



**“Social Protection, Employment and Local
Development:
Guidelines to help partners to consult local
organisations in the social economy in the area of
social inclusion”**

Technical Information

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“Social Protection, Employment and Local Development: Guidelines to help partners to consult local organisations in the social economy in the area of social inclusion”

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“Social Protection, Employment and Local Development: Guidelines to help partners to consult local organisations in the social economy in the area of social inclusion”

“Bridges for Inclusion”

Living Document

I. Introduction

1. “*Bridges for Inclusion*” is a project developed within the European Programme “Progress” whose objective is to clarify the role of the organisations of the social economy in coping with the contemporary challenges of social inclusion in the framework of the relations involving social protection, employment, and local development. Accordingly, it aims at contributing to enhance strategies and practices of these organisations in order to *build bridges* for inclusion. Special attention is paid to the relations between governance, social protection and social services, wealth creation and income generation, ‘pathways’ to employment and ‘inclusive entrepreneurship’, local development, territorial planning and skills development.
2. This document aims at contributing to build a *common language* to facilitate the communication among project’s partners. The concrete linking of social protection, employment and local development depends very much on *context*. It depends on history (legacy), national institutions and territorial conditions. That is the reason why the concreteness of this linking cannot be anticipated before project’s developments help to identify the relevant situations.
3. Therefore, the central aim of this document is to offer a *proposal* of sense making and suggestions of action possibilities. This proposal can be used as a framework for *sense making* in looking for additional information and in trying to cope with the diversity of concrete challenges faced by project’s members.
4. This can be understood as an initial step towards *collective interaction* in search for the best ways to develop “Bridges for Inclusion” in the future. That is the reason why this document can also be seen as a “*living document*”. On the basis of the concrete situations arising from the development of “Bridges for Inclusion” new organisational arrangements can be built in order to facilitate the search for best solutions. Either in a bi-lateral or in a collective way, the document should offer the framework for the search for information in order to build context-dependent knowledge and action capacity. This can happen in future moments of the development of “Bridges for Inclusion”.

5. The structure of the document aims at corresponding to this challenge. First, it introduces the conceptual framework. Second, it introduces seven *Guidelines* organised in three groups:
 - a) Institutional, organisational and planning conditions in acting for inclusion;
 - b) Conditions for ‘economic integration’ in contemporary employment conditions;
 - c) Conditions for ‘mutual learning’ and the development of skills (specific and generic skills) in acting for inclusion.
6. The *Guidelines* should be understood as proposal for an *action-oriented approach*. The *practical relevance* of the *Guidelines* does not depend directly on the text. As introduced above, the text just aims at offering a proposal of a common *language* in order to facilitate *interaction* among project’s members. The practical relevance arises from the need to build a common understanding and to identify possibilities of action in order to face the concrete challenges emerging in each context. The document cannot be understood as a toolbox prepared to respond to any kind of problem potentially observable. As introduced above, this proposal should be understood as a contribution to structure a conceptual and methodological framework within which a common understanding and a common sense-making can be associated to the project’s results and become a contribution to the final preparation of the *Roadmap*. On the basis of the proposals of this document the partners can formulate their eventual needs of better conceptual clarification and of further illustration of the *Guidelines* having in mind the specific challenges of the particular contexts they deal with.

II. Context

7. The interdependence between social protection, employment and inclusion requires clarification. In European contemporary conditions, unemployment does *not* lead necessarily to poverty and social exclusion. Social protection can contribute to prevent poverty and social exclusion. The *social relevance* of job loss, loss of income and loss of social networks is *not* independent from the role played by social protection (unemployment benefits, social assistance, social services, etc.). On the other hand, employment does *not* lead automatically to inclusion. Wages stability and quality are not directly associated to any form of employment. Jobs without protection hardly can offer a way out of poverty and social exclusion. One can be employed and simultaneously poor (low income, high market-dependence in meeting needs, etc.) and excluded (vulnerable social relations and family ties, social isolation, precarious forms of employment, etc.). Employment hardly can be a route out of poverty and social exclusion if isolated from social protection (social services, education and training, housing, health care, etc.), sufficient income and social rights.
8. These issues become particularly relevant in a context of increasingly jobless growth. Growth offers opportunities but *not* enough automatic effects. Additional job creation may require growth and competitiveness but depends increasingly on

pro-active agency at local level (economic animation, facilitating entrepreneurship, self-employment and micro business, etc.).

9. Therefore, given the interdependency between social protection, employment and local development achieving social inclusion depends on policy interdependency and integration relating social policy (social protection for workers, education and training, social housing, etc.), with economic policy (entrepreneurship, SME's development, easy access to finance, product innovation, etc.) and with¹ spatial policy (autonomy of local governments, devolution and centralisation, capacity building of local development organisations, etc.).
10. The *Guidelines* will be understood as a proposal for an *action-oriented approach* concerning the interdependencies among those issues and the potential role to be played by the organisations of the social economy in promoting social inclusion.

III. Conceptual issues: linking social protection to 'decent work' and local development

Conceptual clarification is needed in order to ensure coherence to the understandings that follow below. This concerns particularly how social protection and employment can contribute to meet the contemporary reality of poverty and social exclusion and play a central role in 'active inclusion'.

Poverty, social exclusion and 'active inclusion'

Contemporary conditions of poverty and social exclusion

11. As being widely recognised by research and political institutions at European level, in contemporary conditions poverty and social exclusion lie far beyond *low income* alone. They are exhibiting increasing complex features which have a *structural nature* as was already politically recognised by the European Commission in the early 90's.²

¹ CEC 2003, *Costs on Non-Social Policy: Towards an Economic Framework of Quality Social Policies – and The Costs of Not Having Them*, Report for the Employment and Social Affairs DG, prepared by Didier Fouarge (http://ec.europa.eu/employment_social/news/2003/jan/costofnonsoc_final_en.pdf) (accessed, 2008-06-06)

² CEC 1992, *Towards a Europe of Solidarity. Intensifying the fight against social exclusion, fostering integration. Communication from the Commission*. COM(92) 542 final, 23 December 1992

Looking beyond the diversity of national situations, the debates all emphasise the structural nature of a phenomenon which is tending to establish within society a mechanism which excludes part of the population from economic and social life and from their share of the general prosperity. More particularly, they point to an important change over the past 15 years in the nature of the challenge itself: the problem is now not only one of disparity between the top and bottom of the social scale (up/down), but also between those comfortably placed within society and those on the fringe (in/out).

Unemployment, precarious employment and the weakening of family ties

12. Actually, the growth of unemployment and precarious employment, the persistence of unemployment and long-term unemployment combined with the weakening of family ties (growth of divorces and separations, single households and single parents), are contributing to the fact that many unemployed have to resort to social assistance schemes and that the possibility of relying on relational resources in coping with economic difficulties is becoming more difficult.
13. Therefore, given the *complexity*, *scale*, and *structural* nature of poverty and social exclusion, they represent problems that cannot be tackled by means of a compensatory social policy exclusively focused on *passive* measures aiming at meeting deprivation. That is the reason why the ‘activation’ debate was initially introduced in social policy and the notion of *active* social policy started being used focusing on education, training and employment.

Limits of compensatory social policy

14. Given the *structural* nature of poverty and social exclusion, only societal change can lead to their eradication. That is the reason why the limits of deprivation-oriented social policy require that the challenge lies also beyond social policy and involves all policy fields. Reformulation of conventional economic, social and spatial policies is required if significant changes should be achieved in contemporary situations of poverty and social exclusion. That is the way of reasoning that could already be found in 1993 in the White Paper “*Growth, Competitiveness, Employment: The Challenges and Ways Forward into the 21st Century*”, in 1994 in the White Paper “*European Social Policy: A Way Forward for the Union*” and later incorporated in the initial formulation of the *Lisbon Strategy* (2000).
15. This was already the sense of the initial decisions of the European Council in 1975 when innovation oriented experimental European anti-poverty programmes were initiated. This perspective was particularly emphasized by the end of the third European Anti-Poverty Programme in 1994. However, after the Essen Summit in 1994, it started to be assumed at European level that employment provided the best route out of poverty and social exclusion and all the efforts concentrated on employment issues until the late 90’s. The entitlement to a job was recognised as ensuring access to the goods and services needed for life maintenance and development. In 2000, the Lisbon Summit reintroduced a specific concern with poverty issues. It stated that the European high levels should be considered as *non-acceptable*. On the basis of the ‘*Open*

Method of Coordination' a *European Strategy for Inclusion* was initiated with the aim of reaching a significant reduction in poverty in the next 10 years (from 18% to 15% in 2005 and to 10% in 2010). The European Commission was asked to present a community action programme. Employment was still recognised as the key route to integration and social inclusion but it was specifically stated that social exclusion goes *beyond* issues of unemployment and access to the labour market as can be found in the Communication from the European Commission of 2001 '*Building an Inclusive Europe*'.

Reformulating public policies

16. Nevertheless, to accept the *structural* nature of poverty and social exclusion in contemporary European societies requires additional conceptual clarification. It may be important to recall the conceptual evolution that started with the distinction between the concepts of *deprivation* and *poverty*. People can be said to be in *deprivation* if they lack the material standards of diet, clothing, housing, household facilities, etc., which are ordinary available in their societies, but they are said to be in *poverty* if they lack the *resources* to obtain these type of standards. In this sense, combating poverty concerns the generation of changes which address both the poor and the non-poor. It is about intentionally inducing changes in society with direct and indirect effects in preventing poverty. It is about inducing lasting changes in the existential situation of poor people and about inducing changes in society concerning the distribution of resources.
17. Apparently, this also comes in line with recent developments on the European Commission 'Active Inclusion' Agenda. Following the Commission's words³, evidence suggests that a comprehensive policy mix that can be termed 'active inclusion' is needed combining a link to the labour market through job opportunities or vocational training, income support at a level that is sufficient for people to have a dignified life and better access to services that may help some individuals and their families in entering mainstream society, supporting their re-insertion into employment (through, for instance, counselling, healthcare, housing, childcare, lifelong learning, ICT training, psychological and social rehabilitation).

Poor people as active agents

18. But, to accept the structural nature of poverty and social exclusion has deeper implications. Poor people, as all human beings, are knowledgeable agents. They develop a highly skilled expertise about survival under difficult conditions. When they reproduce the very structures and mechanisms that lead them to poverty they act according to their interpretation of the possibilities offered. The reproduction, or transformation, of the structural nature of poverty is *not* independent of the way poor people understand their alternatives of action. The process of '*becoming non-poor*' cannot occur *independently* of the way it is lived by those experiencing poverty as well as the *critical* awareness of those

³ See Commission of the European Communities 2008, "*A More Cohesive Society for a Stronger Europe*" (http://ec.europa.eu/employment_social/spsi/welcome_world_en.htm)

involved in developing anti-poverty action. That is the reason why *participation* in this framework necessarily involves an unavoidable complexity.

Social security and social protection

Relevance of social security

19. Social security is crucial for the well being of workers, their families and the entire community. It is a basic human right and a fundamental means for creating social cohesion, helping to ensure social peace and social inclusion.⁴ It plays a central role in combating poverty and social exclusion creating the necessary conditions to allow the poor and the excluded to work out of poverty and developing inclusion processes.

