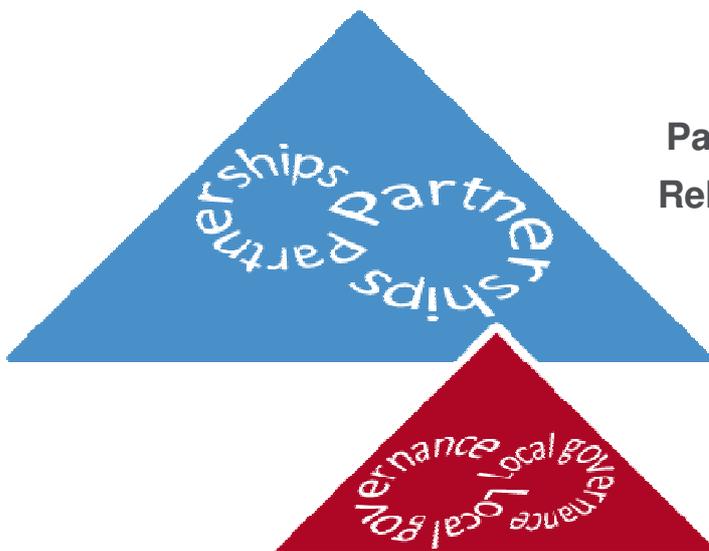


OECD LEED Forum on Partnerships and Local Governance



**Partnerships in the Recovery:
Rebuilding Employment at the
Local Level**

By Michael Förschner,
Forum Team Co-ordinator
at ZSI- Centre for Social Innovation,
Austria



The opinions expressed herein are those of the author and do not necessarily reflect the official views of the OECD or of the governments of its Member countries'

www.oecd.org/cfe/leed/forum/partnerships

Summary

The near collapse of the financial markets and the worst recession since the 1930s has far reaching effects on many regions. Company closures, mass redundancies, sharp increases in unemployment figures and many more jobless assisted by active labour market measures for the unemployed: many regions will just not look the same after the recession, and will have to find new perspectives for future development. Joblessness may remain high for years to come, with the risk of substantial numbers of those who are currently unemployed shifting into long-term unemployment, and a large share of today's unemployment becoming structural in nature..

As states, regions and communities are trying to develop strategies to help their economies through and out of the recession with the provision of huge fiscal and budgetary stimulus packages supporting businesses in securing employment and creating new jobs, and assisting those that have already been made redundant, there is an increased understanding that this cannot be done solely by individual institutions nor by single levels of government. In most OECD member and many non-member countries, partnership structures have been established during the last 15 years to assist in adapting government programmes to local conditions and needs, and to develop new strategies based on local assets. Many of these partnerships were created during earlier downturns.

What is the role of partnerships in the current recession? How can they support regions and communities in the delivery of short term measures and what can their role be in reshaping strategies towards new fields of economic activity? It is too early to provide a full picture. But examples from several countries can already be reviewed.. This handbook will give a first assessment of how partnerships can support the recovery; what influences their performance; and describe promising practices already under way. The main topics covered are:

- The structures created through collaboration in partnership can have a substantial effect on a regions' capacity to adapt to new challenges.
- Existing partnership structures can be a good framework to manage new support programmes.
- The long term planning of regional partnership work and the need to respond to the current downturn: How are strategies, priorities and budgets affected?
- Individual coordinators are a possible solution to improve the collaboration of institutions in the absence of strategic partnerships.
- The crisis as a test for partnership value.
- How can governments support partnerships to enable them to better fulfil their role in the current situation?

Table of Contents

1.	A new challenge for partnerships.....	4
2.	New ways of partnership working: how partnership collaboration is affected by the crisis?	5
3.	Creating trust and supporting collaboration	8
4.	New priorities and programmes	10
4.1	Austria: New tasks for Territorial Employment Pacts	10
4.2	Canada: Community Adjustment Fund.....	11
4.4.	Ireland: Responding to the economic downturn	12
4.5.	Sweden: Improved collaboration	13
4.6	Australia: Local Employment Coordinators.....	14
5.	Funding issues	15
6.	Conclusions and recommendations	16
7.	For further reading	18

1. A new challenge for partnerships

The current financial and economic crisis, unprecedented to any other experienced by our generation, affects practically all regions and communities. Major companies have shut down or have made substantial reductions, and persistent uncertainty hinders investors' will to take risks. The sharp increase in cyclical unemployment is likely to lead to a new wave of structural unemployment, as people with low qualifications and skills and the disadvantaged, first hit by the recession, will not be easily reintegrated into the labour market for several years to come due to limited demand. Also some regions will experience new increases in unemployment as subsidised job retention measures expire while companies are still reluctant to recruit. Youth unemployment will reach new heights causing the probability of social tensions to rise. Overstretched state budgets will not leave much way for prolonged negative spending policies and extensive social support, and questions of fairness of redistribution are already being discussed. All this creates a situation where standard concepts will not provide suitable solutions for many regions.

