

EQUALISING LABOUR MARKETS IN SOUTHERN SPAIN THROUGH SELF EMPLOYMENT

During round one of EQUAL, Andalusia was covered by a web of 29 partnerships, nearly a fifth of the total in Spain, and more than in many countries. They all belonged to the Andalusian EQUAL network.¹ Over this period, the region jointly chaired and provided technical support to the *national* thematic network for business creation together with the Spanish National Support Structure².

But it was in Andalusia itself, where the strong commitment to EQUAL from policy makers, allowed them to role out an impressive battery of measures to support mainstreaming. The results have been the incorporation of lessons from EQUAL into regional employment legislation, improvements in the governance of employment policy, the take up of EQUAL successes by financial institutions and a queue of EQUAL good practices being studied for future policies.

HOW TO MAKE EQUAL WORK FOR MAINSTREAM EMPLOYMENT POLICY

EQUAL projects have many different starting points - equal opportunities for women or ethnic minorities, business creation for disadvantaged groups, the social economy or age management. But according to Esperanza Perea Acosta, General Director of Employment Promotion³ of the Autonomous Regional Government of Andalusia, the litmus test for all these approaches is their contribution to the general employment policies of the region.

At a conference of over 300 representatives of mainstream employment services and EQUAL projects⁴ she went on to explain that "EQUAL cannot be seen as a programme apart". Her background in earlier Community Initiatives means that she is now in a position to extract every last drop of innovation for the benefit of active labour market policies.

The main aim of active labour market policies in Andalusia is to insert more people into employment whether this be as an employee or as self employed. Most EQUAL partnerships are also experimenting with a series of tools that improve the flow along "personalised itineraries" into both categories. So for example, many will combine pre-employment motivation and training with counselling for employment, business creation, support for the social economy and measures to improved the performance of existing SME's. It is far more sensible to examine the lessons coming from **all** EQUAL partnerships in these areas rather than just those in a particular theme.

In Andalusia, the during EQUAL we have taken a series of steps to provide a direct link between good practice on the ground and regional employment policies".

The main steps in this new "itinerary" between practice and policy offer a number of insights to other European thematic networks. The steps include: the analysis of the main regional labour market problems and the gaps in existing labour market policies; the identification of good practice in EQUAL; a review of legal and regulatory changes required for transferring these practices into mainstream policies; and, finally, the process of convincing the policy makers that the change is worth while. It is instructive to look at how the Andalusian EQUAL Network approached each of these tasks.

¹ Red EQUAL para el intercambio, valorización y transferencia de proyectos andaluces.

² Unidad Administradora del Fondo Social (UAFSE) in the Ministry of Employment

³ Responsible for active labour market policies in the region.

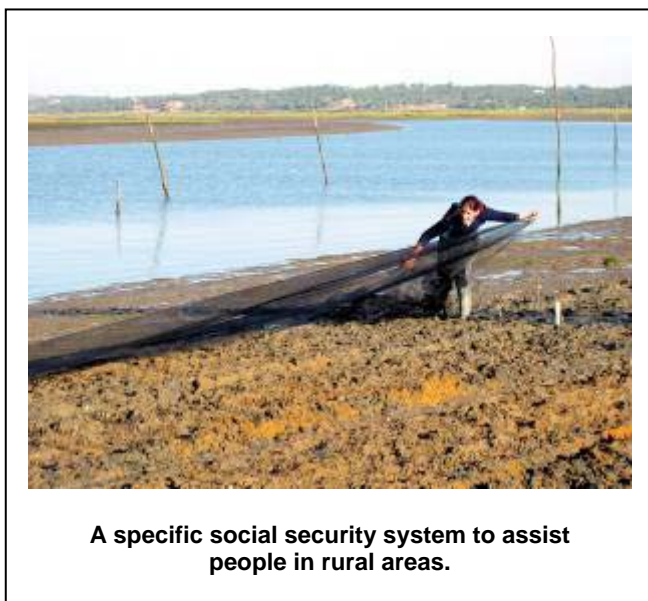
⁴ Conference held on 4-5 July 2005 in Seville on "Processes for improving public intervention in employment. The Experience of the EQUAL Initiative in Andalucía."

MATCHING THE SOLUTIONS TO THE PROBLEMS

The first step taken to build the bridge between policy and practice was to commission a thorough analysis of the labour markets dealt with by each of the EQUAL partnerships and the second was to review existing active labour market policies. For this the Region decided to tap the experience of a research centre which had been responsible for the Spanish Strategy for Social Inclusion and the Mutual Learning Programme of the European Employment Strategy

The study showed that the labour market situation has improved dramatically in Andalusia over the last 8 years - as in the rest of Spain. Unemployment had been reduced threefold – from a massive 31% in 1997 to 11% in 2003 - and the distance from the rest of Spain had been halved⁵. However, this hides huge disparities. Women, in particular, still carry the brunt of the burden. More than one in four women in the labour market was unemployed in 2003– three times the EU average. Even worse, the employment rate among women was just 30% - under half the Lisbon target. Young people and ethnic minorities are also particularly hard hit by lack of alternative sources of paid employment in the countryside and the most deprived urban neighbourhoods.

Some of the worst poverty in the countryside had been staved off by a special system of social security called the PER which provides a minimum income for people who can show that they have been employed on a farm for at least three months of the year. This has the advantage maintaining the rural population and taking the migratory pressure of the deprived areas of the large cities and towns; but on the other hand it reduces the incentive to enter employment or set up a business.



To respond to this situation active labour market policies have been divided into three main blocks: labour market intermediation, training for employment and employment promotion (including self employment). The last category is especially important and merges in with a series of policies to promote entrepreneurship run by the Regional Department for Innovation, Science and Entrepreneurship. As mentioned above, the Regional Government maintains that it is better to look at the lessons from EQUAL partnerships in terms of their contribution to these policy blocks rather than their membership of one or other EQUAL priority themes

According to Esperanza Perea: “the promotion of self-employment is a priority within Andalusian active labour market policies because of the importance they have within the regional economy” EQUAL reflects this reality. Of the twenty one projects with direct representation from the Regional Government in the first round, fourteen worked on supporting business creation and self employment among disadvantaged groups, even though only five projects were formally part of business creation theme. In total EQUAL managed to get 2027 people into a job during the first round but over 65% of these were self-employed⁶.

⁵ El Empleo en Andalucía. Oportunidades de Desarrollo de las Políticas de Empleo. Consejería de Empleo. 2005

⁶ Boletín Informativo de la Iniciativa Comunitaria EQUAL en Andalucía. Abril 2005. 1.326 self-employed out of 2.027

OVERCOMING THE COMPLEXITY OF GOVERNANCE

“One thing is to identify the problem another is to tackle the complex issues about who takes the initiative, who provides the finance and who implements the solution” said Federico Pozo Cuevas, advisor to the Department of Employment. He argues that one of the most useful contributions of EQUAL has been to provide a greater degree of “joined up government” for the web of departments and agencies involved in employment policies in the region.

EQUAL partnerships sprung into action at precisely the time that the central government was decentralising the responsibility of most employment policies to Andalusia. In 2003, the Employment Department inherited the network of employment offices previously run by the National Institute for Employment (INEM), these were responsible for all “passive” labour market policies although they also took part in some “active” intermediation.

However, as far back as the year 2000, the Employment Department had become seriously involved in active labour market policies and had created two other regional networks: the 208 centres of Andalusia Advises (Andalucía Orienta) which was responsible for providing “personal itineraries into employment” and the 113 Territorial Centres for Employment, Local Development and Technology (UTEDLTs) responsible for promoting local development through business creation and self-employment. On top of this there is a network of training centres and “school workshops” (escuelas taller) - dealing with various aspects of training for employment.

But Employment is not the only department active in this area. Coming at things from the angle of support for SME's, the Department of Innovation Science and Entrepreneurship is also responsible for a series of policies and agencies. They manage the Regional Development Agency which, as is often the case, tends to focus more on large strategic investments and the high technology end of the spectrum. However, they also run two regional centres for promoting entrepreneurial culture and a network of 143 “Entrepreneurship Schools” (Red Andaluza de Escuelas de Empresas) which focuses on supporting the social economy.

Coming at things from the angle of deprived groups and areas, the Department of Social Affairs has a major role in providing advice and services, while another department is responsible for immigration⁷. These departments participate in those regional EQUAL projects that most concern them but continuity is assured by the presence of the Employment Department in all regional projects.

Finally, all eight provincial capitals have important employment departments, most local authorities are active in local development, the chambers of commerce play a significant role, the social partners are heavily involved and the central government manages a series of its own programmes.

At a local level, EQUAL is said to have meant nothing less than a revolution for this complex maize of governance. Local authorities had been used to work in isolation in the design and management of their policies. However, after the experience of working with other local and regional actors in EQUAL partnerships many important local authorities (such as Almería, Jerez, and Seville) have decided to develop local employment plans in cooperation with both social partners and representatives of civil society.

At a regional level, the Government had followed a policy of concertation with social partners and civil society in the field of employment policy as far back as 1993. However, EQUAL is said to have had a significant impact on the coordination of the different departments and networks of agencies and has brought the administration far closer to the employment needs of disadvantaged groups.

⁷ Gobernación

PICKING THE BEST

Having reviewed both the labour market and existing employment policies, the next step for the Andalusian EQUAL Network was to identify the EQUAL good practices which were most relevant. Once again the process was very thorough and systematic: first, the use of the general criteria for deciding on the innovative nature of the actions (process, product and contextual innovations); then direct contact through a regional seminar on business creation; third a questionnaire sent by E. Mail; fourth, a request for background documentation; fifth, in depth interviews. The good practices were grouped according to their relevance for the three main blocks of regional employment policy described above.

In business creation this resulted in the selection of 14 good practices. The interviewers wrote a 4-6 page fiche on each with an initial summary of the main points of interest, followed by a description of the objectives, context, target groups, design and content of the action, and key innovations. The good practices were organised into 3 categories of business support: actions to improve the environment or framework conditions for business creation; direct support (separating out business services, finance and other); and actions to consolidate and strengthen SMEs and their networks. This approach fits in perfectly with framework being developed at a European level for building “entrepreneurial ladders out of social exclusion”.

The actions targeted at improving the environment for business creation are more interventionist than in some countries and have a strong component of local development. For example they stress the production of data banks on market opportunities and niches for local entrepreneurs rather than activities to increase entrepreneurial spirit in schools or role models in the media.

AND FINALLY.. TRANSFER

The final stages of the process sets the Andalusian network apart from many others. On the one hand, they carried out a detailed analysis of the legal and regulatory changes required for transferring certain good practices to mainstream regional employment policies. Then they began the process of convincing other political decision makers and managers that adopting the practice was worthwhile. This involved face-to-face meetings between the Director of Employment Promotion, other directors and ministers in the regional government, as well as exchange events between EQUAL and the staff of the many different employment centres mentioned above.

In the end five good practices have been showcased as having particularly strong potential for transfer in the area of self-employment and business creation. There is also another very interesting case dealing with routes out of the submerged economy.

Esperanza Perea, argues that one of the main weaknesses and, therefore, priorities for employment policies is in the early stages of “motivating and attracting people” – particularly those from excluded communities and groups. This is why there is particular interest in the methods used by the EQUAL partnership in two remote ex-mining valleys in the North of Cordoba⁸. They covered every corner and group in the area with an extremely efficient promotional campaign which offered a specially adapted personal itinerary into self-employment together with a monthly start-up grant. The result was an astonishing 72 start-ups in an area that had previously been considered a desert in terms of new economic activity. The Employment Department has now set up a special programme to continue the project after EQUAL.

A new regional employment regulation for self-employment⁹ also incorporates a series of lessons from this and other EQUAL projects. Far more priority is given to supporting women and other groups with special difficulties than in previous legislation. The regulation also makes all grants conditional on having followed personalised itineraries into self-employment like those described

⁸ La Oportunidad de Empezar en el Norte de Córdoba.

⁹ Orden de 6 de Mayo de 2005 por la que se desarrollan y convocan determinadas líneas de ayuda al autoempleo al amparo de los dispuestos en el decreto 141/2002 de 7 de Mayo

above. At present beneficiaries are eligible for a lump sum grant – but the possibilities of adopting the monthly grant tested in Cordoba are being studied carefully. The regulation also uses the experience of EQUAL partnerships to ensure that all the regions employment services pull in the same direction when it comes to providing pathways into self-employment.

EQUAL has also been successful in transferring good practice in the field of microcredit. Several types of microcredit already existed in the region before EQUAL¹⁰ but take-up was poor. The EQUAL project in Granada brought the local savings bank (Caja de Granada) into partnership with the municipal training centre (Instituto Municipal de Formación y Empleo). Together they showed that a prerequisite for success was that the loan should be accompanied by a tailor-made itinerary of advice and support. As a result the Employment Department and the Department for Equality and Social Welfare have just signed an agreement with the Caixa¹¹ to extend these methods across the region.



Clavel representatives are now selling flowers legally through a “social licence”.

A third good practice which is being promoted for mainstreaming concerns new approaches for dealing with the submerged economy. Once again the EQUAL partnership in Seville developed a specially adapted itinerary for gypsy women who make a living selling flowers illegally. This was combined with a new “social licence” negotiated with the municipal authorities and local shopkeepers. The license allows certain excluded groups who are following the support itineraries to carry out their activity under far less onerous conditions. The Regional Government is now testing the interest of other local authorities.

Antonio Fernández García, the Regional Minister of Employment in Andalucía sums up the way in which EQUAL is being used by his government: “the purpose of an EQUAL project is to intervene in the labour market in such a way that, at the end, the results can either be carried out in other areas and contexts - and/or they can be incorporated into the employment policies managed by the Junta de Andalucía”. It can be seen that, in Andalucía, considerable advances have been made in both directions.

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¹⁰ There is a programme of microcredits for women run by the Spanish Women’s Institute and a national programme of microcredits run by the Official Credit Institute (ICO)

¹¹ The Caixa de Catalunya is one of the pioneers of microcredit in Spain and has tested a series of methods for especially deprived areas and groups in the San Cosme Innova EQUAL project in Cataluña.