Social security and social protection

20. The notions of social security and social protection are sometimes used interchangeably. But, *social security* concerns the protection which society provides for its members through public measures. *Social protection* includes not only public social security schemes but also private or non-statutory schemes with a similar objective, as it is the case of mutual benefit societies and occupational pension schemes. All sorts of non-statutory schemes, formal or informal, are included provided that the contributions to these schemes are not wholly determined by market forces (group solidarity, employer subsidy, government subsidy, etc.) (ILO, 2000, p. 29).⁵

The organisations of the social economy, social protection and social security

21. According to this understanding, the organisations of the social economy can provide directly social protection and be as well involved in offering social security in the framework of any particular public scheme. In this sense, as will be introduced later below, they can also contribute to build *bridges for inclusion* acting as *catalysts* of new territory-based governance mechanisms for better social protection as well as for better social security (including different policy fields, ensuring coordination among them, etc.).

‘Economic integration’, employment, and “decent work”

Employment and contemporary conditions

22. Unemployment, underemployment, precarious employment or self-employment are examples of contemporary changes in the structure of employment which are relevant for income security. Therefore, conceptual clarification is also needed in order to analyse the role of employment, labour and ‘decent work’ in social inclusion.

⁴ ILO 2002, *Social Security: A New Consensus*, ILO, Geneva

⁵ ILO 2000, *World Labour Report 2000*, ILO, Geneva

Employment and work

23. Work can be conceived as employment when it concerns working for a wage in the context of a regulated relation between employer and employee, as production requires working time and human capital. Employment is a contract between two parties, one being the employer and the other being the worker. But, work also may cover forms of income-earning activities not covered by any employer-employee form (self-employment, work in the context of informal activities, selling in the streets, etc.).

'Decent work'

24. That is the reason why the concept of 'decent work' gains its relevance in the context of a wider understanding of employment and work. Actually, the concept of 'decent work' plays a central role in the ILO Agenda⁶. From the point of view of the ILO, 'decent work' is captured in four strategic objectives: fundamental principles and rights at work and international labour standards; employment and income opportunities; social protection and social security; and social dialogue and tripartism. These objectives hold for all workers, women and men, in both formal and informal economies; in wage employment or working on their own account; in the fields, factories and offices; in their home or in the community.

'Economic integration'

25. Therefore, in the context of social inclusion, 'economic integration' can be conceptualised as the *economic* dimension of anti-poverty action and 'active inclusion. It concerns the process of meeting needs with the least market-dependency and the highest possible autonomy concerning income-earning activities. Therefore, 'economic integration' concerns the creation of conditions for wealth creation which involve both use value and exchange value and the creation of conditions for income-earning activities not restricted to working for a wage in the labour market.

The limits of 'employability'

26. Current public action aimed at tackling the *economic* dimension of anti-poverty action is still mostly oriented to training, intending to increase employability and integration in the formal employment system. However, in a context of increasing unemployment and without additional job creation this approach has clear limits. Reinforcing individual capacity to compete in the labour market may merely displace unemployment and poverty onto others.

'Pathways to employment' and 'inclusive entrepreneurship'

27. Access to employment by the poor may require the building of personalised '*pathways to employment*' when job opportunities emerge in the few firms

⁶ See ILO 2008, "*Decent Work for All*" (http://www.ilo.org/global/About_the_ILO/Mainpillars/WhatIsDecentWork/index.htm) (acceded 2008-08-23)

where it happens.⁷ On the other hand, the potential role played by *entrepreneurship* and the creation of *micro-firms*, by the organisations of the ‘*social economy*’, or by “*enterprises d’insertion*” developing from the French speaking context, as well as the role played by their relations with the formal local economy, have to be placed in this context of widening opportunities for ‘economic integration’.

Local development

Territorial context

28. The concrete relations between social protection and employment depend very much on *territorial context*. Any lasting change in situations of poverty and social exclusion becomes also closely related with lasting changes in territorial context associated with territorial development. That is the reason why the relations between *regional* development and *local* development require conceptual clarification. It is not just a question of *scale* in approaching development issues.

Regional development and local development

29. The concept of regional development concerns the relation between development at national level and the national territory. The concept of local development emerges in this context with the paradigmatic *shift* in regional development theory, strategies and policies which occurred since the early 80’s. The shift from a ‘*functionalist*’ to a ‘*territorialist*’ approach based on ‘*endogenous*’ regional development (with priority to employment and basic-needs) gave a central role to *local capacity* for organisation and initiative.
30. Given the context of the central regional policy issues of the late 70’s and early 80’s the above-mentioned shift was initially mainly stimulated by the regional problems of the peripheral regions. Gradually it would incorporate the challenges being faced by old industrial regions, by restructuring regions and lately also by distressed urban areas.
31. Actually, *local* development became a way of linking development action to a *national* territory which emphasises the role of local *agency* in mobilising resources rather than depending on the ‘spatial diffusion’ of growth (accessibility and road infrastructures, exogenous entrepreneurial initiatives and exogenous investment, mobilising local resources exclusively based on external demand, etc.).

⁷ Henriques, J.M., Madruga, P, 2006, *Analysis of the Contribution of Local Employment Initiatives and Small and Medium-Sized Enterprises to Employment*, Final Report to the European Commission, Directorate General V

State, public policies and local development

32. Local development does *not* represent the withdrawal of state and public policy but just *another* way of conceptualising and designing the relations between development, national territory and the role of public policy. Local development assumes the implicit notion of ‘another’ development and identifies employment and basic-needs as development priorities. The above-mentioned shift also leads to the recognition that to *counteract* the spontaneous *non-emergence* of local initiative may become a central object of a national public policy for regional development based on local development. Local development organisations or organisations of the social economy can find a central role to be played in promoting the kind of change in territorial context that best contributes to social inclusion.

Governance

Local development and governance approaches

33. It is in the framework of this wider context that poverty and social exclusion may be best understood as *development* problems requiring *policy integration* at different *territorial levels* and requiring *new institutional* and *organisational* models for *specific* anti-poverty action. Given their nature, this kind of problems cannot be expected to be eradicated as an automatic result of ‘development’. Specific action is always needed.

Specific anti-poverty action

34. This also involves additional challenges as the concrete manifestations of poverty and social exclusion are always *different* and *specific*. This involves relevant challenges in defining *targeting* criteria in order to reach the ‘poorest’ as a priority (how to define borders between the poor and the non-poor, or between the poor and the poorest, etc.). Anti-poverty action or ‘active inclusion’ concerns concrete persons. The conceptual and methodological challenges of defining who is, or is not, in a poverty situation, or of defining who is more, or less, poor in inter-personal comparisons may become a very difficult exercise in concrete situations.
35. This difficulty also may correspond to spatial variations and local specificities that require explicit understandings about the need of adequate *governance* mechanisms depending on which any local “*Bridges for Inclusion*” can be built.

Government-based and governance-based action

36. The improvement of policy integration and the achievement of positive synergies in combining social protection, employment and local development for social inclusion may well depend on changes in the State-citizen relationship, from a *government-based* approach (only centred on public actors) to a *governance-based* approach (involving public and private agents) whilst

local governments and decentralised State agencies retain a central role in regulation and control.⁸

Limits of sectoral approaches to employment and inclusion

37. That may be a central aspect in analysing the relation between the *European Strategy for Employment* and the *European Strategy for Inclusion* as they traditionally correspond to different policy fields (Employment Policy, Social Policy, etc.), often to different ministries and statutory bodies and developing their action on the basis of different organisational cultural backgrounds and disciplinary traditions.⁹

38. In order to better understand how *deep* and *wide* is the gap “*Bridges for Inclusion*” should help to bridge, some analysis should be useful concerning design, management and implementation of both European strategies at European, national and sub-national level.

Potential ‘synergies’ among cross-sectoral policy fields

39. *Flexibility* of each policy field in enabling adaptability to territorially diversified manifestations of the problems, openness of each policy field to *cooperation* with other policy fields at different territorial levels and the *capacity* of local organisations to use possible manoeuvring spaces for policy integration are the key dimensions from which potential ‘synergies’ depend on. That is the kind of concerns beyond a recent initiative of the OECD when looking for the conditions that may favour ‘synergies’ between different policy fields related to employment, training and regional economic development.¹⁰

40. Thus, analysing the conditions from which building “*Bridges for Inclusion*” may depend on involves the analysis of the *governance* mechanisms of both European Strategies as well as exploring the potential contribution of multilevel governance (local, regional, national, European).

The role of the social economy and social firms

The social economy

41. “*Bridges for Inclusion*” is centred on the role to be played by organisations within the third sector or the social economy. This means that the organisations

⁸ See Silveira, C. 2006, ‘Social Assistance, Integrated Local Development and Productive Inclusion in Brazil’, in ILO 2006, *Social Protection and Inclusion: Experiences and Policy Issues*, ILO, Geneva

⁹ See Estivill, J. 2008, *The Interconnection Between Employment Strategies and Social Inclusion Strategies: a Virtuous or a Virtuous Marriage?* (http://www.ciaris.org/workspace_files/223/Bridges_for_Inclusion_European_Overview_EN_march.08.pdf) (accessed 2008-08-24)

¹⁰ See the OECD LEED Project “Integrating Employment, Skills and Economic Development” (http://www.oecd.org/document/15/0,3343_fr_2649_34455_33835983_1_1_1_1,00.html) (accessed 2008-06-06)

involved are non-profit organisations as well as cooperatives and related not-for-profit private forms of enterprise.

The role of the organisations of the social economy

42. From the pioneering Italian experience of the late 1980s (stressing the governance model) to the recent (2006) British policy of social enterprise promotion (stressing the business character of social enterprise) diverse kinds of organisations can be found in Europe.¹¹ Relevant in this case is just to remember that they may have both a focus on social, health or educational services and a focus on providing work integration for disadvantaged people. In any case they may play a key role in *building bridges* for inclusion.
43. This may help to clarify different dimensions of their potential role:
 - a) in filling eventual gaps and missing links in providing *services* aiming at local unmet needs;
 - b) in acting as *catalysts* of new territory-based governance mechanisms (“social pacts”, “regional platforms”, ‘local partnerships’, etc.) while linking their capacity for initiative and organisation at local level (‘agency’ potential) to non-local initiatives (national or European coalitions, etc.) building “*Bridges for Inclusion*”; organisations of the social economy can play the role of “assessment elements”, as key actors in charge of the relations between the local administration, the public organisms and the community;
 - c) in developing their *own capacity*, competences and skills in linking action to social protection, employment and local development for social inclusion.

IV. Guidelines

44. The following *Guidelines* should be understood as proposals and illustrations of action possibilities when trying to situate potential roles of organisations of the social economy in the area of social inclusion. The seven *Guidelines* are organised in three different groups:
 - a) Institutional, organisational and planning conditions in acting for inclusion;
 - b) Conditions for ‘economic integration’ in contemporary employment conditions;
 - c) Conditions for ‘mutual learning’ and the development of skills (specific and generic) and competences in acting for inclusion.

