Guide on how to deliver the European Pillar of Social Rights (EPSR) at the local level in the framework of the Multiannual Financial Framework (MFF) and its associated funding instruments

This guide is the second output of the Urban Partnership Jobs & Skills in the local economy, Action 3: "The European Pillar of Social Rights (EPSR) as a framework for the reconversion towards a sustainable economy".

Earlier, an Analysis report of practices regarding multi-level cooperation in relation to principles 1 and 5 of the EPSR was drafted: https://stad.gent/en/international-policy/challenges-growing-cities/urban-agenda-ua-and-urban-partnerships-ups

Several cities contributed by delivering local examples. We thank the cities of Aarhus, Berlin, Gdansk, Ghent, Graz, Kielce, Zaragoza and EUROCITIES, CEMR, URBACT for their valuable contributions.

Ghent, 10 October 2019

Introduction

In 2016, during the Dutch Presidency of the European Union, Ministers responsible for Urban Matters adopted the Pact of Amsterdam. This pact established the Urban Agenda for the EU to ensure that the urban dimension is reflected in EU legislation. The Urban Agenda is composed of several priority themes which are imperative for the sustainable development of urban areas. Each theme has a dedicated Partnership, which brings together urban authorities, member states and EU institutions to propose feasible measures for EU legislation, funding and knowledge sharing. One of these Partnerships is the **Partnership 'Jobs and Skills in the Local Economy'**.

It consists of 17 members:
- 3 member states: Romania, Italy and Greece
- 8 urban authorities: Berlin, Rotterdam, Jelgava, Torino, Porto, Ghent, Kielce, Miskolc
- 4 stakeholder organisations: European Investment Bank (EIB), URBACT, EUROCITIES, Council of European Municipalities and Regions (CEMR)
- European Commission: DG for Regional and Urban Policy (DG REGIO), and DG Employment, Social Affairs and Inclusion (DG EMPL)
- Organisation for Economic Cooperation and Development, OECD

The coordinators of the Partnership are Romania, the city of Rotterdam and the city of Jelgava. The Action Plan of the Jobs and Skills in the Local Economy Partnership contains ten Actions of which Action 3 is "European Pillar of Social Rights as a framework for the reconversion towards a sustainable economy".

This practical guide is giving execution to **Action 3** and is led by Ghent with Berlin, EUROCITIES and CEMR as contributors, and with the support of DG Employment.

Action 3 uses the EPSR as framework for the reconversion towards a sustainable economy in urban areas, and targets "education, training and life-long learning" (Principle 1) and "Secure and adaptable employment" (Principle 5).

The EPSR – in keeping with Sustainable Development Goal (SDG) 8 on *Decent work and economic growth* – sets out 20 key principles and rights "to support fair and well-functioning labour markets and welfare systems"[1]. Moreover, the EPSR is a policy objective for a more social Europe in the proposed regulation regarding several funds post 2020[2].

Principle 1 EPSR

> *"Everyone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market."*

Principle 5 EPSR

> *"Regardless of the type and duration of the employment relationship, workers have the right to fair and equal treatment regarding working conditions, access to social protection and training. The transition towards open-ended forms of employment shall be fostered. In accordance with legislation and collective agreements, the necessary flexibility for employers to adapt swiftly to changes in the economic context shall be ensured. Innovative forms of work that ensure quality working conditions shall be fostered. Entrepreneurship and self-employment shall be encouraged. Occupational mobility shall be facilitated. Employment relationships that lead to precarious working conditions shall be prevented, including by prohibiting abuse of atypical contracts. Any probation period should be of reasonable duration."*

The aim of this practical guide is to inspire all stakeholders about implementing Principles 1 and 5 EPSR at the local level and to support them in getting started.

This practical guide was preceded by an analysis of 12 practices from cities on the **strengths, pitfalls, challenges and possible solutions regarding multi-level governance** (MLG) in the implementation of Principles 1 and 5 of the EPSR, which can be read at:

https://stad.gent/sites/default/files/page/documents/20190708_UP%20Jobs%20and%20Skills_analysis_Action3-EPSR-Principle1and5_final_0.pdf

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[1] EC, (24/10/2017:1), IP/17/4068, p.1: http://europa.eu/rapid/press-release_IP-17-4068_en.htm
[2] EC, (29/5/2018), COM (2018) 375 final: https://eur-lex.europa.eu/resource.html?uri=cellar:26b02a36-6376-11e8-ab9c-01aa75ed71a1.0003.02/DOC_3&format=PDF

Multi-level Governance (MLG) and the European Pillar of Social Rights (EPSR)

Making the EPSR a reality for citizens is a joint responsibility between different levels of government and stakeholders. Most of the tools to implement the Principles of the Pillar are in the hands of member states, regional and local governments, as well as social partners and civil society. The European Union institutions – and the European Commission in particular – can help by setting the framework and giving the direction. No individual stakeholder could address it single-handed. Implementation requires MLG.

