienced a larger increase in the importance of almost all target groups. In contrast, PES organisations that serve territories differing from administrative city limits and PES organisations that are part of a ministry as a rule report smaller increases in importance of almost all target groups. In PES organisations serving territories that correspond to the city limits, the importance of elderly persons but also of newly founded enterprises and of persons with vocational training

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<sup>31</sup> This is also corroborated by correlations between the importance of individual target groups in 2013 and the change in their importance in the time period from 2008 to 2013. This is statistically significantly positive and thus indicates that more important target groups in 2013 also experienced a larger increase in importance in the time period 2008 to 2013.

<sup>32</sup> This may in part be due to the decrease in budgetary autonomy of PES organizations reported in chapter 3

has increased noticeably more than on average, while in PES organisations that are part of an independent organisation the same is the case for women on child leave and for women returning from child leave as well as for migrants.

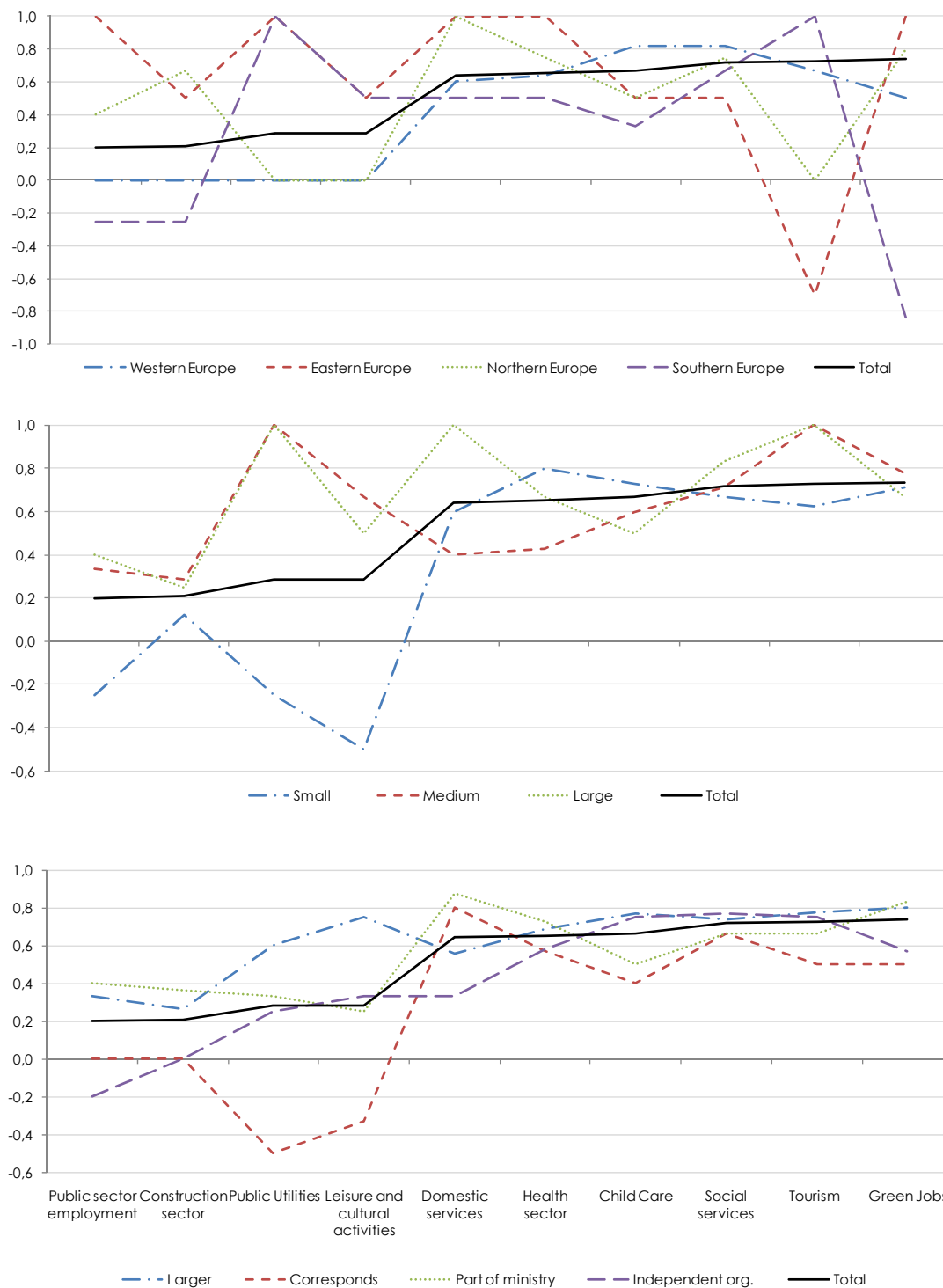
#### *Changes in Importance of sector strategies*

Also the importance of sector specific strategies increased in average for each and every sector considered (Figure 20). The strongest increase in importance was reported for sector strategies in green jobs, tourism and social work, while the smallest increases applied to public sector employment, the construction sector and to public utilities. At the same time, however, the heterogeneity in this indicator is larger than for target groups. For instance, all Eastern European PES organisations reported an increase in the importance of strategies addressing public sector employment, public utilities, domestic services, the health sector and green jobs, while the majority reported a decrease in the importance of sector strategies for tourism. In Southern Europe the importance of sector strategies towards public employment, construction and green jobs decreased in the majority of PES organisations, while the importance of tourism and public utilities increased in all PES organisations. Western European PES organisations are, by contrast, marked by a large share of PES organisations reporting an increased importance in the child care sector. In Northern Europe all PES organisations suggest an increase in the importance of strategies related to domestic services, while many report a decrease in the importance of strategies toward the tourism sector.

PES organisations in small cities also often experienced a decline in the importance of sector strategies. This applies to the public sector, public utilities and leisure and cultural activities. In PES organisations in large cities the importance of sector strategies increased more strongly than on average for almost all sectors (except for the child care sectors). In medium sized city the same applies to all sector strategies but domestic services, child care and the health sector. In contrast to the development of the importance in target groups, however, sector specific strategies gained more strongly in importance in PES organisations that serve a territory corresponding to administrative city limits in all sectors but domestic services, while the importance of such strategies increased more strongly than in average in PES organisations that serve a territory differing from the city limits. The differences between PES organisations that are part of an independent organisation and PES organisations that are part of a ministry remained rather small and suggest no major differences in the development of sector specific strategies.



Figure 20: Changes in Importance of Strategies followed by PES organisations (1= more important, -1 = less important)



Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

### *Factors affecting flexibility and the number of changes*

In sum both the importance of target groups and of sector specific strategies – reflecting the increased labour market problems in European cities - were subject to substantial change in the time period from 2008 to 2013. This led to a stronger concentration of regional PES organisations on their core target groups and indicates substantial flexibility of regional PES organisations in reacting to changing labour problems. Aside from this, also these changes have been rather different in different types of PES organisations. The intensity of changes in importance in target groups and sector strategies may therefore also have varied substantially across different types of PES organisations. This is corroborated for an indicator of target group flexibility reported in Table 16. This reports the share of target groups or sector strategies whose importance has changed (i.e. either increased or decreased) in the total number of target groups or sector strategies<sup>33</sup>. It suggests that overall in the average PES organisation, 34% of the target groups considered in the questionnaire experienced either an increase or a decrease in importance in the period from 2008 to 2013. This change was substantially more intensive in the core target groups of the regional PES organisations (where on average 64% of all target groups experienced a change), less intensive in the less considered target groups (where a change was registered in 20% of all cases) and about average in the intermediate target groups. In addition, changes in importance of sector strategies occurred in 24% of the cases.

The substantial variation in this indicator across different types of PES organisations, however, is even more striking. Changes in both the importance of target groups (according to all indicators) and sector strategies were noticeably more frequent than on average in small cities, PES organisations covering a larger territory than the administrative city limits and PES organisations which are part of an independent organisation. By contrast, they were below average in medium sized cities, PES organisations covering a territory according to city limits and PES organisations that are part of a ministry. In Eastern European PES organisations, changes in importance of core target groups occurred most frequently but changes in the importance of less considered and intermediary target groups were the lowest. In consequence, also when averaging over all target groups as well as when

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<sup>33</sup> Other authors (e.g. Froy and Guiguere2009) have considered the extent of autonomy of a regional PES to be a more appropriate indicator of flexibility. The measure of flexibility used here focuses on actual policy changes rather than on the possibility of change (i.e. potential changes). This can lead to different results, if either changes in the labour market problems do not require any change in policies even though such changes could in principle be undertaken by the regional PES or if other factors (e.g. political disputes among stakeholders) prevent adjustment despite them being both necessary in terms of the labour market situation and possible in terms of autonomy.

considering sector specific strategies, Eastern European PES organisations reported the lowest frequency of changes in importance. Western European PES organisations reported the largest frequency of changes in importance in the less considered target groups and in sector strategies. Apart from that, Southern European PES organisations had the largest frequency of changes in intermediary target groups and over all target groups, while in Northern European PES organisation changes were most modest for all indicators considered in Table 16. These results therefore suggest a higher flexibility of PES organisations in terms of all indicators of the change in importance of target groups and sector strategies in small cities, independent PES organisations and PES organisations serving a territory larger than the administrative city limits.

*Table 16: Share of target groups and sector strategies with a change in importance in the period 2008–2013 by PES organisations.*

	Core Target Group	Less considered target groups	Intermediate target groups	All target groups	Sector strategies
Western Europe	0.65	0.28	0.37	0.39	0.32
Eastern Europe	0.72	0.10	0.16	0.24	0.15
Northern Europe	0.44	0.13	0.33	0.27	0.22
Southern Europe	0.68	0.26	0.45	0.43	0.23
Small	0.75	0.27	0.38	0.41	0.26
Medium	0.53	0.15	0.28	0.28	0.20
Large	0.56	0.17	0.32	0.31	0.24
Larger	0.64	0.23	0.37	0.37	0.27
Corresponds	0.62	0.15	0.27	0.29	0.16
Part of ministry	0.63	0.16	0.31	0.31	0.19
Independent organisation	0.63	0.28	0.39	0.39	0.32
Total	0.63	0.20	0.34	0.34	0.24

Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

Also these results could, however, be influenced by co-linearity of indicators amongst each other or by other potential underlying factors collinear with these variables. Table 17 therefore shows the results of a regression analysis in which we use the intensity of change in (core, less considered, intermediary and total) target groups as well as in sector specific strategies and control for the same variables as in the previous analysis (i.e. for each of the indicators shown in Table 16 as well as on measures of the size of the stakeholder network and the autonomy of regional PES organisations). These results, however, lead to only few new insights on the determinants of changes in importance of target groups across PES organisations on account of the insignificance of most indicators. The only exceptions are that even after controlling for other potential impacts, large cities and Northern European PES organisations experienced statistically significantly smaller changes in importance of target groups.

Table 17: *Determinants of share of target groups and sector strategies followed by PES organisations (regression results)*

	Core Target Group		Less considered target groups		Intermediate target groups		All target groups		Sector strategies			
	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.	Coef.	S.E.		
Eastern Europe	-0.429	0.345	-0.083	0.368	-0.259	0.390	-0.226	0.321	-0.511	** 0.171		
Northern Europe	-0.592	*	0.318	0.028	0.382	-0.164	0.405	-0.172	0.333	-0.204	0.177	
Southern Europe	-0.223	0.295	0.033	0.316	-0.109	0.334	-0.078	0.275	-0.095	0.146		
Medium city	-0.269	0.159	-0.085	0.170	-0.136	0.180	-0.141	0.148	-0.162	* 0.079		
Large city	-0.486	**	0.200	-0.155	0.214	-0.247	0.226	-0.257	*	0.146	-0.262	** 0.099
Part of ministry	-0.591	0.336	0.126	0.359	-0.207	0.380	-0.156	0.312	-0.246	0.167		
No of stakeholders	0.016	0.013	-0.002	0.014	-0.008	0.015	-0.002	0.012	0.022	** 0.006		
Autonomous budget share	-0.002	0.002	-0.002	0.002	-0.001	0.002	-0.002	0.002	-0.003	** 0.001		
designing programs	-0.119	0.345	0.003	0.369	-0.164	0.390	-0.095	0.321	-0.059	0.171		
defining target groups	0.096	0.226	0.198	0.242	0.096	0.256	0.133	0.210	0.024	0.112		
Monitoring	0.275	0.246	0.191	0.263	0.204	0.278	0.212	0.229	0.214	* 0.122		
administration	-0.225	0.259	-0.118	0.277	0.126	0.293	-0.027	0.241	-0.173	0.129		
Outsourcing	0.056	0.314	0.015	0.336	-0.109	0.355	-0.034	0.292	0.089	0.156		
Constant	1.271	**	0.366	0.195	0.391	0.599	0.413	0.574	*	0.340	0.460	** 0.181
Obs	28		28		28		28		28			
R <sup>2</sup>	0.508		0.386		0.313		0.347		0.778			

Source: wwwforeurope questionnaire table presents regression results; Coef=estimated coefficient, S.E. = Standard Error of the estimate, \*\*\*, (\*\*).signify significance at the 1%, (5%), level respectively.

For changes in the importance of sector strategies more variables are statistically significant. In particular changes in importance of such strategies – after controlling for other impacts – were statistically significantly smaller in Eastern European PES organisations and in medium sized and large cities and a higher budgetary autonomy of a PES organisation is negatively correlated with the frequency of change of importance of sector strategies. By contrast, a larger number of stakeholders and a higher index of autonomy in monitoring labour market policies and regional developments lead to a higher frequency of changes in importance of sector strategies. PES organisations that are provided with more information on regional developments (either through large stakeholder networks or through more intensive monitoring of regional developments) also more flexibly adapt sector specific strategies than regional PES organisations that have a worse basis for obtaining such information.

