

COMMUNITY INITIATIVE PLAN FOR EQUAL 2000 - 2006

INTRODUCTION AND EXECUTIVE SUMMARY	4
What this document is and what EQUAL is for	4
How EQUAL will work	4
What has informed the programming process	6
The GB labour market and policy priorities	6
The consultation process	7
Lessons from ADAPT and EMPLOYMENT	7
CHAPTER 1: THE GB LABOUR MARKET	8
1.1 Introduction	8
1.2 General	8
1.2.1 General Economic Context	8
1.2.2 The Labour Market: Employment, Unemployment, Skills and Performance	9
1.2.3 Conclusions	15
1.3 Labour Market Analysis in terms of discrimination and inequalities	16
1.3.1 Theme A	16
1.3.2 Theme B	20
1.3.3 Themes C & D	21
1.3.4 Theme E	22
1.3.5 Theme F	25
1.3.6 Theme G	25
1.3.7 Theme H	26
1.3.8 Theme I	28
CHAPTER 2: THE POLICY CONTEXT - GB LABOUR MARKET POLICY AND THE EMPLOYMENT ACTION PLAN	30
2.1 The European Policy Context	30
2.1.1 The European Employment Strategy	31
2.1.2 Action under Article 13 of the EC Treaty	
2.2 UK Policy Overview - issues which cut across Departments and pillars	32
2.2.1 ESF Policy Frame of Reference	32
2.2.2 UK National Action Plan	33
2.2.3 Social Exclusion	33
2.2.4 Policy context in Wales	35
2.2.5 Policy context in Scotland	36
2.2.6 Lifelong Learning	38
2.2.7 Equal opportunities mainstreaming	41
2.3 UK context and Government policies and initiatives according to pillar and thematic field	43
2.3.1 Employability	43
2.3.1.1 Theme A: Facilitating access and return to the labour market for those who have difficulty in being integrated or re-integrated into a labour market which must be open to all	49
2.3.1.2 Theme B: Combating racism and xenophobia in relation to the	50

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

labour market	
2.3.2 Entrepreneurship	
2.3.2.1 Theme C: Opening up the business creation process to all by providing the tools required for setting up in business and for the identification and exploitation of new possibilities for creating employment in urban and rural areas]	52
2.3.2.2 Theme D: Strengthening the social economy (the third sector), in particular the services of interest to the community, with a focus on improving the quality of jobs	52
2.3.3 Adaptability	54
2.3.3.1 Theme E: Promoting lifelong learning and inclusive work practices which encourage the recruitment and retention of those suffering discrimination and inequality in connection with the labour market	55
2.3.3.2 Theme F: Supporting the adaptability of firms and employees to structural economic change and the use of information technology and other new technologies	55
2.3.3.3 Lifelong Learning	55
2.3.3.4 Work-life balance	58
2.3.3.5 ICT and adaptability	61
2.3.4 Equal Opportunities	62
2.3.4.1 Theme G: Reconciling family and professional life, as well as the re-integration of men and women who have left the labour market, by developing more flexible and effective forms of work organisation and support services	62
2.3.4.2 Theme H Reducing gender gaps and supporting job desegregation	63
2.3.5 Asylum Seekers: Helping the integration of asylum-seekers	64
2.3.5.1 Transition from asylum seeker to refugee	65
2.3.6 Transnational co-operation	67
CHAPTER 3: OTHER FACTORS WHICH HAVE SHAPED THE DEVELOPMENT OF THE PROGRAMME	68
3.1 The Consultation Process in England, Scotland and Wales	68
3.2 Lessons from ADAPT and EMPLOYMENT	68
3.2.1 Mainstreaming	69
3.2.2 Innovation	70
3.2.3 Transnationality	71
3.2.4 Thematic lessons	72
3.3 Priorities for support	75
3.4 Thematic focus	90
3.4.1 Development Partnerships	91
3.4.2 Transnational Co-operation (at DP level)	92
CHAPTER 4: STRATEGY FOR IMPLEMENTATION	94
4.1 Subsidiarity	94

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

4.1.1	Devolution	94
4.1.2	Managing Authority	94
4.1.3	Payment Systems	95
4.1.4	Monitoring Committee	95
4.1.5	Compatibility with Community policies (“State aids”)	96
4.1.6	Data collection, follow-up and annual report	97
4.1.7	Reporting	98
4.2	Call for proposals	98
4.2.1	Publicity	98
4.2.2	Guidelines for applications	99
4.2.2.1	Action 1	99
4.2.2.2	Action 2	101
4.2.2.3	Action 3	101
4.2.2.4	Action 4	102
4.3	Leading principles of EQUAL	104
4.3.1	Partnership approach	104
4.3.2	Empowerment/participation	105
4.3.3	Transnationality	105
4.3.4	Innovation	106
4.3.5	Thematic approach	106
4.3.6	Dissemination	
4.4	Selection , Eligibility and Contracts	106
4.4.1	Selection of Development Partnerships	106
4.4.2	Eligibility of Activities	107
4.4.3	Contractual arrangements	107
4.4.4	Co-financing	108
4.5	Complementarity	108
4.6	Financial Plan	110
CHAPTER 5: DELIVERY, MONITORING AND EVALUATION MECHANISMS		113
5.1	Measures of performance	113
5.2	Evaluation	118
Annexes		119

Introduction and executive summary

What this document is and what EQUAL is for

This document is the Community Initiative Programme to deliver EQUAL in Great Britain and Gibraltar. Funded through the European Social Fund, EQUAL will test and promote new means of combating all forms of discrimination and inequalities in the labour market, both for those in work and for those seeking work, through transnational co-operation. EQUAL will also include action to help the social and vocational integration of asylum seekers.

EQUAL is distinguished from the former ADAPT and EMPLOYMENT programmes and the new Objective 1, 2 and 3 Structural Fund programmes by its thematic approach to testing new ways of delivering policy priorities in the framework of the European Employment Strategy (EES) and the emphasis on transnational co-operation. It should help to inform policy developments and ensure that we learn lessons from other Member States. It will also form part of the integrated European Community strategy to combat discrimination (in particular that based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation) and social exclusion.

How EQUAL will work

EQUAL will operate in nine thematic fields for the first call for EQUAL proposals. Eight of the themes are defined in the context of the four pillars of the European Employment Strategy (EES): Employability, Entrepreneurship, Adaptability, and Equal Opportunities.

The ninth covers the specific needs of asylum seekers. Overall, the aim of the thematic approach is to explore new ways of tackling the problems common to different types of discrimination and inequality, rather than focusing on a specific target group.

The nine thematic priorities in EQUAL

Employability

1. Facilitating access and return to the labour market for those who have difficulty in being integrated or re-integrated into a labour market which must be open to all
2. Combating racism and xenophobia in relation to the labour market

Entrepreneurship

3. Opening up the business creation process to all by providing the tools required for setting up in business and for the identification and exploitation of new possibilities for creating employment in urban and rural areas
4. Strengthening the social economy (the third sector), in particular the services of interest to the community, with a focus on improving the quality of jobs

Adaptability

5. Promoting lifelong learning and inclusive work practices which encourage the recruitment and retention of those suffering discrimination and inequality in connection with the labour market
6. Supporting the adaptability of firms and employees to structural economic change and the use of information technology and other new technologies

Equal Opportunities for women and men

7. Reconciling family and professional life, as well as the re-integration of men and women who have left the labour market, by developing more flexible and effective forms of work organisation and support services

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

8. Reducing gender gaps and supporting job desegregation

Asylum seekers

9. Helping the integration of asylum-seekers. Depending on the official status of the asylum seeker - an extremely complex area, with variations between Member States - assistance may be for new ways of helping to access the labour market, or to provide training for unsuccessful asylum seekers prior to their leaving the country.

In this GB programme, we will not take part in theme 7 as this should be able to be delivered through the adaptability and employability pillars. The programme will also support activities to help the social and vocational integration of asylum seekers. Defining the thematic fields and appropriate activities has been made according to labour market needs, policy priorities, results of consultation, and lessons from previous programmes. A mainstreaming approach is adopted in each thematic field. Work on each theme supported by a network made up of officials from the relevant Government Department, equality commissions and social partners.

EQUAL will operate by bringing together the key players in a geographical area or sector into Development Partnerships (DPs). The different worlds of public administration, non-governmental organisations, social partners and the business sector (in particular SMEs) will work in partnership, pooling their different types of expertise and experience. DPs will choose one of the thematic areas and agree a strategy within which they will try out new ways of dealing with problems of discrimination and inequality that they have already pinpointed. Central to the work of each DP will be its links with at least one partnership from another country (another Member State and possibly non-Member States as appropriate) and its involvement in a network of others dealing with the same theme within the UK as well as across Europe. The new ideas will be tested with a view to using the results to influence the design of future policy and practice. DPs will also participate in the dissemination and mainstreaming of good practice.

Development Partnerships will be selected for EQUAL funding following national calls for proposals. A common approach to selection of Development Partnerships will be agreed with the Great Britain Programme Monitoring Committee.

EQUAL will fund activity under the following four actions within each thematic field:

- ? Action 1: setting up Development Partnerships and transnational co-operation - 5% of the budget
- ? Action 2: implementing the work programmes of the Development Partnerships - 75% of the budget
- ? Action 3: thematic networking, dissemination of good practice and making an impact on national policy - 15% of the budget
- ? Action 4: Technical Assistance to support actions 1, 2 and 3 - 5% of the budget.

Actions 1 and 2 are sequential. Member States will be expected to be in a position to start Action 3 at the earliest point that results are available to disseminate. Action 4 will provide support from before the commencement of Action 1.

Thematic Networking Groups (TNGs) will be established for each of the eight themes and will include relevant representatives of the equality commissions (Commission for Racial Equality, Disability Rights Commission and Equal Opportunities Commission), relevant policy representatives from the DfEE, or other Government Departments, the Scottish Executive, Welsh Assembly, social partners and the Development Partnerships. Government Offices

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Department for Education and Employment (European Social Fund Unit)

and Regional Development Agencies will be involved in these groups to help take forward the direct lessons for mainstream ESF.

The precise role of the TNGs will be agreed with the GB monitoring committee but their main purpose will be to:

- ? maintain and develop the strategic focus to ensure that EQUAL continues to focus on the priority areas; and to
- ? develop and agree a dissemination strategy for each theme.

The total UK allocation is Euro 376 million for the 7-year period 2000-2006. A separate programme will be negotiated for Northern Ireland, to enable closer work with the Republic of Ireland. The financial distribution among the territories will be as follows:

- ? GB 365 Euro
- ? Northern Ireland 11 million Euro

These contributions need to be matched by national funding.