MLG was defined in the Committee of the Regions' (CoR) Whitepaper on Multi-level Governance of 2009[3] and in the 2014 Charter for Multi-level governance in Europe[4]:

> *"Multi-Level Governance means coordinated action by the European Union, the Member States and Local and Regional authorities, according to the principles of subsidiarity and proportionality and in partnership, taking the form of operational and institutionalised cooperation in the drawing-up and implementation of the European Union's policies"[5]*

MLG arrangements are not emerging in a spontaneous manner, but are usually initiated by a stakeholder or are triggered by an event or crisis. From the local practices that we studied we can derive different factors that can initiate new MLG arrangements:

- The existence of a shared vision among stakeholders
- The opportunity of funding
- Top-down regulatory compliance
- Political awareness
- Addressing specific local needs.

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[3] CoR, (2009), The Committee of the Regions' Whitepaper on Multilevel Governance:
https://publications.europa.eu/en/publication-detail/-/publication/3cba79fd-2fcd-4fc4-94b9-677bbc53916b/language-en

[4] CoR, (2014), Charter for Multilevel Governance in Europe:
https://portal.cor.europa.eu/mlgcharter/Pages/MLG-charter.aspx

[5] CoR, (2012), Building a European Culture of Multilevel Governance, p. 2:
https://publications.europa.eu/en/publication-detail/-/publication/ed2f312b-23cb-4650-ac97-9d3e9a03e7d2/language-en

In the Polish city of Kielce a resolution was adopted by the City Council to start a local programme to support job creation in Kielce as a response to the real needs and expectations of both city residents and employers operating in Kielce. The aim is to create friendly conditions for the development of employers and employees in Kielce.

A specific action of this programme is to support cooperation between employers, education (including higher education), self-government, associations and institutions operating locally in the area of local labour market development.

The analysis of municipalities' cases regarding the implementation of Principle 1 and 5 of the EPSR showed that certain gaps[6] challenge MLG. The most common identified gaps are:

- The **information gap** is characterised by information asymmetries between levels of government when designing, implementing and delivering public policies;
- The **capacity gap** is the lack of human, knowledge (skill-based and 'know-how') or infrastructural resources to carry out tasks, regardless of the level of government;
- The **funding gap** is represented by the difference between the revenues and the required expenditures for local authorities to meet their responsibilities and implement appropriate development strategies. This also includes the mismatch between budget practices and policy needs and indicates a direct dependence on other levels of government;
- The **policy gap** is the result of sectorial departments taking a purely vertical approach to be territorially implemented, while at the local level various sectors merge and need to be aligned.

The measures that are being taken by cities implementing Principles 1 and 5 are complementing and specifying regional, national and EU policies and measures by focusing on the **specific local situation** and **specific target groups**, such as refugees and migrants (Berlin), long term unemployed (Graz, Berlin), young people (Berlin, East Flanders, Kielce, Gdansk), people from low-income families (Berlin, Graz, Aarhus).

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[6] Charbit, C. (2011), Governance of Public Policies in Decentralised Contexts: The Multi-level Approach, OECD Regional Development Working Papers, No. 2011/04, OECD Publishing, Paris, https://doi.org/10.1787/5kg883pkxkhc-en

The supportive measures regarding Principle 1 are focused on counselling and mentoring, vocational guidance, second chance programmes, apprenticeships and developing specific skills that are relevant for local employers and **adapted to the local labour market**. Funding for the measures and initiatives is usually provided for by the **local budgets** and complemented by **ESF funding** (Berlin), **regional and national budgets** (Berlin, Lille, Kielce) or **private funding** (Ghent, Zaragoza).