Many of the "traditional" local jobs that are being lost now will not come back with the recovery. And a substantial number of regions and communities will be required to reconsider their assets and development possibilities, and to redefine long-term strategies. While enormous budgets were spent on immediately effective, short-term measures preventing a further rise in unemployment, resources available to develop and follow long-term strategies will be much more limited. These scarce resources will therefore have to be placed on carefully selected programmes, measures and initiatives. They will have to be well evaluated to be most promising for the local economic and labour market situation; well co-ordinated to avoid overlapping and gaps; "and they need to identify and support local assets to create a variety of well rooted long-term strategies that will form the basis for future prosperity"¹.

Governments will therefore have to link policies at national, but also at local/regional levels "to better combine entrepreneurial, employment, social, education and training issues into one common strategy"².

Partnerships that have traditionally attempted to work within the existing policy framework, tailoring programmes to local needs, can be of great help in this process. Over the last 10 to 15 years, area-based partnerships for regional, economic and/or employment development and social integration have been created in many countries and there are a number of evaluations and studies confirming their positive contribution to regional performance. With the unprecedented challenges and consequences of the current crisis: what contribution can partnerships offer? Can new solutions emerge from collaboration in partnerships? Is the structure they offer a good prerequisite for intensified programmes of work? Are partnerships flexible enough to deal with all the new requirements and can they lead a region out of the recession? Is there enough trust between partners or is the situation too demanding, thereby endangering the work that has been achieved so far? And what are the necessary conditions for partnerships to fulfil this task?

It is too early to thoroughly answer all of these questions. But what can be done is to turn to examples from some countries and regions, to reflect on what is already being done by partnerships, and to analyse to what extent the partnership mechanism is positively influencing the programmes in place. Attention shall also be given to the effects the new situation is having on the partnerships themselves and on their collaboration. Initial conclusions can be drawn from what can be observed today.

1

Vienna Action Statement on Partnerships 2010

2

Ibid

2. New ways of partnership working: how partnership collaboration is affected by the crisis?

Partnerships are set up to respond to specific needs and challenges. These needs and challenges define, among other things, the composition of their (core) partners, their main areas of activities, their legal status, and their financial resources³. New situations demand a new orientation of partners and of the whole partnership. The problem this may cause has already been referred to in the Guide on Successful Partnerships⁴. But the changes that are now to be experienced are much more severe than described, which raises the question as to if and how partnerships can adapt to this situation.

In general there are two possible scenarios: a) the crisis provides an external stimulus for partners to come closer together, as partners share the understanding that only by close collaboration will they find solutions for their communities to weather the storm⁵; or b) the crisis makes the existing and unresolved differences between partners visible, resulting in more complicated discussions, and difficulties in reaching agreements on new priorities.

There is no evidence that would allow for a generalisation of one of the two hypotheses. Interestingly enough, when interviewed during the research phase for this handbook, many partnership practitioners and partnership co-ordinators reported that both scenarios exist. There were cases where actors came closer together to solve problems in their region/community and there were partnerships where discussions became a lot more troublesome because of the emergence of different interests. A third scenario involved partnerships where the internal structure formed a positive foundation of trust and mutual understanding to commonly develop and implement programmes outside of the partnership..

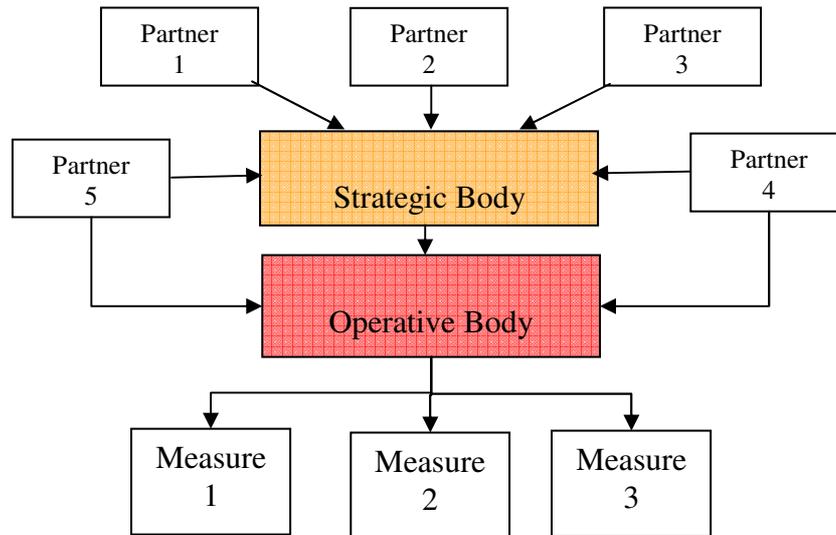
As indicated by these cases it is obvious that those partnerships which are now facing more intense discussions were not built around a shared goal, but were established under "fair weather" conditions, perhaps reflecting the priorities of only a few actors, or had a few "backbencher" partners who were previously less important. As partners try to solve issues that are primarily in their own interest, and especially try to prevent budget cuts, it becomes difficult to agree on new priorities. This is of course rooted in how the partnership was created and whether a consensus was originally reached over the analysis of the situation, the objectives and the subsequent strategies.