The financial distribution in GB will be as follows :

	GB
Employability	40%
Entrepreneurship	20%
Adaptability	25%
Equal opportunities	5%
Asylum Seekers*	5%
Technical Assistance	5%

**This support will cover the UK rather than GB.*

What has informed the programming process

Five main factors have driven the development of this plan: a thorough analysis of the GB labour market, the GB and EU policy priorities, responses from stakeholders through a working group and a formal consultation process, lessons from the ADAPT and EMPLOYMENT Community Initiatives, and the opportunities for transnational co-operation with other Member States.

The GB labour market and policy priorities

The activities to be taken forward reflect the key issues that need to be addressed in the British labour market. The intention has been to focus on areas that need innovative work to develop policies that remedy some of the weaknesses in the labour market. Whilst the market is relatively buoyant there remain several challenges such as:

- the lack of basic skills
- the need to improve IT skills
- the work-life balance how to encourage SMEs to change
- clarify the role of the social economy within the British labour market
- address gender segregation through training.

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The Consultation process

Consultation exercises took place in England, Scotland and Wales. Individuals and organizations were invited to comment on the thematic fields to be chosen, the type and nature of Development Partnerships to be formed, the types of action for assisting asylum seekers, and the budget and time frame for each Action.

In addition an EQUAL working group has been established to draw together the relevant Government Departments, the social partners, equality commissions and other relevant organisations. This group has shaped the overall design of the programme with a view to tightening the policy focus.

Lessons from ADAPT and EMPLOYMENT

EQUAL follows on from the EMPLOYMENT and ADAPT Community Initiatives and builds on the lessons learned from these programmes. These include:

- ? improving mainstreaming by having thematic networking during the project's development and operational phase
- ? improving dissemination
- ? improving impact and co-ordination by delivering the programme through a smaller number of large projects, whilst ensuring the full participation of smaller organisations
- ? the need to have a separate project development stage
- ? the need to involve policy makers in the development of the programme

Chapter 1: The GB labour market

1.1 Introduction

This chapter assesses the GB labour market¹ and helps to identify priority areas for EQUAL funding. It gives:

- ? an overview of the general labour market situation in terms of employment, unemployment, economic activity rates, skills and performance
- ? an analysis of the labour market situation in terms of groups exposed to discrimination and inequality under the pillars of employability, entrepreneurship, adaptability and equal opportunities, and under the thematic field of asylum seekers.

1.2 General

Despite a backdrop of greater economic stability and a favourable overall labour market position, the picture hides a number of weaknesses.

1.2.1 General Economic Context

Over the last three decades the UK economy has exhibited high volatility in output and inflation. This has generated instability and has made it hard for individuals and firms to plan and invest; it has damaged the long-term growth of the UK economy.

Britain's economic performance has also been poor in comparison with other G7 countries. In each of the last two economic cycles, the UK had one of the highest average inflation rates and below average growth. Fluctuations in output and inflation were higher than elsewhere, and interest rates and fiscal deficits were almost twice as volatile as those in France, Germany and the US. The level of GDP per head in the UK is currently below that in all other G7 countries. Weak growth performance is not just due to instability. It also partly reflects under-investment: the UK's ratio of investment to GDP is low by both historical and international standards.

To address this instability, the UK Government has reformed the framework for macroeconomic policy and is working to promote sustainable development. The aim is to maintain high and stable levels of economic growth and employment, through the promotion of employment opportunities for all. Stability should help businesses and people to plan for the long term. It will also allow everyone to share high living standards and greater job opportunities and will promote inclusion rather than exclusion. Alongside the aim of high and stable levels of growth and employment sustainable development also means social progress that recognises the needs of everyone, whilst protecting the environment and making best use of natural resources.

Already there are signs that a stable macroeconomic framework is having an effect. Although economic cycles are still evident, the magnitude and volatility of the cycles has been reduced. We have not seen boom followed by bust, but more of a steady rate of growth. Since 1992 the UK economy has avoided periods of negative growth or recession. Indeed, this is quite a striking feature of the current economic cycle. Despite pessimistic forecasts and media

¹ Where available GB data has been used. When GB statistics have not been available UK data has been used.

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Department for Education and Employment (European Social Fund Unit)

coverage suggesting the UK economy would be in recession during the early part of 1999, growth has not only continued but accelerated. GDP growth on a year earlier slowed to 1.4% in 1999 quarter 1 before picking up again to reach 1.9% in quarter 3. Most forecasters expect growth of around 3% in 2000 with the economy continuing to grow in subsequent years.

This stability is even more evident if we look at inflation. Over the last six years or so inflation has been both lower and more stable than it has in the past. It is now two years since the Bank of England was handed responsibility for monetary policy - making decisions about interest rates - and was set an underlying inflation target of 2.5%. So far, the monetary policy committee has broadly met its inflation target - in October 2000 underlying inflation was 2.0%, down from 2.2% in September, and is forecast to remain on target for the foreseeable future. This contrasts with the experience of the early 1980s when inflation rose to over 20% and the early 1990s when it rose to almost 10%.

Achieving further success means building on the strengths of the UK labour market and tackling the weaknesses. While a stable macroeconomic environment is an essential precondition for employment opportunities, stability alone cannot guarantee these opportunities. There are other factors that are equally important.

The government is committed to the goal of high and stable levels of growth and employment. Its aim is employment opportunities for all - the modern definition of full employment. The government wants to ensure that there is work for those who can, whilst providing security for those who cannot. Employment is the best route out of poverty and hence opportunities for all are essential to break the inter-generational cycle of poverty and welfare dependence. Moreover, expanding the effective supply of labour will allow the economy to grow more rapidly without running into skills shortages and inflationary pressures.

Reform, to achieve high levels of labour market participation and hence employment, should focus on policies to re-integrate people outside or on the margins of the labour market (such as women, the young and older workers). In summer 2000, 74.7% of people of working age were in employment². There were around 36 million people of working age, of which 28 million were in employment, almost 1.59m were ILO unemployed and 7.64m were not available or looking for work (economically inactive). Of this total, 5.35m people did not want a job and 2.08m did want a job, but had not actively looked for one. The number of workless households and long term unemployed people remains at a relatively high level. Providing employment opportunities for all and helping people to take up those opportunities is the single most effective means of tackling poverty and social exclusion.

As well as providing employment opportunities there is an increasing need to improve the basic employability of the labour force and to maintain that employability on a long-term basis. Success, in what is becoming a knowledge driven economy, requires a skilled and motivated workforce. The basic skill level of the whole economy also needs to be raised to improve competitiveness and to overcome the risk of social exclusion for the unskilled. Britain is aiming to boost skills and competitiveness and to provide opportunities for the jobs that are essential to break individuals' cycles of poverty and dependence on welfare.

1.2.2 The Labour Market: Employment, Unemployment, Skills and Performance

² Working age refers to those aged 16-59 (women) and 16-64 (men)

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The current labour market position in the UK is favourable. Recent economic growth and low inflation has resulted in strong employment growth and a corresponding fall in unemployment. However, there are a number of weaknesses that remain.

1.2.2.1 Employment

GB employment continues to grow strongly. The Labour Force Survey (LFS) for July – September 2000 shows that employment was 27.3 million, up 309,000 on the previous year and more than half a million above its last peak in 1990. Employment is at record levels. The employment rate, as measured by the proportion of the working age population (age 16-59/64) in work, was 74.9%³, up from 74.3 % in the previous year, and second only to Denmark in the EU.

The growth in employment has been seen in both full-time and part-time jobs: since spring 1992 full-time employment has increased by almost 870,000, and part-time employment by 790,000. In the past year, however, most of the growth in employment has been full time employment (almost 90 per cent). Part-time employment currently accounts for a quarter of all employment, which is high relative to other EU countries.

There was a steady growth of temporary jobs in the UK in 1990-1997. Since then the number has fallen and is low relative to other EU countries. Temporary employment fell over the last year and so its proportion of all employees also fell to 6.9 per cent - a low proportion compared to other European countries. Self-employment, which grew rapidly during the 1980's, has experienced little growth during the 1990s, and currently accounts for around 11% of all in employment.

Over the last year, employment growth was concentrated in the service sectors, in particular in finance and business services and in transport and communications. Employment declined notably in manufacturing as well as in primary sectors.

Across the Great Britain, employment rates vary by country and within countries by gender. In October 2000 the employment rate in the GB as a whole was 74.9%, with regional disparities evident in the rate of 76.4 % for England, 73.3 % for Scotland and 69.7 % for Wales. This disparity is also evident when broken down by gender. Male employment rates are higher than female rates in each area. The male employment rate was 79.8 % in Great Britain with country disparities evident in the rate of 80.2% for England, 77.1 % for Scotland and 73.5 % for Wales. The female rate was 69.7 % in Great Britain, with country disparities evident in the rate of 70 % for England, 69.3 % for Scotland and 65.3 % for Wales.

However, problems remain. Despite an increase in the male employment rate (it now stands at 79.8%), it remains below past rates - as recently as 1990 the male employment rate was 82.1%, reflecting a general fall in male employment rates since the 1950s.

While the UK labour market - with over 70% of the working age population in work - compares favourably with other EU countries, the rate of employment is below the rates for Japan and the US.

1.2.2.2 Unemployment

³ The employment rate for 16-59/64 is 74%

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Another strength of the labour market is the relatively low rates of ILO and claimant unemployment. Unemployment is now at its lowest for nearly twenty years. For the first time since the 1960s unemployment peaked at a lower level in 1992 than the previous peak in 1986. Now unemployment has fallen below its previous trough and is at its lowest level since the early 1980s. ILO unemployment is currently 5.9% of the active labour force (or 1.7 m). This is 0.3 percentage points lower than a year ago, representing a reduction of 75,000 in the number of unemployed people. The current rate is almost one percentage point lower than it was in 1990 and is at its lowest rate since the early 1980s. Long-term unemployment is at its lowest level for nearly twenty years and over the past two years has fallen faster than total unemployment. Youth unemployment is the lowest for 25 years.

Claimant unemployment has been falling more rapidly than ILO unemployment, standing at 1.05 m (3.6 % of the workforce) in summer 2000, 153,000 lower than the previous year. IN Great Britain long-term claimant unemployment was 34,067 for 16-24 year olds (6 months) and 205,389 for 25 + (12 months) in October 2000. This is below the last peak in 1994, which in turn was below the previous peak, but is still well above the levels in the 1950s and 60s.