## 6. The objective structure of Pacts/LEIs

Since according to the results of previous evaluations (see ECOTEC 2002, Huber 2005, Pyke 1998, Geddes 1998, Martinez-Fernandez 2011), Pacts/LEIs often have been reported to have a much wider objective structure than PES organisations, which *inter alia* may depend on the function of a Pact/LEI in regional policy making and (according to the results of previous literature – see OECD 2009) may also include objectives reaching into regional development policies and even into the implementation of certain EU initiatives<sup>34</sup>, the Pact/LEI questionnaire asked these organisations to evaluate the importance of a much wider scope of objectives on a scale from -1 (for unimportant) to 1 (very important) than the PES organisation and to assess the change of importance of these objectives (on the same scale as PES organisations) since 2008. To, however, guarantee a minimal similarity in the two questionnaires, Pacts/LEIs were also interviewed on whether they followed sector specific strategies in the same sectors as the PES organisations (i.e. leisure and cultural activities, public utilities, public sector employment, domestic services, green jobs, health sector, social services) as well as being asked on whether the importance of these and sector strategies increased or decreased since 2008.

In this chapter we first present descriptive evidence on the importance of various objectives and sector specific strategies followed by Pacts/LEIs and compare them to results for PES organisations. In section 2 we look at the changes of importance of these objectives and sector specific strategies in the last five years. In section three, by contrast, we analyse the interaction between Pacts/LEIs and PES organisations on the level of objectives and sector specific strategies. Here, we focus on whether the evidence collected in the questionnaire supports the hypothesis often voiced in the literature that Pacts/LEIs aim to fill gaps in policy making in their regions and thus have rather different objective structures than other labour market policy institutions such as the regional PES.

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<sup>34</sup> For instance, the Austrian territorial employment pacts have the following tasks: to increase effectiveness and efficiency in the use of resources; to improve the quality of support given to certain target groups; to secure and create jobs; to obtain funding for the regions and to preserve in a sustainable manner the region as a place to live, to identify the difficulties, ideas and objectives regions are facing with respect to employment policies as well as to mobilize all available resources in favour of an integrated strategy which is accepted by all, based on the regions needs and entrenched in a formal commitment (<http://www.pakte.at/teps/kurz.html>)

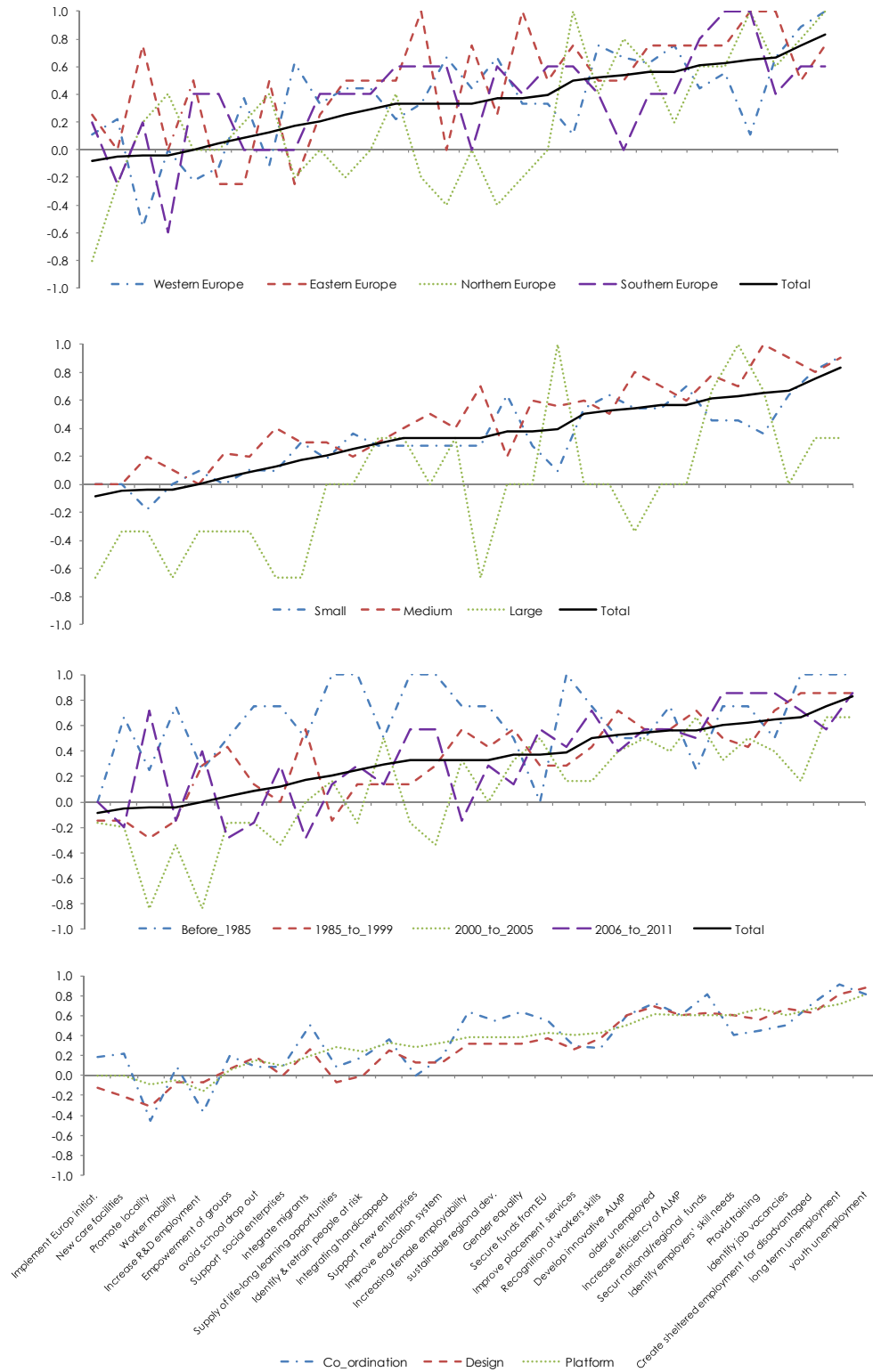
## **6.1 Importance of objectives and sector strategies**

### *Objectives*

Comparing the objective structure of Pacts/LEIs (Figure 21) to the target groups of PES organisations suggests some differences but also some similarities in the objectives of these organisations. In particular, for both institutions standard labour market objectives such as combating youth and long-term unemployment range in the top positions. The other top ranking items (identifying job vacancies, creating intermediate and sheltered employment and providing training to meet employers skill needs, identifying employer skill needs and securing national and regional funds for the region) for the objectives of the Pacts/LEIs suggest that these, in accordance with the literature cited in the introduction of this chapter, however, have a wider set of policy objectives. These include more policies designed to improve employment creation and the adaptability of the workforce in the region. Nonetheless, also in these organisations classical themes of regional policy, such as implementing EU programs, promoting the region or increasing R&D employment, rank under the least important objectives.

In addition, a second and even more striking difference to the target group structure of the PES organisations is the even larger heterogeneity in the objective structure of the Pacts/LEIs across different regions of Europe and city size groups, but also between Pacts/LEIs of different ages and (to a lesser degree) serving different purposes. This difference is particularly pronounced among Pacts/LEIs located in different European regions. Thus, while in the aggregate combating youth unemployment and long term unemployment as well as identifying job vacancies, creating intermediate and sheltered employment and providing training to meet employers' skill needs are the most important objectives of Pacts/LEIs, none of these five priorities is in the top five list of Pacts/LEIs located in all of the four European regions considered. A visual inspection of this figure suggests that some low ranking priorities in aggregate (such as promoting regions or enhancing worker mobility) may receive a much higher priority in some parts of Europe (such as in Eastern or Western European Pacts/LEIs). In part, these differences reflect differences in labour market problems (such as high over-education rates in Spain causing a high priority for initiatives that improve workers' skill recognition). Some of this variability, however, may also be caused by the low number of observations available on Pacts/LEIs in some groups.

Figure 21: Importance of objectives for Pacts/LEIs by region (3=very important, 2=important, 1= not important)



Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

In accordance with results for the regional PES organisations, however, also Pacts/LEIs located in large cities give a below average priority to almost all objectives (except for improving placement services, identifying employers' skill needs and providing training, which are all related to addressing the increasing mismatch problems in the labour market of large cities). Small cities, by contrast, give higher priority to almost all activities (except for gender equality). Furthermore, also Pacts/LEIs that had been founded before 1985 as a rule give a higher priority to all objectives except for securing funds from the EU and from national and regional sources. This may be because these older Pacts/LEIs have had a longer time to build their competence in a variety of fields and acquire a larger portfolio of objectives. Heterogeneity between Pacts/LEIs with different functions is somewhat lower, with in particular Pacts/LEIs serving as a platform for exchange of information following the average most closely and Pacts/LEIs serving co-ordination purposes showing the largest deviations from the average prioritisation of objectives.

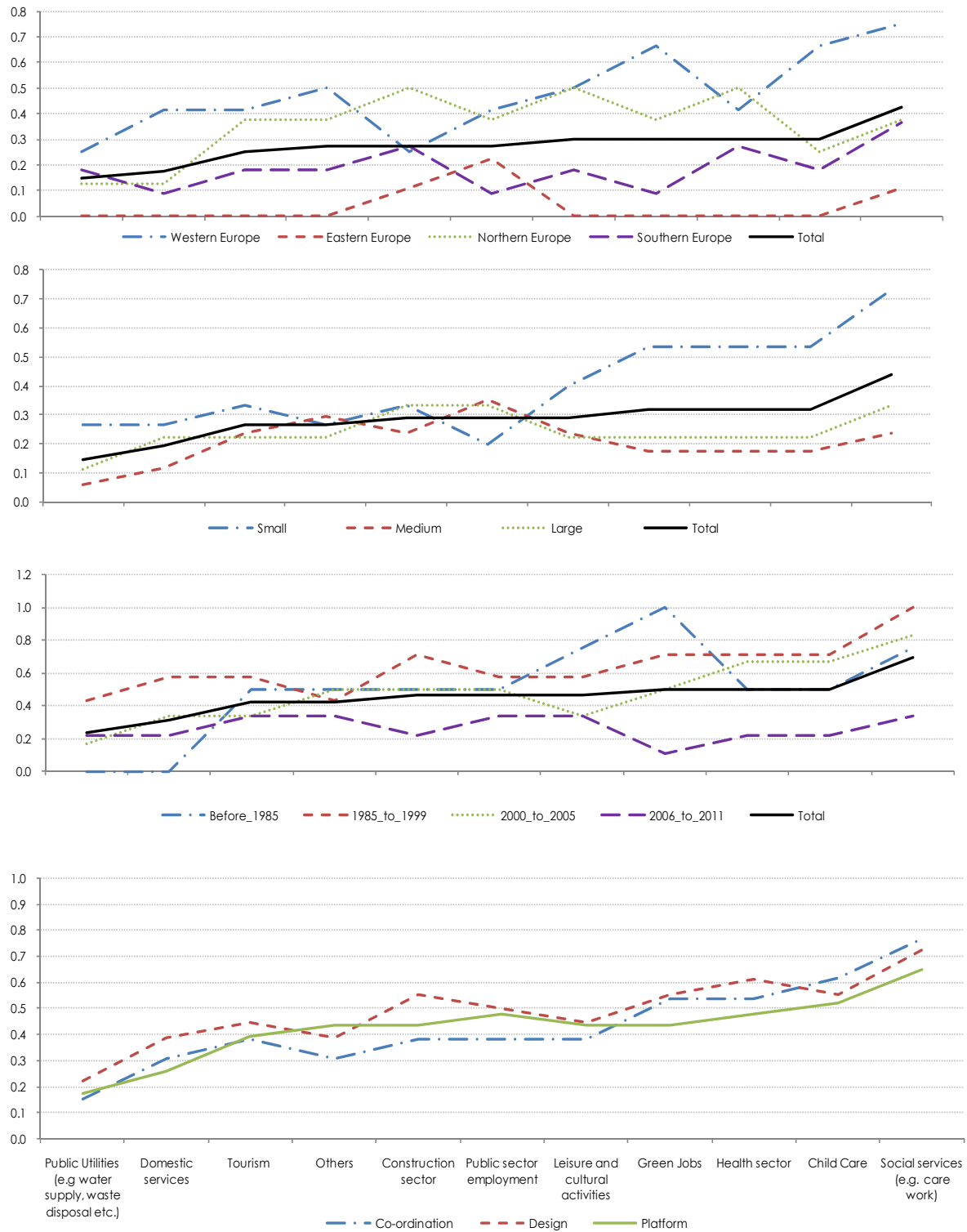
### *Sector Strategies*

A third difference between the objective structure of PES organisations and of Pacts/LEIs is that sector strategies are even less often followed in Pacts/LEIs. This applies in particular to the most important sector strategies in both regional PES organisations as well as in Pacts/LEIs (which are social services). While among regional PES organisations 63% have a sector strategy applying to social services, the same only applies to 43% of the Pacts/LEIs. At the lower end of the pyramid, by contrast, this difference is not very pronounced. While 15% of the regional PES organisations have sector strategies addressing leisure and cultural activities (the lowest ranking sector strategy for regional PES organisations), the same share of the Pacts/LEIs has sector specific strategies for public utilities (which ranks lowest in terms of sector strategies for Pacts/LEIs).

Furthermore, as a fourth difference, the emphasis given to sector strategies varies somewhat between regional PES organisations and the Pacts/LEIs. While in both types of organisations sector specific strategies addressing social services and the health sector are the two most important, leisure and cultural activities are relatively more important in Pact/LEI organisations. Domestic services and public utilities, by contrast, are less important in Pacts/LEIs.