The city initiatives implementing Principle 5 are especially reaching out to the **target groups that have the most difficulties to enter the labour market**: long-term unemployed, young people not in education, employment or training (NEETs), migrants and refugees and people who are supported by social welfare benefits. Counselling and guidance towards supportive services are offered by the initiatives to assist people from these target groups to (re-)integrate them into the labour market. **Funding** is provided by the **cities**, complemented with ESF (Gdansk) and **private** funds (Gdansk, Aarhus).

An example of an MLG arrangement implementing Principle 5 and the local labour market is the French experiment "Territoires zéro chômeur de longue durée".

The aim of the pilot project, which is implemented in 10 local areas in France, is to offer to the long-term unemployed a new job based on their skills on a permanent contract and a chosen duration. The jobs seek to respond to the local needs that are not satisfied on the existing local labour market. The prerequisite is to avoid competing with local businesses as well as to promote economic growth. The idea is to create additional jobs that are financed by redirecting the current expenditures from the costs of assisting the long-term unemployed. Today, more than 400 people have been placed in regular employment within the 10 experimental areas.

As one of the cities part of the programme, Lille Metropole has created "la Fabrique de l'emploi" a local company that supports the experiment to employ the long-term unemployed people. This job-purposed company in Lille Metropole has hired 100 employees in two local communities near Lille and Tourcoing. This initiative offers an alternative solution to existing policies in the fight against long-term unemployment. The project brings together all key actors in the local community to create additional jobs that promote local economic growth and bring new local services and products to residents.

In the implementation of the Principles the main challenges for MLG are the **funding** and the **capacity** gaps. The **shortage of qualified teachers, trainers and mentors** (Berlin, Kielce) is one of the main problems to successfully provide quality and inclusive education, training and life-long learning options for everyone. Teachers and trainers need to be better equipped and supported to deal with the specific needs of the very diverse target groups in their city context. There is also a **need for support to teachers and trainers from other non-educational disciplines**, such as social workers, language teachers and psychologists.

Insufficient funding from regional or national governments for aspects that are beyond the power of the local authorities, such as resources for projects that result from the initiative (Zaragoza), support to teachers, trainers and learners in their socio-economic and psychological situation and investments in education and training infrastructure are clear challenges in every reported practice on the local level. Experimentation with new ways of support seem to attract sufficient funding in the pilot phase but there is uncertainty or a lack of knowledge on possible business models to guarantee **financial sustainability** after this phase has ended (Aarhus, Gdansk).

Related to the **information** and **policy** gaps: **monitoring data on education is lacking at local level**. The data is often not comparable between EU cities and cannot be used for learning and transferring successful practices. Changes in (national) **legislation**, growing complexity of (national) legislation, existing barriers to access labour and social jurisdiction, a lack of inspection of working conditions, dependencies between the enforcement of social rights and the right of residence, cause or facilitate exploitative employment relationships and financially unstable short-term employment contract and prevent law enforcement (Berlin, Kielce).

Why MLG and what are the drivers?

MLG processes can be initiated **top-down or bottom-up**. The government levels that initiate the process seem to differ between policy fields, and this seems to be closely related to the legal competences and institutional structures. In social inclusion policies, local and regional stakeholders mainly initiate the processes. The rationale for this difference lies in the extent to which these policies and their impacts are linked to higher administrative levels. Pure 'bottom-up' approaches seem to be rare.[7] **Awareness** about the need for cooperation between governments, awareness and knowledge about the possible instruments and initiating leadership are needed to successfully tackle identified suboptimal situations in every phase of the policy process.

Multi-level governance as such was not explicitly mentioned in most of the collected practices of the survey that was conducted. In the cases that a cooperation arrangement is reported, funding opportunities, local needs and local awareness of the challenges related to the implementation of education and employment policies are the **main drivers** to set up MLG arrangements between different levels of government and between government and societal stakeholders.

> *In the Belgian city of Ghent a 10-week training and supporting programme (MetaalMatch) for unemployed young people interested in working with metal is set up to develop their welding skills and prepare them for entering the labour market. The programme is a collaboration between the regional public employment office, adult education institutions and employers. Employers in Ghent identified a shortage of welders and commit themselves to offer internships to the trainees. The mismatch between the local needs of the employers and the lack of availability of the necessary skills on the local labour market is clearly addressed by this cross-sector MLG cooperation arrangement.*

Interesting to note is also that in many cases **one individual** can be identified as crucial for starting the MLG initiative. The initial driver most often is either a political representative or a civil servant. The latter usually needs to spark the interest of political representatives in order to get broader support in raising awareness. Typically, politicians can sell the policy to a broader audience than civil servants.[8]

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[7] EC, (2015), Local and Regional Partners Contributing to Europe 2020. Multi-level Governance in Support of Europe 2020, p. 18: https://ec.europa.eu/regional_policy/en/information/publications/studies/2015/local-and-regional-partners-contributing-to-europe-2020-multi-level-governance-in-support-of-europe-2020

[8] EC, (2015), Local and Regional Partners Contributing to Europe 2020. Multi-level Governance in Support of Europe 2020, p. 21

Who are the stakeholders in Multi-level Governance (MLG) arrangements implementing Principles 1 and 5 of the European Pillar of Social Rights (EPSR)?

MLG asks for interaction and joint coordination of relations between the various levels of government **without clear dominance** of one level. These might involve forums or networks in which organisations from different government levels meet.

Two **dimensions** of MLG can be distinguished:

1. The **vertical dimension** of MLG refers to the links between higher and lower levels of government, including their institutional, financial, and informational aspects. Local capacity building and incentives for effectiveness of sub national levels of government are crucial for improving the quality and coherence of public policy.

> *MLG within the EU is understood as respecting competences, sharing responsibilities and cooperating between the various levels of government: the EU, the member states and the regional and local authorities. In this context, it refers to the principle of subsidiarity, which places decisions as close as possible to the citizens and ensures that that action at Union level is justified in light of the possibilities available at national, regional or local level. In practice MLG within the EU is about participation and coordination between all levels of government both in the decision making process and in the implementation or evaluation of European policies.*
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> *In the Austrian City of Graz the Work and Employment Unit was established in 2014 within the Social Welfare Office of the City. The unit's main areas of responsibility include the representation of the City of Graz in employment-related committees and the development and coordination of employment activities at the local level. As an example of the vertical dimension of MLG, the unit serves as a platform for regional and national partners as well as for the Public Employment Service (Arbeitsmarktservice) in Styria, the province in Austria in which Graz is located, and for NGOs in the field of employment.*

Vertical MLG arrangements were not reported explicitly in most of the collected practices. The main drivers in the cases where MLG arrangements between levels of government were mentioned, were either the **existence of funding opportunities** (ESF or regional funding) and mainly the necessity of cooperation to tackle **local needs**.

2. The **horizontal dimension** refers to cooperation arrangements between regions or between municipalities. These agreements are increasingly common as a means by which to improve the effectiveness of local public service delivery and implementation of development strategies. The horizontal dimension of the implementation of MLG partnerships also includes cooperation with socio-economic partners and NGOs.

> *The Berlin Counselling Center for Migration and Decent Work (BEMA) supports migrants and mobile workers in realising their labour and social rights. The aim is to treat all people in Berlin equally, regardless of their origin and residence status, especially with regard to their rights on the labour market and in the area of social protection. BEMA considers an active network of counselling centres and other social institutions as well as trade unions and authorities - even beyond Berlin and Germany - as indispensable for its success. Close and active cooperation between different authorities and non-governmental organisations is needed, to ensure adequate support.*

Many cities report **horizontal cooperation** between departments of the local authorities and between local government and socio-economic stakeholders, NGOs and (public and private) providers of education and employment services as **crucial** in the implementation of education and employment policies.

Instruments to foster Multi-level Governance (MLG) arrangements implementing Principle 1 and 5 of the European Pillar of Social Rights (EPSR)

There is a clear link between the definition of MLG and the dominant gaps that challenge MLG. The capacity and the funding gap relate to the subsidiarity and proportionality principles, the information and policy gaps to operational and institutionalised cooperation.

The diagnosis tool for coordination and capacity challenges in MLG by Charbit[9] describes the type of instruments that are needed to tackle the specific gaps. In the table below we only mention the challenges and instruments related to the gaps that are identified in the collected practices.

GAP	CHALLENGE	INSTRUMENT
Information gap	Asymmetries of information (quantity, quality, type) between different stakeholders, either voluntary or not	Need for instruments for revealing & sharing information
Capacity gap	Insufficient scientific, technical, infrastructural capacity of local actors, in particular for designing appropriate strategies	Need for instruments to build local capacity
Funding gap	Unstable or insufficient revenues undermining effective implementation of responsibilities at sub-national level or for crossing policies	Need for shared financing mechanisms
Policy gap	Sectoral fragmentation across ministries and agencies.	Need for mechanisms to create multidimensional/systemic approaches at the sub national level, and to exercise political leadership and commitment.