³ Employment-orientated partnerships, for example, are usually directly or indirectly linked to the Labour Ministry and have representatives of the Employment Office as a core partner, while institutions linked to the entrepreneurial side often take a strategic role.

⁴ OECD LEED Forum on Partnerships and Local Governance: "Successful Partnerships – A Guide", Vienna 2006.

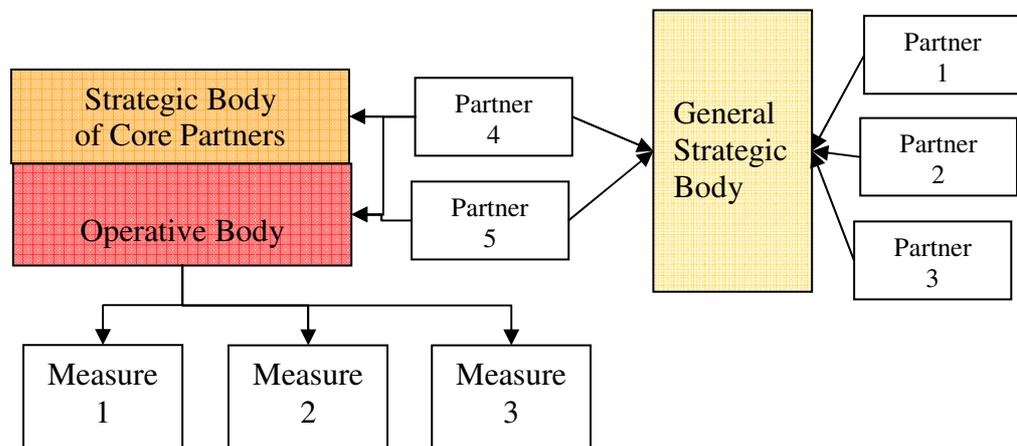
⁵ Phrase taken from the Canadian programme "Business Support Fund" delivered through community partnerships (CFDCs and CBDCs).

Graphic 1: Typical partnership collaboration (example)



Based on the interviews, the solution chosen in some cases was a partition between the operative core group and the other members. The main financial players, for example, tried to “free” themselves from the more strategic partners that they did not find helpful and provided them with minimum information. . They tried to either pre-agree on issues before presenting them to the committee or they used the flexibility of the general partnership contract to agree on new, additional measures.

Graphic 2: Core partnership collaboration (example)



This concerted effort by financial core partners helped to quickly realise new measures, which were necessary as a reaction to the immediate crisis. However, what might be a possible short-term solution bears in itself several threats to the partnership:

- the “other” partners might lose their interest in the partnerships' activities, or start opposing its decisions, secretly or openly;

- Agreements on new long-term strategies, taking account of the challenges resulting from the post-crisis economic conditions, might be much harder to find.

The latter, in particular, could create an especially unwelcome problem at a time when trust is needed to agree on new far-reaching strategic approaches, and on the necessary budgetary shift derived there from.

Intensified collaboration, both horizontal and vertical, at and across national, regional and local levels, is one of the crucial prerequisites to make economies prosperous again. Another factor is adaptability to constant change and new challenges. For partnerships this would require strategic re-orientations of their objectives, and furthermore, a re-consideration of the selection of their partners. For instance, a number of many area-based partnerships have a rather weak, or non-existent, relationship with partners from the education and training sector⁶, even though they are important for any long-term orientated strategy.

There is limited evidence so far that the crisis has led to intensified collaboration with new partners, but this might be due to the necessity to immediately react to the enormous existing challenges. The example from Sweden indicates an intensified co-operation between ESF- and ERDF-related programmes⁷ at regional level. This new form of co-operation in Structural Fund Partnerships (SFPs) was initialised in late 2007/beginning of 2008 and is thus independent of the crisis, making it difficult to relate the results of their work directly to this context. The strong involvement of elected representatives from municipalities and the county councils on their boards, helped to establish better ties to companies, which in turn led to an increased recognition of the labour market programmes of the ESF and a high turnout in the job-securing programmes.

In Ireland there was some scepticism regarding the recent restructuring of Local Partnership Companies (LPCs), leading to a reduction in numbers but a widening of their regional coverage at the same time. It was feared that this might lead to reduced involvement of real local actors, who were always considered to be a key strength of Irish partnerships, though no evidence of this is currently available.

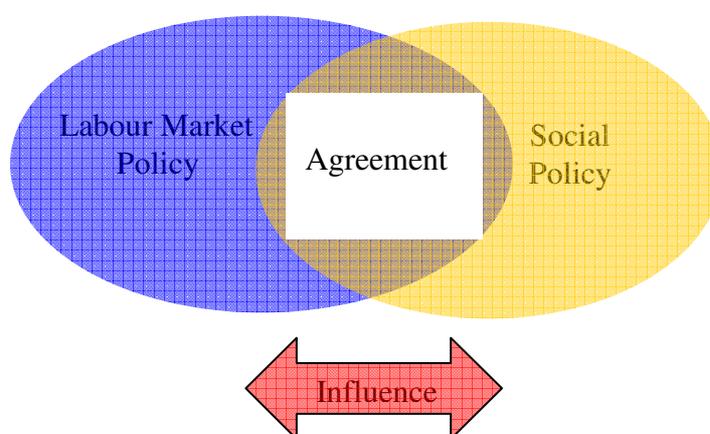
⁶ The Forum database shows that only a limited number of partnerships have an educational focus in their core activities and corresponding partners from this sector.

⁷ ESF: European Social Fund (the main labour market and social inclusion support instrument of the EU);
ERDF: European Regional Developing Fund (the main economic support instrument of the EU)

3. Creating trust and supporting collaboration

Partnerships' influence on the localities' performance often goes beyond what is written in their agreement of co-operation. As some of the most important local/regional institutions agree to co-operate along some common areas of interest, there are also related topics outside of these agreements. Austrian TEPs (Territorial Employment Pacts), for example, always have a selection of labour market and social policy measures that are within the common programme of work; but other measures, that are more in the single interest of one partner, are not included (see graphic 3). But that does not mean that these measures are not influenced by intensified collaboration.

Graphic 3: Political fields of common interest



Fruitful collaboration within a partnership is another reason for external effects: over time, as members learn to value the other partners and to better understand their reasoning, a more co-operative climate is established that spreads beyond the partnership's regular meetings, and creates the possibility for further activities. Austrian partnership representatives mentioned several times that collaboration improved over time and created the trust essential for agreeing on certain measures. In Vorarlberg, the westernmost province of Austria, one important response to the economic crisis was the combination of the existing short-term work programme with a training programme⁸ (following a German example). Though the measure is executed outside of the provincial TEP agreement, the director of AMS Vorarlberg (the provincial office of the national employment service) made it clear that the programme would not have been

8

The Short Term Work Programme shall sustain jobs within firms in times of unforeseeable, short-term crisis, instead of during periods of large ups and downs in company employment. The working hours and the salary of a number of people are reduced for a limited period, and part of the salary is paid by the AMS, (Austrian Employment Service). The reasoning behind the programme is that it is less costly for the public to sustain employment than to pay for the unemployed, especially as every period of unemployment bears the risk of long-term unemployment. Now, in the period of the economic crisis, the programme has been reformed several times to allow for longer periods of short-term work, and, as mentioned in the text, to combine it with training and skills upgrading.

launched without the long-term collaboration between the provincial government and the AMS. Because of the existing co-operation within the TEP, the provincial government also became a member of the provincial AMS directing board, which is responsible for deciding upon measures to be implemented. Without the contribution of the province the model could not have been realised as certain elements were against AMS regulations and therefore had to be funded by others. The successful collaboration with the province made the programme possible and created an example which was later followed by all other Austrian provinces.

4. New priorities and programmes

4.1 Austria: New tasks for Territorial Employment Pacts

In Austria, Territorial Employment Pacts (TEPs) have been established on provincial, and partly on sub-provincial, levels since 1997; they are now used by the whole country. TEPs are contracted regional partnerships developed to better link employment policy with other policies in order to improve the employment situation on regional and local levels. The success of Austrian TEPs is very often attributed to their stable and effective structures, funded within the framework of the Austrian ESF (the main labour market financial support instrument of the European Union).

As the programmes of work are decided upon by the individual provincial TEP committees, they are flexible in determining the objectives as well as the ways to respond to a changing environment. This allows them to choose the types of measures that operate within the partnership agreement, as well as the corresponding co-funding arrangements.

One would expect that such a structure constitutes the ideal framework for concerted regional/local responses to the economic downturn. Surprisingly enough, changes within the agreements have been limited until now and the TEPs have not been asked by the responsible Ministry⁹ to take a wider co-ordinating role. The huge, and until today, comparatively successful programmes that have been put in place in Austria in response to the economic downturn are primarily managed outside of the existing partnership agreements. However, TEP-partners have stated that the long term collaboration within the partnership has had a positive influence on the design and agreement of programmes which are now managed separately, as the same partners are ultimately involved (AMS – National Employment Office, Regional Government, Social Partners)¹⁰. It might be due to the positive results of these programmes, that specific TEP measures have been limited to certain areas so far.

Additional measures within the TEPs include:

- **Information and counselling of enterprises** in regards to legal frameworks for models of more flexible working hours, public support schemes, training of employees, etc. (TEP Styria).
- **Information and counselling of individuals**, e.g. the creation of a specific hotline, (TEP Lower Austria).
- **Roundtables** to openly discuss regional challenges and possible solutions (TEP Lower Austria, TEP Styria).
- Special measures for **youth**, e.g. the creation of additional work and training centres (TEP Lower Austria, TEP Vienna).
- Special measures for **older workers**, e.g. educational support for those over 50 (TEP Lower Austria).
- Special measures to assist in cases of **mass redundancies**, e.g. additional funding of outplacement and training centres in the regional labour foundation (TEP Vienna).
- **Additional workplaces**, e.g. within social enterprises (TEP Lower Austria).

⁹

Federal Ministry of Labour, Social Affairs and Consumer Protection.

¹⁰

See Chapter 2.

As stated above, TEPs may not have been given a more prominent role in the management of the crisis due to the success of national programmes. This could change with the coming upswing of the economy and the resulting imbalance that may leave certain regions behind and confronted with persistent numbers of structurally unemployed.

4.2 Canada: Community Adjustment Fund

The 268 Community Futures Development Corporations (CFDC), covering all rural and semi-rural areas in Canada, are private, non-profit organisations that are locally driven but financed by the Canadian Government. They deal with labour market policy, community economic development and rural development.

To help enterprises in the current economic downturn, the Canadian Government launched the Community Adjustment Fund in April 2009 (in effect until March 2011). The intention of this financial support programme is “to mitigate the impact of the economic downturn in the short term by contributing to the creation and maintenance of employment, while addressing transitional and adjustment challenges in communities”¹¹. Small- and medium-sized enterprises (excluding retail), non-profit organisations and aboriginal bands receive cash flow support to a ceiling of 75% of project costs for enterprises, and up to 90% of project costs for NGOs and aboriginal bands. In principle the funding provided to enterprises is subject to repayment; the funding to the latter groups is not.

The programme is designed to specially assist communities of less than 250 000 inhabitants hard hit by the current economic situation. Projects must meet the following criteria:

- They must contribute to creating and maintaining jobs in the immediate term.
- They must be started quickly.
- They must be completed by March 31, 2011.
- They must contribute to generating positive environmental or economic impacts.

Outcomes: As the target of the Community Adjustment Fund is to enable communities to create and maintain jobs, the success of the Fund will be measured in particular by the:

- number of projects or initiatives generated;
- value of the investment generated in enterprises or communities;
- number of jobs created and maintained;
- number of enterprises created, maintained and developed;
- number of communities whose situation has improved.

In a first tranche, Roseau de SADC du Québec received CDN\$ 9.6 million to invest in enterprises in March 2009. As the budget was spent in 5 weeks, an additional CDN\$ 7 million was made available by the government.

Applicants are obliged to undertake a diagnosis of their situation and prepare a plan accordingly. Only businesses with a good profit-making history are eligible for funding, of which 85% are devoted to businesses in manufacturing, tourism, technologies, and strategic services.

¹¹

See: Canada Economic Development for Quebec Regions, Community Adjustment Fund.

After seven months, the entire budget of 16.6 million had been spent on about 150 enterprises with an average loan of CDN\$ 110 000. Preliminary data from the end of August (based on 119 enterprises receiving support) shows that some 2 700 jobs were saved at an average cost of CDN\$ 4 600.¹² No additional staff were hired for this task, as the task was limited and closely related to other tasks of the CDFCs. Upon expiry of the programme the CFDC will support regularly funded enterprises in developing new markets.

This case shows clearly how the proximity of existing partnership structures to the situation on the ground can be used effectively to support overall targets; in this case the stabilisation of existing employment by supporting companies' cash flows. The immediate delivery of a state designed and funded programme, by local mechanisms, without additional personnel was a quick remedy, and it seems to have been rather successful.

4.4. Ireland: Responding to the economic downturn

Ireland set up the first area-based partnerships as early as 1991 and since then has developed a very well structured system which has been incorporated into the national labour market and social inclusion policies. Today there are 52 Local Partnership Companies and 2 Employment Pacts covering the whole country. They are contracted (and thus networked) by Pobal, which manages the Local Community Development Programme on behalf of the Department of Community, Rural and Gaeltacht Affairs. Consequently, their main tasks lie with the most disadvantaged areas, groups and individuals.

As LPCs have a clear place in national policy delivery it was to be expected that they would be given a role in fighting the crisis. Indeed there were a number of responses, 3 of which shall be referred to here¹³:

- **Area Enterprise Allowance:** Within this programme the long-term unemployed are allowed to keep their Social Welfare payments on a sliding scale. The programme has been changed in two ways: it was reduced from 4 to 2 years (with 100% and 75% retention rate, respectively), and it has been opened up to individuals who have recently been made redundant and who wish to set up their own business. If a person wants to set up his/her own business as an individual solution to unemployment, he/she will receive Social Welfare payments until the end of the entitlement. Participants to both schemes are jointly approved by the LPCs and the Department of Social and Family Affairs (responsible for Social Welfare). There has been an increased use of the programme in 2009, but experts are worried about a possible increase in failure rate.
- **Additional counselling and training** is provided for by local Employment Services (which are operated by the LPCs) and by the national training agency FAS. Guidance/mediation has increased sharply from 27 000 originally planned to 87 000. Upskilling of unemployed individuals is a clear target and partnerships are trying to maintain the high quality of training measures despite the need to cater to much larger numbers.
- **Rationalisation:** Partnerships were asked to pay their share of budgetary requirements and had to accept a 10% reduction in funding in 2009 and a further cut of 9.5% for urban and 16.5% for rural partnerships in 2010, which

¹²

Figures provided by H el ene Deslauriers, Executive Director, R eseau des SADC du Qu ebec.

¹³

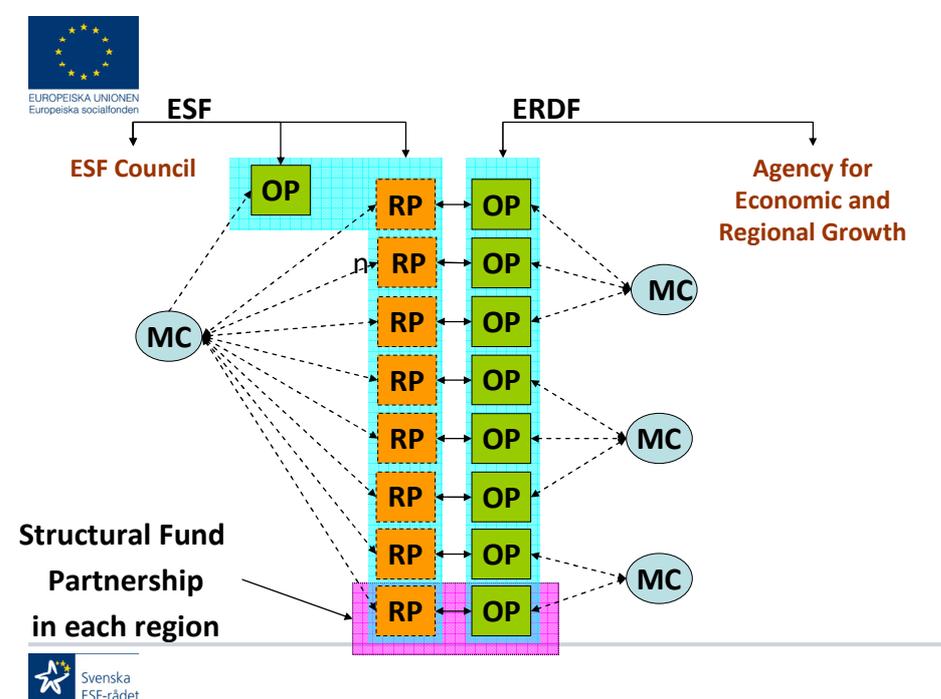
Information provided by John Butler, Dundalk Partnership, Ireland.

lead to reductions in administrative costs and staff. The funding of organisations and projects also had to be reduced in a number of companies.

4.5. Sweden: Improved collaboration

To better link regional growth and labour market policy, Sweden established 8 Structural Fund Partnerships (SFP), with the intention of creating stronger ties between the two main funding instruments within European cohesion policy, the European Regional Development Fund (ERDF) and the European Social Fund (ESF). This new structure was created within the new programming period (2007-2013) and became operational at the end of 2007/beginning of 2008.

Graphic 4: Structural Fund Partnerships



Source: AnnKatrin Malmnäs, Swedish ESF Council, Östra Mellansverige

The SFPs are to be consulted before budgetary decisions on the use of the funds are made and have considerable influence on the prioritisation and selection of projects at a regional level. Their members are:

- Elected representatives from municipalities and county councils.
- Representatives from labour market organisations,
- County administrative boards,
- Interest groups and associations.

As a reaction to the crisis, the SFPs prioritised those programme measures that were oriented towards securing jobs. In western Sweden, for example, SKR 200 million (€20 million) were spent on jobs in the automotive industry in the last 12 months. This had

originally been anticipated in the programme budget, but the execution of the initiative was considerably accelerated.

An important factor in the delivery of the programmes was an increase in their visibility in the eyes of the companies. This was at least partly due to the strong involvement of the local and regional representatives in the SFPs, as they traditionally have closer ties to the business sector than the representatives from the labour market and education policy sectors, who responsible for the ESF.

4.6 Australia: Local Employment Coordinators

The examples above all refer to area-based partnership structures offering the potential to take over new responsibilities. In many countries, however, such a structure is non-existent, and to create it now - when immediate action is required - might not work. It is of course true that many partnerships were originally created to respond to a crisis situation. But it takes time to build trust and common understanding between different institutions, between enterprises and trade union representatives, NGOs and government representatives. And it takes even more time to agree on shared commitments, budgetary contributions and the sacrifice of past objectives for a common future. Nonetheless there are other options available to better link policies at the local level and to help communities to develop new local strategies.

Australia provides a good example of an alternative approach which is more appropriate for countries lacking strategic partnerships. There are probably thousands of small community-based partnerships all over the country, dealing with all kinds of social, employment and community development issues. And there are also good examples of more strategic area-based partnerships (e.g. New Workforce Partnerships in the State of Victoria). But there is no overall structure linking employment and community development, which could be used now to combat the effects of the crisis.

To better link employment issues to the local communities, the Australian government recently started a new programme “to coordinate and drive local responses to job losses and declining economic demand in twenty targeted priority employment areas” by the appointment of so called **Local Employment Coordinators**¹⁴ for areas that were seriously affected by the economic downturn. Their main tasks are:

- helping to match local businesses and workers with job opportunities created by the government's Stimulus Package in priority employment areas;
- working with communities to find innovative solutions to emerging unemployment pressures in the region; and
- working with key local stakeholders to develop and implement a Regional Employment Plan which identifies the job creation priorities for the region.

The priority areas have been selected on the basis of labour market indicators, defining not only the present state of the region but also the probability of severe future disadvantages following the global economic recession (e.g. higher than average unemployment rates; low education or skill levels; disproportionate dependency on hard-hit industries like manufacturing or construction; previous economic difficulties).

The government will provide AUS\$ 20 million to fund the Local Employment Coordinators until the end of the programme, which is currently fixed for 2011.

5. Funding issues

Partnership funding includes two different expenditures, the financing of: a) the partnerships' structure, and b) its operational activities. In **Austria**, for example, the TEP structures are funded by the Austrian Ministry of Labour, Social Affairs and Consumer Protection within the framework of the ESF programmes¹⁵. The budget is dependent on the number of offices required within a province. There are some additional "bonuses", but the budget available for structures is totally independent of the programme volume and the content agreed upon at regional level. On the other hand, if additional personnel are required, resources will have to come from other sources.

It is therefore not too surprising that, at least until now, the budget for the administrative structures of TEPs remains unchanged, and there is no indication of any possible increases.

The contrary can be observed in **Australia**. Many of the community-based partnerships are voluntary based, which means that structures are not paid at all (the premises might come from donors, and the secretariat might be charity or voluntary neighbourhood workers); or if some funding is needed to pay for rent etc., it will somehow have to be taken from the operational project budget. In light of the crisis, the Australian government has now decided to fund additional measures. Local Employment Coordinators were introduced for this very reason, and their working hours and budget need not be "freed" from any other regular activities they engage in.

Ireland is another case, where in spite of an increase in the tasks given to Local Partnership Companies and a sharp increase in the number of unemployed, budgets for LPCs' structures were reduced by 10% in 2009, and further cuts are expected for 2010. This led to reductions in overheads but in some cases staff also had to be laid off.

Likewise, the funding of operational structures can differ. The **Canadian Community Adjustment Fund** is a good example of an entirely national programme delivered locally by partnerships. The budget is part of the new programme, so there is no need to divert other community resources to fund this measure.

In **Austria**, the source of funding is entirely dependent on the type of measure chosen. There are programmes, such as the regional labour foundation, where the criteria for co-funding are stated in a national regulation which is automatically applied whenever this measure is offered. And there are other measures, such as positions in social enterprises, which are largely funded by the AMS (Austrian Employment Office) but require a certain percentage to come from other sources - although there is no indication as to where the remaining percentage is to come from. Therefore the decision by the partnership as to whether to intensify or downsize has immediate budgetary consequences, requiring consensus between the partners. In some cases, additional measures and budgets, necessary in the current situation, were solemnly agreed upon by the core funding partners, making use of the discretion offered in the partnership agreement. In other cases, additional measures and budgets were agreed upon in the form of "external partnership agreements".

15

TEP Burgenland is an exception to this principle, as the ESF programme for this province is administered separately by the provincial government due to European Union regulations; and TEP Lower Austria has recently announced a plan to renounce the Ministries offer due to disagreement over the funding priorities.

6. Conclusions and recommendations

Partnership collaboration is inter-dependent with the conditions it has to face. It is understood that partnerships influence these conditions by the results that they produce, as this is precisely the task that they have been set up for. However, it is sometimes less obvious to what extent they reflect them in their structures, and the consequences this has for their possible scope of actions. The following conclusions and recommendations will: a) provide some general remarks on the findings above, and b) reflect on the consequences this might have in using partnerships to address the crisis:

- A difference in the quality of the conditions and challenges a partnership is confronted with can have an enormous influence on partnership structures, both in their composition and in the ways in which they collaborate.
- Structures influence not only the range of activities a partnership is able to establish, and the quality of their delivery; but are also a crucial factor in their ability to adapt their overall strategy to arising problems and needs.
- Partnerships that are well linked to local decision makers can support new strategies more effectively. On the other hand their ability to do so might be limited, if they are too closely related to only one policy area, and one partner, respectively.
- If the necessity for immediate action is met by an informal change in decision making (by concentration on the core partners), this may be an appropriate way for quick solutions. But the threat of a weakening commitment from partners who are being downgraded is inherent, thus endangering the ability of the partnership to agree on long-term strategies or more substantial strategic changes.
- Positive collaboration also affects work outside of the common field of activities. This can be the basis for further programmes or wider strategies, even if they are not rooted in the originally agreed upon strategy or programme of work.
- A special budget, set aside for structures, can assist in the stabilisation of partnership work. There is, nonetheless, no common approach to be seen now, in the light of the crisis, and partnerships seem to receive more, the same, or even less funding for administrative purposes, regardless of the tasks they have to deal with.
- Nonetheless, a certain budget to professionalize and widen management tasks should be considered when demanding an effective partnership contribution to anti-crisis measures.
- Partnerships can help in addressing the crisis by taking over immediate responses and/or by developing medium and long-term strategies to identify and realise new future-oriented opportunities. To contribute to the first instance, a partnership needs to already be part of the government's regional policy strategy, so that there exists a clear and realistic picture of what it shall and can do and what portions of a central policy shall be best delivered by a partnership approach. In the second instance, it might be more important to be well rooted in the respective area, to be able to develop workable strategies in collaboration with all necessary partners, and to succeed in making the strategies work.
- Countries that have not used their existing partnership structure in their immediate response to the crisis should now incorporate them into their policies to assist especially their hardest hit regions in developing new strategies. They can play an important role in identifying new areas of growth and employment for local

communities, help in creating measures for marginalised groups and in linking different policy areas both horizontally and vertically

- For those countries that have not yet built up local/regional partnership structures or are not satisfied with their performance, the international network of the OECD LEED Forum on Partnerships and Local Governance offers assistance and advice.

7. For further reading

Australian Government (2009), Local Employment Coordinators”, Department of Education, Employment and Workplace Relations, Minister’s Media Centre, online information

Bundesministerium für Arbeit, Soziales und Konsumentenschutz (2009), „Territoriale Beschäftigungspakte“ in „Insight 1/2009“, Bundesministerium für Arbeit, Soziales und Konsumentenschutz, Vienna

Canadian Department of Finance (2009) “Canada’s Economic Action Plan”, Distribution Centre Department of Finance Canada, Ottawa

European Commission (2008), “The European Economic Recovery Plan”, European Commission, Brussels

European Commission (2009), A shared commitment for Employment”, Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions, Brussels

European Commission (2009) “Recovering from the crisis – 27 ways of tackling the employment challenge” Publications Office of the European Union, Luxembourg

OECD (2009a) “Community Capacity Building”, OECD Publishing, Paris

OECD (2009b) “Designing Local Skills Strategies”, OECD Publishing, Paris

OECD (2009c) “Employment Outlook 2009 – Tackling the Jobs Crisis”, OECD Publishing, Paris

OECD (2010), “Putting in place jobs that last: a guide to rebuilding sustainable employment at the local level”, forthcoming

OECD LEED Forum on Partnerships and Local Governance (2006) “Successful Partnerships – A Guide”, ZSI, Vienna

OECD LEED Forum on Partnerships and Local Governance (2009) “Forumpartnerships2009 – Country Facts Sheets”, ZSI, Vienna

Michael Förschner is a renowned expert in the field of labour market policies. During his 20 years of service at the Austrian Ministry of Labour, he led the preparation of Austria for the European Social Fund and was the first director of the Austrian ESF from 1995 till 2008 when the ESF played an important role in advancing the labour market, social and education policy agenda as well as supporting the Territorial Employment Pacts, an approach then followed by other countries. He was also responsible for the negotiations of the establishment of the European Globalisation Adjustment Funds and its setting up in Austria. Mr. Förschner has represented Austria at the Directing Committee of OECD Local Economic and Employment Development Programme for many years and chaired the Committee in 1994-1996. He also chaired the OECD LEED Forum on Partnerships and Local Governance in 2005 - 2009.

Today Mr. Förschner works at the Vienna-based Centre for Social Innovation, where he leads numerous international projects on partnership building and labour market policy issues; he is also the ZSI team leader for the OECD LEED Forum on Partnership activities.

Michael Förschner can be contacted at:

Michael Förschner
ZSI – Centre for Social Innovation
Linke Wienzeile 246
A-1150 Vienna, Austria
E-mail: foerschner@zsi.at

Ekaterina Travkina, Co-ordinator of OECD LEED Forum on Partnerships and Local Governance HANDBOOK series can be contacted at:

Ekaterina Travkina
LEED- Local Economic and Employment Development
Organisation for Economic Co-operation and Development
2 rue André Pascal, Paris 75016
E-mail: Ekaterina.Travkina@oecd.org



OECD LEED Forum on Partnerships and Local Governance

The OECD LEED Forum on Partnerships and Local Governance is a worldwide network of local development practitioners. The Forum informs its members on local development innovations, organises capacity building seminars and study visits, releases handbooks and training materials, and provides networking opportunities through international conferences and an Annual Meeting held in Vienna. Today the Forum has over 2 600 members in some 53 countries. All institutions and organisations involved in local development may join the Forum. The activities of the Forum are supported by the European Commission, the Austrian Federal Ministry of Economy and Labour and Pobal, Ireland.

To learn more on the Forum on Partnerships and Local Governance:

www.oecd.org/cfe/leed/forum/partnerships