Figure 22: Sector strategies of Pacts/LEIs by region (share of positive answers)



Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

As a fifth difference, also the patterns explaining differences in the intensity with which Pacts/LEIs in different cities and regions follow sector specific strategies differ from regional PES organisations. Whereas among regional PES organisations the largest differences were reported among the less important sector strategies, differences among Pacts/LEIs are more pronounced among the more important sector strategies. For example only 18% of the Eastern European Pacts/LEIs – which, as is also the case for PES organisations, are the Pacts/LEIs having the fewest sector specific strategies overall - follow specific sector strategies in social services, while among Western European regions – which, as also for PES organisations, have the most sector specific strategies - this share is 75%.<sup>35</sup> For public utilities, as the sector with the lowest ranking in sector specific strategies followed by Pacts/LEIs, this difference (with 0% relative to 25%) is much less pronounced. Similarly, 73% of the Pacts/LEIs in small cities – as the Pacts/LEIs with the highest share of sector specific strategies among cities of different sizes in almost all sectors (except for public sector employment) - have a sector specific strategy for social services, while the same applies for only 24% of the Pacts/LEIs located in medium sized cities – which for almost all sectors also have the smallest share of organisations following sector specific strategies. Again for public utilities these differences are substantially smaller. Furthermore, in contrast to findings for PES organisations, Southern European Pacts/LEIs engage in much fewer sector specific strategies than in average, while Northern European ones engage in most strategies more often (all except for public utilities, domestic services, child care and social services).

In addition to this, also Pacts/LEIs that were founded after 2006 more rarely follow sector specific strategies than on average, while Pacts/LEIs founded between 1985 and 1999 and, to a lesser degree, also Pacts/LEIs founded before 1985 have more such strategies than on average. Differences between Pacts/LEIs with different functions are much smaller, but suggest that Pacts/LEIs which serve to design own policies more rarely have explicit sector specific strategies in most cases, while pacts serving the co-ordination of policies follow such strategies more often in sectors considered more important by all Pacts/LEIs, but less often in

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<sup>35</sup> Thus, for instance Western European countries have an above average share of PES organisations following sector specific strategies for most sectors (all but the public and construction sector and green jobs), with in particular a strong focus on child care and the health and social service sector, while Eastern European countries have a lower than average share for all sectors with the difference being largest for child care, green jobs as well as for the health sector and social services. Southern European countries focus more strongly on domestic services and green jobs but less strongly on child care, and Northern European PES organisations have a particular emphasis on construction and green jobs but less on tourism.

sectors considered more important by all Pacts/LEIs. This may once more imply that older Pacts/LEIs follow more sector specific strategies on account of having had more time to build the expertise to design such strategies. Yet, it may also suggest that design pacts concentrate more strongly on designing policies affecting all sectors than Pacts/LEIs that are involved with co-ordinating policies among actors which potentially also have to accommodate more sector specific interests among their partners.

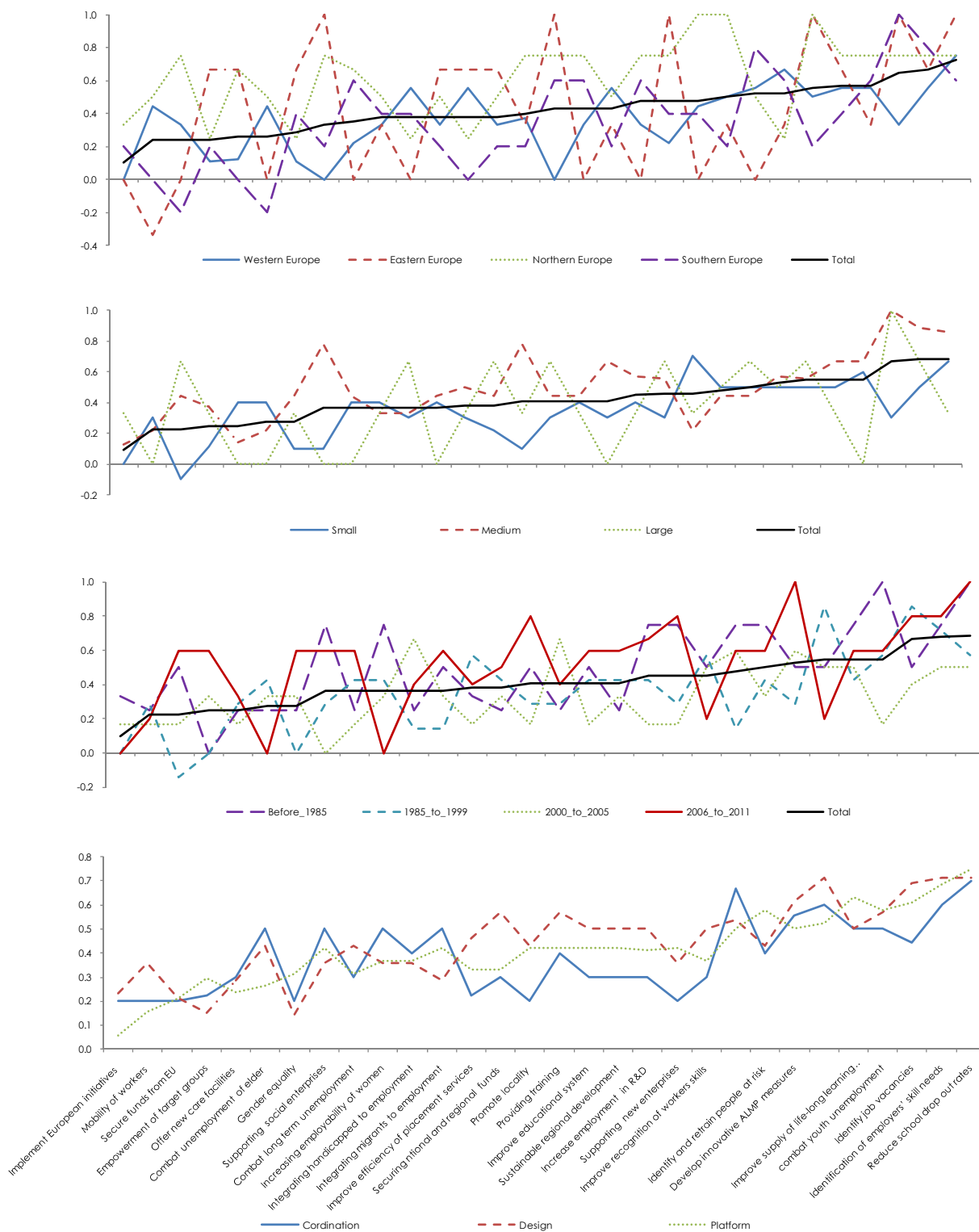
## **6.2 Changes in importance of target group and objectives for Pacts/LEIs**

### *Changes in the importance of objectives of Pacts/LEIs*

The changes in the objective structure and in the importance of sector specific strategies for Pacts/LEIs since 2008 have more communalities with the changes observed for PES organisations, but also differ in a number of respects. In particular, as for PES organisations, also for Pacts/LEIs the importance of all objectives increased in the last half decade in the face of mounting labour market problems. Furthermore, as for the PES organisations, also Pacts/LEIs increasingly concentrated on their “core” objectives although this is somewhat less pronounced for Pacts/LEIs than for PES organisations. The largest increase in importance of Pact/LEI objectives were reported for reducing school drop-out rates, which belonged to the less important objectives in 2013. This reflects an increasing concern in many European countries with respect to the quality of education systems in the last 5 years. Outside of this, however, the gains in importance in the last 5 years were larger for the more important objectives in 2013 than for the less important ones. The second and third largest increase in importance were reported for the objectives of identifying employers’ skill needs and job vacancies, which also belonged to the most important objectives in 2013. The smallest increase in importance occurred for the implementation of European initiatives and the mobility of the workforce, which also belonged to the less important objectives in 2013.

Relative to the changes in importance of individual target groups reported by PES organisations, the heterogeneity in the extent of changes in importance of individual objectives across Pacts/LEIs located in different groups of countries and in cities of different sizes is substantially larger. Indeed, here, as shown in Figure 23, heterogeneity is so sizeable that no general patterns can be discerned by visual inspection. The only potential insight to be gained from these graphs is that heterogeneity in changes in importance of objective structures was somewhat smaller for Pacts/LEIs fulfilling different functions than for all other types of Pacts/LEIs.

Figure 23: Changes in importance of objectives followed by Pact/LEI organisations (1= more important, -1 = less important)



Source: wwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

This large heterogeneity indicates that responses of Pacts/LEIs to the increased labour market problems were highly region specific, which could imply that Pacts/LEIs may indeed have been successful in developing “taylor made” region specific responses to the crisis. Alternatively, they may, however, also indicate a rather unsystematic response to these challenges in recent years. Differentiating between these two explanations is not possible in absence of detailed data on the structure of regional labour market problems for European cities and may be an interesting field of further research.

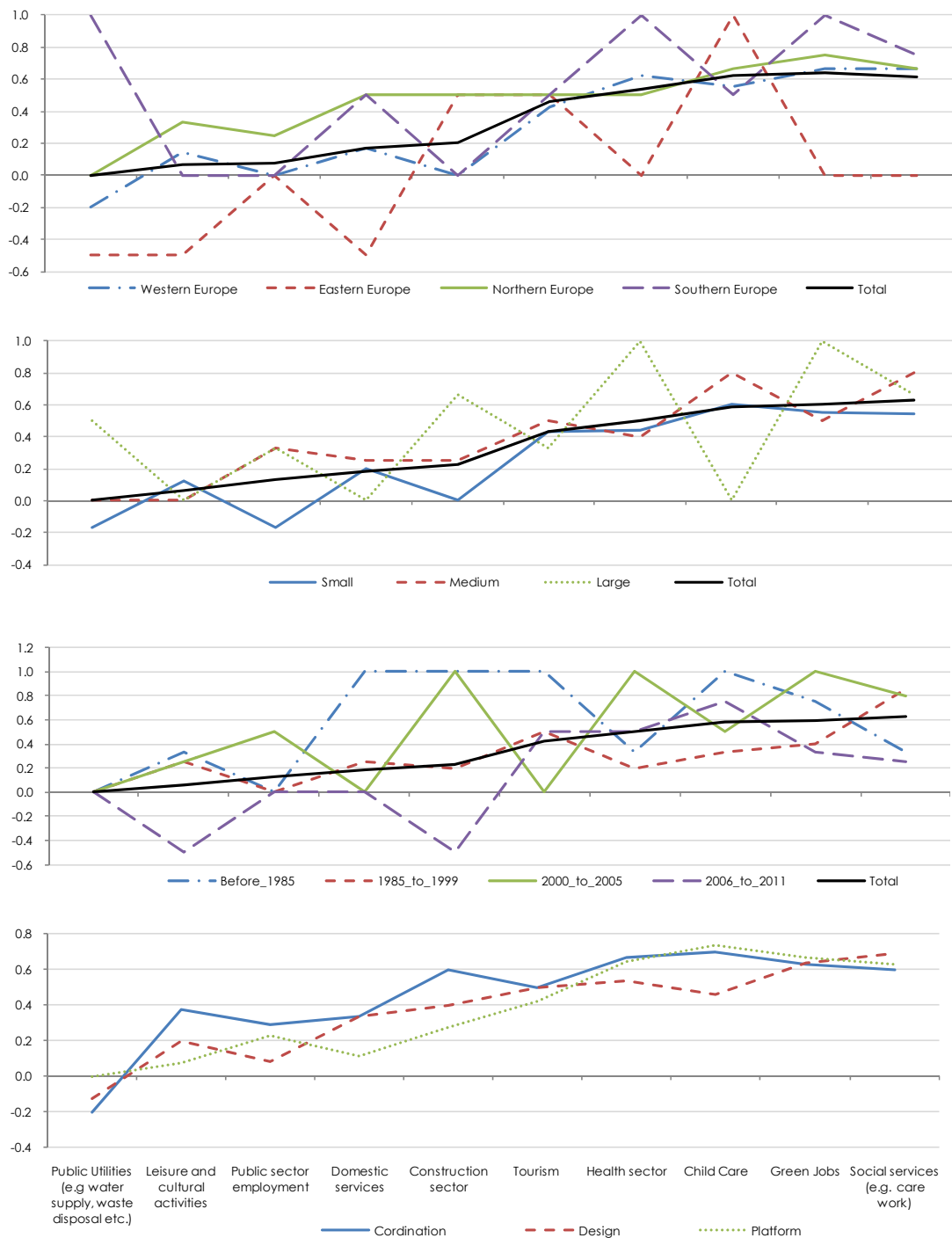
#### *Changes in the importance of development strategies of Pacts/LEIs*

Similar communalities but also differences exist when comparing the changes in importance of individual sector specific strategies between PES organisations and Pacts/LEIs. Also here the importance of all sector strategies was higher in 2013 relative to 2008 (the only exception being public utilities where this importance stagnated on average), and the changes in importance were larger for sector specific strategies that were more important in 2013 (such as social services, green jobs and child care) than for sector specific strategies that were less important in 2013 (such as public utilities).

Differences in the change of importance of individual sector specific strategies in different types of Pacts/LEIs (Figure 24) are, however, once more sizeable. Thus, for instance in Southern Europe the importance of sector specific strategies with respect to public utilities increased in all Pacts/LEIs, while its importance decreased in more Pacts/LEIs than it increased in Western and Eastern Europe. Similarly, sector specific strategies directed at leisure and cultural activities increased in importance in more Pacts/LEIs, than it decreased in Northern Europe, while the opposite is the case in Eastern Europe. Apart from that, the importance of sector specific strategies referring to green jobs increased in Western, Northern and Southern European Pacts/LEIs, but stagnated in Eastern European ones, so that the only sector specific strategies where an increase was registered in Pacts/LEIs of all European regions are sector specific strategies directed at child care.

In accordance with results for PES organisations, however, the importance of sector specific strategies decreased more often (or increased less often) in Pacts/LEIs located in small cities. In these – in contrast to both large and medium sized cities – sector specific strategies often experienced a decline. This applies to the

Figure 24: Changes in importance of sector strategies followed by Pact/LEI organisations (1= more important, -1 = less important)



Source: wwwforeurope questionnaire Note: City Size: Small = less than 250.000 inhabitants, Medium = 250.000 to less than one million inhabitants, Large = 1 million or more inhabitants; Region: Western Europe = AT, DE, FR, CH; Eastern Europe= CZ, PL, RO; Southern Europe= ES, GR, IT, TK, Northern Europe = DK, SE, UK.

importance of strategies for the public sector and public utilities. In addition, an increase in the importance of sector specific strategies directed at the health sector was much rarer than in cities of other sizes. By contrast, in the few Pacts/LEIs in large cities observed in our data, the importance of sector strategies increased more strongly than on average for many sectors (all but child care, tourism, domestic services and leisure and cultural activities sectors). In medium sized city the same applies to all sector strategies but the health sector, green jobs and leisure and cultural activities.