¹¹ Defourny, J., Nyssens, M. 2008, ‘Social Enterprise in Europe: Recent Trends and Developments’, *EMES Working Papers* n° 08/01

The first group concerns the potential role of the organisations of the social economy in acting as *catalysts* of new territory-based governance mechanisms and as *catalysts* of planning approaches which may respect the challenge of inclusion objectives. The second group concerns the direct role of the organisations of the social economy either providing services or directly involving themselves in action towards the ‘economic integration’ of poor households. The third group concerns the creation of conditions for meeting skills gaps and facing concrete challenges emerging from practice.

Each *Guideline* is presented clarifying its assumptions, the action possibilities it leads to, the illustration of concrete examples and the identification of further reading possibilities.

Group I: Institutional, organisational and planning conditions in acting for inclusion

The organisations of the social economy may act as *catalysts* of new territory-based governance mechanisms and as *catalysts* of planning approaches which may respect the challenge of inclusion objectives.

1. Guideline 1: Building local partnerships for social protection and employment as new forms of governance for inclusion

45. Building “*Bridges for Inclusion*” requires that the role of ‘agency’ in combating poverty and social exclusion has to be clarified. The organisations of the social economy may act as *catalysts* helping to create governance models which may contribute to policy integration and a better coordination between the statutory organisations representing the management and implementation of employment and inclusion policies, namely, the statutory organisations playing a central role in making the *European Employment Strategy* and the *European Strategy for Inclusion* concrete. These governance models should involve local organisations and create conditions for a better response to the specificity of local conditions.

Local development organisations

46. The need for ‘pro-active agency’ and ‘local development agencies’ conceived both on a territorial basis and on a network basis, the need for *control* and *mobilisation* of local resources, the need to reinforce *social cohesion* and community ties, the need to increase the quality of *interpersonal* relations (small-scale solidarity, etc.) and the need to foster *self-organisation* and *empowerment* of civil society are all associated to the potential role of ‘pro-active’ *agency* in local development. This means that organisations playing the role of ‘local development agencies’ are expected to develop ‘*animation*’ activities and involve themselves in influencing decision-making.

47. But, the role of ‘agency’ is also present to the extent that dominant values, ideas and beliefs must undergo fundamental *change* in order to make alternative solutions *possible*. Fundamental changes in attitudes and behaviour among poor households might be needed and promoted according to contra-hegemonic values

if lasting solutions are to provide a sound basis for the future. This is related to the ‘learning’ of citizenship and social rights but also to the problems of interpersonal conflict solving in collective productive and reproductive organisations (cooperatives, very small firms, etc.).

48. The approach adopted by local development organisations to the management of resources is key to linking ‘economic’ to ‘social’ integration, whether understood in terms of *organisational capacity* to gain access to ‘exogenous’ resources or in terms of becoming aware of the ‘endogenous potential’ of local communities and poor households in order to find innovative ways of meeting their basic-needs. This is the key to the understanding of the interdependency of the roles played by social protection, employment and local development.

Concept-dependency of action

49. But the concreteness of ‘agency’ involves *concept-dependent* action. Actually, as ‘resources’ are constituted by purposeful agency and as ‘agency’ is ‘concept-dependent’, the identification of relevant resources (“*Wahrnehmung*”) depends on concepts. Concepts can be considered to play a central role in anti-poverty action given the *ambiguity*, *prejudice* and the *opacity* that often are associated with poverty and anti-poverty action in the public debate and in public policy. So concepts play a relevant role in the very possibility to achieve coherent collective agency and in building ‘*intentionality*’ of agency.

Intentional action

50. ‘*Intentionality*’ of agency aiming at change requires an understanding of context and of historical-geographical conditions of ‘*pre-existing*’ *dynamics of change* (historical legacy, territorial change, land use dynamics, etc.). The *point of departure* is never static. There is always a pre-existing dynamic of change. The detailed analysis of this pre-existing dynamic of change is crucial for the analysis of the possibility of achieving desired “*Bridges for Inclusion*”.

Mobilising a community for a project of hope

Local Economic Development Agency

(<http://www.ciaris.org/community/library/page/112?node=350>)

A local economic development agency is a structured body through which local players pursue economic development objectives in their own territory. The main purpose of a LEDA is to stimulate the economic territory where it works, capitalizing on endogenous resources and concentrating on support for those groups with the most difficult access to regular economic and financial channels.

A LED process starts when local people come together to discuss how to establish common strategies for achieving determined aims and objectives, generally dealing with employment, the fight against poverty, exclusion, improvement of territorial quality and competitiveness. An initial Local Forum is set as the embryo of participatory actions, which will assure good governance to the development strategies in the area. Its first task is to define the vision that the local actors share for the future of their area and the aims they want to pursue (see different design and planning methods to develop a common vision with the community).

This embryo of the LED agency will then: develop its own growth and models, according to local culture; establish strategies (deciding on local productive priorities, adopting a systemic competitiveness perspective where one seeks to improve the overall quality of the environment for economic development.); define implementation instruments and structures (local competencies needed, structures, legal issues, partnerships mechanisms, valuing local resources..).

'Locality studies'

51. At local level is possible to develop a deeper understanding about the relations between society and poverty and social exclusion. Localities are not only physical places. Localities are social contexts of *'real interaction'*. It is at local level that the causes of poverty become concrete and can be better observed.

52. At local level is easier to identify the relations between *local* and *non-local* causes of poverty (low wages, unemployment, lack of social assistance, lack of health care, etc.) as well as *local* (personality of mayors in defining the role of local governments, quality schools, training services, timetables in workplaces and kinder gardens, space-time conditions for extended family relations, access to social services, adequate housing conditions, etc.) and *non-local conditions* (high interest rates, taxes, oil prices, food prices, etc.) to be identified on the basis of which local development may be sustained and *"bridges can be built"* (devolution, legal framework of local governments, fiscal policy, etc.).

Action possibilities:

- Creation or active participation in *'territorial platforms for inclusion'* (for partnership and policy integration);
- These 'territorial platforms' should involve multi-level and cross-sectoral governance mechanisms for collective action and policy integration at local level (participation of central administration at local level, flexibility of different policy fields in adapting to local conditions, willingness to local inter-sectorial cooperation, openness to local initiative, etc.);
- The 'territorial platforms' should explicitly involve the different social protection and employment organisations in community-based and territory-centred diagnosis and planning exercises for a common local project for inclusion (focusing on employment, social inclusion and policy integration; strategic planning, participatory planning, territorial social maps, etc.);
- The 'territorial platforms' should contribute to organisational and institutional solutions enabling local agency (local development agencies, capacity building, etc.);
- Information and communication technologies can help to create *local observatories* that ensure the access to relevant information, that facilitate communication and interaction among stakeholders and organisations and that enable monitoring and evaluation functions;

- The previous analysis of governance mechanisms at local and central level (flexibility of the different sectors to territorial conditions, conditions for cross-sectoral cooperation at different territorial levels, local capacity, etc.) should help to identify the conditions on the basis of which these ‘territorial platforms’ should be built in each specific context.

To read more:

European Commission 2006, ‘Forging Strong Local Partnerships’, The Adapt and Employment Community Initiatives, *Innovation Series* n° 1

(http://ec.europa.eu/employment_social/equal/about/a&e_en.cfm) (accessed 2008-08-23)

OECD 2004, *New Forms of Governance for Economic Development*, OECD, Paris

OECD 2001, *Local Partnerships for Better Governance*, OECD, Paris

Urry, J. 1986, ‘Locality Research: the Case of Lancaster’, in *Regional Studies*, Vol. 20.3

2. Guideline 2: Developing adequate planning approaches

53. Organisations of the social economy may act as *catalysts* of the adoption of planning approaches which may respect the challenges of inclusion objectives. Helping to design, manage and implement adequate planning approaches, these organization contribute to more adequate ways of linking scientific knowledge to anti-poverty action and contribute to capacity building and better results of the governance arrangements being built.
54. Local scenarios are needed in order to base ‘*strategic anticipation*’. In fact, local development implicitly assumes the possibility of the *previous* existence of a ‘*project of hope*’ associated with a ‘search for meaning’ in collective and individual life. Local development impulses suggest the capacity to create ‘*images*’ about desirable futures. And these presuppose *hope*. Linking ‘*visioning*’ to knowledge about ‘*conditions of possibility*’ requires differentiated skills and adequate control over strategic planning methodologies. These have to be based on the participation of the local communities, particularly those in situations of poverty and social exclusion, exactly in order to offer an opportunity for building hope and collective action.
55. But, the nature of the social agent undertaking anti-poverty action has to be clarified (planning rationality and diverse rationalities of social agents represented at partnership level, the power of the planning agent and the powers of other agents whose reaction has to be overcome in the course of action aimed at structural change, etc.). The definition of the key agent and the context of action including the time involved in the action, also require previous clarification. It is also the case when dealing with the sense of the *end* of an action, namely, when the *end of an action* does not correspond with the *end of the problem* (acting on a project basis, etc.).
56. Concrete anti-poverty action and concrete planning tasks cover a wide variety of dimensions. The different planning models offer different approaches. None

offers a totally satisfying perspective when dealing with the whole range of issues when poverty and social exclusion are the planning problems to solve.

57. Therefore, it may be relevant to clarify the nature of activities that are favoured and the dimensions of concrete anti-poverty action that can best be “solved” by the framework of each specific planning model. These kinds of issue have crucial implications for the very understanding and discussion of the nature of planning and of planning tasks in the context of anti-poverty action.
58. Planners are supposed to develop several roles, be able to develop disciplinary knowledge, be prepared to develop thematic knowledge based on the possibility of relational quality in multidisciplinary teams, or be prepared to develop a mediator’s role in assisting the self-empowerment of local communities.
59. Each planning approach favours the ‘solution’ of specific problems in concrete anti-poverty action.¹²

The “Rational-Comprehensive” approach

60. The Rational-Comprehensive approach is particularly adequate to deal with problems such as defining the best location for a health centre, designing an urban development for low-rent housing on public land, or finding the best financial engineering model for building a new school in a “distressed urban area”.

The “Advocacy planning” approach

61. Fragmentation, isolation and diversity of the experiences of poverty and social exclusion raise crucial issues on the impossible formulation of a general and common interest among the poor. In the short-term, when poor people lack the capacity to organise for collective action and for informed discussion about planning alternatives, the Advocacy planning approach can be a powerful source of inspiration.
62. Translating into technical terms, the implications of representing the interests of poor people in a rehousing process aimed at “slum” eradication, defending a residential community of poor people from the negative impact of the location of a polluting industrial plant, or defining criteria for the implementation of a Minimum Income Programme in a specific locality are examples of problems where planning action can find inspiration in this approach.

The “Radical Political Economy” approach

¹² Henriques, J.M. 2006, ‘Local Anti-Poverty Action and Planning Theory: a Framework for Choosing Methods and Tools’, in *Ensaio de Homenagem a António Simões Lopes*, Instituto Superior de Economia e Gestão, UTL, Lisboa

63. A structural understanding of poverty opens a broad scope of analysis for the identification of the relations between poverty and structural societal features. The analysis of the relations between the capitalist nature of societies, the role of the national state and the emergence of poverty under contemporary globalising conditions may be a domain where contributions emerging within this approach can offer a relevant contribution.
64. Acting as “*revealers of contradictions*” or acting as “*agents of social innovation*”, planners can get inspiration to deal with problems such as identifying the “*forces*” of capital accumulation in a locality and be prepared to be informed about prospects for low-income and low-qualified jobs, evaluating the potential job creation of foreign capital in a locality and assess the risk of plant-closure by foreign capital owned firms.
65. A further example can be found in analysing the context of power relations in a region and reflecting about the potential contribution of unions and progressive parties to the support of the creation of workers’ cooperatives. Those are examples of potential contributions emerging from within this approach.

The Equity Planning approach

66. When poor people face the impossible formulation of a general and common interest or when they lack the capacity to organise for collective action, it will not be easy to articulate their interests in the political arena, nor will it be easy to change the societal perception about problems of poverty and social exclusion. The contributions from within this planning approach aim at representing poor people in the direction of making alliances with and working for progressive politicians.
67. As problem formulators, planners have the power to shape debates. As *conceptual sharpening and reformulation* may be crucial for changing power relations aimed at assisting empowerment processes, planners may play a relevant role when inspired by this approach.
68. Problems such as attempting to change the “*discourse*” of non-poor people about the existential problems of poor people and that the *non-poor* define as “poverty”, creating mediatic events to direct public attention, or directly addressing unions and political parties to capture their support for anti-poverty struggles, are examples of problems that best can be dealt with in the framework of this approach.

The “Social Learning - Communicative Action” approach

69. Poor people have a rich knowledge about their own poverty and develop great expertise about their “survival strategies” in difficult existential conditions. Capturing this knowledge and being able to value it may be a major challenge in planning for social inclusion.
70. Problems such as how to “*listen*” to “poor people’s voices” and develop community-centered approaches, how to “*translate*” scientific knowledge into

common-sense, or how to develop a “*pedagogical*” role in structuring the common-sense knowledge of poor people based on their existential reason, can get unavoidable support from this approach to planning.

The “Radical Planning” approach

71. The direct involvement of poor people in dealing with their own poverty problems may be a challenge in anti-poverty action. “Collective self-empowerment” may not emerge *spontaneously*, action may be required in order to favour it. Planners from within this approach recognise the value of the contextual and experiential knowledge that those belonging to the mobilised community bring to the issues. They are open to learning through action, through experience. Above all, to be effective radical practice depends on interpersonal relations of trust and a social learning approach.
72. The “Radical Planning” approach specifically addresses the problems raised by this perspective. In working for social transformation in community-based organisations, planners bring to radical practice general, specific and substantive skills.
73. Problems such as how to “*listen*” to poor people and how to *interpret* the problems they experience, how to open the debate about problems of poverty and social exclusion as they are actually experienced, how to communicate and manage group processes, how to develop relevant knowledge about the formal employment system and how to realise the potential for job creation among poor people, are examples of problems that can be best dealt with on the basis of contributions emerging from within this approach to planning.

Action possibilities:

- The above mentioned ‘territorial platforms for inclusion’ may develop planning approaches in order to favour the achievement of inclusion objectives;
- Analysing gaps between the national design, management and implementation of the *European Strategies* for Employment and for Inclusion, on the basis of the planning approaches introduced above and on the basis of planning tools such as social actors (action) strategy (“*strategie d’acteurs*”), the ‘territorial platforms for inclusion’ may play a relevant role in introducing inclusion objectives in current planning practice (municipal master plans, urban plans, partial plans, etc.);
- The ‘territorial platforms for inclusion’ may favour participatory strategic planning methodologies, develop forward studies and local scenarios for strategic anticipation and territory based diagnosis (beyond the scope of action of individual agents represented in the partnership).

To read more:

Friedmann, J. 1987, *Planning in the Public Domain*, Princeton University Press, Princeton

Henriques, J.M. 2006, 'Local Anti-Poverty Action and Planning Theory : a Framework for Choosing Methods and Tools', in *Ensaaios de Homenagem a António Simões Lopes*, Instituto Superior de Economia e Gestão, UTL, Lisboa

Sandercock, L. 1998, 'The Death of Modernist Planning: Radical Praxis for a Postmodern Age', in Friedmann, John and Douglass, Michael (eds), *Cities for Citizens: Planning and the Rise of Civil Society in a Global Age*, John Wiley, Chichester

Group II: Conditions for 'economic integration' in contemporary employment conditions

The organisations of the social economy may directly involve themselves in action towards the 'economic integration' of poor households. This corresponds to complex challenges in contemporary conditions that lie far beyond '*training for employability*'. It involves *decreasing market-dependency*, the building of '*pathways to employment*', the facilitation of '*inclusive entrepreneurship*' and the promotion of local '*economic thickness*'.

3. Guideline 3: Decreasing market-dependency in meeting needs promoting use value in wealth creation

Decreasing market-dependency

74. Building "*Bridges for Inclusion*" may require a clear notion of '*economic integration*' in anti-poverty action. Allowing needs (food, clothes, housing, schools, medical care, etc.) to be met with the least possible *market dependency* requires a broad understanding of wealth creation. The explicit interdependence between the production of use value (producing for self-consumption, etc.) and the production of exchange value (earning money, etc.) is directly invoked as both lead to wealth creation. The potential role of their interdependence in action for inclusion depends very much on social relations.

*Use value, exchange value and the 'whole economy model'*¹³

75. In fact, the relational basis of human existence finds its basic unit in the household. Households are not always families in the conventional sense. What matters is the context of personal interaction in which the *production of life* occurs. The system of 'household economy' is central to civil society, through which *non-market* and *market* relations are articulated. The household economy does this by allocating the time of its individual members to different tasks, spheres of life and domains of social practice. Earning money (working for a wage in the formal or the informal economy, managing a small business, etc.) or producing at home to avoid buying (food production for self-consumption, producing clothes, repairing furniture, etc.) are examples of possible interdependent tasks in a '*household survival strategy*'.

¹³ Friedmann, J. 1992, *Empowerment: The Politics of Alternative Development*, Blackwell, Cambridge

76. It becomes clear that poor households rely heavily on *non-market* relations both for securing their livelihood and pursuing their life goals (*'survival strategies'*). The household (the basic unit of society) becomes the point of departure of what may be called the *'whole economy model'* requiring approaches to the *'real economy'* away from the approaches offered by conventional Economics. That is the case of gender-based analysis which gain their full relevance given the different social roles associated to the management of households.
77. That is also the reason why so often the *'informal sector'* is so much undervalued and misunderstood. The size of the so called *'invisible'* informal sector, especially in developing countries, makes it so important that excluding it from economic analyses will give a totally inadequate and misleading image of reality.

Formal and informal economy

78. The informal economy may offer a short-term way out of poverty (ensures production, guarantees consumption levels, creates competences, generates social capital, etc.). However, in the medium and long term, triggers perverse effects on the structure and coverage of social protection (standards of decent work, child labour, effectiveness of public policies, etc.). Increasing risks, insecurity and vulnerability tends to have a multiplier effect on the fragility and weakening of the social protection systems.¹⁴
79. Given this detrimental effect of informal economy it becomes even more relevant to assess whether public policies promote formalisation or informalisation. Actually, the relation between *passive* and *active* measures of social protection has to prevent this to occur. If the right to a passive measure stops automatically while getting a small loan to create a new business either entrepreneurship is not being stimulated or its survival may well depend on remaining informal.

Urban agriculture

80. The role of food production for self-consumption and income generation in the urban context is being the object of FAO recommendations.¹⁵ The *"Development Focused Research Partnerships in Urban and Peri-Urban Agriculture"* also stresses its relevance.

"Development Focused Research Partnerships in Urban and Peri-Urban Agriculture"

Urban agriculture has the potential to make an important positive contribution to both urban food security as well as urban employment. Since ancient times urban agriculture has made important contributions to feeding city dwellers. Recently collected qualitative and quantitative data shows that increasing numbers of the urban poor are engaged in urban and peri-urban agriculture (UPA) as a poverty alleviation strategy.

Already as many as 800 million people are employed in urban and peri-urban farming and related enterprises, and this number is likely to expand in the future. There is evidence that households engaging

¹⁴ Rodrigues, C., Lopes, C., Feliciano, J. 2006, 'Social Protection and the Informal Economy: The Experiences and Challenges of Portuguese Speaking Countries', in ILO 2006, *Social Protection and Inclusion: Experiences and Policy Issues*, ILO, Geneva

¹⁵ See "Food for the Cities" (http://www.fao.org/fcit/index_en.asp) (accessed 2008-06-06)

in urban agriculture have better nutritional levels, especially those households where women are conducting this activity. At the same time, however, urban agriculture practices can potentially increase health risks eg. the use of urban wastewater for irrigation.¹⁶

81. So assuming the relational basis of human existence in the context of the household, building “*Bridges for Inclusion*” may recover *both* the creation of use value and the creation of exchange value. This may have a number of central concrete manifestations.

Action possibilities:

- The organisations of the social economy in the framework of ‘territorial platforms for inclusion’ may contribute to create conditions that favour the linking of adequate land use control or housing policy measures to social protection; that is the case of combining social cash transfers with access to productive tools aiming at self-consumption and small scale production for local markets;
- This may involve conditions for food production for *self-consumption* in the urban context (access to land; access to water and rain water harvesting tools; access to productive tools, etc.) as well as conditions for *self-construction* (access to land, access to building equipment and materials, etc.);
- It also may involve the creation of ‘*social firms*’ (legal requirements, management support, capacity building, etc.), and diversifying their forms (micro-insurance associations, credit cooperatives, etc.);

To read more:

Friedmann, J. 1992, *Empowerment: The Politics of Alternative Development*, Blackwell, Cambridge

Max-Neef, M. (ed.) 1992, *Real-Life Economics: Understanding Wealth Creation*, Routledge, London

Wheelock, J. 1992, ‘The Household in the Total Economy’, in Ekins, P. and Max-Neef, M., *Real-Life Economics: Understanding Wealth Creation*, Routledge, London

4. Guideline 4: Building ‘pathways to employment’ as personal and collective inclusion projects

82. Beyond decreasing market-dependency, the widening of opportunities for *income-earning* activities including *access to a job* and working for a *wage* will remain relevant

¹⁶ See “Development Focused Research Partnerships in Urban and Peri-Urban Agriculture” (<http://www.uharvest.org>) (accessed 2008-08-20)

83. However, in contemporary conditions, access to a job depends increasingly on new job creation and new job creation depends increasingly on *new* small-scale entrepreneurship. In spite of spatial variations from local context to local context, new job creation in *existing* firms will remain quite restricted to a relatively small number of cases. To stimulate taking advantage of these jobs, requires their previous identification and the building of personalised efforts in order to reach them.

Personalised efforts

84. Helping poor people to accede to existing jobs is in itself a challenge requiring *personalised* efforts. Promoting job access by '*integrated pathways*' has implicit the notions that one should look for *individualised* approaches which are integrated and supported by local social agents capable of facilitating the construction of real and persistent solutions by means of *inter-institutional cooperation* (local partnerships).

85. The '*integrated pathways*' approaches combine different types of instruments, different social agents are involved simultaneously, the approaches are centred on the individual, the organizations or territories and the direct connection with social services and employment is explicitly contemplated in the action.

86. Personalised efforts involve higher costs in public services delivery. However, these costs have always to be related with the costs of the effects of *not* developing this kind of efforts.

'Integrated pathways' and person-centred approach

87. '*Integrated pathways*' start by ensuring change of attitude and behaviour favourable to the acquisition of new skills '*learning throughout life*'. Changes are situated on an affective and emotional level and can presuppose the acknowledgement and validation of informal skills obtained from life experience. The acknowledgement and valorisation of the informal, personal and social competencies (in addition to qualifications and formal training) take on a central role.

88. Next, the acquisition of skills, guided towards professional performances, should be accompanied by the acquisition of knowledge (critical understanding, etc.) which will facilitate a *critical* perception of the constraints and possibilities subjacent to the construction of *personal projects* for insertion in active life. The acquisition of cognitive skills should not, therefore, deplete the content of education and professional training.

*Calidad de Vida y Futuro*¹⁷

In the town of Vic, in Catalonia, Spain, there is a high rate of unemployment among the 30 000

¹⁷ See "*Integra – Routes to Integration and Employment to the Socially Excluded*", Special Report, 2007, European Commission (http://ec.europa.eu/employment_social/equal/about/a&e_en.cfm) (accessed 2008-08-21)

inhabitants and people from North Africa are particularly affected. The local municipality has brought together a range of institutions to create new access routes to employment for some of the groups most affected by long-term unemployment.

The core innovation in the project is to find ways of reaching immigrant women from North Africa and to motivate them to accept contact with a group. One strategy among others is to offer training courses in housekeeping skills. Once this initial stage is over, the project provides training in literacy skills at a local college. An information centre for Maghreb people will be set up during the course of the project which finished in December 1997. In another strand of the project, a carpentry enterprise will be the setting of training for disadvantaged young people, offering the motivation of a “real” work environment. The overall budget for the project is ECU 429 000.

89. Actually, ‘integrated pathways’ have to be placed into perspective and the development of functional skills (vocational training) is made easier by the acquisition of cognitive skills which facilitate a critical perception of the real possibilities of insertion through the employment system and which facilitate a conception of *life projects* of which job access is a part.

The case of the Portuguese Equal ‘Trapolim’ Project

The Project ‘Trapolim - Individual Paths of Insertion’ (Porto) showed *how* it is possible to perfect public response in the promotion of job access for young people between the ages of 15 and 21 years old, living in deprived urban areas, who dropped out of school without finishing minimum mandatory schooling and who do not possess minimum employability skills.

These are situations which conjugate lack of interest and maladjustment to school, lack of academic success, accumulated failures and dropping out of school, the absence of professional areas of interest to young people, low self-esteem and self-confidence, precarious socio-economic conditions, absence of models for the construction of a life project different from the original socio-economic frame and living in an urban context which facilitates drug addiction and delinquency.

For this group of young people, the learning courses are not found to be very effective, as can be seen from the high drop out rates. These courses were also shown to be very limited; the majority of the offers demand schooling levels superior to the 4th or 6th grade of basic schooling, which are not common among this type of young people. Meanwhile, there are no alternatives to Recurrent Teaching, which is proving to be inadequate. Adding to the difficulties inherent to the project’s target group, there are other difficulties in job access and training related to the absence and lack of public responses for young people particularly vulnerable to poverty and social exclusion.

The project conceived and implemented an innovative intervention methodology with young people and their families as well as with the educational institutions, namely Direcção Regional de Educação do Norte (Northern Regional Education Board) and with companies willing to accept young people involved in training in a real working situation and for possible job opportunities. The *innovative* contribution of this intervention model is in the association between the creation of *proximity structures* of reception, orientation and support in the (self)construction of professional and personal projects by the young people, with the development of an intervention methodology centred on the construction of individual pathways of insertion, organised in three stages: diagnostic, differentiated program of training and individualised support and conception of a learning program with particular emphasis on the development of personal and social skills as a facilitator of employability.

Integrated pathways and approach centred on local context

90. Approaches oriented by 'integrated pathways' are reinforced in the facilitation of job access when the individual change is followed by changes in the *local context*.
91. With the increase in unemployment, approaches by '*integrated pathways of training-insertion*' began to incorporate the direct job creation. The recognition that professional training alone does not directly create employment and the realization that job access is closely related to the creation of new employment by means of a new business initiative, has been drawing the attention to the growing importance of the local level of analysis and intervention in terms of employment.
92. On the other hand, the recognition of the interdependence between the constitution of new business initiatives, the competitiveness of the companies and the respective territorial context has been drawing attention to the growing importance of *local development* understood as change in the local socio-economic context, favourable to competitiveness and employment.

The case of "Istmo" Project

The Portuguese Equal "*Istmo*" project (www.istmo-peniche.com) (Peniche) developed an intervention methodology by combining actions promoting job access with actions promoting company competitiveness and actions mobilising the community in a collective project focussing on employment.

The reference problem defined for the 'Istmo - the fishing industry as a space of new opportunities' was the social devaluation of fishing-related professions. The problem stems from the sector's lack of organization and manifests itself in the lack of answers for a population with job access difficulties. The project considers that the sector itself is responsible for that task. However, this work was not started due to its insipid and short sighted associative structures. No actions exist whose goal is to valorise the image of the profession.

The project conceived and implemented new forms of response oriented towards new ways of social revalorisation in the fishing sector. The most innovative was the implementation of a *Communication and Image Plan* aimed at the valorisation of the fishing professions among young people.. This plan comprised various activities for a professional marketing campaign ('*Pescar é fish!*') (*Fishing is Cool!*) and young people were made aware of the current reality of the fishing sector and similar professions. This campaign included visiting schools and school trips to fishing boats.

Another form of response identified by the project as innovative, was the construction of a *Social and Economic Fishing Forum*, which encouraged the inter-institutional articulation aiming for a better framing of the responses found in the reality of the sector (*Confraria da Sardinha (Sardine Brotherhood)*, future *Integrated Development Plan*, etc.). *Contact Missions* performed by sector agents to fishing ports abroad facilitated company involvement in the strategic reflection about the future of the sector, making them more sensitive to and aware of the need to create attractive conditions for the recruitment of a workforce.

The project *experiment* showed how it is possible to present the local community with a new image of fishing, taking young people to see the profession in person and, therefore, make many aware that there might be a future for them in fishing. Equally, as there was no the articulation between the sector agents (in order to discuss the challenges for the sector, the relationship between the sector and educational services, training and employment, etc.), the project also showed how it is possible to unite people around these problems and to give a voice to those who usually are not heard. The committed way in which the project involved all the agents guaranteed their participation in the project actions.

Integrated pathways and the instrumental potential of the Information and Communication Technologies (ICT)

93. Improving *partnership work* (relationships between services), *information access* (greater proximity in the *relationship of the beneficiaries with public services*) and the demand for *continuous training* demanded by ‘integrated pathways’ approaches can benefit from the new instrumental possibilities offered by the Information and Communication Technologies (ICT).
94. The exploitation of ICT potential in this context looks promising. It also shows that the ICT cannot be seen as mere instruments which are dissociated from the *social conditions* of their appropriation. To fulfil the potential associated to ICT requires organisational changes and technicians and potential users capable of using them.
95. The exploitation of ICT potential for the improvement of public action, promoted by partnerships for employment therefore becomes part of the effort to bring about *new forms of governance* under the broader scope of the construction of the Knowledge and Information Society. What is in question is the search for more effective public action and more efficient allocation of social resources for that effect. The search for greater inter-sector coordination between the central, regional and local administrations and for greater coordination between state action and civil society action are framed in this perspective.

The case of “All for One” Project

Also the Portuguese Equal project “All for One” (www.todosporum.net) (Cascais) showed how through inter-institutional cooperation the creation of common instruments can be used to innovate in the fight against discrimination and inequality in job access and contribute towards more effective and efficient public service response.

The project finds that, in order to respond to the growing problems of job access, *organizational change* is necessary in the services charged with resolving these problems. It also finds that the change must be an invitation to rethink the methodologies and instruments used and that the fundamental aspect of that change should be in networking between the entities and in close articulation with the business milieu. Furthermore, it finds that communication between the technicians and information sharing are essential aspects of networking and as there are not enough human resources to monitor the ‘*insertion pathways*’ correctly, they should not be wasted on unnecessary tasks (duplicating the same tasks in different services, namely the retrieval of the same information, etc.).

The innovative nature of the project is found in its conception and implementation of a *Local Platform of Communication and Information* in order to contribute to overcoming the problems detected, while paying attention to the common needs of information retrieval and dissemination; these correspond to the common needs for the development of mutual knowledge, cooperation and inter-institutional articulation

Integrated pathways and the creation of new public services based on inter-institutional technical teams

96. The projects demonstrate how the ‘integrated pathways’ approaches advise the organisation of new public services which facilitate integrated reception and contemplate actions of *animation*, facilitation of *information* access and the exercise of *mediation* for the appropriation of information as useful knowledge

The case of “Plataforma Integrada de Desenvolvimento da Amadora” project

The Portuguese Equal project “*Plataforma Integrada de Desenvolvimento da Amadora (Amadora’s Integrated Platform for Development)*” (www.amadoraonline.pt) (Amadora) demonstrated how public response can be improved in the fight against discrimination and inequality in job access by creating a platform which facilitates the mobilization of the already available resources and experiments with creating new public services, valuing physical proximity and internet potential around a methodology of integrated attendance of the public.

The main focus of innovation in this project is related to the problem of the co-existence of a great number of organisations, national projects and community projects and the lack of articulation between them. Although the Amadora Municipality is the smallest in the Lisbon Metropolitan Area, it has the greatest population density in the country. It is a municipality of contrast, where rural is increasingly urban and where cultures cross and live together. The run down areas are still part of the municipality’s landscape, with various re-housing processes under way. Unemployment is very high (largest number of unemployed in the Lisbon Metropolitan area), particularly female unemployment. As a result of the cultural and ethnic specificities of its population, the unemployed in Amadora have extremely low school qualifications, associated with precarious jobs and low wages.

The project concentrates on the unemployed who cannot be helped by the Job Centre since they need intervention at the level of their professional and personal skills. The imbalance between what the business fabric wants to recruit and the unemployed ratio is overwhelming. The project created and implemented the *Integrated Model of Local Intervention*, where the partnership for development takes on a central role, associated to different types of organizations. (Training Centres, Job Centre, Institute for Solidarity and Social Security, local governments and local NGO’s). The project introduced an *innovative* concept in existing organisations: *integrated attending of the public*. By setting up 3 *Integrated Centres for Attending the Public* in different parts of the municipality’s, the project created *local response networks*. Partnership is the main *resource* of these ‘proximity services’.