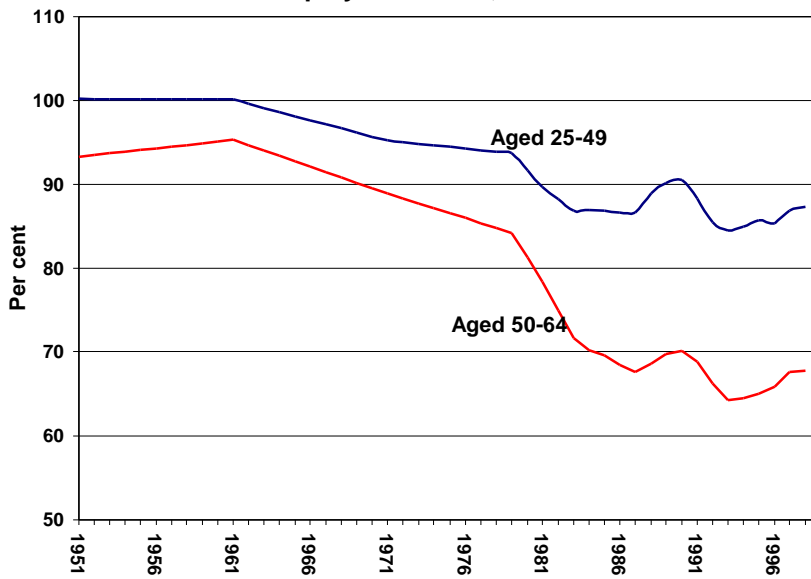
ILO unemployment varies by country. England fairs better than the GB average and Scotland has a higher unemployment rate than both England and Wales. In summer 2000 unemployment was 5.4% in Great Britain, with regional disparities again evident in the rate of 5.1% for England, 6.9% for Scotland and 6.5% for Wales. This trend is still evident when broken down by gender. The GB average male unemployment rate of 6.7% with underlying figures of 5.5% for England, 7.3% for Scotland and 7.3% Wales. A similar disparity exists for female unemployment rates although it is not as stark. The female rate is 4.9% for GB and 4.7% for England and 6.4% for Scotland and 5.4% for Wales.

However, there remain many areas of concern. Of the 1.5 million people currently unemployed using the ILO definition, almost 30% have been unemployed for one year or more. The unemployment rate for 18-24 year olds (10.8%) is almost twice as high as the unemployment rate for all those aged over 16 (5.9%). An area of particular concern is that of older workers. There are 18.4m people aged 50 and over in Great Britain. People aged 50 and over account for 24% of the working age population. Economic activity rates among older people in GB have been falling since the 1980s. 30% of those aged 25 to state pension age compared to 29% of those aged 16-24 are economically inactive. ILO unemployment rates for older people are lower than for younger ones: 4.4% for those aged 25 to state pension age compared with 11.8% for those aged 16 to 24.

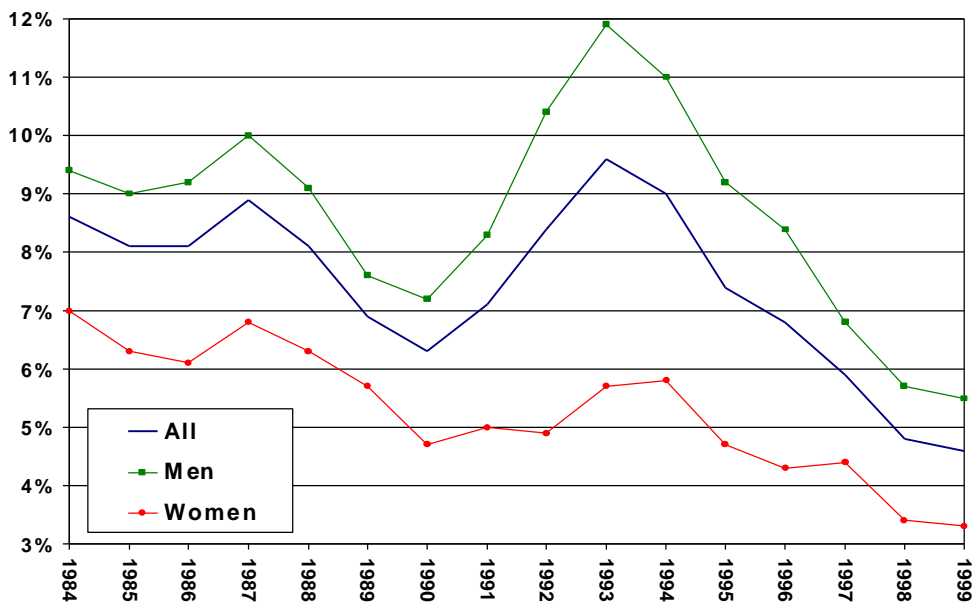
EMPLOYMENT RATE OF 50 TO 59/64 YEAR OLDS, GB (SPRING LFS)

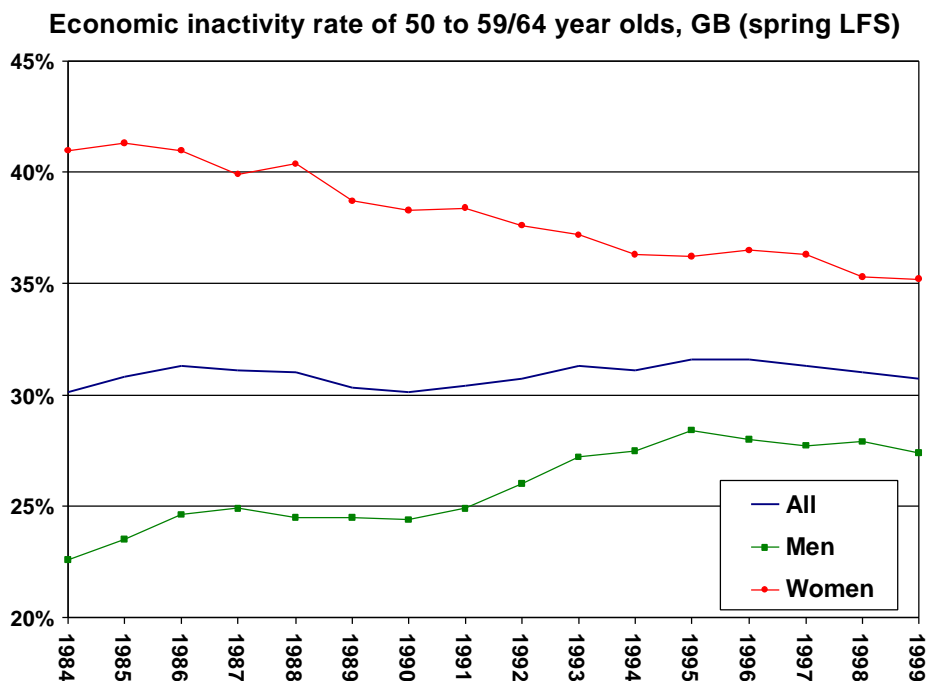
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Male employment rates, 1951-1998



ILO unemployment rate of 50 to 59/64 year olds, GB (spring LFS)





And although employment has been rising the concentrations of unemployment are now more extreme than in 1979. There are now, for example, more workless households. Since 1979, the proportion of working-age workless households has risen from around 1 in 10 to close to 1 in 5. Joblessness is now more concentrated amongst disadvantaged groups, particularly those on benefits.

As explained more fully in chapter 2, if EQUAL is to tackle disadvantage in the labour market, it is essential to focus on those groups which are most at risk of exclusion. One of the characteristics of disadvantage within Britain is the concentration of areas of deprivation, frequently cheek by jowl with relatively buoyant labour markets. EQUAL provides the opportunity to test out new ideas to resolve these intransigent problems.

1.2.2.3 Skills and Performance

Improving skills levels is critical to improving UK productivity and therefore growth and higher living standards for all. Globalisation and technological advances have brought change and reinforced further the need for improved skills. They have increased employment opportunities, but they have also shifted opportunities to those with skills and education. To meet the challenge of global competitiveness and to keep pace with rapidly advancing needs of technology, the economy needs more and better skilled people. In turn, this requires training that is flexible, innovative and responsive to the needs of business and employees. It is therefore vital that young people leave the formal education system with the basic skills needed by commerce and industry. But it is also vital that learning becomes a reality for all, throughout working life.

Access to education, prior to and during employment, is essential to improve the UK's competitive position and to maintain high employment rates and reduce the duration of unemployment. Investment is two part. An investment in initial education and training can help improve employment rates but the potential for raising the employment rate through raising skills levels across the labour force depends also on the availability of, and easier access to,

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education and training throughout working life. There is a need to improve the basic employability of the labour force and to maintain that employability on a long-term basis.

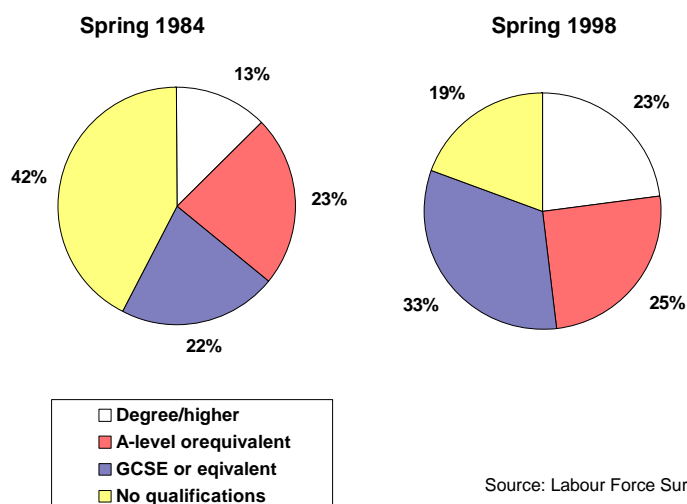
Standards of education and training have been rising in the UK. The population of working age is now much better qualified than it was as little as 10-15 years ago, as chart one below shows. The proportion of the workforce holding any qualification has risen substantially from 60% in 1985 to 87% in 1997. This is partly due to the enormous increase in the staying-on rate and the consequent fall in the proportion with no qualifications. It is, however, also due to the older generation with less schooling retiring from the labour force.

The proportion of 16 year olds gaining 5 or more GCSEs at grades A*-C is now 45% compared to under 35% in 1989/1990. Progress in the number of young people entering higher education has been even more dramatic with a doubling of numbers since 1979-almost one in three young people now goes into HE compared to one in eight in 1979.

Although the level of qualifications has increased substantially it was from a low base and standards in many respects are still behind European countries and the Pacific Rim. There remains much more to do. There are still around 18% of the population of working age with no qualifications and in 1997/98 over 6% of 16 year olds left school without any formal qualifications. A recent survey showed that between one in four and one in five adults in the UK have the lowest level of basic skills. Improving the qualifications and skills of the working age population is a priority. A recent report also suggested that at any one time 161,000 16-18 year olds - one in nine - are not in education, training or work. About 300,000 are in full time jobs without formal training. The success of the UK's education policies and their role in the welfare to work agenda will be central to increasing employment rates.