The largest heterogeneity in terms of changes in the importance of sector specific strategies is, however, found among Pacts/LEIs of different ages. In Pacts/LEIs that were founded after 2006, the importance of sector specific strategies with the smallest increase in importance in aggregate (public utilities, leisure and cultural activities, public sector and construction) decreased more often than it increased, while for the sector strategies that increased in importance most on average (tourism, health sector, child care, green jobs and social services) increases were stronger on average. By contrast, for Pacts/LEIs founded before 1985, a particularly high increase in importance was reported for sector specific strategies in domestic services, the construction sector, tourism and child care, while for Pacts/LEIs founded between 1985 and 1999 the same applies to construction, the health sector and green jobs.

Finally, Pacts/LEIs that serve the purpose of co-ordinating policies reported an above average increase in importance for all sector specific strategies except for public utilities (where the importance decreased on average), child care, green jobs and social services. Apart from that for Pacts/LEIs serving as a platform for exchange of information, an increase in importance of sector strategies was lowest in all cases but public utilities, public sector employment, the health sector, child care and green jobs.

### **6.3 Determinants of the objective structure and its changes for Pacts/LEIs**

In sum, results of a descriptive analysis suggest that although there are some important differences in the objective structure of Pacts/LEIs and regional PES organisations, there are also some important similarities. This finding may be interesting in the light of the claim often made in the literature (e.g. ECOTEC2002, City of Munich2005) on Pacts/LEIs that the institutions often fill “policy gaps” in labour market policy making in a region. This should lead to Pacts/LEIs following rather different objectives than PES organisations. In this case therefore the objective structure of the two institutions being negatively correlated, since if one institution follows a particular objective, the likelihood of the other institution following this objective should decrease.

There are, however, also good reasons to expect a positive correlation between the objectives followed by the institutions. This can for instance be the case, if institutions learn from each other on the important policy fields and thus tend to converge in objective structure, if the problems in a particular policy field are so big that they have to be addressed by more than one institution with different instruments or if to follow a certain objective a regional PE needs access to a Pact/LEI (for example for legal or administrative reasons).

#### *Interaction at the level of individual sector strategies*

Since both Pacts/LEIs and PES organisations were asked the same sector specific strategies we can test whether the two institutions in a region follow the same sector specific strategies or not by seeing whether the probability of a PES organisation following a particular sector specific strategy is positively or negatively correlated with the probability of the Pact/LEI following the same sector specific strategy. In Figure 25 we therefore on the one hand report the correlation coefficients between a PES following a strategy and the same strategy being followed by a Pact/LEI. On the other hand, we also report the correlation between the indicators of the change of importance of a particular strategy of a regions' PES organisation and the Pact/LEI organisation across regions. This tests whether – aside from the static interaction tested in the first case - there is a dynamic interaction between the two institutions on the level of objectives with a positive correlation coefficient indicating that the increase in importance of a particular sector strategy in one organisation is positively correlated with the probability of this strategy having also increased in the other organisation.

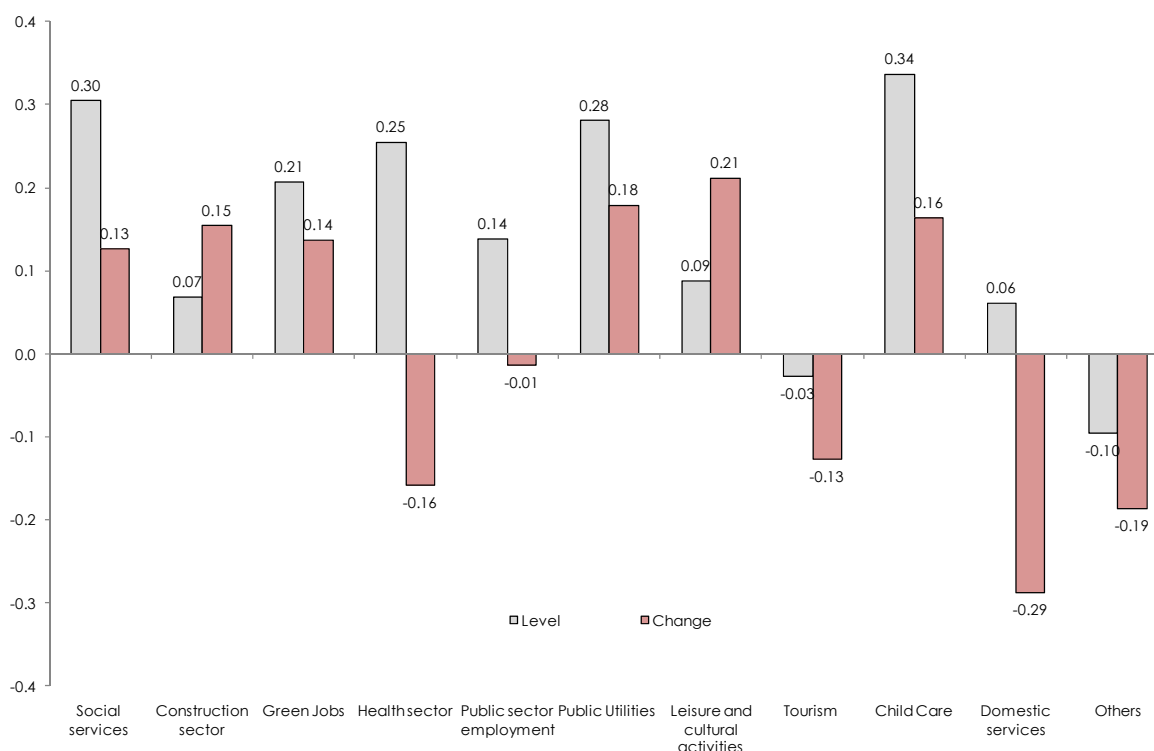
As can be seen from the results, the overwhelming evidence from these correlations suggests the probabilities of the two institutions following a strategy in a particular city are positively correlated. This applies both to the “levels” and the “dynamic” interactions. The evidence is, however, slightly stronger for a positive correlation in terms of levels. In this case 9 of the considered 11 correlation coefficients are positive, with two of them (for social services and child care) even being statically significantly positive at the 10% level, and with only two correlations (for tourism and the rest category other sectors) being negative. By contrast, for the changes in importance 7 of the 11 correlations are positive (with none of them significant) and 4 (for the health sector, tourism, domestic services and others) are negative with the correlation for domestic services being on the verge of significance at the 10% level.

Thus, in the vast majority of sector specific strategies, if one of the institutions considered follows such a sector specific strategy, the probability of the other institution in the same region following this strategy is



higher. At the same time, when the importance of a particular sector strategy increases for one of the institutions, then also the other one faces a higher probability of experiencing an increased importance of this sector strategy. This at least casts doubt on the claim that Pacts/LEIs are mostly “filling policy gaps” left by the PES and suggests rather similar objectives of the two institutions.

Figure 25: Correlation between sector strategies followed by regional PES and Pact/LEI organisations and between changes in importance of sector strategies



Source: wwwforeurope questionnaire Note: Correlation coefficients higher than +/-0.3 are statistically significant

*Interaction at the level of the diversity and intensity of change of objectives and sector strategies*

For the other objectives followed by PES and Pacts/LEIs, such a direct test on their interaction is not available, on account of the PES organisations – to reflect their different characteristics - having been asked on a different set of target groups than the objectives considered for the Pacts/LEIs. Nonetheless, we would hypothesize that if Pacts/LEIs fill gaps in the objective structure of regional PES organisations, Pacts/LEIs operating in a territory where the PES has a very diverse set of target groups or follows fewer sector specific strategies, should have a more narrowly focused objective structure than a Pact/LEI operating in a territory where the PES has a narrowly defined objective structure. Similarly, a Pact/LEI operating in a region where the

PES has reacted flexibly to new challenges in labour market policy should have a lower need to change the importance of policies than in regions where the PES has been slower to react.

*Table 18: Correlates of share of target groups and sector strategies followed and share of target groups and sector strategies with a change in importance since 2008*

	Share of objectives followed	Share of sector strategies followed	Share of objectives with change in importance	Share of sector strategies with change in importance
Population of city	-0.215	0.095	0.019	-0.004
Diversity and intensity of change of PES objectives				
Diversity of targets groups of PES	0.249	0.352 *	0.365 *	0.339 *
Diversity of sector strategies of PES	0.023	0.125	0.144	-0.105
Change target PES	0.231	0.124	0.265	0.242
Change sector strategies PES	0.023	0.201	0.079	-0.029
Other PES Characteristics				
PES corresponds to territory	0.119	0.220	0.400 **	-0.027
Part of ministry	0.095	0.291	0.070	0.291
Autonomous budget share	0.348 *	0.517 **	0.445 **	0.277
Deciding budgets	0.125	0.352 **	0.331 *	0.096
Designing programs	0.236	0.248	0.523 **	-0.099
Defining target groups	0.192	0.255	0.224	0.264
Monitoring	0.155	0.111	0.103	0.025
Administration	0.080	0.343 *	0.151	0.093
Outsourcing	0.384 *	0.263	0.546 ***	0.130
No of stakeholders in PES	-0.142	0.394 **	0.076	0.068
No of nat. stakeholders in PES	-0.295	0.264	-0.202	0.083
No of reg. stakeholders in PES	-0.018	0.385 *	0.236	0.050
Pact/LEI characteristics				
Year of founding of pacts	-0.305 *	-0.193	-0.549 ***	-0.250
Coordination Pact/LEI	-0.214	-0.059	-0.172	0.141
Design Pact\Lei	-0.266	0.196	-0.116	0.032
Platform Pact\LEI	-0.033	-0.225	-0.007	0.038
No. partners in Pact/LEI	0.071	0.108	-0.070	0.245
No. formal partners in Pact/LEI	-0.065	0.127	-0.108	0.092
No. Informal partners in Pact/LEI	0.141	-0.001	0.026	0.185
Diversity of objectives LEI			0.634 **	0.463 **
Diversity of sector strategies LEI			0.409 **	0.559 ***

Source: wwwforeurope questionnaire table presents correlation coefficients; \*\*\*, (\*\*) signify significance at the 1%, (5%), level respectively.

Therefore, we developed similar indices of diversity and flexibility of the objective structure for Pacts/LEIs as developed for the PES in the last chapter. In these, to measure the diversity of their objective structure and their sector specific strategies, we consider the total number of objectives considered important by each Pact/LEI (as a percentage of all objectives) and the total number of sector strategies followed by the regional PES organisations to measure the diversity of a Pact's/LEI's objective structure. In addition, we also use the share of target groups or sector strategies where the importance has changed (i.e. either increased or decreased) in the total number of objectives or sector strategies to measure the intensity of changes in importance

in objectives and sector strategies. Finally, we correlated these with the equivalent measures derived for PES organisations in chapter 5.

The results of these correlations (in table 18) remain inconclusive for the diversity of the objectives followed by Pacts/LEIs, on account of this indicator being positively but statistically insignificantly correlated to both the diversity of target groups and sector strategies followed by the regional PES. The results equally remain inconclusive for the linkages between the intensity of change of both objectives and target groups. They do, however, indicate a statistically weakly positive correlation between the diversity of sector strategies followed by a Pact/LEI and a PES in a region as well as a similarly positively significant correlation between the intensity of change in importance of sector strategies and the diversity of the target groups of a PES organisation in a region. Thus, the overall evidence for an interaction of the diversity of the objective structure and the intensity of change of objective between the regional PES and Pacts/LEIs remains rather limited, but Pacts/LEIs operating in a region where the regional PES has a more diverse objective structure have more sector specific strategies and also experience more change in the objective structure in the period 2008 to 2013.

Aside from reporting correlation between the diversity of objective structures and the intensity of change of objectives between PES organisations and Pacts/LEIs, Table 18 also reports the correlation results of both measures of diversity of objectives for Pacts/LEIs with a large number of Pacts/LEI characteristics (such as their age, function and stakeholder structure) and PES characteristics (such as measures of autonomy, size of stakeholder network and territory covered) to test whether a link between these characteristics and the diversity and intensity of change of the objective structure of Pacts/LEIs can be established. These results suggest only very few such links since most of the correlations are statistically insignificant. The only exceptions with respect to the diversity of objectives are a weakly significant positive correlation with the regions PES' budget autonomy and with the index of autonomy for outsourcing as well as a negative one with the year of founding of the Pact/LEI. Older Pacts/LEIs but also Pacts/LEIs in regions where the PES has more budget autonomy and autonomy with respect to outsourcing, therefore, tend to have a more diverse objective structure. With respect to the diversity of the sector strategies followed and the intensity of change in terms of the objective structure, more variables are significant. These suggest that Pacts/LEIs operating in regions where the PES has more budget autonomy (or a higher index of budget autonomy), a higher index of autonomy for administrative tasks and a larger number of (in particular regional) stakeholders have a larger diversity in sector strategies. They also

suggest that the intensity of change in importance of Pact/LEI objectives has been largest in regions where the territory covered by the PES corresponds to the administrative city limits, where the budget autonomy and also the autonomy of the PES with respect to outsourcing and designing programs of the PES is high, and where the Pact/LEI is older. Furthermore, for the intensity of change in importance of sector strategies, only the indicators for the diversity of objectives and strategies followed by the Pact/LEI is significant. This is, however, primarily the result of the fact that Pacts/LEIs which follow many different objectives or sector specific strategies also have the highest probability of experiencing a change in importance of these strategies.

