

25 May 1998

**STRUCTURAL FUNDS  
and  
TERRITORIAL EMPLOYMENT PACTS**

The European Commission has defined the context and the framework for territorial employment pacts, inter alia in a document dated October 1996 ("Territorial pacts - Structural assistance and employment") which summarises its objectives. UNICE has spoken out in favour of the principle of this initiative, in particular in a letter dated 7 November 1996 to the President of the Commission.

Since then, most of the ninety or so pacts selected have been approved by the relevant monitoring committees or soon will be.

It appears necessary at this juncture to make a number of comments of substance on the subject of pacts and structural funds. This type of partnership cooperation has existed for many years in several Member States. In order to establish a good link between the steering committees for territorial pacts and the committee monitoring the objectives of the structural funds under which they fall, it is desirable for a representative of these monitoring committees to take part in meetings of the relevant pact steering committee.

UNICE can only confirm that economic and social partnership is not being fully exploited in practice and the need to "integrate more fully a traditional vertical partnership between national regional and local authorities with a horizontal partnership between public and private players at the most appropriate territorial level".

UNICE also confirms the need to widen business partnership: active participation of the economic and social partners and in particular business players.

UNICE recognises the interest, for day-to-day practice, of "going beyond the framework of monitoring committees alone to develop less formal areas for thinking and making proposals, allowing more balanced participation of men and women, adequate information flows and discussion of interesting territorial projects".

The objective of territorial employment pacts must be to:

- highlight difficulties, concerns and prospects for each of the territorial players exercising a responsibility for employment,
- mobilise all the available resources to improve the business climate, in the light of an integrated strategy accepted by all the players concerned and geared to genuine needs...
- allow better integration and coordination of actions for employment,
- carry out exemplary actions and measures in favour of employment,

It is also important to affirm clearly that the difficulties, recommendations and plans in question can only relate to the EU's economic and social cohesion structural policies, leaving Member States on the one hand and the social partners at the appropriate levels on the other hand their full domain of competence for employment.

UNICE stresses that, if the aim is to produce concrete results in a less formal local framework, it is also important to avoid turning the initiative into a talking shop by increasing the number of participants who are more or less concerned. It is important in any event to avoid confusing the economic and social partners and other associations. Clarifications on the composition of the pact steering committees are necessary to prevent marginalisation of the main actors who should be the interested economic and social partners and regional bodies. It would also be useful to ensure that, insofar as it is a partner in the pact, the private sector is well represented as wished by the Commission.

With the same thing in mind, among the specific proposals listed, some appear to fit well into the area of economic and social structural policies:

- education and training measures
- measures to benefit specific populations affected by unemployment,
- action to support innovation or pilot projects
- measures to strengthen the operational capacities of regional or local administrations
- specific proposals addressed to the monitoring committees to use the available means for manoeuvre and target structural assistance for employment more closely.

By contrast:

"Proposals to be addressed to competent authorities in the field of social and labour legislation, and suggestions for the social partners relating to the organisation of work and working time," cannot fall within the competence of territorial employment pacts.

It is up to participants in pacts to communicate to their respective professional organisations any comments which they deem useful.

UNICE stresses that good coordination and a good understanding with the monitoring committees concerned are essential without increasing dissuasive bureaucratic complications and unduly long timetables in the slightest.

Territorial pacts cannot be regarded as "local branches" under the umbrella of monitoring committees. It would therefore be appropriate to ensure that territorial pact projects presented by the steering committee and in conformity with the structural fund regulations should:

- have, on an experimental basis, a specific financing earmarked for them in future programmes. The practice of the global grants would seem to be appropriate in this case.
- exhibit a genuinely innovative character and not be a "desperate search" for new make-work ideas to reduce unemployment figures, and not be "catch-up" dossiers that can be financed under other existing measures or copies of projects implemented in the framework of objective III, the results of which have proved questionable.

It is important to stress that disappointment would be great if the economic and social partners being urged to mobilise on the ground were in time to see that they were being marginalised within territorial pacts or in the event that these pacts prove incapable of reaching agreement on implementation of quality projects.

That being the case, it might be wondered whether territorial employment pacts are in fact likely to create real, long-term jobs. In the final analysis, everything will depend on the direction of their work. It should be recalled emphatically that significant creation of real and long-term jobs can only result from company growth based on competitiveness, with investment as its basic engine. In this incontrovertible framework, even successful territorial employment pacts may prove to be no more than "drops in the ocean".

UNICE hopes that a document will soon be drafted on examples of observed good and bad practice in territorial pacts and suggests that this should give rise to a meeting for exchanges with economic and social partners for a better appreciation of their interest and scope.

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