Chart One

QUALIFICATIONS OF GB WORKING AGE POPULATION



The level of qualifications varies across different groups. Men are more likely than women to have qualifications from higher education or to possess A-level or equivalent qualifications. Younger people tend to be better qualified than older people. The differences between men and women are much less marked for younger people than they are for older age groups. Economic activity rates tend to be higher among the better-qualified groups and unemployment rates tend to be lower among the better-qualified groups.

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Work force ageing also means that the UK will have to rely increasingly on mid- and late-career workers to meet emerging skill demands. This reinforces the importance of increasing skills amongst older workers. Improved job skills and access to training will be vital to increase the employability of older workers. The limited evidence available suggests older workers with adequate educational attainment and participation of on-the-job training appear to have good employment prospects.

The UK Government established in February 1998 a National Skills Taskforce, made up of representatives from industry, TECs and trade unions to help identify where the main skills gaps are and how they can be bridged. The final Task Force report, published in early 2000, takes full account of sectoral issues alongside local, regional and national dimensions (and thus require a much more strategic, active and consistently effective NTO network) and keep pace with changes in industry, commerce, and the public sector and the demands of a modern economy competing in a global market place. As part of its response the Government announced a £38 million package to improve the UK's skills for the millennium, which included the development of a regional skills strategy as well as a rapid response fund to re-train those involved in large-scale redundancies. A national IT strategy has been announced to encourage the wider use of computers.

In addition in early 2000 the government set out proposals to create a new framework for Post 16 learning in England in the white paper 'Learning to Succeed'. A key feature of this paper was the creation of a national Learning and Skills Council and local bodies to replace the Further Education Funding Council and the Training and Enterprise Councils. From April 2001 the LSC will be responsible for delivering all post 16 education and training (excluding higher education). It will have responsibility for: funding FE colleges; advising the Government on the National Learning Targets; funding government supported training and workforce development; providing information, guidance and advice to adults.

1.2.3 Conclusions

The UK labour market as a whole has both strengths and weaknesses. Its strengths are:

- ? strong employment growth to record levels of employment
- ? falling unemployment to its lowest level for nearly twenty years
- ? long term unemployment falling faster than overall unemployment, taking it to a new twenty year low
- ? youth unemployment is the lowest for a generation
- ? diverse employment opportunities
- ? dynamism; lots of jobs come up all the time and are quickly taken by the unemployed.

Its weaknesses are:

- ? falling male employment rates since the 1950s
- ? rising male inactivity rates over the recovery
- ? long term unemployment rate still high - 30% of ILO unemployed have been unemployed for one year or more
- ? youth unemployment rate still high - unemployment rate for 18-24 year olds is 12.2%, almost twice as high as overall rate
- ? increase in proportion of workless households to 17% of all households

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

- ? poor labour market opportunities for disadvantaged groups, particularly those on benefits
- ? high proportion of people without basic skills
- ? need to increase skills of older workers.

Ensuring that employment opportunities are spread more equally, that the concentration of unemployment amongst certain groups in society is reduced, that the perils of long term unemployment and inactivity are removed and that welfare dependency is reduced is essential in the drive to achieve a sustained and permanent increase in employment. Action to improve outcomes in addressing these weaknesses as a whole is being taken forward under UK Government Policy and the mainstream Structural Funds.

Funding under the EQUAL programme will also contribute towards addressing these problems by promoting and testing new ways of combating the discrimination and inequalities faced by those groups most disadvantaged in the labour market. These include women, ethnic minorities, people with disabilities, older workers, refugees, ex-offenders, drugs and alcohol misusers and asylum seekers. The following section looks at the labour market disadvantages faced by these groups in terms of the nine thematic fields.

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

1.3 Labour Market Analysis in terms of discrimination and inequalities

Section 1.2 provides an overview of the labour market. The analysis has been broken down according to theme, examining the relative position of groups that are disadvantaged in the labour market.

1.3.1 Theme A: Facilitating access and return to the labour market for those who have difficulty in being integrated or reintegrated into a labour market which must be open to all

Whilst the labour market is relatively buoyant, as described in the previous section, opportunities in terms of accessing the labour market are unequal. There is a high concentration of unemployment in certain deprived areas, as identified in the Social Exclusion Unit's Policy Action Team report on Jobs. Rates of employment and unemployment vary widely from area to area. The disparities are greater between local areas within regions than between regions themselves. This can mean that there are pockets of deprivation within relatively prosperous areas.

In addition to indications of geographical inequality certain groups face further disadvantage in the labour market. These groups include:

- ? Women, especially those with caring responsibilities
- ? Ethnic minorities
- ? Disabled people
- ? Older workers
- ? Refugees
- ? Drugs (and alcohol) misusers
- ? Ex-offenders and
- ? the Homeless

The following section looks at degrees of unemployment and inactivity, and levels of discrimination among target groups.

1.3.1.1 Unemployment and inactivity

There are higher levels of unemployment and inactivity across all the target groups (excluding women without dependents), although figures are not the same between or within groups.

Gender

Looking at the example of women we can see that while 48% of the working age population are women, only 44% of the employed are women and 61% of the inactive are women. Although employment among women is broadly comparable with total employment, inactivity among women is much higher than among men. Women therefore may still be facing difficulty in entering the labour market, particularly in respect of family and child rearing commitments. Further analysis from the LFS (Spring 2000) shows that:

- ? for women in a relationship with dependent children 0-4 years the employment rate is 59%
- ? lone mothers (with dependent children) have the lowest employment rate, of 47%.

As family and child rearing responsibilities fall disproportionately on women and as the vast majority of lone parents are women, there is scope for significant improvements to the

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

efficiency of the labour market through improving the access for women.

Ethnic Minorities

As regards ethnic minorities - who make up 6.7% of the population of Great Britain and account for 6.6% of all people of working age (some 2.3 million people) - there is a clear pattern of continuous underachievement for certain groups which starts in early education, continues through further and higher education, and persists in the labour market. In terms of economic activity, working age ethnic minority people (66%) are on the whole less likely than white people (80%) to be economically active, although Black Caribbean and Other Black people are more involved in the labour market than other minorities.⁴ For example, only about half of Bangladeshi and Pakistani adults of working age are economically active⁵, a finding that implies severe economic deprivation for these groups, with poverty rates four times those of whites.⁶

Rates of employment among ethnic minority people are lower than among white people – 67% compared to 82%. There is considerable variation within ethnic minorities, with Indian and Black men having the highest employment rates, and Pakistani/Bangladeshi, the lowest.⁷ Unemployment rates for ethnic minority people in Great Britain are twice those for white people, 13% compared with 5.8% (14% and 6% for males, 12% and 5% for females). In particular, unemployment rates among Black Other and Bangladeshi men are three times as high as for white men (22% and 21% respectively compared to 6%). Among women, Pakistani and Black African women have unemployment rates four times as high as white women (20% and 18% unemployment rates respectively compared to 5% among white women).⁸ Rates are higher, but comparisons similar, for the younger age group: young people from ethnic minorities were, on average, twice as likely (24%) to be unemployed as whites (12%), increasing to 26% for young black people.⁹ A table showing the economic status of groups by ethnic origin and sex can be found at Annex A.

Disabled people

There are around 6.6 million disabled people in Great Britain accounting for nearly a fifth of the working-age population. The level of disability increases with age: in Great Britain, 9 per cent of men and women aged 16-17 have a current long-term disability, compared with 34% of those aged 50 to state pension age. In addition, Pakistani/Bangladesh people and older people from ethnic minorities more generally have higher disability rates than other groups. Over the past year, the number of disabled people in employment has increased by 4% to over 3 million compared to an increase of 1% among non-disabled people. This may be due to greater awareness among employed people of their disability - possibly as a result of increased awareness of their employment rights - and/or an actual increase in the number of disabled people moving into work.¹⁰

Disabled people are almost only half as likely as non-disabled to be in employment: the employment rate of those with disabilities stands at 47 per cent, compared with 81 per cent for non-disabled people. 3.1 million disabled people are in employment (12 % of all people in employment) and are more likely to work part-time or be self-employed.¹¹ ILO unemployment

⁴ Labour Force Survey, average Summer 1998 - Spring 1999

⁵ LFS, average Summer 1998 - Spring 1999

⁶ The Incomes of Ethnic Minorities. Berthoud, R. Institute for Social and Economic Research, ISRE Report 98-1, 1998

⁷ LFS, Summer 2000

⁸ LFS, average Spring 1999 - Winter 1999/2000

⁹ Ibid

¹⁰ LFS, Spring 1999 and Spring 2000

¹¹ LFS, Summer 2000

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

rates for long-term disabled people are twice as high as those for non-disabled people, 9.4% compared with 5.0%. Their likelihood to be long-term unemployed is also higher.¹²

In terms of levels of inactivity 48% of people with long-term disabilities are inactive—compared to 15% of people without a disability.¹³ This indicates that disabled people are still facing significant barriers to entering the labour market.

There are regional variations in the incidence of disability, which may to some extent be due to differences in the age profile of the local population. Higher than average proportions of disabled people are found in the North East and in Wales and lower ones in the South East of England and Outer London. Disabled people are over six times as likely as non-disabled people to be out of work and claiming benefits. There are over 2.6 million disabled people out of work and on benefits; over a million of them want to work. However, many would not be able to start work straightaway, mainly due to health reasons. They are also more likely to receive in-work benefits. Disabled people are more than twice as likely as non-disabled people to have no qualifications. When employed, they are more likely to work part-time or be self-employed.

Older workers

There are 18.4 million people aged 50 and over in Great Britain, accounting for 24% of the working age population.¹⁴ Unemployment and employment rates vary considerably by age group. Amongst older male workers (those aged 50-64 years) the change is striking - employment rates have fallen from around 95% in the 1950s/1960s to around 69% now - if 1951 rates were to be reproduced today then there would be around one million more men aged 50-64 in employment. For women the picture is masked by the large-scale increase in female labour force participation over the post war period. So although employment rates for older females did not fall, the rise amongst the pre-retirement age was much more subdued compared to other age groups.

Economic activity rates among older people in the GB have been falling since the 1980s. Currently, 30% of those aged 50 to state pension age are economically inactive, compared to 15% of 'prime aged workers' aged 25-49. ILO unemployment rates for older people are lower than for younger ones: 4.4% for those aged 50 to state pension age compared with 11.8% for those aged 16 to 24. But if they lose their job older people are much more likely to become long-term unemployed: 42% of all unemployed people aged 50 to state pension age have been unemployed for a year or more compared with 32% of the unemployed aged 25 to 49 and 15% of those aged 16 to 24.

Refugees

It is estimated that there are 345,000 refugees and asylum seekers in England, particularly concentrated in the Greater London area. Unemployment is higher among the refugee group - estimates vary, although the Refugee Council estimated that 70% of refugees in London were unemployed.

Ex-offenders

Ex-offenders have significantly poorer prospects in the UK labour market than the general population. Wider availability of conviction information, from 2001, is likely to further depress their prospects. As ex-offenders are not required to tell the Employment Service about their criminal record, official unemployment figures for ex-offenders are difficult to obtain. The figure generally relied upon is provided by the Association of Chief Officers of Probation

¹² Ibid

¹³ Labour Force Survey, summer 2000

¹⁴ LFS, Winter 1999/2000

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

(ACOP), which suggests that about 55% of offenders are unemployed (compared to about 6.4% of the general population.) Evidence suggests that ex-offenders are probably twice as likely to be long term unemployed as unemployed people as a whole. There is also evidence to suggest that the rate at which ex-offenders move into employment is significantly lower. Ex-offenders often have a range of interconnected problems such as poor basic skills, low self esteem, behavioural or health problems that will further reduce their employability. An idea of the scale of the problem can be found at Annex B.

The homeless

For the homeless it is also difficult to enter the labour market. Even if homeless people do manage to find a job, the impermanence of their lifestyle can make it almost impossible to retain it. One survey showed that state benefits were the most common source of income for homeless people (79%) and that other sources provide income for only small proportions of the single homeless population (wages/salary 9%). Homeless young people are one of the most disadvantaged groups in the labour market. Their problems include low skills, lack of job readiness and inadequate information on suitable employment and again when they do find jobs there can be problems with sustaining employment.

Drugs and alcohol misusers

Figures from the Department of Health regional drugs misuse database show that an estimated 80% of drug and alcohol misusers are unemployed. Many drug and alcohol misusers suffer from increased labour market disadvantage due to problems such as poor health, a chaotic lifestyle and/or a criminal record. The Employment Service is currently undertaking a survey into the opinions of personal advisers to ascertain the degree to which drugs misuse is a labour market barrier.

1.3.1.2 Discrimination

Unfair discrimination has been identified as a significant barrier to work for many of the target groups mentioned. For example, 20% of employees ages 50-69 feel that they have experienced age discrimination in relation to an actual or possible job despite the fact that very few British employers acknowledge that age discrimination occurs in any of their personnel policies including recruitment, training & development, redundancy and retirement. The main form of discrimination referred to was in relation to obtaining an interview or getting a new job. Of these 20%, one in eight report that they have experienced age discrimination in one or both of these areas. Although the number of people over 50 in work has risen by 2.4 per cent - 131,000 people - in the year 2000 78 per cent of unemployed people in that age group felt their age counted against them when looking for work.¹⁵

In addition, despite greater awareness of disability issues, there is evidence of persisting discrimination against disabled people. For example, one in six (16%) disabled people who are or have been economically active say that they have experienced discrimination or unfair treatment in a work related context.¹⁶

As regards the situation for refugees, small-scale research indicates that the longer refugees have been in the country, the more likely it is that they would specify discrimination as a barrier to employment.

¹⁵ Evaluation of the code of practice on age diversity in employment, interim summary of results for wave 2. Jones, D. DfEE Research Brief RBX 6/00

¹⁶ Employment of Disabled People, Assessing the Extent of Participation. Meager, Bates, Dench, Honey and Williams (1998), DfEE Research Report 69

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

However there is no firm evidence of discrimination on the grounds of sexual orientation or religion/belief.

Details of discrimination against ethnic minorities is mentioned under Theme B.

1.3.2 Theme B: Combating racism and xenophobia in relation to the labour market

People from minority ethnic groups are more than twice as likely to be unemployed than white people and are less likely to reach senior positions at work. The unemployment rate for minority ethnic men is more than twice as high as that for white men - and for minority ethnic women, 2.5 times higher than for white women. Differentials are even greater among certain groups. In particular, unemployment rates among Black Other and Bangladeshi men are three times as high as for white men (22% and 21% respectively compared to 6%). Among women, Pakistani and Black African women have unemployment rates four times as high as white women (20% and 18% unemployment rates respectively compared to 5% among white women).

There are also clear age-related differences between ethnic groups. Among all ethnic groups, economic activity rates are highest for people aged 25 to 44, but lower among the younger and older age groups. Among young people, differences in activity rates reflect participation in full-time further education, and therefore whites, Black Caribbeans and Black Others have greatest involvement in the labour market. For people aged 45 to retirement age, low activity is likely to be due to the effects of early retirement, loss of industrial jobs and age discrimination, although in the case of older Pakistani and Bangladeshi men, nearly 70% of those who are inactive have a work-limiting disability compared to some 40% of inactive men in this age group nationally.

There is evidence to suggest that people of minority ethnic backgrounds experience greater difficulty in finding and sustaining employment. For example, research on the Jobseekers Allowance has shown that ethnic minority claimants, despite being better qualified than other claimants had a median length of unemployment twice that for whites (eight months c.f. 4 months). Of those who had moved into work, their average spell of employment was two months shorter (14 months) than for other claimants (16 months).¹⁷ There are many possible causes of this difference. However, after allowing for differences in personal characteristics such as age, educational attainment, immigrant status, work experience and broad region of residence, large differences in unemployment rates between white and ethnic minority men remain. This means discrimination by employers cannot be ruled out as a key factor.¹⁸

Research also suggests that 19% of ethnic minorities believe that they have personally been refused a job for racial or religious reasons: the rate is highest for Black Caribbeans (28%) and lowest for people of Pakistani/Bangladeshi (5%) and Chinese (7%) origin.¹⁹ 75% of those reporting such discrimination felt that it had happened to them more than once. Objective tests on the experience of otherwise identical job applicants from different ethnic groups have suggested that around a third of white people are likely to show discriminatory behaviour in recruitment, a proportion which has remained stable since the late 1960s. But there has been a marked increase (of at least a fifth) since the 1980s in the proportions of both White and ethnic minority people who believe that some employers discriminate. Moreover people of all

¹⁷ Unemployment and Job Seeking: Specific groups and their experiences DfEE RR 102-106, February 1999.

¹⁸ White/ethnic minority earnings and employment differentials in Britain: Evidence from the LFS, Blackaby et al. University of Wales and Manchester Metropolitan University, 1998

¹⁹ Ethnic Minorities in Britain: diversity and disadvantage. Modood, T. et al. Policy Studies Institute, 1997

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

ethnic origins, including Whites, feel that Asians and/or Muslims are the groups most likely to be the victims of racial or religious discrimination.²⁰

1.3.3 Theme C: Opening up the business creation process to all by providing the tools required for setting up in business and for the identification and exploitation of new possibilities for creating employment in urban and rural areas; & Theme D: Strengthening the social economy, in particular the services of interest to the community, with a focus on improving the quality of jobs.

1.3.3.1 Self-employment rates

Both employees and the number of self-employed reached a peak in 1990 having increased through the 1980s. Between 1979 and 1990 self-employment actually increased faster than total employment but since the recession of the early 1990s it has fallen. After falling in the early 1990s, then rising in more recent years, the number of employees has since increased above the 1990 peak. The number of self-employed, however, was lower than in 1990 at 3.2 million. Self-employment now accounts for 11.5 per cent of all in employment. Men account for 74 per cent of the self-employed, slightly lower than the 76 per cent in 1990.

Gender

There are significant differences between the numbers of men and women in self-employment. In 1999, 3.2 million people were self-employed, three-quarters of whom were men and a quarter women.²¹ In autumn 1999 there were around 835,000 self-employed females in the UK. This figure represents around 6 per cent of all economically active females. However, in males self-employment represents over 14 per cent of those who are economically active.²²

Also, amongst the self-employed there is evidence of gender segregation. Just as male and female employees are concentrated in different industries so are the self-employed. One in four self-employed women in the UK work in public administration, education and health compared with one in 20 men. Conversely, one in four self-employed men work in construction compared with around one in 50 women.²³

Ethnic Minorities

Estimations show that ethnic minority business represents almost 7 per cent of small business stock. While ethnic minorities make up 6.6 per cent of the UK population, they contributed to 9 per cent of start-ups in 1997.²⁴ The percentage in self-employment is highest for men from the South Asian ethnic groups, in particular 25% for Pakistanis, but lower than average for men from Black ethnic groups (12%) and White men (15%)²⁵

Disabled people

Disabled people, when employed, are more likely to work part-time or be self-employed. Of the 26.3 million working age adults in employment, 12% have a long-term disability, while of the 3.1 million working age adults who are self-employed, 15% have a long-term disability.²⁶

²⁰ Ibid

²¹ Women and Men in the UK: facts and figures 2000, Cabinet Office, Women's Unit

²² Labour Force Survey, February 2000

²³ Women and Men in the UK: facts and figures 2000, Cabinet Office, Women's Unit

²⁴ Bank of England, The financing of Ethnic Minority Firms in the United Kingdom, May 1999

²⁵ LFS, average Spring 1999 - Winter 1999/2000

²⁶ Labour Force Survey, Spring 2000

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

Older workers

Older workers are more likely to be self employed compared to their younger counter-parts.²⁷ 25% of those in employment above state pension age and 17% of those aged 50 to SPA are self employed compared to 11% of those aged 25 to 49 and 2% of those aged 16 to 24.

1.3.3.2 Discrimination

There is evidence that certain groups are disadvantaged when it comes to setting up in business. For example,

- ? 7 out of 10 of all entrepreneurs believe that women are discriminated against in business.²⁸
- ? 68% of all entrepreneurs believe that women face more problems than men do when starting up in business. These include "the burden of family responsibilities" and not being taken seriously by colleagues.²⁹
- ? 46% of Black businesses and 29% of Asian small businesses say they have experienced discrimination in some form.³⁰
- ? 35% of young entrepreneurs (18-24 year olds) say they are not taken seriously by their colleagues and 21% say they feel discriminated against by suppliers and customers. Only 4% of entrepreneurs aged 50 and over say they felt the same discrimination.³¹

1.3.3.3 Community services

It is recognised that work needs to be done to increase awareness of the important role of the social economy in encouraging labour market integration. For example, 74% of Black and 86% of Asian small businesses say they never use the services of business support organisations.³² Moreover, when applying for a bank loan 38.9% of Afro-Caribbean applicants said they came up against problems in obtaining bank loans. The figure was 29% for Asians and 21% for whites.³³

1.3.4 Theme E Promoting lifelong learning and inclusive work practices which encourage the recruitment and retention of those suffering discrimination and inequality in connection with the labour market.

1.3.4.1 Flexible working practices

The UK labour market is extremely diverse in terms of the working arrangements it supports. The concept of a 'standard' job - with permanent employee status on a full-time, 9-to-5, Monday to Friday basis - probably holds less currency in the UK than anywhere else in Europe. A few figures illustrate this: 25% of UK employees work part-time. The EU average is 16%.³⁴

The 1998 Workplace Employment Relations Survey asked employers whether they offered a specific range of flexible working practices including: varying start and finish times; switching from full to part time work; term time and home working. In total, 60% of managers in workplaces with 25 or more employees said they offered at least one of these practices, the most common being the ability to switch from full to part-time work, mentioned by 52% of

²⁷ Labour Force Survey, Winter 1999/2000

²⁸ Barclays Review, Women in Business, December 1996

²⁹ Ibid

³⁰ Barclays Review, Cultural Change and the Small Firm, February 1997

³¹ Barclays Small Business Review, Third Age Entrepreneurs, November 1998

³² Barclays Review, Cultural Change and the Small Firm, February 1997

³³ Ethnic Minorities and Small Business, ESRC

³⁴ IDS Report, 430

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

managers. In general, small businesses (25-99 employees) were less likely to have formal flexible working practices in place. None had a list of four such practices in place, compared with a figure of less than 40% in larger workplaces. Most of these forms of flexible working patterns are more common for women than for men and a recent Women's Unit study found that women regarded the availability of flexible working practices as one of their priorities.

1.3.4.2 Work/life balance

Gender

For women, a major issue affecting participation in the labour market is working hours. While men are overwhelmingly concentrated in full time work, large numbers of women work part time. In 1998, 93% of male employees worked full time compared with only 57% of women. Thus 83% of part time employees were women.³⁵ Whilst the vast majority of women in employment do not want to work longer hours, some working patterns may be symptomatic of the restricted working opportunities and access that women face.

The obvious issue that is of particular relevance in women's restricted access to work and returning to work is maternity leave. Many women do not return to work after having a child. Of those who do return to work, after previously being in full time employment, many take up part time work. Research shows that:

- ? among women working full time before having their first child, 35% returned to full time and 42% to part time work before the child's second birthday
- ? of those returning to full time work over 70% went back before their child's first birthday
- ? half of those returning part time went back before the child turned one
- ? of those returning to work full time around one quarter had left or switched to part time employment one year later and over one third had left full time work within three years
- ? over half those quitting full time work switched to part time employment.

In general women do not return to the same job after periods of maternity leave. Even where they return to the same employer they may take a lower level job, either due to the loss of working experience or due to continuing family responsibilities which prevent them from maintaining the same level of commitment in terms of working hours.³⁶

1.3.4.3 Skills and training

Gender

Evidence from the Labour Force Survey suggests that women are slightly more likely than men to receive job related training. In 1996, 15.8% of women employees received job-related training during the last four weeks (at time of interview) while 14.2% of male employees received job-related training.³⁷ However, there are wide variations in the incidence of training between different occupations and also in relation to different skill levels.

³⁵ Women and men in Britain: The Labour Market. Equal Opportunities Commission (2000)

³⁶ The Employment Experience of Women Returning to Work after Childbirth - S. Harkness, January 2000

³⁷ Separate Tables: Statistics on women and men in education, training and employment, Department for Education and Employment (1997)

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

In 1996, proportionally more women received training than men, but only in three occupations: managers and administrators; professional; and associate professional and technical. In all other groups (such as clerical and secretarial, craft and related, personal and protective services, etc) proportionally more men received training compared to women.³⁸ Also, data from the Winter 1999/2000 LFS shows that men are more likely to attend training paid for by their employer than women. Men fare better with employers paying for 68.1% of their training as against 58.6% for women. More women trainees have their training paid for either by themselves, their family or relatives with 16.8% being funded this way as against 12.7% for men trainees.³⁹ Where women are paying for their own training, greater access and subsidised training opportunities may encourage them to stay in work and pursue long-term careers, particularly in those occupations where they receive limited training.

More generally, women employees are still under-represented in higher-level jobs. Although the proportion of women employees who were managers and administrators increased from 30% to 33% between 1991 and 1999, in 1999 almost twice as many men as women were managers and administrators. Also, even though the proportion of female directors has increased since the mid 1970s, in 1998 women still comprised fewer than one in 20 directors (4%).⁴⁰ This would indicate that retention and training of women employees may have improved but much more improvement is needed if a significant number of women are to achieve the same levels of success as equivalently skilled men.

Ethnic Minorities

Ethnic minorities have fewer qualifications than their non-ethnic minority counterparts; 21% of ethnic minorities had no qualifications compared with only 17% for white people.⁴¹ Outcomes for ethnic minority people on Work Based Training for Young People are lower than for whites. Bangladeshi (37%), Black African (37%) and Pakistani (39%) young people on Other Training (OT) are least likely to be in employment compared to 63% of white participants.⁴²

Ethnic minority people on Modern Apprenticeships (MA) are more successful in getting jobs than those on other training, but are still less likely than whites to be in employment after training. For example 70% of Black young people and 73% of Asians are in employment compared to 84% of white MA leavers. Also, ethnic minority adults are more likely than the younger generation to be engaged in government-supported training, representing 18% of all participants on Work Based Learning for adults.⁴³

Regarding the New Deal all ethnic minority groups have lower rates of entry into jobs through the New Deal than White clients. Early evidence from New Deal for Young People shows that a lower proportion of ethnic minority people than whites move into sustained unsubsidised or subsidised employment (25% compared to 33% of whites)⁴⁴ and a higher proportion into education and training (59% compared to 44% of whites)⁴⁵, despite being better qualified.

³⁸ Ibid

³⁹ Labour market Quarterly Report UK, May 2000, Department for Education and Employment

⁴⁰ Women and Men in the UK: facts and figures 2000, Cabinet Office, Women's Unit

⁴¹ Labour Force Survey, average spring quarters, 1997-1999.

⁴² DfEE training database for TEC data on government supported training: work-based training for young people and work-based learning for adults - England and Wales, 30th September 1999

⁴³ Ibid

⁴⁴ 18-24 New Deal data from the New Deal Evaluation Database, January 1998 - September 1999.

Percentage refer to the proportion of people who have started New Deal who have gone on to find sustained employment

⁴⁵ DfEE Statistical First Release 36/1999 'New Deal for young people and long-term unemployed people aged 25+: statistics', 2 December 1999. Percentages refer to the proportion of people who have taken up a Gateway option who have chosen the education and training option

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

Qualification levels also vary between ethnic groups.⁴⁶ At the lower spectrum, 52% of Bangladeshi women and 39% of Bangladeshi men have no qualification. This goes some way to explaining these groups' difficulties in securing employment and their concentration in low pay jobs. By and large, better qualified ethnic groups are also those that are successful in the labour market, such as Chinese and Indians, however Black African men and women are the exception. Despite being extremely well qualified, Black African men and women experience extremely high levels of unemployment (for men, more than twice the rate for white men and for women, more than three times that of white women.)

Disabled people

Disabled people have fewer qualifications than their non-disabled counterparts and are more than twice as likely as non-disabled people to have no formal qualifications, 30% compared to 13%.⁴⁷ This may appear to be due to the different age profiles of the two populations but even when comparing the same age group (50-59) a similar difference emerges.

Older workers

Older people have fewer qualifications than their younger counterparts.⁴⁸ 28% of those aged 50 to state pension age have no formal qualifications compared to 13% of those aged 25 to 49. The National Audit Learning Survey 1997 also found that people aged 50-59 were half as likely as people aged 20-39 to have undertaken taught learning connected with their current job. Research shows that turnover among older workers tends to be lower than amongst younger ones. The increasing pace of technological change means that skills need to be updated every few years. On this basis, investment in the training and development of older workers can be as worthwhile as investing in that of younger workers.

In the 1980's and the early 1990's, many organisations, faced with the need to reduce the size of their workforce, used age as an easy to apply criterion for selecting people for redundancy. Subsequently, they discovered that key skills, knowledge, information and corporate memory were lost from the organisation. Also, employers have found that these same skills have been similarly lost as a result of their retirement policies. This can be reduced by using more flexible retirement schemes, including practising a form of gradual retirement to cover the transition from full time work to retirement. The latter represents a means of reducing capacity without losing the people concerned or the qualities, know how and expertise they bring to the business. It can also provide a means of passing on skills and experience from older to younger workers.

1.3.5 Theme F: Supporting the adaptability of firms and employees to structural economic change and the use of information technology and other new technologies

1.3.5.1 Flexible working practices

Analysis relating to flexible working practices is included in section 1.3.3.1, under Theme E.

1.3.5.2 Information and Computer Technology

Gender

One of the growing areas of the economy is information and computer technology (ICT), which presents particular training needs where women are already falling behind. Women are under-represented in all ICT sectors; of all ICT employees, only 26% were female full time

⁴⁶ Labour Force Survey, average Spring 1998 - Winter 1998/1999

⁴⁷ LFS, Spring 2000

⁴⁸ LFS, Winter 1999/2000

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

workers, compared with 66% being male full time workers. Women are particularly under-represented in software and computer engineering jobs. 27% of trainee programmers are women and only 8% of principal programmers. 7% of heads of IT departments are women.⁴⁹ This could be due to a range of factors including discrimination on the part of employers as well as a lack of IT related training or qualifications among women and to some extent self-selection if women do not apply for these jobs. Therefore, in addition to training needs there is also a need to promote the IT sector as a positive work environment for women, in order to counter any 'male only' perceptions that may already be prevailing.

1.3.6 Theme G: Reconciling family and professional life, as well as the re-integration of men and women who have left the labour market, by developing more flexible and effective forms of work organisation and support services.

Analysis relating to work/life balance has been included in section 1.3.3, under Theme E. Analysis relating to issues of re-integration is included in section 1.3.1 under Theme A.