Finally, as already in the last chapter, in tables A4 of annex 1 following Gambaro, Milio and Simoni (2004), we report correlations between the probability of a partner being a partner of a Pact/LEI and of a certain objective being considered important. In contrast to the results for the PES organisations, these results provide less indication of a significant correlation between the partnership of a particular partner and the objectives followed. The exception is that the participation of a municipality in a Pact/LEI is positively correlated with the probability of a Pact/LEI having the objective of supporting social enterprises, combating long term and youth unemployment, offering new care facilities, increasing the mobility of workers and of sustainable regional development. Since many of these objectives are closely related to the competencies of cities in many countries of Europe, this is consistent with results by Lundin and Skendinger (2000) who present case study evidence to show that including municipalities in the stakeholder structure of regional PES organisations leads to a stronger inclusion of welfare recipients in active labour market policies on the account of municipalities being responsible for paying social welfare benefits in Sweden. In addition to this, results, however, also indicate that including research institutes in a Pact/LEI partnership is positively correlated to the Pact/LEI aiming to identify and train people at risk, to increase employment in R&D and to offer care facilities as well as to increase the mobility of new workers. Apart from that, including regional labour market policy actors in Pacts/LEIs increases the chances of the Pact/LEI aiming at improving the supply of lifelong learning opportunities, to increase the efficiency of active labour market programs and to develop innovative labour market programs.

## **7. Policy conclusions**

In labour market policy debates decentralisation of tasks and/or devolution of decision powers to regional actor networks is often seen as a possibility to guarantee tailor-made labour market policies that take due account of the specifics of a region, promote innovation in and efficiency of labour market policy, improve accountability of labour market policies and raise awareness for “missing” policy elements in regional labour markets. In this debate it is also increasingly recognised that decentralisation alone is not a sufficient condition to guarantee efficient policy making on a regional level, but that, to achieve its full potential, decentralisation has to be accompanied by sufficient horizontal co-ordination between different policy actors at the regional level (see e.g. Eberts 2009). The result of this recognition has been a parallel move towards increased networking among regional labour market policy actors and devolution of decision powers to these actors in recent years.

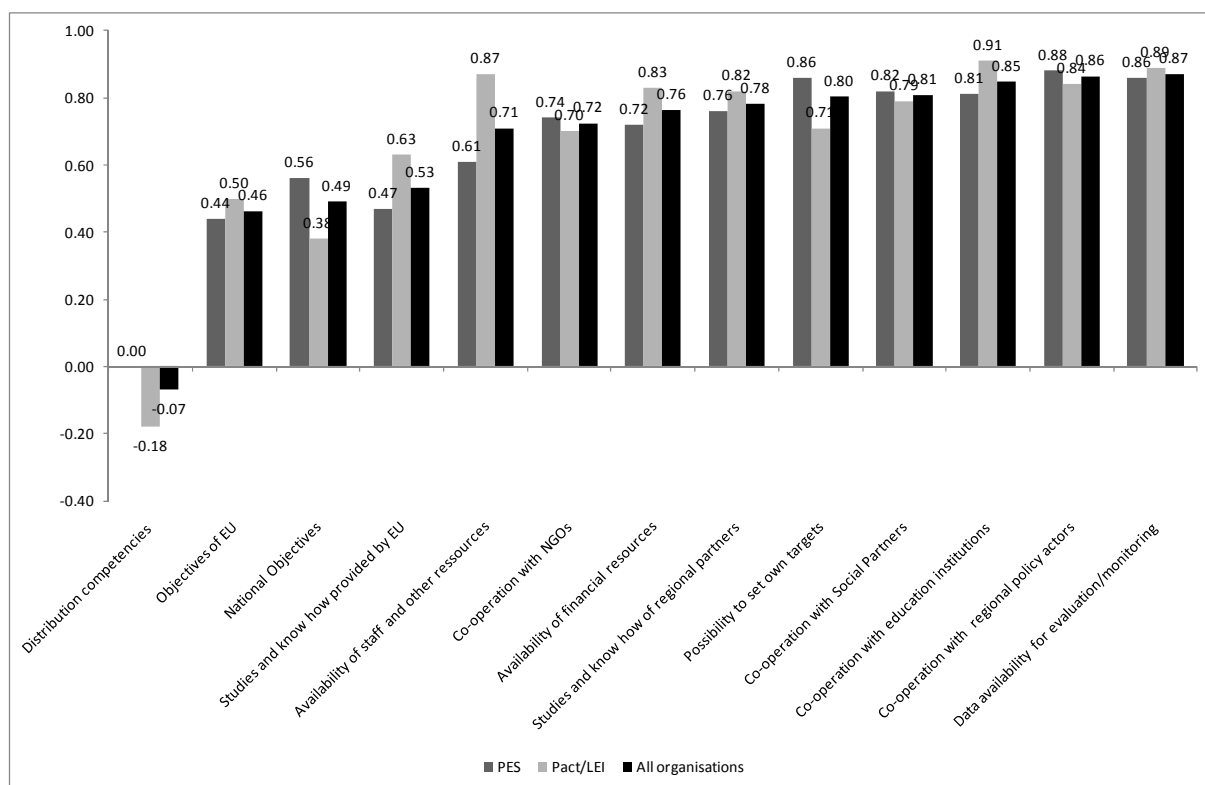
Institutionally this development has taken two rather different forms: On the one hand, it has resulted in the decentralisation and devolution of decision powers, as well as in increased involvement of additional stakeholders in regional PES organisations, which are classical “top down” organisations of labour market governance, with a country wide and rather stable architecture of non-intersecting multi-tier organisations. On the other hand, it has resulted in the development of a set of newly established “bottom-up” organisations commonly referred to as territorial employment pacts or local employment initiatives (Pacts/LEIs), which in contrast to regional PES organisations, are exclusively focused on the territory they originate from, are more flexible in design and may even have intersecting membership.

### **7.1 Policy findings of the previous literature and factors supporting efficient regional policy making**

A substantial (primarily theoretical or case study based) literature has developed around both the decentralisation and devolution of labour market governance in regional PES organisations and around the development of Pacts/LEIs. This literature has primarily focused on either PES organisations or Pacts/LEIs and has discussed issues of vertical co-ordination of labour market policy between different geographical tiers of the system of labour market governance. The policy relevant results of this literature have often argued that decentralisation and devolution of competencies at the regional level (in the case of PES organisations) and organisation of “bottom-up” regional development initiatives (such as Pacts/LEIs) alone are unlikely to generate the expected results unless these are associated with appropriate capacity building at the regional level, which

inter alia has to include providing competencies in monitoring and evaluation and implies the use of new public management procedures. It has also shown that unless the central state takes an active role in developing the regional capabilities as well as the partnership in organisations such as Pacts/LEIs, these “bottom up” initiatives face little chance of success.

Figure 26: In your opinion do the following factors facilitate or hinder the design of effective regional labour market policies in your country? (mean value. -1=hinder, 0=neutral, 1=facilitate)



Source: wwwforeurope questionnaire

The current study, which is based on questionnaires conducted among PES organisations as well as among Pacts/LEIs in 40 cities of 12 EU member states and 2 non-EU member states, confirms these results. In particular, direct evidence on the factors facilitating or hindering the design of effective regional labour market policies, which can be obtained from a question in the questionnaire posed to both Pacts/LEIs and PES organisations on the factors they consider to be hindering or facilitating the design of effective regional labour market policies, suggests that when averaging over all interviewed institutions (Pacts/LEIs and PES organisations) data availability for monitoring and evaluation is considered the most helpful factor in facilitating the design of effective regional labour market institutions. When looking at each organisation separately data

availability for monitoring and evaluation is the second most important for PES organisations and third most important for Pacts/LEIs.

Apart from that factors related to the possibility to co-operate with different kinds of partners (educational institutions, regional policy actors, social partners) and the studies and know-how of regional partners, but also the possibility to set own targets are considered to be more important for the design of effective labour market policies than the availability of financial resources. This suggests that both Pacts/LEIs and PES organisations find additional information on the regional level (provided by partners, studies and evaluation and monitoring) particularly helpful in designing effective regional labour market policy, and highlights the importance of designing sufficiently large and inclusive partnership structures to ensure the development of effective regional labour market policies.

By contrast, both the representatives of Pacts/LEIs as well as of PES organisations consider the competence distribution in their respective country to be the least helpful component in designing effective regional labour market policies. The second to fourth least helpful aspect in designing such policies for both PES and Pact/LEI organisation are respectively: objectives set by the EU, national objectives and studies and know how provided by the EU. The only differences among the two organisations are that PES organisations evaluate the helpfulness of national PES organisations somewhat more favourably and the studies and know-how provided by the EU somewhat less favourable than Pacts/LEIs. This suggests that the current vertical division of competencies between different levels of government is heavily criticised by both regional PES organisations and Pacts/LEIs and that therefore the vertical division of competencies between the EU, national and regional level of labour market governance is in need of further reform, both from the point of view of regional PES organisations as well as of Pacts/LEIs.

An additional insight provided by the evidence in Figure 26, that has gone almost unnoticed in the literature (see Froy et al.2011 for an exception), is that also regional PES organisations profit from co-operating with other regional stakeholders. As a consequence, enabling and encouraging regional PES organisations to co-operate more closely with regional stakeholders could provide for efficiency gains in regional labour market policy making. In particular, the results suggest that such co-operation is particularly gainful in cases of co-operation with regional social partners, educational institutions and regional policy makers.

## **7.2 General tendencies in the development of PES organisations and Pacts/LEIs**

In addition, the current study also takes stock of the preconditions for conducting partnerships based local labour market policies in an urban context and analyses the development of both regional PES organisations as well as Pacts/LEIs in the time since the economic crisis of 2008. We find that the trend towards increasing autonomy of regional labour market policy and the increasing importance of policy networks, in which actors in various policy fields interact in the provision of public services (such as labour market policies) in a partnership based approach, that had been some of the salient developments in regional labour market policy making in the EU prior to the economic and financial crisis of 2008/09, has continued to be of relevance since. In particular, the majority of the regional PES organisations in all types of cities of Europe considered in this study experienced an increase in all aspects of their autonomy analysed. Also the majority of the PES and Pact/LEI organisations reported that most of their regional, national and other stakeholders have become increasingly important in their decision making in the last 5 years. This may be important because it has been argued (see Rhodes2012) that the economic crisis of 2008/09 has had an important impact on the national systems of governance, so that it is interesting to see that these changes are not reflected in regional governance structures.

We, however, find that in the face of mounting labour market problems, both regional PES organisations as well as Pacts/LEIs have reacted by increasingly focusing their objective structure on their core activities (such as combating youth and long term unemployment). While most PES organisations and Pacts/LEIs – reflecting the more difficult labour market situation in recent years – report an increased importance of almost all of their target groups, sector strategies and objectives, these increases were substantially more pronounced for the “core” objectives and target groups than for those that are less often considered and have also been more heterogeneous among Pacts/LEIs than among PES organisations. This suggests that while trends in the change of governance structure were less affected by the crisis of 2008/09, objective structures – potentially due to financial constraints – have become more concentrated on fewer policy objectives. This may be a disadvantage from the perspective of the objectives of regional development initiatives that focus on the development of linkages between different policy fields and the breaking out of policy silos (Froy et al 2011).



### **7.3 Heterogeneity of PES organisations and Pacts/LEIs**

These general tendencies aside, the most outstanding feature with respect to all indicators analysed in this study, however, is the vast heterogeneity in the organisation of regional labour market policies in Europe. This heterogeneity applies to all analysed preconditions for regional policy making such as the autonomy of PES organisations, their stakeholder structure as well as to their target groups, sector specific strategies of the regional PES organisations and even more strongly to the partnership and the objectives as well as to sector specific strategies followed by Pacts/LEIs. In order to allow policy makers to assess the different challenges faced in designing partnership based regional labour market approaches in Europe; one aim of this study was to explore the sources for this heterogeneity.

We find that on the one hand this heterogeneity is associated with different national institutional preconditions for policy making in different countries of the EU, while on the other hand differences also are closely associated with different preconditions for building partnership based decentralised labour market policies in cities of different sizes. Thus, for instance, considering cities of different sizes, budgetary autonomy for PES organisations is increasing in city size. Yet, PES organisations in smaller cities as a rule have more decision powers in designing labour market programs and defining target groups and are also likely to have larger stakeholder networks (in PES organisations) and partnerships (in Pacts/LEIs) involving in particular a larger number of regional actors and/or informal partners. This also feeds into these organisations having a substantially more diverse as well as a more flexible objective structure (in terms of objectives, target groups and sector structure) and indicates a comparative advantage of regional labour market actors in small cities in implementing partnership based approaches to labour market policy making in the EU.

Medium sized and large cities, by contrast, seem to face larger, but slightly different challenges in implementing partnership based approaches. While in medium sized cities almost all indicators of autonomy analysed in the current study indicate that they are an intermediary case between large and small cities, the PES stakeholder networks of these cities are noticeably smaller and their objective structure is also more focused on fewer high priority groups. Medium sized cities, therefore, may face particular problems in engaging stakeholders in the management of PES organisations and in guaranteeing a sufficiently diverse objective structure. By contrast, medium sized cities have been more successful than large cities in developing both more Pact/LEI institutions and larger partnership structures for Pacts/LEIs. In total, Pacts/LEIs exist only in 3 of the 9

large cities sampled in our survey and in the few cases where a Pact/LEI could be observed in such cities, the partnership was often much smaller than in medium sized and small cities.

Although our data contain too few observations to allow for a more detailed analysis of these stylized facts and the causal effects underlying them, from a policy perspective this suggests that policy makers interested in fostering participative labour market policies in Europe may have to address rather different issues in cities of different sizes. In medium sized cities the central issue is to secure stakeholders and partners for developing such an approach in the more hierarchical, general purpose institutions conducting labour market policies (such as PES organisations), while in large cities the issue is to develop sufficient bottom-up initiatives in organisations such as Pacts/LEIs.