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[9] Charbit, (2011), id.

Legal instruments are the most binding mechanisms and they are able to address the funding and capacity gaps, as well as promote vertical and horizontal co-ordination. Legal instruments such as **laws** aim at improving the coherence of policy making and policy implementation between the different levels of government and address mismatches between legal competences and resource allocation. **Contracts** are another effective set of legal instruments to help manage vertical interdependencies. Contracts are based on mutual agreement between the stakeholders and can help bridge all gaps.

Other examples of used instruments to bridge the MLG gaps are **mergers** of government levels and municipalities and various methods of municipal cooperation (e.g. intermunicipal cooperation in Belgium). They have an impact on the vertical and horizontal coordination and provide the possibility to address multiple gaps, including those of capacity.

Very commonly used are coordinating bodies such as **municipal associations**, thematic **working groups**, thematic government **agencies**, and **task forces**. Ad hoc and informal meetings provide an opportunity to build communication, dialogue and networks that are horizontal, vertical and cross-networked.

Indicators-based performance measurement and **experimentation in policy design** and implementation are also mechanisms to bridge the gaps mentioned.

Recommendations on instruments to EU and member states

1. **Capacity gap**: The strengthening of MLG and the partnership principle in the legislative framework for the 2014-2020 ESI Funds has had positive effects on the involvement of local authorities at all stages in the implementation of Partnership Agreements and programmes. However, **involvement** is defined and implemented differently throughout the EU and depends on institutional arrangements and governance culture in the specific EU member state.

    ➔ Collaboration and information sharing between schools, local and national authorities and **coordination with other departments**, such as employment and social services are necessary steps in a better transversal policy that removes the barriers to inclusive education. To effectively tackle the local challenges with regards to education, training, life-long learning and support to employment, local authorities should be considered **full partners** in setting the priorities for the **ESF+ and ERDF Operational Programmes**

2. **Information gap**: Cities report a gap in monitoring data related to access to education and achievement gaps in education, on specific targets groups and on the local situation.

    ➔ The EU, in collaboration with the national governments and by involving local authorities, could **improve** its **monitoring** of the implementation of Principle 1 of the EPSR through the **European Semester**. To better capture the situation on the ground, the social scoreboard indicators, such as the rate of early school leavers, could add a **level of monitoring at local level**. Furthermore, the data could be disaggregated by target groups to capture the gaps in access to education and achievement. This would help monitor progress in EPSR implementation at local level.

3   **Policy gap**: Local authorities are best placed to know the **specific needs** of the people in their cities and to reach the most vulnerable. From this perspective it is only logical that they are **involved in designing and monitoring education and employment policy**.

➔ The EU and the member states should allow cities to take part in the working groups of the strategic **framework for European cooperation in education and training** ("ET 2020")[10] and in other future programmes and initiatives on the design and the monitoring of education, training and life-long learning policies.

4.   **Funding gap**: The shortage of skilled teachers and supporting staff is also related to a lack of funding on the local level.

➔ The EU and the member states should enable cities to have **easier access** to and **make better use of ESF, ERDF and Erasmus+ funds** to promote equity and respond to the specific challenges of rising educational inequalities in urban areas by supporting the participation of disadvantaged target groups.

Funding gap: To ensure no group is left behind from ESF+ support, and that support is extended from job insertion to support for keeping and staying in the job, **cities need to be involved** in defining targets, indicators and criteria.

➔ Cities need to be involved by the EU and the member states in defining the **priorities** and the **target groups** for the **ESF+ Operational Programmes** to reflect the challenges at local level. New groups at risk of social exclusion are emerging, such as the working poor, the under-qualified, the digital illiterate and those living in deprived urban areas with low incomes.

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[10] EC, European Policy Cooperation (ET2020 framework): https://ec.europa.eu/education/policies/european-policy-cooperation/et2020-framework_en

Recommendations on instruments to member states and cities

1. A contractual instrument that could be exemplary for vertical cooperation in the implementation of the EPSR principles are the **City Deals**[11] that have been initiated under the framework of the Dutch Urban Agenda (Agenda Stad), and also the City Deals in Australia[12].

