Evaluation of the Territorial Employment Pacts

A new evaluation of the Territorial Employment Pacts concludes that they can represent an effective method to add value to local employment and development. The three Structural Funds financed 89 Pacts all over the EU between 1996 and 2001. Successful Pacts enhanced resource deployment at local and regional level, helped match supply and demand, reduced administrative overlap and strengthened clarity in local policies for promoting employment.

Significant Variation

The evaluation found very significant variation between the Pacts across the EU, in terms of size, organisation, number of partners and methods of working. The basic Pact model needed to be adapted to the different governance contexts in which they were situated.

- The most successful applications of the Pact principle were evident in the countries where an accepted and legally determined role for devolved governance powers at local level is in place, but this is not systematically combined with extensive, multi-stakeholder partnership working. Ireland and Italy demonstrated particularly successful examples, and other Member States in this category were Austria, Belgium, Finland, Germany and Spain.

- In countries with a long history of governmental intervention in the labour market and territorial development, and where partnership working is common (Denmark, France, Netherlands, Sweden, UK) Pacts often struggled to find a role. There was a wide variety of performance of Pacts in this context with examples of both successful and weak Pacts sometimes in the same country. The Netherlands, France the UK had the most successful Pacts, while the UK and Denmark demonstrated the widest variety in performance.

- In countries with a limited history of local level activity in relation to the labour market, Pacts were least successful (Portugal, Greece and Luxembourg). The evaluation found there was as yet little appreciation of the merits of the bottom-up partnership and not enough competency or institutional capacity in place. It concludes that there is a necessary threshold capacity for effective establishment of Pacts and that the process of installing such capacity can be challenging.

Weaknesses in Design…

While the evaluation found very successful examples of Territorial Employment Pacts, it also concluded that the success of the programme as a whole was limited by weaknesses in its conception, design and delivery. Pacts did not have a clear view of what they were supposed to achieve and the timescale for their implementation (only 3 years) was too short. There was inadequate recognition of the fact that building partnerships and co-ordinating strategic plans is crucially dependent on the existing policies and practices in the Member States and there was a need for greater attention to be paid to the relationships with the national, regional and local authorities alongside which Pacts needed to work.

Future Challenges

Territorial Employment Pacts no longer exist as a separate instrument and successful Pacts have been absorbed into 2000-2006 Structural Funds’ programmes. The conclusions and recommendations contain important learning which can feed into the formulation of future policies:
1. The Pact type approach has the potential to be applied to a wider set of local development issues other than employment, including territorial competitiveness, business support and planning education and training.

2. In current Objective 2 and 3 regions, especially where there is a track record of multi-stakeholder partnership working, the pact type approach has the potential to add value in terms of strategic co-ordination.

3. Where there is little tradition of bottom-up partnership working (Greece and Portugal among the current Member States and probably most if not all of the candidate countries), the Pact model is less appropriate in the short term. Developing capacity to operate a Pact model will required a long term outlook, significant resources and working closely with central governments in parallel with wider institutional developments.

4. If Pact type approaches are to be implemented, it is important that the Commission develops clear guidance on the overall purpose of the approach, the selection of Pacts, objectives to be achieved and how they are to be measured and evaluated, the time scale for their operation, and dissemination and mainstreaming.

The Commission has decided to examine existing initiatives to ensure that there is sufficiently clear guidance on how they are to be implemented. In addition, the learning from the evaluation will be considered in the context of planning for the future of the Structural Funds post 2006.

Background

The Territorial Employment Pacts were launched in December 1996 with the objective of tackling unemployment and promoting job creation through multi-stakeholder partnerships at local level. They were a response by the European Commission to the demands of the heads of State and Government, who stressed the need for stronger Community action in favour of employment. There were 89 Pacts across all Member States and each was provided with up to Euro 300,000 from the three Structural Funds. The population covered by areas, in which the Pacts operated, amounted to some 36 million people. The main features of Territorial Employment Pacts were that they should demonstrate a bottom-up approach, a broad based partnership, integration of strategy, and innovation. These features were incorporated in employment action plans which formed the basis for the work of the Pacts. Many of the Pacts involved local actors from public administrations, social partners and private organisations.

Further information on Territorial Employment Pacts can be found at this site:

The Thematic Evaluation on the Territorial Employment Pacts and the National and Case Study reports which formed part of the study can be found at this site: