



UIA third Call for Proposals: Policy trends from the proposals under the topic of jobs & skills



Author: Eurico Neves

October 2018

Introduction

The topic of “Jobs & Skills” has been reintroduced as one of the 4 topics of the 3rd call for proposals of the Urban Innovative Actions, after having appeared already in the 1st call, published in 2015.

A total of 66 proposals for this topic have been received by the deadline of 30 March 2018, representing a bit over one third of the total of proposals received for the four open topics (186). Of these, 63 have been deemed as eligible and have been evaluated. As it had already happened in the first call, this made this topic the most popular, which confirms the important role it plays in cities political agenda. There was however a noted decline on the number of applications received since the first call (124), in line with the decrease in the total number of applications (378, also for 4 topics). This halving of the number of proposals can be linked to several reasons, including a growing perception amongst urban authorities of the competitiveness and complexity of the programme, but the fact that the share of the topic proposals in the total remain similar – and even grows from 30% to 36% - seems to indicate that there is no loss of interest on the subject, despite the clear changes in economic context since 2015.

In this 3rd call for proposals, the UIA has introduced as baseline for this topic the New Skills Agenda for Europe (2016), that reiterates the importance of job creation and of upskilling Europe's workforce, and the European Pillar of Social Rights (2017), that strives to establish fairer working conditions and a strengthened social dimension in employment-related policies.

A clear mentioned was made in the call reference documents to the Partnership on 'Jobs and Skills in the local economy' of the Urban Agenda for the EU which goal is to facilitate the local economy by increasing the capacity and skills of the workforce and by providing favorable preconditions for business development and job creation, based on distinctive local specificities. Cities have been specifically asked to come forward with ideas to create and support the right conditions for innovative investments that could lead to more and better jobs for their citizens.

Overall, there has been a clear focus on upskilling, social dimension and on the quality of jobs, as opposed to sheer focus on job creation of call 1 – as stated in the URBACT report “More jobs: better cities”, cited in the Call 1 Terms of Reference – which has undoubtedly guided more applicants in these directions.

Another factor to be considered as an influencer in the analysis of policy trends is the “copycat” effect generated by call 1, and the inspiration that many cities have seek in the projects approved, and in particular Bilbao (with a focus on Industry 4.0) and Milan (agri-food), which is visible in many proposals in this call.

This paper takes these factors in consideration while providing an overview of the proposals received in terms of broader policy trends and tries to extract some conclusions that may be helpful in the design of future calls or capitalization actions of the UIA programme.

The challenges

The 63 applications evaluated have obvious differences in quality, but largely coincide in a clear assessment of problems and challenges making use of the proposal template. As an overall trend, and if we take the topic designation at its nominal value, there is a greater focus on the

need to address Skills (identified as main challenge by 42 proposals) than to create Jobs (21 proposals). The ratio between proposals addressing skills and jobs is therefore 2:1, which seems to show that the worst of the job crisis in Europe is now past and that cities are now concerned about the adequacy of local skills for current and future economic challenges and the impact this will have in their competitiveness. As it would be expected, of those cities addressing creation of jobs, the large majority is based in Southern countries, especially Spain, Greece and Italy, in which some applicant cities still face unemployment rates above 20% (with a claimed maximum of 24%). But there are also cities identifying 8% unemployment rates as a job problem.

Skills challenges:

In terms of skills challenges, the majority of the cities describes as a problem the need to prepare their local force for the inevitable Digital Transformation. This problem is addressed specifically in 17 proposals, while another 6 take a broader approach of the need for a cultural change, that may encompass digital skills but also other behavioral transformations, such as work flexibility. There are also two proposals addressing the lack of design skills and one of languages knowledge. And 2 proposals that focus the problem on the inefficiency of the matching between skills demand and offer. In total, the issue of mismatch between current skills and the present and future needs of employers taken at large is addressed by 27 proposals, which is 43% of all eligible topic proposals.

The next priority issue is the need to promote skills for a creative economy - often targeted to lower qualifications levels or socially excluded groups of population - which is targeted by 5 proposals. In many cases this results from a simplified understanding of creative industries as a low technical skills sector, exemplified by handcrafts or arts, which is hardly supported by evidence.