   The Australian City Deals are commitments between the three levels of government (national, state and local) and the community to work towards a shared vision for productive and liveable cities. The City Deals work to align the planning, investment and governance necessary to accelerate growth and job creation, stimulate urban renewal and drive economic reforms. The Australian City Deals focus on leveraging cities' unique strengths and responding to their specific needs. Instead of national and state policies and programmes delivered locally by different departments, working with local governments and stakeholders produces a unified deal that addresses a city's priorities.

   The Dutch City Deals are aimed at finding and implementing innovative solutions to societal challenges and/or measures to strengthen the urban economic ecosystems. They are based on commitments to collaborate between cities, the national government, other levels of government, business and civil society. The participating cities decide on the specific challenges that are addressed, based on the local needs.

This type of contract addresses the challenges related to the policy gap and offers a solution in **setting up operational and institutionalised cooperation**.

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[11] Agenda Stad, website: https://agendastad.nl/city-deals/
[12] Australian Government, Cities Division, Department of Infrastructure, Transport, Cities and Regional Development, website: https://citydeals.infrastructure.gov.au/

2. The role of national **associations of cities and municipalities** in arrangements and instruments to bridge the policy, capacity and information gaps should also be taken into account when looking for solutions.

Regardless of the reason why MLG processes are initiated, existing structures with experience in MLG help, not in the least because of the need to develop trust between the stakeholders. Previous and established coordination experience often makes it easier to deepen policy cooperation, whereas the inclusion of further levels or sector policies may be more time consuming.13

National associations such as VNG in the Netherlands, VVSG in Flanders (Belgium), Deutscher Städtetag in Germany or AFCCRE in France are playing an important role in bridging different gaps and thus **facilitate operational and institutionalised cooperation**. Regarding the information gap for instance they provide the platform to share information among their members and between their members and other levels of government. They also provide training for their members and facilitate policy discussions between the local level and other levels of government.

➔ The EU, the member states and the local authorities could look for the **best practices** in supporting vertical MLG among the associations and document them to be used in other member states.

3. **A shared vision, objective or strategic plan** between all the implicated stakeholders of a certain policy is an instrument that can create ownership among partners and guide, maintain, or reinforce MLG arrangements.

➔ The mutual development of the **shared strategy or vision** creates ownership among the participants of the MLG arrangement. **Monitoring the implementation** of the shared objectives together adds to this ownership.

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[13] EC, (2015), Local and Regional Partners Contributing to Europe 2020. Multi-level Governance in Support of Europe 2020, id

4. **Capacity gap**: Addressing the shortage of teachers, trainers and mentors, as well as the need for support to teachers and trainers from other non-educational disciplines, is identified by the cities as the biggest priority. There is a **need to increase investment** in **recruiting and preparing teachers** to deal with the challenges of inclusive education. Teachers need to be provided with the skills required to work in increasingly super-diverse urban contexts. The legal competences in this field are very differently shared between the levels of government in EU member states while the challenges seem to be shared throughout the EU.

   ➔ Increasing investments in recruitment and skills development of teachers asks for a **joint strategy** by the EU, the members states and the local authorities, also in improving the image of vocational education and the attractiveness of the teaching profession.

5. **Information gap**: Cities and **their local partners** report difficulties with changes in **legislation**, growing dependencies between legislations and law enforcement and a growing complexity of (national) legislation. This complexity has negative effects on the success of local practices and could lead to undesired or suboptimal results.

   ➔ **Vertical venues**, where local governments and their local partners meet with other levels of government, are a first institutionalised step in a better interpretation of the regulations and regulatory simplification. These venues can also be **facilitated** by networks and associations of cities and municipalities.

6. **Funding/Capacity gap**: Cities ask for the allocation of more resources at local level for tailored support to labour market activation of vulnerable groups at risk of exclusion.

   ➔ To reach out, identify and provide tailor-made support to those furthest away from the labour market, cities need **extra resources for staff and funding**. The resources can boost integrated support for training, job coaching, counselling and job search.

7. **Policy gap**: Regardless of the level of government that has the legal competences, there is a need for closer cooperation between municipal and regional and national public employment services through the exchange of information and **shared and integrated strategies and action plans**. National and regional governments should follow the **principle of subsidiarity** and empower cities to act where they are best able to support effective local labour markets. Cities are most aware of the changes in the local economy. They are best placed to match the demand and offer on the local labour markets. Cities can provide tailored and localised measures to tackle unemployment and support the activation of people furthest away from the labour market.

→ The EU and the member states should support close coordination between the **public employment services** and the local authorities.