Action possibilities:

- Organisations directly involved in action for inclusion may create ‘integrated social services’ (social protection, employment, housing, health care, education, etc.), benefiting from ICT technological support (*e-government* solutions, micro-scale integrated services at neighbourhood level, etc.); this may involve the creation of technical teams with *adequate skills* concerning the complexity of demands;
- These organisations may contribute to the *identification* of job opportunities and to develop efforts to ensure these opportunities ‘match’ appropriately with the characteristics offered by those seeking employment;
- The organisations may also contribute to the recruitment of staff members with *adequate profile* in local organisations concerning the complexity of the concerning challenges (quality of previous experience, critical analysis of the

running of the public administration, creativity and proactive commitment in action for change, etc.).

To read more:

European Commission 2000, *Empowerment: A New Way of Looking at Inclusion and Strategies for Employment*, The Adapt and Employment Community Initiatives, A Joint Working Document of the European Commission and the Member States (http://ec.europa.eu/employment_social/equal/about/a&e_en.cfm) (accessed 2008-08-23)

European Commission 1997, *Routes to Integration and Employment for the Socially Excluded*, The Adapt and Employment Community Initiatives (http://ec.europa.eu/employment_social/equal/about/a&e_en.cfm) (accessed 2008-08-23)

5. Guideline 5: Stimulating ‘inclusive entrepreneurship’ for additional job creation

97. In the context of anti-poverty action, ‘*entrepreneurship*’ is increasingly seen as a job creation opportunity for all those with no other alternative. The field is being very much influenced by *microcredit* and the kind of solutions associated with it. But, in contemporary European conditions, the stimulation of ‘*entrepreneurship*’ represents a complex challenge that lies far beyond access to finance alone.

98. Already in the early 80’s the Austrian government addressed this issue in the context of a special programme to stimulate ‘*endogenous*’ regional development in the periphery regions.¹⁸ *Activation, innovation and business strategy* and the preparing of an adequate *business plan* were considered to be critical phases before ensuring access to finance.

99. More recently, the notion of ‘*inclusive entrepreneurship*’ is being used to cover the situations where ‘*entrepreneurship*’ is associated to widening job opportunities to all those that have no other. The work developed within the framework of the European ‘*Community of Practice for Inclusive Entrepreneurship*’ (CoPIE)¹⁹ created in the framework of the European Programme Equal, enabled already the identification of relevant results in this field. Key issues and best practice were organised around four central themes: *culture and conditions, start-up, consolidation and growth and access to finance*.

¹⁸ Institut für Höhere Studien 1984a, *Analyse der Zielerreichung und Effektivität der Berggebietssonderaktion des Bundeskanzleramts: Darstellung der Geförderten Projekte*, Institut für Höhere Studien, Wien; Institut für Höhere Studien 1984b, *Analyse der Zielerreichung und Effektivität der Berggebietssonderaktion des Bundeskanzleramts: Projektevaluierung*, Institut für Höhere Studien, Wien

¹⁹ It is possible to follow the work being developed by this ‘*Community of Practice*’ (CoP) as well as the documents being produced, namely, the Regional Reports visiting its website (<http://copie.esflive.eu>) (accessed 2008-08-09); it is also possible to follow the latest developments of this CoP visiting its wiki (<http://www.wikipreneurship.eu>) (accessed 2008-08-09).

Best practice in 'inclusive entrepreneurship'

100. Work developed so far on the basis of the contribution of Equal projects, reveals the clear interdependence between *social protection* (passive and active measure in social protection, housing and urban policy, etc.), *employment* (entrepreneurship facilitation, business advising, organisation of distribution, marketing, access to finance, etc.) and *local development* (local development agencies, local development agents, entrepreneurship stimulation in schools, affordable premises, planning, etc.).

Culture and conditions

101. The problem for many disadvantaged groups and areas starts far earlier than thinking about becoming an entrepreneur. To create a business hardly can be considered to be an option in the majority of cases. Entrepreneurship appears particularly difficult when people depended for a long time on traditional activities and were socialized as workers for a wage.

Informality and entrepreneurship

102. Social protection and the administrative burden of creating a firm may also play a critical role. The conflicts between *passive* and *active* measures, the administrative costs and the risk of losing out in terms of taxes, benefits and other income can act as real disincentives. *Informality* is often found as an *explicit* 'survival strategy' to avoid the loss of *passive* social protection benefits. The relation between *active* and *passive* social policy measures requires an explicit attention in promoting 'inclusive entrepreneurship'. Social protection, housing and urban policies play interdependent roles.
103. On the other hand, certain ethnic groups have a strong tradition of entrepreneurship. Similarly, the millions of Europeans who survive through some form of informal activity are practicing small scale entrepreneurship every day. They show that successful entrepreneurship does not depend primarily on formal education, class, gender or racial origin.
104. In this context, more conventional strategies for improving business support and access to finance can only affect the tip of the entrepreneurial iceberg. The long term challenge is to develop strategies for both changing the "mindsets" and some of the objective conditions which are necessary for opening up entrepreneurship in the formal economy to enlarge the opportunities for job creation among the poor.

Social capital and entrepreneurship

105. Furthermore, in 'inclusive entrepreneurship', *social networks* (relatives, neighbours, households, etc.) play a central role. Community cohesion associated with the existence of cooperative and accessible community networks and organisations, high levels of participation in these organisations, strong territorial identity and high levels of trust, mutual help and support amongst community members offer the socio-economic context entrepreneurship depends

on. These aspects concern the role of *local social capital* in facilitating entrepreneurship.

Capacity building for entrepreneurship

106. “*Building bridges*” in a context of increasing structural unemployment may have to include the possibility of enhancing poor households’ entrepreneurial potential and acting towards the making of the socio-economic context that favours results (community development, creating local development agencies, capacity building, stimulating collective action, etc.). Therefore, policies have to be ‘community-centred’ and ‘household-centred’ and not just ‘individual-centred’. The potential for entrepreneurship depends heavily on the ‘household survival strategy’ and on how the household *as a whole* is able to experience social protection.
107. ‘Inclusive entrepreneurship’ further requires explicit *pro-active change in the local context* (the role of schools and early stimulation of entrepreneurship, changing demand and marketing opportunities, etc.). It depends on the role of organisations with the adequate capacity (local authorities, local development associations, schools, etc.).

Association of Community Based Business Advisors (ACBBA)
(<http://www.wikipreneurship.eu/index.php5?title=ACBBA>)

Starting from the evidence that communities that have experienced social exclusion are entrepreneurial, ACBBA’s primary business is to assist community organisations to develop and sustain business support activities so that they can offer advice and assistance to those who have developed enterprises or who wish to consider enterprise development and self-employment.

ACBBA offers community organisations unique, effective and attractive products, a rich experience which enables a flexible approach, a team of talented and qualified people and the opportunity to develop new networks to assist and sustain business support.

By December 2006, ACBBA’s greatest achievements included 20 of its members becoming [SFEDI](#) Accredited Business Advisors, four local authorities engaged, 30 member community organisations spread over six London boroughs, a portfolio of over 1,300 business clients and a comprehensive suite of learning resources. It has a powerful unique selling proposition – the Community Based Business Support Model (CBBS).

108. Therefore, partnership and governance represent conditions for ‘inclusive entrepreneurship’. But their effectiveness may well depend on previous changes in state competences and organisational restructuring (centralisation or devolution to territorial levels, relative autonomy of deconcentrated bodies like public employment services, etc.) in order to enable flexibility, cooperation and local capacity.

Dynamo project

(<http://www.wikipreneurship.eu/index.php5?title=Dynamo>)

Dynamo is a project in Wales the aim of which is to develop and nurture self-sufficient, entrepreneurial young people in all communities across Wales, who will contribute positively to economic and social

success. From tailored advice on setting up a business, to inspirational role models telling their stories, students have access to a wide range of opportunities to learn about what it takes to set up a business. Students can improve their entrepreneurial skills and knowledge with resources tailored to their needs, and also access free and impartial advice on next steps to setting up a business. For students, it could be time to turn that business idea into reality.

109. The *making* of the adequate socio-economic context (favourable business environment, etc.) depends on local *pro-active agency* building bridges between different policy domains (community development, entrepreneurship facilitation, affordable premises, organisational support for distribution and marketing, access to finance, etc.).

Start-up

Premises

110. The availability of affordable *premises* plays a very relevant role, especially in an urban context (difficult and expensive access to land and space). Therefore, residential space may play a role in income generating activities and housing and re-housing interventions should include this possibility.

111. But, this corresponds to remarkable changes in *architecture, engineering* and assumptions concerning *urban design*. Buildings may have to be prepared to include the possibility of supplying new micro firms with adequate premises. *Residential* space may have to become not only the place for *reproductive* functions (feeding, resting and sleeping, raising children and biological reproduction, etc.) but also the place for *productive* functions (preparing food for selling in a restaurant, repairing clothes, working with the internet, etc.).

Skills and competences for business

112. The direct stimulation of start-up may well depend on directly releasing the individual's potential and thereby creating motivation toward entrepreneurship.

Coaching as method

Coaching as method in business advice

http://www.wikipreneurship.eu/index.php5?title=Coaching_as_method

The philosophy in coaching, stated simply, is to release the individual's potential and thereby create motivation, better performance and greater ownership toward change.

The advisers have an ongoing external coach whom they use for individual sparring, to build up the advisory team, but especially for themselves to practice their techniques in order to be able to utilize them in the counselling context and in the general communication with the clients.

When trust and contact is created, the coaching method is used as a supplement to the actual guidance and advising, the purpose being to help the person being coached to identify their needs and solve problems by themselves, and to proceed from talk to action.

In conducting outreach advisory service to ethnic minority business owners, it has been important to quickly establish a positive relation of trust but at the same time to insist that the responsibility for change lies with the business owner himself. It is they who are the experts on their own business, and they who determine the tempo of change.

What the coaching does in terms of creating trust, and assuming that it is applied with talent, is that the coached person is treated on an equal footing, that attention and interest are shown for what he says so that he feels listened to and is taken seriously. The client can feel secure in that nothing is being done behind his back and that the adviser is there for him. In this situation, well-being is a precondition for learning and performance.

Through structured questioning techniques, the coach can help the client to develop his ambitions and dreams, by creating an overview and focusing on the topic that the owner wants to work with. By increasing awareness about the reality one can identify the direction in which the businessman wants things to change and where the resources are located. He is then assisted in giving priority to this effort himself. The purpose of the coaching is to build up and maintain confidence in the client's own abilities and to create learning and results over a length of time in relation to the dynamic goals that the client has set himself.

In relation to the target group of ethnic minority businessmen, the advisers make their own interpretations of the coaching method in order to adapt it to the cultural backgrounds of both the business owner (and the adviser) and to the actual situation. In some cultures, asking direct questions is considered natural, while in others, such directness is seen as impolite. Some business owners believe that it is a waste of time if one does not demonstrate that one is expert and can immediately tell them something concrete as to what should be done and how. Some consider the adviser to be an authority and ask him to decide what should be done. Some even expect the adviser to carry out the tasks for the business owner.