In addition, the results with respect to the Pact/LEI partnership structure suggest that while municipalities, regional policy actors and regional social partner institutions are quite often part of the Pact/LEI partnership, national actors, research institutions and regional development actors are partners much less often and that the same applies to a lesser degree to NGOs. Additional efforts to involve such actors may, thus, be needed in particular in Pacts/LEIs that aim to involve civil society actors such as NGOs, and/or also face severe problems in receiving sufficient support from central government bodies. In particular, partnerships could also be used to build vertical relationships among actors in order to also obtain know-how from these sources, which obviously is a possibility that has so far often been neglected (see Geddes 1998 for a similar point).

Aside from city size, a second division line in the preconditions for regional policy making can be drawn between different parts of Europe. This can probably be attributed to different traditions in regional labour market policy governance, different legal stipulations, different labour market problems and potentially also different cultures of co-operation among regional labour market policy actors. The most visible differences in this respect were found between Eastern European cities on the one hand side and the rest of Europe on the other hand side, although there are also many differences in between Western, Northern and Southern European regions. PES organisations in Eastern Europe as a rule have higher managerial autonomy, but substantially lower program design and budgetary autonomy, and Eastern European Pacts/LEIs as a rule have fewer (formal and informal) partnerships than in the rest of Europe. In addition, both PES as well as Pacts/LEIs in Eastern Europe have a markedly lower diversity and flexibility in their objective structure, with in particular only very few urban labour market policy organisations following sector specific strategies. This may in part be explained by the

historic differences between Eastern European countries, where open unemployment only started to be registered (and thus labour market policy became an issue) in the early 1990's.

Southern European PES organisations, by contrast, as a rule have rather few stakeholders, and also Pacts/LEIs in Southern Europe have noticeably fewer (in particular informal) partners than in other regions. Northern European PES organisations stick out as often having only little independence from national ministries, and Western European PES organisations and Pacts/LEIs are characterized by rather high autonomy in many respects and also rather large stakeholder and partner networks. Again, while our data do not provide for the possibility to analyse these differences in greater detail, from a policy perspective these regional differences are an indication of the differences in focus that may be needed for policies that aim to support the development of effective decentralised urban labour market policies that are based on a partnership approach in different parts of Europe.

In addition to these differences there are also some differences between countries where PES organisations are part of a ministry and where they are part of an independent organisation as well as between Pacts/LEIs of different ages. For obvious reasons, regional PES organisations that are part of an independent organisation have more competencies in almost all fields. They, however, also have changed their objectives more rapidly since 2008 and also have a more diverse objective structure than their counterparts that are part of a ministry. Similarly, older Pacts/LEIs have a larger partnership structure, a wider portfolio of objectives and have reacted more dynamically to the financial and economic crisis in terms of their objectives. This later stylized fact suggests that more bottom-up institutions in regional labour market policy may require some time to develop and build competencies before they can become fully effective, with some of the literature suggesting that the process of partnership formation may take as long as half a decade before partnership based approaches become fully operational (Froy et al2011).

#### **7.4 Factors influencing the stakeholder and objective structure of PES organisations and Pacts/LEIs**

Aside from determining the differences in preconditions for regional labour market policy making in the EU, a further contribution of the current study to existing knowledge is to consider the interaction of different aspects of the organisation and the objective structure of PES and Pacts/LEI organisations within a region. In particular, here we ask whether the objective structure of both PES and Pact/LEI organisations is correlated to

their stakeholder structure and if autonomy (in the case of PES organisations) or (in the case of Pacts/LEIs) the function a Pact/LEI fulfils in the regional labour market policy arena is correlated with the respective organisation's stakeholder or objective structure. The results with respect to these questions are not only of analytical interest but also have some policy relevance, since they provide policy makers with information on how their choices of organisational form of the regional PES or Pact/LEI impact on the objective structure and also on the efficiency of regional labour market making in both types of organisations.

For instance, we find that in particular budgetary autonomy of the regional PES and potentially also other aspects of autonomy, play an important role for network sizes and for the objectives of the regional PES. Thus, we find rather robust positive correlations between budgetary autonomy and autonomy in outsourcing with network size. Similarly, we find that PES organisations that have some autonomy in designing labour market programs have a significantly more diverse target group structure. Moreover PES organisations that have more competences in monitoring experienced more change in importance of sector strategies, while PES organisations that have more budgetary autonomy experienced less change of such strategies (probably on account of facing lower budgetary constraints).

While these results may not be particularly surprising from an analytic perspective, and again are based on a small sample of observations only, from a policy perspective they suggest that increasing the different aspects of the autonomy of a PES does have a predictable impact on both the stakeholder and the objective structure of PES organisations as well as on the flexibility with which the organisations can react to new policy challenges. This may be indicative of how formal decentralisation and devolution of decision powers to the regional level impact on both the participation of institutions in stakeholder networks and the objective structure of PES organisations. Greater autonomy of PES organisations (in particular the budgetary autonomy) increases both the likelihood of these organisations to involve a larger stakeholder network and to follow a more diverse spectrum of objectives. Involving a larger spectrum of partners also further increases the spectrum of objectives followed by regional labour market policy organisations, while both a larger partnership structure and more autonomy in monitoring results – potentially on account of improved access to information – improve the flexibility of the organisation.

Considering the function of Pacts/LEIs, by contrast, Pacts/LEIs that serve formal co-ordination purposes among different actors have more partners and have a slightly more diverse objective structure, which

in particular considers sector specific strategies more often. Furthermore, also Pacts/LEIs with a larger stakeholder and partner network as a rule follow a wider objective structure, with this being particularly visible in the number of sector specific strategies followed by these institutions. This thus confirms that to allow for regional labour market policy institutions to follow a wide variety of objectives, it is important to strengthen the autonomy of these organisations and to also widen their partnerships.

### **7.5 The interaction of PES organisations with Pacts/LEIs**

Finally, a further contribution of this study to the existing literature is to explore how regional PES organisations and Pacts/LEIs interact at the level of organisation and objectives. With respect to this question we find that in very many cases the organisational link between Pacts/LEIs and PES organisations are rather close. In most Pacts/LEIs in most parts of Europe (all but Northern Europe) the regional PES either operates and finances at least one of the Pacts/LEIs on its territory (in the aggregate this applies to 36% of the cities) or is a partner of the Pact/LEI (28% of the cases). This close association is also reflected in the relationship between the organisations of a PES and the Pact/LEI: cities that are served by PES organisations that have more stakeholders and more autonomy in allocating budgets are also the most likely to have a Pact/LEI. Similarly, a higher autonomy in designing programs and administration of a regional PES organisation reduces the likelihood of the Pacts/LEIs to serve only as an information exchange platform between different actors in the region. In addition, Pacts/LEIs located in regions where the regional PES has higher autonomy in designing programs, have significantly fewer formal partners, and Pacts/LEIs located in regions where the PES is a part of a ministry have fewer (in particular formal) partners. This indicates that changes in the organisation and autonomy of regional PES organisations may also influence the probability of a Pact/LEI forming in the city and could also affect its chances to involve a larger stakeholder network.

With respect to the policy objectives followed, by contrast, our evidence suggests that rather than “filling gaps” in regional policies, the Pacts/LEIs follow similar policies to the regional PES organisations. In particular, if one of the institutions follows a particular sector specific strategy, the probability increases that the other institution in the same region also follows this strategy. At the same time, when for one the institutions the importance of a particular sector strategy increases, the other one also faces a higher probability of increasing importance of this sector strategy. From a policy perspective this suggests that the close relationship between Pacts/LEIs and PES organisation often leads to these organisations focusing on similar objectives. Therefore care

needs to be taken to guarantee an additional value added of Pacts/LEIs (in terms of e.g. the use of other instruments) relative to PES organisations.

## **7.6 Core policy recommendations**

In sum, the findings of this study in conjunction with those in the earlier literature suggest that the most effective measures to foster partnership based regional labour market approaches in the EU would consist of:

- a. Increasing budgetary autonomy of the regional level of labour market policy institutions and aligning their competencies in other fields of labour market policy to the results that are expected from them,
- b. Investing in the development of partnerships both in terms of the number of actors and their structure,
- c. Increasing the problem solution capabilities of regional actors by providing additional information in terms of evaluation and monitoring results with respect to policy measures and the regional labour market situation.

In addition, it seems that given the substantial heterogeneity in regional labour market policies – which in the case of regions belonging to the European Union is paired with only few formal competences in labour market policy by the EU – the European Commission should on the one hand aim to raise awareness among national and regional policy makers on the benefits of decentralisation and devolution for regional labour market policy and to provide know-how and potentially also tools, sufficiently flexible to accommodate for the potentially widely varying needs of different local initiatives, for data generation, monitoring and evaluation. On the other hand, the European Commission could also provide limited funding schemes, that are flexible enough to cope with the heterogeneity of approaches that are likely to be developed by local bottom-up initiatives such as Pacts/LEIs and potentially provide the capability to mix resources from different funds.

National governments, by contrast, should on the one hand aim to improve the vertical co-ordination of regional labour market policies by using best practice management tools of new public management in PES organisations and take an active role as a partner in Pacts/LEIs. They should also strengthen the information basis for regional labour market making in the respective countries and aim to align the vertical distribution of formal competencies for labour market policy making in their respective countries with the tasks of (and the results expected from) regional policy organisations. From the perspective of the regional organisations, in particular this last point seems to be of major importance, since it is also considered to be the most important impediment to effective regional labour market policy making by them.

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## Annex 1 Additional results and typologies

*Table A1: Typology of competencies*

	Type
<b>1 Administrating labour law</b>	5.Collaborating/administrative
<b>2 Administration of employment policy</b>	5.Collaborating/administrative
<b>3. Monitoring the regional labour market situation.</b>	4. Monitoring evaluation
<b>4. Designing social benefits</b>	1. Designing programs
<b>5. Payment of social benefits</b>	5.Collaborating/administrative
<b>6 Controlling compliance to eligibility criteria to social benefits</b>	4. Monitoring evaluation
<b>7 Formulating principles of active labour market policy</b>	3. Defining target groups
<b>8 Designing passive labour market policy (unemployment benefits)</b>	1. Designing programs
<b>9 Deciding on budget for active labour market policy at regional level</b>	2. Allocating budget
<b>10 Deciding on budget for individual active labour market programs in region</b>	2. Allocating budget
<b>11 Deciding on participation of individuals in labour market programs</b>	3. Defining target groups
<b>12 Monitoring success of active labour market policy</b>	4. Monitoring evaluation
<b>13 Developing new active labour market programs (other than existing ones)</b>	1. Designing programs
<b>14 Deciding on budget for developing and testing new active policy measures</b>	2. Allocating budget
<b>15 Delivering placement services</b>	5.Collaborating/administrative
<b>16 Payment of unemployment benefits</b>	5.Collaborating/administrative
<b>17 Controlling compliance to eligibility criteria for unemployment benefits</b>	5.Collaborating/administrative
<b>18 Deciding on administrative budget of regional PES</b>	2. Allocating budget
<b>19 Defining Organizational structures at regional PES</b>	6. Outsourcing
<b>20 Recruiting employees for regional PES</b>	6. Outsourcing
<b>21 Outsourcing active labour market policy measures</b>	6. Outsourcing

Table A2: Correlation between Pact/LEI partnership and PES and Pact/LEI characteristics

	Municipalities	Elected political repr.	Regional NGOs	Regional Social partner organisation	social policy actors	actors in employment policy	regional development policy actors	Private enterprises	Education Institutions	Research institutions	National actors,	Actors in other regions,
city population	-0.33**	-0.25	0.02	-0.04	-0.03	0.03	-0.25	-0.01	-0.03	-0.27*	-0.20	0.03
part of ministry	-0.35**	-0.26	-0.43***	-0.35**	-0.38**	-0.26	-0.47***	-0.32***	-0.47***	-0.41**	0.23	-0.39**
No. Nat. stakeholders	-0.04	-0.08	0.12	0.01	0.13	-0.12	0.17	0.06	-0.01	0.01	0.18	-0.16
No. Reg. stakeholders	-0.14	-0.29*	-0.12	-0.17	-0.07	-0.36	0.01	-0.23	-0.20	-0.07	-0.09	-0.26
autonomous budget share	-0.09	-0.34*	-0.02	-0.17	-0.03	-0.38**	-0.11	-0.30	-0.11	0.05	-0.21	-0.08
designing programs	-0.17	-0.36*	-0.10	-0.19	-0.08	-0.23	-0.06	-0.14	-0.10	-0.02	-0.09	-0.04
allocating budget	0.11	-0.10	0.05	0.10	0.09	-0.03	0.05	-0.03	0.01	0.14	-0.08	0.07
defining target groups	-0.08	-0.14	-0.07	-0.10	-0.06	-0.20	0.05	-0.11	-0.07	0.03	-0.03	-0.06
monitoring	-0.08	-0.10	-0.10	-0.03	-0.05	-0.05	0.16	-0.06	-0.05	-0.02	-0.09	-0.06
administration	-0.08	0.07	0.13	0.13	0.01	0.07	0.27	0.10	0.10	0.13	0.16	0.13
Outsourcing	-0.01	-0.09	0.03	0.11	-0.01	-0.09	0.13	-0.11	-0.01	0.15	-0.07	0.01
corresponds to territory	-0.12	-0.35**	-0.06	-0.02	-0.09	-0.02	-0.24	-0.16	-0.13	-0.10	-0.25	-0.03
year founding pact	0.45	0.03	0.73	0.91	0.59	0.89	0.14	0.31	0.42	0.55	0.13	0.88
Coordination Pact/LEI	0.36*	0.57***	0.08	0.09	-0.10	0.40	0.16	0.10	0.08	0.08	-0.08	0.15
Design Pact/LEI	0.02	0.22	-0.13	-0.03	-0.33	0.22	-0.01	0.10	-0.13	-0.06	0.13	-0.12
Platform Pact/LEI	-0.13	-0.01	-0.26	-0.22	-0.18	-0.26	-0.29	-0.18	-0.26	-0.3093	-0.50**	-0.33*

Source: wwforeurope questionnaire table presents correlation coefficients; \*\*\*, (\*\*) signify significance at the 1%, (5%), level respectively.

Table A3: Correlation between PES target groups and stakeholders

	Nat. PES	Social policy actors	Nat. Employment policy actors	Regional policy actors	Nation NGOs	Nat. Social partners	EU com.	Municipalities	Reg. Social policy actors	Reg. Employment policy actors	Reg. policy actors	Reg. NGOs	Reg. Social partners	Private actors	Ed.Inst.	Res. Inst.	Actors in neigh. regs
Women	0.21	0.16	-0.03	-0.08	-0.19	-0.12	0.15	-0.22	0.24	0.00	-0.02	0.14	0.08	0.01	0.09	0.12	0.26*
Men	-0.10	-0.06	0.01	-0.07	-0.06	-0.04	0.17	-0.04	0.10	-0.03	0.07	0.10	0.17	0.10	0.14	0.10	0.13
Youths (to 25 years)	-0.05	0.11	0.24	0.17	0.20	0.32**	0.24	0.16	0.14	0.21	0.32**	0.14	0.16	0.22	0.08	0.22	-0.17
Persons between 25 and 45 years of age	0.00	0.05	-0.04	-0.03	0.01	-0.07	0.15	-0.17	0.08	-0.03	-0.07	0.08	0.12	0.00	0.20	0.11	0.31*
Elder (from approx. 45 years on)	0.15	0.36	0.06	0.19	0.19	0.28*	0.26	0.05	0.37**	0.24	0.16	0.26	0.16	0.11	0.16	0.36**	-0.22
Persons w.comp. ed.	-0.14	-0.09	0.02	-0.17	0.04	0.07	0.19	-0.12	0.03	0.02	-0.12	0.03	-0.02	-0.17	-0.07	0.04	-0.01
Persons with vocational training	0.04	0.08	0.17	0.03	0.27	0.27*	0.33	0.07	0.21	0.15	0.17	0.31**	0.27*	0.17	0.29*	0.38**	0.06
Persons with higher education	0.21	0.26	0.14	0.03	0.21	0.27*	0.36**	0.07	0.22	0.13	0.07	0.31**	0.27*	0.10	0.31**	0.31**	0.19
Short term unemployed	-0.10	0.05	0.13	-0.12	0.08	0.12	0.16	0.02	0.16	0.20	0.02	0.06	0.12	0.10	0.12	0.21	-0.09
Long term unemployed	0.09	0.31	0.05	0.01	0.14	0.22	0.16	0.22	0.21	0.26	0.22	0.21	0.22	0.15	0.17	0.15	0.07
Receivers of social benefits	0.03	0.09	0.02	-0.03	-0.11	0.13	0.12	-0.17	-0.11	-0.16	-0.07	-0.01	0.03	-0.14	-0.16	-0.03	-0.09
Women on child leave	0.08	0.01	-0.02	-0.07	0.23	0.27*	0.09	-0.13	0.21	0.26*	0.17	0.41***	0.27*	0.03	0.26*	0.24	0.09
Women ret. from child leave	0.01	0.05	-0.08	-0.12	0.08	0.02	0.06	0.02	0.26	0.20	0.02	0.36**	0.32*	-0.01	0.22	0.21	0.24
Migrants	0.03	-0.01	0.02	-0.03	0.12	0.13	0.12	0.03	0.20	0.14	0.03	0.30*	0.34**	0.08	0.26*	0.19	0.08
Ex-prisoners	-0.04	0.12	0.04	0.07	0.17	0.23	0.08	0.33**	-0.01	0.05	0.23	0.19	0.33**	0.15	0.23	0.15	-0.06
People with disabilities	0.25	0.36**	0.04	0.08	0.13	0.18	0.19	0.18	0.16	0.12	0.18	0.29*	0.18	0.03	0.21	0.17	0.15
Employed in general	0.08	0.12	0.09	-0.07	0.11	0.27*	0.31*	-0.03	0.31**	0.16	0.27*	0.31**	0.27*	0.24	0.26*	0.35**	0.09
Young employed	-0.06	-0.02	-0.16	-0.33	0.03	0.12	0.02	-0.19	-0.05	-0.19	0.02	0.05	0.02	-0.05	-0.12	0.06	-0.06
Older employed	-0.10	-0.06	-0.10	-0.28	0.06	0.07	0.06	-0.25	0.00	-0.14	-0.04	0.10	-0.04	-0.13	-0.08	0.10	-0.05
Large enterprises	0.08	0.12	0.19	0.03	0.11	0.07	0.41***	-0.03	0.21	0.06	0.17	0.31**	0.07	0.03	0.05	0.14	0.09
Small and medium enterprises	0.10	0.05	0.06	-0.03	0.01	0.12	0.26	-0.07	0.18	0.16	0.03	0.18	0.03	-0.21	-0.01	0.00	0.14
Newly founded enterprises	0.00	-0.05	0.34**	0.12	0.10	0.17	0.26	-0.22	0.12	0.23	-0.03	0.22	-0.03	-0.11	-0.10	0.10	0.02

Source: wwwforeurope questionnaire table presents correlation coefficients; \*\*\*, (\*\*) signify significance at the 1%, (5%), level respectively.

Table A4: Correlation between Pact/LEI objectives and partners

	Municipalities	Elected political repr.	NGOs	Social partner org.	social policy actors	Employment policy actors	Reg. dev. Policy actors	Private enterpr.	Ed. Inst.	Res. Inst.	Nat. actors	In oth. reg
Promote locality	0.12	-0.23	-0.13	-0.03	0.21	-0.23	-0.13	-0.25	-0.23	0.06	-0.16	-0.23
Support new enterprises	-0.17	-0.35	-0.08	0.13	0.23	-0.40	-0.23	-0.32	-0.16	0.00	-0.12	-0.19
Support social enterprises	0.41**	0.25	-0.02	0.10	0.09	-0.12	0.01	0.09	0.00	0.25	0.10	0.03
Identify job vacancies	0.18	-0.02	-0.01	0.13	0.10	0.29	-0.10	0.26	0.08	0.03	0.14	0.11
Create intermediate/sheltered employment for disadvantaged	0.40*	0.14	-0.05	-0.15	-0.11	-0.24	0.00	-0.11	-0.09	0.14	0.00	-0.18
Identification of employers' skill needs	-0.04	-0.24	-0.23	0.01	0.29	-0.18	-0.34	-0.18	-0.18	-0.18	-0.07	-0.29
Provide training	-0.20	-0.17	-0.08	-0.03	0.02	-0.25	-0.17	-0.28	-0.38**	-0.17	-0.20	-0.46**
Improve recognition of workers skills	0.10	-0.07	-0.07	0.30	0.08	0.00	-0.07	-0.08	0.00	0.07	0.07	-0.13
Identify and retrain people at risk	-0.04	0.03	0.44**	0.43**	0.43**	-0.11	0.14	-0.10	0.34	0.47**	-0.14	0.16
Increase employment in R&D	0.15	-0.22	0.24	0.26	0.24	-0.23	0.11	-0.24	0.23	0.43**	0.10	-0.10
Improve educational system	0.00	-0.11	0.15	0.12	0.34	-0.37*	-0.11	-0.04	0.07	0.32	-0.11	0.04
Reduce school dropout rates	-0.11	-0.14	0.07	0.06	-0.19	-0.36*	-0.12	-0.35	-0.03	0.28	-0.28	0.08
Improve supply of life-long learning opportunities	-0.06	-0.24	0.18	0.16	0.27	-0.50**	-0.24	-0.13	0.08	0.21	-0.32	0.12
Increase efficiency of active labour market policy	0.14	-0.26	-0.01	-0.19	-0.19	-0.35	-0.13	-0.35*	-0.15	0.21	-0.42	-0.13
Develop innovative ALMP measures	0.12	-0.20	0.10	-0.09	-0.23	-0.14	-0.05	-0.40*	-0.06	0.34	-0.25	0.10
Improve efficiency of placement services	0.03	-0.27	-0.03	-0.20	0.12	-0.32	-0.32	-0.13	-0.03	-0.16	-0.27	-0.12
Combat long term unemployment	0.54**	0.12	0.04	-0.09	-0.05	-0.17	0.12	-0.05	0.00	0.29	0.04	0.08
Combat youth unemployment	0.40*	0.09	-0.03	0.00	0.04	-0.25	0.27	-0.18	-0.25	0.27	0.09	-0.12
• Combat unemployment of elderly people	0.32	-0.15	-0.31	-0.11	-0.21	-0.09	-0.15	-0.21	-0.23	-0.02	-0.12	-0.08
Gender equality	0.02	0.17	0.08	0.03	-0.17	0.00	-0.20	-0.31	0.13	0.17	0.08	0.21
Increase employability of women	0.00	0.13	0.04	-0.14	-0.05	-0.04	-0.25	-0.20	-0.04	0.00	-0.25	0.16
Integrate handicapped to employment	-0.02	-0.05	0.01	-0.18	-0.08	-0.22	-0.30	-0.23	-0.35	-0.05	-0.21	-0.14
Integrate migrants to employment	0.26	0.07	0.03	0.01	-0.16	-0.07	-0.17	-0.30	0.05	0.18	-0.17	0.09
Empowerment of target groups	0.03	-0.08	0.04	0.04	-0.27	-0.09	-0.34	0.03	0.18	0.18	-0.05	0.32
Offer new care facilities	0.46**	0.08	0.55***	0.26	0.26	-0.16	0.37	-0.03	0.26	0.47**	0.05	0.08
Mobility of workers	0.54***	0.08	0.37*	0.25	0.27	-0.17	0.21	0.12	0.22	0.46**	-0.08	0.07
Secure funds from EU	0.38*	0.29	-0.18	-0.24	-0.02	0.13	-0.08	-0.02	-0.13	-0.08	-0.17	-0.15
Secure national and regional funds	0.38*	0.08	-0.17	-0.28	-0.21	-0.01	0.01	-0.15	-0.08	0.01	-0.01	-0.14
Implement European initiatives	0.12	-0.09	0.05	0.19	0.08	-0.08	-0.09	-0.33	0.04	0.26	-0.03	0.02
Sustainable regional development	0.55***	0.25	-0.09	0.00	0.10	-0.17	0.00	0.10	0.09	0.13	0.00	-0.08

Source: wwwforeurope questionnaire table presents correlation coefficients; \*\*\*, (\*\*) signify significance at the 1%, (5%), level respectively.

## **Annex 2: List of interviewed cities**

- Aalborg
- Barcelona
- Bilbao
- Birmingham
- Copenhagen
- Cracow
- Dortmund
- Freiburg
- Giurgiu
- Glasgow
- Gothenburg
- Innsbruck
- Istanbul
- Jihlava
- Kiel
- Larissa
- Leeds
- Linz
- Lodz
- London
- Lublin
- Lugarno
- Madrid
- Milan
- Nice
- Naples
- Paris
- Potsdam
- Prague
- Rennes
- Rome
- Strasbourg
- Saarbrücken
- Sibiu
- St. Gallen
- Thessaloniki
- Timisoara
- Trieste
- Umea
- Valencia

### **Annex 3: Questionnaires**

## Questionnaire for Public Employment Services

Thank You for taking the time to complete this questionnaire. This is an important contribution to our study, which is part of a Europe wide research project analyzing socially and ecologically sustainable development in cities, in which your city is participating. In particular in this questionnaire we are interested in the institutional preconditions and the priorities of regional labor market policy in your city and how the situation with respect to these factors has changed since 2008.

The questionnaire is structured into five blocks. In the first you are interviewed on some background information on your organization. The subsequent parts are devoted to the competencies and objectives of labor market policies in your region. Parts four and five will ask a number of questions on the integration of foreign born in your city and on local employment initiatives or territorial employment pacts for your city.

Most questions provide you with a choice of answers, which we would just ask you to tick when appropriate. In some limited cases we ask some open questions. Responding to the questionnaire will need about 30 minutes.

**Before answering the questionnaire we would like to ask you some personal questions that will allow us to notify you of the results of the questionnaire. If you do not wish to be notified of the results of this questionnaire or do not want to complete some of the personal questions please just skip the response.**

---

### Personal Details

Title:

Gender :

Age:

Name:

Name:

Institution/Organisation:

e-mail:

Responsibility/Function:

---



## Part 1: Overall Information

**Question 1.1:** Is the public employment service in your country part of a ministry or an independent organisation in your country (i.e. does the PES have an own legal entity)?

Please indicate the applicable answer

a) Part of a national ministry	<input type="checkbox"/>
b) Part of a regional ministry	<input type="checkbox"/>
c) independent organisation	<input type="checkbox"/>

**Question 1.2:** What is the case load (i.e. unemployed/case manger) in your organisation?  
Ratio unemployed/case manger = \_\_\_\_\_

**Question 1.3:** What is the approximate annual budget that your organisation administered in 2012:  
€ \_\_\_\_\_

**Question 1.4:** What share of this budget could your organisation decide on autonomously:  
% \_\_\_\_\_

**Question 1.5:** Has this share increased/stayed the same/or decreased since 2008?

Please indicate the applicable answer

Increased	<input type="checkbox"/>
Stayed the same	<input type="checkbox"/>
Reduced	<input type="checkbox"/>

**Question 1.6:** Does the territory serviced by your organisation correspond to the (administrative) city limits of <insert city name>

Please indicate the applicable answer

It corresponds to city limits	<input type="checkbox"/>
No, it is larger	<input type="checkbox"/>
No, it is smaller	<input type="checkbox"/>
No, it covers part of city & part of other territories	<input type="checkbox"/>

**Question 1.7:** Is a person (e.g. Gender mainstreaming expert) or part of your organisation responsible for gender mainstreaming in your PES?

No  Yes

## Part 2: Competencies

**Question 2.1:** For which of the following tasks is the PES in your country at least partially responsible? (Please indicate the administrative level at which the PES is responsible)

**If your organization is responsible please state if the competencies of your organization in this respect have increased or decreased since 2008?**

Please indicate the administrative level of the PES and whether competencies hav increased, decreased or stayed the same since 2008

	Level of PES responsible			Competence change since 2008		
	PES not responsible	National level	Regional level	Increased	Unchanged	Decreased
Administrating labour law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Administration of employment policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monitoring the regional labour market situation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Designing social benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Payment of social benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Controlling compliance to eligibility criteria to social benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Formulating principles of active labour market policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Designing passive labour market policy (unemployment benefits)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deciding on budget for active labour market policy at regional level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deciding on budget for individual active labour market programs in region	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deciding on participation of individuals in labor market programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monitoring success of active labour market policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing new active labour market programs (other than existing ones)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deciding on budget for developing and testing new active policy measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Delivering placement services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Payment of unemployment benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Controlling compliance to eligibility criteria for unemployment benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deciding on administrative budget of regional PES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Defining Organizational structures at regional PES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recruiting employees for regional PES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outsourcing active labour market policy measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 2.2:** Are the following stakeholders involved in decision making of your PES organization (either by formal procedures or through providing financial resources).  
If they are involved, please state if their influence on decisions has increased or decreased since 2008?

Please indicate if the actors are involved and whether their influence on decisions has increased, decreased or stayed the same since 2008

	Organisation is involved	Influence change since 2008		
		Increased	Unchanged	Decreased
<b>National level</b>				
National PES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National actors in social policy (e.g. ministry of social affairs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National actors in employment policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National actors in regional policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National NGOs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social partners at national level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Committees for monitoring/planning EU structural assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others, which	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Regional level</b>				
Municipalities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regional actors in social policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regional actors in employment policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regional actors in regional policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regional NGOs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regional Social partner organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private actors in social and employment policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Education Institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Research institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others, which	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Actors in neighbouring regions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 2.3:** In your opinion do the following factors facilitate or hinder the design of effective regional labour market policies in your country?

Please indicate the applicable answer

	facilitate	neutral	hinder	I do not know
a) Distribution competencies between levels of governments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Objectives of EU	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) National Objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Possibility to set own targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Co-operation with other regional policy actors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Studies and know how provided by EU	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Studies and know how provided by regional partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Data availability for evaluation or monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Co-operation with NGOs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j) Co-operation with Social Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k) Co-operation with education institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l) Availability of financial resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m) Availability of staff at regional PES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Part 3: Objective structure and services provided?

**Question 3.1: Are persons with the following characteristics target groups for active labour market policy in your region? For which of these groups has the priority increased or decreased since 2008**

Please indicate such persons are target groups persons. Please also indicate whether the priority these target groups increased, decreased or stayed the same since 2008

	Are a target group	Priority change since 2008		
		Increased	Unchanged	Decreased
Women	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Youths (to 25 years)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Persons between 25 and 45 years of age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Elder (from approx. 45 years on)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Persons with compulsory education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Persons with vocational training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Persons with higher education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Short term unemployed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Long term unemployed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Receivers of social benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Women on child leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Women returning from Child leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Migrants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ex-prisoners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People with disabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employed in general	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Young employed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Older employed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Large enterprises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Small and medium enterprises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Newly founded enterprises				

**Question 3.2: Are there special strategies to improve employment opportunities in the following sectors in your pact? Did these become more or less important since 2008**

Please indicate if such strategies exist. Please also indicate whether the importance of these strategies increased, decreased or stayed the same since 2008

	Initiatives currently exist	Change in importance since 2008		
		Increased	No change	Decreased
Social services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Construction sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Green Jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public sector employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Utilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leisure and cultural activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tourism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Child Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others _____				

**Question 3.3: Are there quota to ensure equal participation of women in your organisation?**

No  Yes

<if yes>

**Are these mandatory or voluntary?**  Mandatory  Voluntary

**Part 4: Questions on migrant employees**

**Question 4.1: Which share of your city’s migrants is unemployed?** \_\_\_\_\_ %

**Question 4.2: Do local companies actively recruit workforce abroad?**  No  Yes

**Question 4.3: Do migrants face specific problems on the local labour market**  No  Yes

<if yes>

**Question 4.3a: Which problems exist?**

Please indicate the applicable answer, multiple Responses possible

Language barriers	<input type="checkbox"/>
Qualification is not acknowledged	<input type="checkbox"/>
Discrimination by employers	<input type="checkbox"/>
Skill mismatch	<input type="checkbox"/>

**Question 4.4: Do you impose specific policies to address these issues?**  No  Yes

<if yes>

**Question 4.3a: Which policies would you regard to be the most successful?**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

**Question 4.5: How many business registrations are made by foreigners as compared to all business registrations?**

Please tick the applicable category

Below average	<input type="checkbox"/>
Average	<input type="checkbox"/>
Above Average	<input type="checkbox"/>

**Question 4.6:** Does your organization actively support migrant entrepreneurs / foreign founders?

No    Yes

<if yes>

**Question 4.3a:** which is the most important measure for the support of migrant entrepreneurs / foreign founders applied by your organization?

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## Part 5: Local employment initiatives

**Question 5.1:** Does the municipal administration in <name of city> have own departments for

a) Labor Market Policy    No    Yes   Name: \_\_\_\_\_

<if yes>

**Does this department conduct own active labour market policy measures?**

No    Yes

b) Social Policy

No    Yes   Name: \_\_\_\_\_

<if yes>

**Does your organisation co-operate with this department?**

No    Yes

**Question 5.2:** Are there local employment initiatives (territorial employment pacts) operating in the (municipality)    No    Yes

<if yes>

**Could you please name these initiatives/pacts?**

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*<If No=> end of interview>*

*<If Yes=> continue overleaf>*

**Question 5.3: How is the PES involved with these initiative/pacts?**

Please indicate the applicable answer

Operates and finances of at least some LEIs or Pacts	<input type="checkbox"/>
Is partner of at least some LEIs or Pacts	<input type="checkbox"/>
Contributes financially to at least some LEIs or Pacts	<input type="checkbox"/>
Provides consultancy to at least some LEIs or Pacts	<input type="checkbox"/>
Co-operates informally with at least some LEIs or Pacts	<input type="checkbox"/>
No involvement	<input type="checkbox"/>

**Question 5.4: Are you satisfied or unsatisfied with**

Please tick the applicable category

	Very satisfied	satisfied	unsatisfied
the co-operation in the pact (LEIs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
the results of the pact (LEIs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
the co-operation with individual partners in the pact (LEIs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**THANK YOU FOR YOUR EFFORTS!**

## Questionnaire on Territorial Employment Pacts and Local Employment Initiatives

Thank You for taking the time to complete this questionnaire. This is an important contribution to our study, which is part of a Europe wide research project analyzing socially and ecologically sustainable development in cities, in which your city is participating. In particular in this questionnaire we are interested in the institutional preconditions and the priorities of co-operative regional labor market policy. This will help us to create a picture on the conditions of success of such a policy.

The questionnaire is structured into three blocks. In the first you are interviewed on some background information on your organization. The subsequent parts are devoted to the partner and objective structure of your initiative or pact.

Most questions provide you with a choice of answers, which we would just ask you to tick when appropriate. In some limited cases we ask some open questions. Responding to the questionnaire will need about 15 minutes.

**Before answering the questionnaire we would like to ask you some personal questions that will allow us to notify you of the results of the questionnaire. If you do not wish to be notified of the results of this questionnaire or do not want to complete some of the personal questions please just skip the response.**

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### Personal Details

Title:	Gender :	Age:
Name:	Name:	
Institution/Organisation:	e-mail:	
Responsibility/Function:		

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## Part 1: Overall Information

**Question 1.1:** In your opinion: How applicable are the following statements to your pact/local employment initiative?

Please evaluate on a scale from highly applicable to not applicable.

Pact/Initiative	very applicable	applicable	not applicable
a) It serves mainly the co-ordination between policy actors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) It designs, implements and adapts concrete policy measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) It is a forum for the exchange on plans and strategies of regional actors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) It has an important influence on design of regional labour market policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) It serves mainly the purposes of one actor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 1.2:** When was your initiative (pact) founded? Year \_\_\_\_\_

<Note if year is larger than 2008 => change in structure should not be interviewed>

**Question 1.3:** What was the approximate annual budget that your pact initiative administered in 2012:  
€ \_\_\_\_\_

**Question 1.4:** Does the territory covered by your initiative (pact) correspond to the (administrative) city limits of <insert city name>

Please indicate the applicable category (please only choose one answer)

Pact/Intitiative	
It corresponds to city limits	<input type="checkbox"/>
No, it is larger	<input type="checkbox"/>
No, it is smaller	<input type="checkbox"/>
No, it covers part of city & part of other territories	<input type="checkbox"/>

**Question 1.7:** Is a person (e.g. Gender mainstreaming expert) or part of your organisation responsible for gender mainstreaming in your pact or initiative?

No

Yes

## Part 2: Co-operation

**Question 2.1:** Are the following actors partners to the pact? Or is there an informal co-operation with these institutions? (If there is more than one partner in the category think of the currently most important one for your initiative/pact)

Please indicate if the stakeholders are partners based on formal agreement or on informal co-operation

Actor	Partner based on formal agreement	Informal co-operation	No co-operation	I do not know
a) The municipality <name of city>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) elected political representatives of the region	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Regional NGOs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Regional Social partner organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Other regional actors in social policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Other regional actors in employment policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Other regional actors in regional development policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Private actors on social and employment policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Private enterprises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j) Education Institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k) Research institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l) others, which _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m) National actors, which _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n) Actors in other regions, which _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 2.2:** In your opinion do the following factors facilitate or hinder the design of effective regional labour market policies in your country?

Please evaluate on a scale from facilitating to hindering

Actor	facilitate	neutral	hinder	I do not know
a) <i>Distribution competencies between levels of governments</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>Objectives of EU</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) <i>National Objectives</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) <i>Possibility to set own targets</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) <i>Studies and know how provided by EU</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) <i>Studies and know how provided by regional partners</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) <i>Data availability for evaluation or monitoring</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) <i>Co-operation with NGOs</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) <i>Co-operation with Social Partners</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j) <i>Co-operation with education institutions</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k) <i>Co-operation with other regional policy actors</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l) <i>Availability of financial resources</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m) <i>Availability of other resources</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n) <i>Possibility to receive additional funding from EU</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o) <i>Possibility to receive additional funding from national source</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
p) <i>Possibility to experiment with innovative programs (irrespective of funding by EU or not)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Part 3: Objective structure and services provided?

**Question 3.1:** How important are the following objectives for your pact/Lei? Did these objective become more or less important since 2008?

Please evaluate the importance of these objectives on a scale from very important to rather unimportant. Please also indicate whether the importance of these objectives increased, decreased or stayed the same since 2008

Objectives	Current importance			Change in importance since 2008		
	Very important	Im- portant	Rather un- important	In- creased	No change	De- creased
Promote locality to investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supporting establishment of new enterprises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supporting establishment of social enterprises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Identify job vacancies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Create intermediate and sheltered employment possibilities for disadvantaged	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Identification of employers' skill needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Providing training to meet employer's skill needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improve recognition of workers skills and experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Identify and retrain people at risk of redundancy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increasing employment potential in R&D and innovation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improve educational system in the region	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
reduce school drop out rates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improve supply of life-long learning opportunities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase efficiency of active labor market policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing innovative ALMP measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improve efficiency of placement services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
combat long term unemployment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
combat youth unemployment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
combat unemployment of elder workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fostering Gender equality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increasing employability of women	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
integrating handicapped into employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
integrating migrants into employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Empowerment of target groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offer new care facilities for children/handicapped	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Support accessibility of jobs and mobility of workers (e.g. resolve local transport problems)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Securing funds from EU sources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Securing funds from national or regional sources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Implementation of European initiatives (such as EQUAL)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
sustainable development of the region	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Others _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 3.2: Are there special strategies to improve employment opportunities in the following sectors in your pact? Did these become more or less important since 2008/09?**

Please indicate if such strategies exist. Please also indicate whether the importance of these strategies increased, decreased or stayed the same since 2008

	Strategies exist	Change in importance since 2008		
		Increased	No change	Decreased
Social services (e.g. care work)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Construction sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Green Jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public sector employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Utilities (e.g water supply, waste disposal etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leisure and cultural activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tourism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Child Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others _____				

**Question 3.3: Are there quota to ensure equal participation of women in your Pact/Intitiative?**

- No     Yes
- <if yes>
- Are these mandatory or voluntary?     Mandatory     Voluntary

**THANK YOU FOR YOUR EFFORTS!**



## **Project Information**

### **Welfare, Wealth and Work for Europe**

#### **A European research consortium is working on the analytical foundations for a socio-ecological transition**

##### **Abstract**

Europe needs change. The financial crisis has exposed long-neglected deficiencies in the present growth path, most visibly in the areas of unemployment and public debt. At the same time, Europe has to cope with new challenges, ranging from globalisation and demographic shifts to new technologies and ecological challenges. Under the title of Welfare, Wealth and Work for Europe – WWWforEurope – a European research consortium is laying the analytical foundation for a new development strategy that will enable a socio-ecological transition to high levels of employment, social inclusion, gender equity and environmental sustainability. The four-year research project within the 7<sup>th</sup> Framework Programme funded by the European Commission was launched in April 2012. The consortium brings together researchers from 34 scientific institutions in 12 European countries and is coordinated by the Austrian Institute of Economic Research (WIFO). The project coordinator is Karl Aiginger, director of WIFO.

For details on WWWforEurope see: [www.foreurope.eu](http://www.foreurope.eu)

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## Partners

	<b>Austrian Institute of Economic Research</b>	WIFO	Austria
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	<b>Goethe University Frankfurt</b>	GUF	Germany
	<b>ICLEI - Local Governments for Sustainability</b>	ICLEI	Germany
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	<b>Aston University</b>	ASTON	United Kingdom