Other topics addressed include the development of generic skills and talents for the agri-food sector (5 proposals, with a clear influence from the Milan successful proposal in the first call), green economy (2 proposals) or other sectors such as ceramics, transports or construction (1 proposal each).

Job creation challenges:

For the proposals addressing job growth there is no such predominant trend, as it happens in the skills domain. The identified problems are more or less equally divided between the need for a social entrepreneurship stimulus for particularly vulnerable groups (6 proposals, also “pushed” by the inspiration of the first call successful proposals from Madrid and Rotterdam), the lack of effective innovation ecosystem governance (4 proposals), the untapped potential of the food (especially organic) sector (4 proposals, with a strong inspiration from the Milan project) and of creative industries (3 proposals).

Next, there are also proposals addressing green employment (2 proposals), the promotion of silver (55+ years of age) jobs (2 proposals) or targeting specific sectors as construction or wood/forest (1 proposal each).

The proposed solutions

When it comes to urban solutions to the identified problems, there is a clear wish to follow the UIA’s challenge to come forward with radically innovative, out-of-the box proposals, but once

taken for what they are, most of the solutions are utterly conventional, even if embellished with technological innovations or wrapped in concepts such as ecosystem or co-creation.

Upgrading of skills solutions:

As such, and in terms of upgrading of skills, the by far most popular solution is the deployment of training programmes – mostly around ICT skills - which is the core method of 28 applications, of which 6 propose also the creation of a new training centre or hub. The way to deploy these trainings varies from secondary school level courses to company incentives for training their staff, but the basic focus remains training. There are at least 5 of these proposals which mention Industry 4.0 as the main source of demand for these enhanced skills, in a clear inspiration from the Bilbao winning proposal from the 1st call.

The following more popular solution is the intervention at the level of “skills forecasting and career guidance” which is the focus of 10 proposals. The proposed solutions have varying degrees of innovation, from the use of technological innovations (such as Artificial Intelligence and the very fashionable Blockchain technologies) to map and forecast needs, to the creation of skills passports, the use of mentors or the creation of observatories.

The remaining proposed solutions come from individual proposals and include the blend of arts/humanities talents with digital/technological capacities for the development of a new breed of innovators (aligned with the EC STARTS – for Science, Technology & Arts policies), the deployment of technological solutions (3D Printing facilities), of apps and services associated to specific lifestyles and diets or the availability of urban farms.

Finally, it should be noted that 2 proposals amongst those listed above put some lateral emphasis on the gender issue, by placing with a specific focus on the upgrading of women’s skills, in complement to their main approach.

Jobs creation:

In terms of jobs creation, the by far most popular solution, addressed by 14 proposals, is a new/enhanced ecosystem governance model that more often than not includes the development of a hub, or competence centre, and the improved collaboration between quadruple helix elements.

There are also 5 applications proposing new incubators and 2 new fab labs.

Policy Trends

Building on above to extract conclusions in Policy Trends reflected by applications, the most obvious is that cities share the programme concern with the relevance of the EU “New Skills Agenda for Europe”, and in particular the need to prepare workforce for the Digital Transition.

Within this mainstream orientation, there are a few emergent trends such as STARTS – the need to blend technological mastery with artistic inspiration and creativity to enhance innovation and competitiveness -, a growing interest in Blockchain technologies as trust-based mechanisms or the use of Artificial Intelligence to forecast skills needs and influence training and education policies, which are noted in a handful of proposals only.

But the majority of approaches follows well-established policies, such as the need to enhance quadruple-helix relationships within more effective ecosystems, the potential of creative

industries and social entrepreneurship especially towards disfavored groups or the physical investment in incubators, fab labs, innovation hubs or training centres as a way to develop competences and create jobs, which are the main trends in the large majority of proposals.

Finally, there is also a clear “copycat” effect, building in the winning proposals from the 1st call as inspiration, which has led to a great number of proposals specifically addressing food-chains (as in the Milan project), industry 4.0 (as in Bilbao) or disfavored groups (as in Madrid or Rotterdam).

The “typical” proposal within this topic can therefore be described as a proposal addressing the shortage of skills for the digital transformation – and in particular the wave carried by industry 4.0 – and that proposes a training programme involving quadruple helix actors as the core solution.