Such expectations are in contradiction to the idea that the coach must not 'lead' the other person, set the agenda or promote his own solutions. Here the adviser must work with the expectations and in each individual case evaluate how far they must go. It can be necessary to meet some of these expectations in order to establish the relationship, but it depends to a great degree on whether the business owner really cannot cope himself or whether he is just using an opportunity to obtain some free labour.

The purpose of the advisory service is not to create dependency on adviser, but to give the businessman the tools and self-confidence so that he himself can deal with the challenges confronting him and to ensure that the client who is being coached actually gets things done. For example, one of the advisers observed during their conversation that the shop-owner could not figure out how to set up the credit card machine. The adviser asked whether or not they should do it together here and now, and he coached him through the manual and the telephone calls so that the goal was

Consolidation and growth

Markets, firms and management strategies

113. The creation of jobs by the means of small-scale initiatives requires clear and appropriate *management* strategies, which should ideally combine a small amount of available capital with human resources. The competitiveness of those activities depends to a very large extent on systematic *innovation* in quality and products, adoption of *appropriate* technologies, *non-price* factors in their commercialisation strategies and *organisational* innovation aiming at flexible specialisation.

114. Creating new jobs through setting up new firms which mobilise the potential of *non-traditional* entrepreneurs require an adequate conceptual basis of action in understanding *firms*, *markets* and adequate *management strategies* for this kind of organisations. Low capital and abundant labour require specific

strategies that may contribute to remunerate labour at the national average productivity levels (minimum wage). Product innovation, adequate technology, innovation in commercialisation and organisational innovation are aspects that require specific attention. These are very difficult objectives to achieve in practice requiring intensive support towards skills balances and creativity for product innovation and adequate technologies.

The role of innovation

115. Also *competition* as approach does not help to capture all the dimensions involved in management strategies for small businesses as already introduced above. If everybody is competing on the same set of variables, then the standard gets higher but no company takes the lead. Strategy focuses on setting oneself *apart* from competition. That may be exactly the contribution of product innovation.
116. 'Transaction' is the fundamental unit of business and *not* an 'exchange' (money against a good or service). A 'transaction' involves *human interaction* and a *social relation*. The component of a transaction at a small firm run by *poor people* trying to build a new way of living may include a large component of aspects that include the *very knowledge* about this fact that the potential customer may have (neighbour, friend, relative, etc.).

Non-price factors

117. The *non-price* components of a transaction (dimensions involved in the transaction beyond the price of goods or services) at a local business run by neighbours, friends or relatives may include a large component of *critical awareness* about the structural nature of poverty problems which combines cognitive, affective and emotional dimensions in consumption behaviour.

Shop Layout and Development of the Business

http://www.wikipreneurship.eu/index.php5?title=Shop_layout_and_development_of_the_business

A poor financial basis in the start-up phase naturally places a limit on the amount of investment the entrepreneur can use for furnishings and marketing. As a result, the owner may decide to equip his shop with cheaply purchased, worn-out fixtures, used refrigeration units, etc. which over the long term can be expensive in electricity consumption and result in lower sales because the shop presents itself in a shabby manner.

There is often a habituated idea behind how the shops are laid out, just as the lack of sales experience and language difficulties affect the level of service and the personal presentation. Those in the target group tend to focus unilaterally on price as the only competitive parameter rather than creative layout, packaging, marketing and high service level.

Some business owners need specialized advice in learning how to attract ethnic Danish customers. A clothing or textile shop whose windows are covered over may be attractive to women from Asia but not necessarily to Danish women. Similarly, one can support the sale of exotic food products to Danes by accompanying them with taste samples, oral tips on preparation or written recipes. A pizzeria can attract new customer groups by changing its furnishings or layout. One establishment doubled its sales after the adviser suggested that the outside garden area be refurbished so that customers could eat outside.

There is a general need to focus on differentiation rather than what most of the shopkeepers do, namely, imitating each other.

Business advice for 'inclusive entrepreneurship'

118. As already introduced above, 'inclusive entrepreneurship' also depends on adequate business strategies in order to reach income generation at the level of minimum wage given their capital shortages and below average productivities. In these conditions, adequate business support, information and advice lie beyond *business "as usual"*. Business and advice for 'inclusive entrepreneurship' require adequate '*specific*' (management, economics, etc.) and '*generic*' skills (community building, visioning, creativity, etc.).

119. Finally, 'inclusive entrepreneurship' may depend on business opportunities identified by external organisations (local authorities, local development agencies, etc.). Sub-contracting and Corporate Social Responsibility may represent business opportunities linked to the building of '*local economic thickness*' (intensification of intra-local economic interactions and interdependencies).

Appropriate finance

Microcredit

120. As introduced above, 'inclusive entrepreneurship' is often reduced to *microcredit* related issues. But, in contemporary European conditions, the stimulation of 'entrepreneurship' represents a complex challenge that lies far beyond access to finance alone. Anyway, appropriate finance requires specific attention in the European context.

Growing microfinance in Europe

http://www.wikipreneurship.eu/index.php5?title=Growing_microfinance_in_Europe

Which model is appropriate to develop and grow micro-finance in Europe? If we were to start a micro-credit program in a part of Africa, South America or Asia which had not already had a lot of microfinance approaches, reaching scale would be demanding but also straightforward. There is already a mass of experience of what works. Following the micro-start (reference) guide step by step would work at least to reach a given proportion of poor population in an area. Success, that is to say reaching a large number of people with a strong impact and reasonable cost or even on a self sustaining basis would then depend on the political/financial environment, the management of the project and its ability to listen to the clients' needs.

We could also study the results of a similar but real exercises closer to the EU this time in Bosnia. There the best practices were implemented with close attention to detail. The results are impressive. Several microfinance programs having reached high volume of clients supported on a sustainable basis in a very short period of time. But in Western Europe, there is still a question of scale. Almost all of the programs achieve limited results in terms of number of clients and are almost totally dependent on grants. Would it be possible to write a micro-start guide for Western Europe to change that situation?

121. In the context of 'inclusive entrepreneurship' appropriate finance also depends on innovative financial services.

Sustaining micro-enterprises by innovative services

(http://www.wikipreneurship.eu/index.php5?title=ADIE_EQUAL_2)

People with empty pockets often have heads full of good business ideas. Entrepreneurial spirit does not depend on social status, wealth or level of education. But, motivation is not enough to start up your own business, you need money too. Unfortunately, access to credit does depend on social status and wealth.

And access to credit is just the beginning. Unemployed people, Roma and immigrants also have difficulty getting access to markets and technology. This is why many new businesses fail. To tackle all these problems in France ADIE (the Association for the Right to Economic Initiative), has formed an EQUAL project, PROXY, to try out a package of new services to help micro-entrepreneurs get set up and most importantly stay in business.

Maria Nowak, President of ADIE, says "The culture of poor people is to live the present. They can not make projects for future because they do not have the tools for investment". ADIE has been working in this field since 1988. It is the largest and probably the most successful specialised microfinance provider in the "old" Member States and has made 44,000 micro-credits to people excluded from the banking system. This has created employment for 40,000 people and 33,000 enterprises have been set up. EU policy encourages this approach and the European Social Fund will be used to support micro-credit schemes from 2007-2013 in its new regulations.

Ms Nowak is reminded the very first meaning of the word "credit" - to trust people. "But how many banks will trust somebody with a good idea but who is an unemployed, a gypsy or an ex-convict?" she asks. "Credit can change their future, provide social recognition, and distribute power more equally in society."

However, ADIE is aware that access to credit is not the end of the story. People that face discrimination are not only excluded from bank loans but also from markets, technologies, training and insurance. ADIE and its EQUAL partners have used PROXY to join forces with some big name companies such as Microsoft, Linklaters, Leroy-Merlin, Max Havelaar and PRIMAGAZ to test innovative services to increase the survival chances of micro-enterprises created by the beneficiaries of micro-credits. The project is developing high quality services which can be applied across France, and extended to the rest of Europe.

Action possibilities:

- The organisations involved in action for inclusion, directly or in the framework of 'territorial platforms for inclusion', may contribute to create *socio-economic environments* favourable to 'inclusive entrepreneurship' (activation and early stimulation of entrepreneurship in schools, income support for entrepreneurs, expert support to consolidation and growth, centralisation of distribution, and marketing, access to appropriate finance, etc.);
- They may contribute to creating organisational and institutional conditions to avoid eventual *perverse* effects in the relation between *passive* and *active* social protection (reinforcing social protection in risk taking by entrepreneurs, avoiding the reinforcement of risk by losing the right to passive measures, etc.);

To read more:

OECD 1989, 'Self Employment Schemes for the Unemployed', in *ILE Notebooks*, no. 10, Oecd, Paris

OECD 1992, 'National Programmes in Support of Local Initiatives: Contents and Evaluation', in *ILE Notebooks*, no. 16, OECD, Paris

Sirolli, E. 1999, *Ripples from the Zambezi: Passion, Entrepreneurship and the Rebirth of Local Economies*, New Society Publishers, Gabriola Island

6. Guideline 6: Reinforcing “economic thickness” for local development

122. Concrete manifestations of poverty are *unique*. Therefore, anti-poverty action has an unavoidable *local* dimension. Actually, poverty becomes *concrete* in increasingly complex, spatially diversified and local specific contexts. Also the relations between lasting changes at individual or household level and lasting changes at community or local level require clarification in anti-poverty action (local development, social protection, etc.). Furthermore, anti-poverty action will have both a *local* and a *non-local* dimension, aiming at societal change given the *structural* nature of poverty.

Basic-needs, intermediate needs and money resources

123. In 'building bridges' is crucial to know *how* in each local community basic needs (autonomy, health, etc.) actually relate to intermediate needs (food, housing, education services, medical care, etc.) and *how* money resources relate to *other* resources (relational quality in collective production for self-consumption, collective organisation in micro-insurance, etc.) in meeting intermediate needs and in the production of livelihood.

Socio-economic context

124. 'Building bridges' occurs in *socio-economic contexts*, the every-day-surroundings in which individuals act. It represents constraints that promote and prevent, reward and punish. Individual actions and their aggregate interplay are *embedded* in the socio-economic context which is as 'economic' *as well as* 'social' and 'political'.

The interdependency between the 'social' and the 'economic'

125. Paradoxically, the dependence of anti-poverty action on the '*social*' becomes clearer when we attempt to specify its '*economic*' dimension. Action in the domain of 'economic integration' is '*economic*' as well as '*social*' ('animation' of entrepreneurship, rebuilding the social link by means of formal organizations, institutional support for adequate business strategies, etc.).

The interdependency between the formal and the informal economies

126. In contemporary globalising conditions, given the *transition* to ‘flexible accumulation’, vertical disintegration and sub-contracting become more widespread, the relations between the formal and the informal sectors become more porous and increased attention has to be paid to the particular ways *both* sectors relate with exchange and use value production *within* the household and *through* ‘household survival strategies’.

The role of SME's

127. Also, the role of local small and medium size firms in job creation and the economic relations they develop among them and with big and trans-national corporations (buying and selling, etc.) become more relevant when analysing the conditions for local socio-economic change aimed at the lasting ‘economic integration’ of poor households. In fact, these *interdependencies* may combine to potentially enlarge opportunities for income-earning activities of poor people (self-employment, micro-firms, organisations of the ‘social economy’, ‘pathways to integration’ in linking the poor to new job creation and to the labour market, etc.). The small-scale interaction among SME's at local level may represent good opportunities for new business (sub-contracting, etc.).

128. The ‘*economic thickness*’ of the local ‘whole economy’ may require specific attention in a process of building ‘*Bridges for Inclusion*’. The ‘economic thickness’ corresponds to the closeness, interdependency and cohesion between local activities.

Action possibilities:

- Organisations involved in action for inclusion may contribute to the refusal of strict separation between the ‘economic’ and the ‘social’ dimensions of localities and regions;
- They may contribute to widen possibilities for social protection by promoting better coordination among social security organisations and diversifying the promotion of formal and informal small-scale solutions in social protection (micro-insurance associations, health associations, etc.);
- They also may create conditions for local economic activation, for the promotion of innovation, for the identification of new opportunities in the field of sub-contracting, for the building of ‘integrated pathways’ for employment and for ‘inclusive entrepreneurship’ by reconstructing the local economy;
- They may create conditions for local economic *thickness* reinforcing ‘clusters’, stimulating firm associations and widening opportunities in the field of Corporate Social Responsibility.

To read more:

Henriques, J. M. 2006b, *Global Restructuring and Local Anti-Poverty Action: Learning*

from European Experimental Programmes, Chapter 4.2., Instituto Superior de Ciências do Trabalho e da Empresa, Lisboa, Tese de Doutoramento
https://repositorio.iscte.pt/bitstream/10071/273/1/Tese+de+Doutoramento_José+Manuel+Henriques.pdf

Matzner, E. 1993, 'On the Making of a Socio-Economic Context for Europe 2020' 1993, in *Der Öffentliche Sektor*, 3/93, pp. 57-69

Group III: Conditions for 'mutual learning' and the development of skills (specific and generic) in acting for inclusion.

The organisations of the social economy and other organisations directly involved in action for inclusion can contribute to the creation of conditions for meeting skills gaps ('specific' and 'generic' skills) and help to create conditions for 'situated learning' and promote the organisation of 'communities of practice' in the framework of 'learning regions'.

7. Guideline 7: Creating conditions for the development of 'specific' and 'generic' skills

129. Becoming involved in building partnerships, developing local development strategies, developing 'pathways for employment' or facilitating and supporting 'inclusive entrepreneurship' require forms of interdisciplinary and inter-institutional teams whose performance places specific challenges on the technicians' training. It is a kind of work that requires organisational capacity and adequate skills among staff members ('*specific*' and '*generic* skills')²⁰ that involve the *need for training*.
130. The lack of conventional schooling has to be overcome in order to succeed in pro-active animation, to develop interpersonal relationships in inter-institutional and interdisciplinary teams or to be prepared to facilitate 'dialogue' and critical mediation between different 'worlds', etc.. Enabling technicians to take approaches centred on the individuals, groups and communities, to learn how to become active listeners and to have empathy are some of the main preoccupations. The relevance of the personality of the technicians themselves in acquiring these skills raises the question of recruitment criteria when this type of performances is required.
131. Technicians can be regarded as being agents of change. And changes have to be tried out by the technicians themselves, so that changes can be intentionally induced by them at an individual or collective level in their communities of action.

²⁰ For the debate about 'generic skills' see the role of the "*Academy for Sustainable Communities*" (<http://www.ascskills.org.uk>) (accessed 2008-08-09)

“A Par e Passo” project

The acquisition of skills for inter-institutional work can be found in the experimental work conducted in the Portuguese Equal project ‘*A Par e Passo (Keeping up the Pace)*’ (São Brás de Alportel). The project conceived and tested a methodology of orientation-training-insertion of people in difficulty, within the ambit of a territorial approach by ‘*integrated pathways*’.

The innovative character of the methodology tested is in the specific way it integrates working directly with the target group and the mobilization of the community to create favourable conditions for the insertion of people in difficulty. The precariousness of the work available on the coast, disputed strongly by the Eastern European immigrants, led the project to giving priority to promoting insertion in their own municipality, through exploiting the potential of the service sector (growing along with the village) and of the small manufacturing companies. Along with the professional insertion, the aim was also to return to paths of formal schooling or guidance for vocational training.

The project considers that this perspective was possible because the technicians involved agreed to share their *written reflections*: the circulation of the texts produced among everyone created space for all the interstitial questions to emerge from confronting experiences and opinions from all team members.

The project experiment demonstrated how job access opportunities can be widened, integrating components of direct work with the *target population* and a component mobilizing the *community* to create favourable insertion conditions for people in difficulty. It also showed how the contemporary nature of the action is a *challenge* to the more conventional training and how these shortcomings can be overcome through the training methodologies of the technical teams themselves.

Emphasis is also placed on the real improvement in the entities involved, since the methodology required that the partners - City Council, “Associação de Industriais e Exportadores de Cortiça” (Association of Industrials and Cork exporters, “Associação de Saúde Mental do Algarve” (The Algarve Mental Health Association), “Existir” (Exist) (handicapped) and “In Loco” – made a strong commitment to empowering their technical team and to extensive articulation among institutions.

Action possibilities:

- Organisations can create conditions for skills development aiming at the production of *non-conventional* knowledge (action-research, interdisciplinary, methodological ‘transgression’, etc.) and context-relevant (reconstituting local ‘totalities’) knowledge about the nature of *interdependencies* between the formal and informal sectors and about the role of households in linking diverse local economic circuits (mutual dependency of both sectors, the role of informal and illegal activities, their economic relevance for the local formal economy, etc.);
- Organisations can creating conditions for *skills development* among staff members (capacity for a critical perception of the local dynamics, strategic forward thinking, direct involvement of local social agents and to understand the respective differentiated rationalities, multicultural and inter-disciplinary dialogue, interpersonal relationship, facilitating inter-institutional teamwork, etc.).
- They also can create organisational conditions for the involvement of staff members in skills development activities focusing on *generic* skills such as ‘visioning’, ‘community development’, ‘interdisciplinary and inter-institutional team working’, ‘economic animation’ or ‘project management’ (recognition of ‘skills gaps’, formal training, etc.); they also may create conditions for *specific*

management skills to support labour-intensive firms with chronic capital shortages and low productivity (skills balances, mobilisation of informal skills, adequate technologies, product innovation, etc.);

- Organisations can stimulate the creation of ‘*communities of practice*’ and the promotion of *situated learning* for *mutual learning* and skills development.

To read more:

Academy for Sustainable Communities 2008, *Mind the Skills Gap: The Skills We Need For Sustainable Communities*

(http://www.ascskills.org.uk/download/General/research/mind_the_skills_gap_full_report.pdf)

(accessed 2008-08-23)

Trayner, B., Smith, J. & Bettoni, M. (2007) “[Participation in International Virtual Learning Communities: a Social Learning Perspective](#)”. In Web Information Systems and Technologies International Conferences, WEBIST 2005 and WEBIST 2006 Revised Selected Papers, J. Filipe, J. Cordeiro and V. Pedrosa (eds) Springer Berlin, Heidelberg

Wenger, E. 1998, *Communities of Practice: Learning, Meaning and Identity*, Cambridge University Press, Cambridge

Wenger, E., McDermott, R. and Snyder, W. 2002, *Cultivating Communities of Practice*, Harvard Business School Press, Boston

V. Social economy and social innovation in linking social protection, to employment and local development

132. As introduced above (see Introduction), the *Guidelines* try to contribute to structure a conceptual and methodological framework within which a common ‘*sense making*’ can be built in order to situate the project’s results and facilitate the development of contributions to the final preparation of the *Roadmap*.
133. Building “*Bridges for Inclusion*” involves social innovation, new avenues of action with new institutions, new organisations and new skills. A joint understanding of the ‘*economic*’ and the ‘*social*’ in acting for inclusion is particularly relevant. Without ‘economic integration’, conventional ‘social action’ touches unavoidable limits.
134. However, acting for ‘economic integration’ is still very much influenced by approaches centred on vocational training aiming at ‘employability’ and individual integration in the labour market. In a context of increasing unemployment and without additional job creation this approach has clear limits. Reinforcing individual capacity to compete in the labour market may merely displace unemployment and poverty onto others.
135. On the other hand, small-scale business activities aiming at job creation (Local Employment Initiatives, co-operatives, micro-firms, self-employment, etc.), rarely emerge ‘spontaneously’. Decentralised small-scale opportunities for production and job creation are heavily dependent on the existence of *local agencies*, developing *facilitation* efforts towards entrepreneurship, promoting *innovation* and *strategic flexibility*, and centralising distribution, commercialisation and marketing.
136. This also requires political efforts and development processes for the mobilisation and valorisation of local resources. The competitiveness of these activities depends on the ‘*competitiveness*’ of *local systems*, on close *cooperation* and development of economic *relations* between the ‘mainstream’ firms, organisations from the social economy, use-value production and an intensive development of local ‘synergy’ and co-operation among local agents (input-output relations, sub-contracting, co-operation in export promotion, etc.).
137. The organisations of the social economy can play crucial roles beyond directly meeting needs, acting as catalysts of new governance models or developing their own capacity in linking social protection, employment and local development for social inclusion. Actually, they have also an important responsibility in the production of *discourse* about poverty, social exclusion and the actual challenges of social inclusion in contemporary conditions.
138. This means that conventional approaches should be critically analysed before its wider use. An unavoidable effort towards conceptual reformulation may be needed in order to improve the very capacity to *understand* the problems and

improve action. The concept-dependency of human action and the role of institutions in the production of concepts cannot be forgotten. Improving action requires a clear understanding about these relations.

139. Conventional values, ideas and beliefs mainly related to the ‘economic’ dimension of integration may have limiting effects on action. Notions like ‘*market*’, ‘*competition*’ or ‘*economic and financial viability*’, originally developed for conventional and formal economic entrepreneurial rationality, were not created to deal with problems of ‘economic integration’ of poor households’ and are not conducive to identifying the whole range of possibilities for wealth creation linking the mobilisation and valorisation of local resources to action for social inclusion. The very notions of ‘*human resources*’, ‘*labour market*’ or ‘*land market*’ should be used with caution in the context of action for inclusion.
140. Actually, the relevant dimensions of ‘economic integration’ lie *outside* the ‘Economic’. *Cultural, social* and *institutional* aspects play a much more relevant role in the stimulation or ‘facilitation’ of entrepreneurship, management strategies or power relations concerning the use and control of local resources. *Conceptual* innovation is therefore fundamental to a better understanding of the *problems* which in turn can lead to better action.
141. The organisations of the social economy may play a strategic role in linking social protection to employment and local development. Achieving this, they can contribute at the local level to demonstrate the possibility of ‘*socio-economic policies for social cohesion and global competitiveness*’ and to act accordingly at different territorial levels towards coherent societal change.