1.3.7 Theme H: Reducing gender gaps and supporting job desegregation

1.3.7.1 Equal Pay

Gender

Legislation to ensure that men and women receive equal pay for equal jobs has been in existence in the UK since 1970. In the UK, the Equal Pay Act 1970 (as amended) provides for equal pay between men and women working for the same employer and undertaking like work, work rated as equivalent or work of equal value. In Europe, the Equal Pay Directive 1975 aims to align the laws of Member States relating to the application of the principle of equal pay for men and women (PRISM). Since the Equal Pay Act 1970, there has been steady progress in narrowing the gap between the relative pay of men and women. When the Act was introduced women's average hourly full-time earnings were 63% of men's. The New Earnings Survey showed rises ten years in a row until 1997 when women's full-time hourly earnings stood at 80.2% of men's. Current data from the New Earnings Survey shows that women's average hourly earnings, excluding overtime, as recorded in April 1999, were 80.9% of men's.⁵⁰

Women make up 51% of the population and 45% of the UK's workforce. That means that 13.03 million women are economically active. The trend is set to continue with projections suggesting that by 2011 there will be 1.7 million more jobs in the economy of which 1.3 million will be occupied by women. The pay gap means that the average woman earns 19% less than the average man for an hour, when both are in full time work. The gap is part of a slowly narrowing trend: over the last ten years women's earnings in real terms have risen by 24% whereas men's have risen by 14%. Moreover manual workers have seen a 7% pay rise and non-manual workers a 17% rise. This kind of trend tends to favour women. Unfortunately the gap widens for weekly and annual earnings. This reflects the fact that men work on average 3.9 hours more per week than women, including 1.9 hours more overtime. Women also tend to stay a shorter time in jobs, thus reducing their progression and promotion chances.

⁴⁹ Women and Men in the UK: facts and figures 2000, Cabinet Office, Women's Unit

⁵⁰ New Earnings Survey, 1999

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

Among reasons for unequal pay, research has highlighted the role of gender segregation in employment; the different patterns of working among women and men, discrimination within payment systems, the under-valuation of women's jobs and other factors.⁵¹

Focusing on gender segregation, we know that women are highly concentrated in certain sectors of the economy doing a narrow range of jobs, usually at the lower end of the occupational hierarchy and especially if their job is part time. For example, In 1999, women in the UK outnumbered men in clerical and secretarial (26% of women, 8% of men); personal and protective services such as hairdressing, cleaning and catering (17% compared with 8%) and selling (12% compared with 6%). And over a half of all employed women worked in these three occupations.⁵²

Furthermore, a recent report looking at women's incomes over the lifetime shows that the gap between men's and women's pay in full time jobs has narrowed, partly due to more equal education and experience, and partly due to a falling gender penalty - more equal rates of remuneration for a given characteristic. The report concludes that in 1980 the pure gender penalty lowered married women's pay in full time work by 16%, in 1994 by 8%.⁵³ The report also showed striking differences in women's lifetime earnings by qualification level (using a simulation model). Childless women were estimated to earn £518,000 over the entire lifetime if they have no qualifications, £650,000 if mid-skilled and nearly double, £1,190,000, if graduates. (*Rake, 1999.*)

Ethnic minorities

Regarding income and earnings for ethnic minorities Pakistani/Bangladeshi men and women have the lowest full-time hourly rates of pay in Great Britain (£6.56 per hour for men and £6.15 per hour for women). In contrast, men from mixed-other backgrounds and white men earn the most at over £9.00 per hour.⁵⁴ Bangladeshis and Pakistanis are the poorest groups, with 60% living in low-income households. Among working couples, 40% of Bangladeshis and Pakistanis with children receive some means-tested support compared to 8% of whites.⁵⁵

Disabled people

The average gross hourly wage for people with long-term disabilities is £7.70 compared to £8.82 for people without disabilities.⁵⁶ According to the LFS the disabled/non-disabled earnings difference for women is 17%, while for men it is larger at 21%.⁵⁷ Differences in earnings may be accounted for by disabled people in employment being more likely to work in manual and lower skilled occupations. However the most important characteristic in accounting for differences in earnings is considered to be the level of education.

1.3.7.2 Industry and occupational distribution

Gender

In 1995 60% of British women worked in ten "feminised" occupations. These are: sales assistants; cleaners / domestics; secretaries / personal assistants; clerks; wages / accounts

⁵¹ Women and men in Britain: Pay and Income, Equal Opportunities Commission, 1999

⁵² Women and Men in the UK: facts and figures 2000, Cabinet Office, Women's Unit

⁵³ Women's Incomes over the Lifetime, A report to the Women's Unit, Cabinet Office, Rake, K. - editor 1999

⁵⁴ Labour Force Survey, average Spring 1999 - Winter 1999/2000

⁵⁵ The Incomes of Ethnic Minorities. Berthoud, R. Institute for Social and Economic Research, ISRE Report 98-1, 1998

⁵⁶ LFS, Spring 2000

⁵⁷ Earnings and Employment Opportunities of Disabled People. Blackaby, Clark, Drinkwater, Leslie, Murphy and O'Leary, 1999, DfEE Research Report 133

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

clerks; nurses; care assistants; primary / nursery teachers; cashiers / counter clerks; retail cash desk operators. In these occupations 80% of workers are women, and 55% work part time compared to a UK average of 44%. Full time women in these occupations earn 78% of men's wages, whereas women working outside them earn 92% of men's wages. (For part timers the ratios are 57% and 68%.) Even though 53% of first degree graduates are women, young men are more likely to study physics, chemistry, computer studies and economics, whilst women are more likely to study social sciences, home economics and arts subjects.

Ethnic Minorities

Ethnic minority men and women are not represented proportionately in all industries. Also, some sectors are more susceptible to variations in demand for employees. In general, men from ethnic minority groups are more likely to work in the service sector than White men (76% and 59% respectively). Bangladeshi and Chinese men in work are still highly concentrated in the distribution sector (which includes restaurants).⁵⁸ Public sector services are a particularly important source of work for some ethnic minority women. 55% of Black-Caribbean women and 47% of Black-African women work in this sector.⁵⁹ Men from ethnic minority groups as a whole are less likely than White men to be in high status or skilled manual occupations, and are more likely to be semi-skilled manual workers. However, a higher than average percentage of Indian, Chinese, Other-Asian men are managers and administrators, or professionals. Black-African men are also more likely than average to be in associate professional occupations (*Labour Force Survey, average Spring quarters 1997, 1998, 1999*)

1.3.8 Theme I Helping the integration of asylum seekers

It is not appropriate or possible to provide a true labour market assessment for asylum seekers as they are, in most cases, not entitled to work in the UK until a positive decision is taken and they are recognised as a refugee. In addition, EQUAL is intended to provide support for a wider group than those classified as Asylum seekers in the UK. The European Commission EQUAL guidance on Asylum seekers specifies the following categories:

? *Those whose application for asylum is under consideration by the Member State concerned.*

This category should only be so classified for two months as by that time the Home Office should have made a decision on their application. A refusal will extend the asylum seeker status by a further four months.

? *those who have been admitted under a humanitarian resettlement or evacuation programme or who benefit from a temporary protection arrangement:*

This is an exceptional category dealing with a mass influx of displaced persons. It is difficult to determine in advance the specific needs of this group or anticipate when a mass influx would occur, if at all, in the future. There are at present no persons benefiting from temporary protection in the UK.

? *those who have not been granted refugee status, but who benefit from another form of protection (complementary or subsidiary protection) because their individual situation prevents their return to their country of origin*

In the UK this equates to 'beneficiaries of exceptional leave'. They are entitled to remain and work in the UK for four years - and are normally long-term residents. This group is roughly the

⁵⁸ Labour Force Survey, average Spring quarters 1997, 1998, 1999

⁵⁹ Ibid

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

size as those recognised as refugees, and they have very similar needs.

In flows of Asylum seekers

Given the reasons for seeking asylum, it is impossible to predict the number of applications that will be made and positive decisions taken. However, applications over the last 3 months (April to June 2000) averaged at 5,995 per month. This was 10% higher than the monthly average for the same period in 1999. On average 20 % of applications result are granted refugee status and a further 20% are given exceptional leave to remain. Those who are refused have the right of appeal and approximately 15% of appeals are successful. Full and up to date details on asylum figures are available on the Home Office website at: <http://www.homeoffice.gov.uk/rds/areas/immif.htm>

When considering the scope to work with the Asylum seekers under EQUAL it is important to take account of the legal framework and the intention to speed up the process for assessment of applications. The Home Office anticipate that Asylum seeker applications will be processed within two months - with effect from April 2001, and that the current backlog of 100,000 asylum seekers who pre-date the 1999 Immigration and Asylum Act will have been assessed by April 2001. This will have a significant impact on the design of any support to be made available through EQUAL and means that effective support for Asylum seekers will need to focus on the stage where decisions are taken - and enable a swift transition to the labour market for those recognised as refugees. It is therefore useful to consider the labour market position of refugees.

Unemployment is significantly higher among the refugee group than the workforce in general. Estimates vary, although the Refugee Council (1992) estimated that 70% of refugees in London were unemployed. Whilst asylum seekers and refugees come from a diverse range of educational and employment backgrounds (depending on their gender and country of origin), it has been suggested that one problem affecting access to the UK labour market is that they tend to be 'functionally overqualified'⁶⁰ - that is, they are often too well qualified for lower grade posts, but have too little work or professional experience for higher-management skills. Most refugees need help to acquire English language skills appropriate to the level and type of work that they want to pursue here.

An early Home Office study (1995)⁶¹ found that the majority of asylum seekers/refugees were very highly qualified and successful in their home countries, often coming from professional backgrounds. The skills level of these refugees in fact exceeded that of the general British population.

Small-scale research⁶² examining perceived barriers to suitable employment has indicated that the longer people are in the country, the more likely it is they would specify discrimination as a barrier to employment. 9 out of 10 who specified racial discrimination/discrimination, had been in Britain since 1992.

⁶⁰ Bravo, 1993:3.

⁶¹ HO research study 141, 1995

⁶² p202-205 Bloch, 'Refugees in the job market'. In Refugees, Citizenship and social policy in Europe, 1996

Chapter 2: The policy context – GB labour market policy and the Employment Action Plan

2.1 The European Policy Context

The European Employment Strategy (EES) is laid down in the Employment Title of the Treaty of Amsterdam. Through a set of Employment Guidelines, the EES supports and guides Member States' work over the medium term towards combating unemployment, increasing employability and flexibility, improving the adaptability of the labour market, and improving gender equality in the workplace. The EES takes a non-regulatory approach to dealing with labour market issues, with action taken within its overall framework by Member States at national, regional and local levels according to their individual labour market needs and institutional structures.

The Member States agree Employment Guidelines annually to steer the development of their employment policies, and report upon progress each year in their Employment Action Plans. The Plans in turn inform the Joint Employment Report by the Commission and Council and support peer reviews and exchange of best practice.

2.1.1 The European Employment Strategy

The main goals of the European Employment Strategy have been defined as:

- ? to achieve a high level of employment in the economy and for all groups in the labour market
- ? to move away from a passive fight against unemployment towards promoting sustained employability and job creation
- ? to favour a new approach to work organisation in such a way that EU firms are able to cope with economic change while reconciling both security and adaptability, and allowing individuals to participate in life-long training
- ? to provide equal opportunities for everyone in the labour market to participate and have access to work.

The main policy principles are:

- ? a shift towards prevention and early activation in employment policies. This means helping people before or as soon as they become unemployed, rather than addressing their needs only once they have been out of a job for some time
 - ? a new management-by-objectives approach. Member States will set concrete targets and objectives, in some cases at EU level, as benchmarks for evaluation of the success or failure of their employment policies
 - ? annual multilateral mechanisms for monitoring and evaluating the progress of the strategy
- Member States, together with the Commission, will set up institutional mechanisms and common employment indicators to allow for systematic assessment of action taken
- ? integrating employment policy with other policy areas. Other policies, at both national and Community level, must take account of the employment impact
 - ? progress towards an employment pact
 - ? employment policy is not the responsibility of governments alone. Social partners, regional and local partners, and NGOs all have a role to play by committing themselves to meeting the employment objectives.

2.1.1.1 Council recommendations to the UK

The 2000 Joint Employment Report endorsed the UK's labour market policies and congratulated the UK on its healthy employment growth and low level of unemployment and high levels of employment for men and women. In the light of the report JER, the Council identified particular areas where increased emphasis would be valuable:

improve the balance of policy implementation of the Guidelines, so as to strengthen and make more visible efforts to modernise work organisation, in particular by fostering social partnership at all appropriate levels.

pursue efforts to reduce the gender pay gap and take action to improve childcare provision, with a view to making it easier for men and women with parental responsibilities to take employment. Special attention should be given to the needs of lone parents.

reinforce active labour market policies for the adult unemployed before the 12 month point so as to increase the number of people benefiting from active measures, and supplement the support provided by the Jobseekers' Allowance Regime.

intensify efforts to implement initiatives on life long learning, particularly those aimed at increasing the general level of basic skills, demonstrating how access will be ensured for those groups traditionally reluctant to take up the opportunity, or unable to find suitable provision.

The second part of this chapter provides further information about the work which is already being carried out through mainstream policy, which combined with the key findings of the JER has helped to shape the priorities for EQUAL which are described in chapter 3.

2.1.2 Action under Article 13 of the EC Treaty

Action under Article 13 of the EC Treaty forms an important context for the EQUAL programme. To date the Commission has brought forward 3 proposals in the area of anti-discrimination under Article 13 of the Treaty. These are for:

- ? a Directive covering discrimination on grounds of racial or ethnic origin in a range of areas including employment and training, goods and services
- ? a Directive covering discrimination on grounds of age, disability, sexual orientation and religion or belief but limited to the areas of employment and training
- ? an action programme covering discrimination on all of the above mentioned grounds.

Of these the proposal for a Directive covering discrimination on grounds of racial or ethnic origin has been adopted, the proposal for a Directive covering discrimination on a wider range of grounds in employment and training is still under negotiation as is the Action Programme. The Action Programme is perhaps the most relevant element of this package to the EQUAL programme.

The proposed Article 13 Action Programme is intended to encourage new policy responses to

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

discrimination. It would combine support for legislative proposals to combat discrimination with broader activities promoting anti-discriminatory practices. It will address discrimination across the board rather than to provide separately for action on the different grounds (listed in article 13) and will incorporate a gender dimension where appropriate (although gender is not a main focus of the programme being covered more fully in the forthcoming 5th Framework Programme). Projects are not limited to the area of employment. Projects will focus dissemination of good practice; the programme will not fund projects aimed at actual delivery of policy.

The programme would run for 6 years, from 1 January 2001 to 31 December 2006. In addition to the EU Member States, it would be open to the participation of EFTA/EEA countries, the associated countries of Central and Eastern Europe, Cyprus, Malta and Turkey. The proposed budget for the programme is 100 mecus over the 6 year period.

The proposal has 3 objectives:

- ? to improve understanding of issues related to discrimination through improved knowledge and measurement and evaluation of policies and practice
- ? to develop the capacity of Member States, regional and local authorities, non-governmental organisations (NGOs), the social partners and other “target actors” to address discrimination in particular through support for the exchange of information and good practice at European level and
- ? to promote and disseminate “values and practices underlying the fight against discrimination”.

The programme would provide for transnational actions in 3 main areas:

- ? collection of statistics, studies and development of indicators and benchmarks and evaluation of anti-discrimination legislation
- ? co-operation between “target actors” and the promotion of networking at European level between NGOs and
- ? awareness raising in particular through communications, publications, campaigns and events.

2.2 UK Policy Overview - issues that cut across Departments and pillars

2.2.1 ESF Policy Frame of Reference

The ESF Policy Frame of Reference sets out the United Kingdom’s policy for the use of all EU Structural Fund support for human resource development to promote employability and to develop human resources in all parts of the country for the period 2000-2006. The framework provides a planning tool and a policy rationale for Structural Fund support and guides partnerships in all parts of the UK to programme Structural Fund resources. The European Social Fund, and aspects of other EU Structural Funds, support the strategy set out in the UK National Action Plan for Employment. ESF already makes a major contribution towards activities relating to almost all of the individual guidelines. While not all Employment Guidelines are relevant to the European Social Fund, ESF will increasingly be used to reinforce action undertaken in the context of the National Action Plan for Employment.

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

EQUAL will provide a useful means to test ideas which can be mainstreamed to other Structural Fund programmes and to help improve on the performance set out in the National Action Plan.

2.2.2 UK National Action Plan

The UK Employment Action Plan sets out how national policies implement the European Employment Guidelines. There are specific Guidelines which are relevant to EQUAL, these being: Guideline 4, which calls for Member States to develop policies on active ageing so that older workers can remain and participate actively in working life; Guideline 9, which promotes an open labour market and calls for coherent policies to combat discrimination; and Guidelines 18-21 under pillar IV on strengthening equal opportunities policies for women and men.

The main policies reported on under these Guidelines are:

- ? the New Deals for Lone Parents and for Partners of Unemployed People, which help mainly women return to the labour market, for Disabled People and for 50 Plus, as well as the Employment Service's strategy for Engaging Ethnic Minorities, for participants in the New Deal for Young People
- ? further measures to tackle ethnic minority unemployment planned as part of the Strategy for Neighbourhood Renewal
- ? the Code of Practice on Age Diversity in Employment, the report on Active Ageing 'Winning the Generation Game', and the Better Government for Older People pilots and reports
- ? the existence now of three equality commissions with the establishment of the Disability Rights Commission, together with the development of Equality Direct, a one-stop-advice-shop for employers, and the Government's Equality Statement, which includes a duty on public bodies to promote equality
- ? the planned introduction of a revised Code of Practice on employment of disabled persons, and the "See the Person" awareness campaign
- ? measures to close the gender gap including an equal opportunities strategy for the Careers Service, as well as the Work-Life Balance campaign, measures under the Employment Relations Act, the Part-time Working Directive, and the National Minimum Wage, which will particularly benefit women workers
- ? a range of Lifelong Learning initiatives which extend access to work and opportunity for career development, e.g. the Union Learning Fund which benefits women and groups at risk of social exclusion who also form a significant membership of actively participating unions.

However, national Plans must demonstrate mainstreaming across all the Guidelines and to this end the UK Plan for 2000 reports on a number of inclusive measures. In the overview section, for example, there is a reference to the fact that the Equal Opportunities Commission and the Commission for Racial Equality have been advising the new Regional Development Agencies how to integrate equality into their strategies. Also, the establishment of a Minister for Women and a Women's Unit, with cross-Government roles, help to build gender equality into policies at source. The section on Entrepreneurship reports on initiatives to help various disadvantaged groups set up enterprises. The Plan also includes statistical information that shows the impact of policies by gender, age, race and disability. In addition, the TUC and CBI collaborated on a contribution to the Plan which includes equal opportunities as they are key players in supporting anti-discrimination in employment.

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

2.2.3 Social Exclusion

In 1998, the Social Exclusion Unit (SEU) published a report on the problems faced by those living in deprived neighbourhoods in England. The report committed the Government to developing a National Strategy for Neighbourhood Renewal, to be an agreed response, across Whitehall and beyond to the problems of deprived areas. The main building blocks of the National Strategy would be 18 cross-cutting Policy Action Teams (PATs), set up to take forward an intensive programme of policy development, at the same time as learning from new programmes like the New Deal for Communities. The PATs were made up Whitehall officials, as well as outside experts and people working in deprived areas to ensure that recommendations were based in evidence and were realistically deliverable.

All of the PATs have now reported, and in April this year, the SEU drew together the work of the teams and other relevant initiatives into a Framework document, which was published for consultation. The framework set out a series of proposals aimed at dramatically improving outcomes in the most deprived areas – with more jobs, better educational attainment, less crime and better health. Proposals were set out under four headings:

- ? Reviving local economies
- ? Reviving Communities
- ? Decent Services
- ? Leadership and Joint Working.

The Jobs PAT found that opportunities in the labour market were unequal and that rates of employment and unemployment varied widely from area to area, with high concentrations of joblessness in some wards.⁶³ The Spending Review has confirmed the Government's commitment to narrowing the gap between the most deprived communities and the rest of the country. As a result of the review, for the first time, key Departments have been given explicit targets for improving life in deprived neighbourhoods.

These targets will be backed up by substantial increases in resources for public services in deprived areas. As the Departments responsible for funding them review their allocation processes they will make sure that a generous share of the new money for health, education and other services reaches the most deprived communities.

But this will take time. In order to make sure that local authorities with greatest deprivation can make fast progress, we have created a new Neighbourhood Renewal Fund, which will be worth £800 million over the three years 2001/02 to 2004/05.

We have also allocated an extra £200 million to the New Deal for Communities programme, to support the involvement of local people. This will be used to:

- ? support pilot schemes to test neighbourhood management experiments
- ? promote community involvement at local and neighbourhood level
- ? set up a National Centre for Neighbourhood Renewal.

We need better arrangements to coordinate the work of different groups locally, to ensure that they have a common understanding of priorities and of what need to be done. Building on the new Community Planning Duty, we will therefore encourage Local Strategic Partnerships to be formed at local authority level. We envisage that these will bring together service providers

⁶³ PAT report on Jobs

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

(such as the local authority, the health authority and the police service), voluntary and community groups, and the private sector.

Among the tasks of the Local Strategic Partnership, it will decide which neighbourhoods within its area are the priority for action to tackle deprivation, and ensure that all parties understand what needs to be done. It will ensure that delivery mechanisms are put in place in each priority neighbourhood to draw up and implement action.

The Social Exclusion Unit is currently drawing up an action plan which will be published in January 2001 and will set out how the Government intends to implement the National Strategy for Neighbourhood Renewal. This will take account of messages from the consultation and the outcomes from the Government's recent three year spending review. It is essential that EQUAL is flexible enough to respond to key issues identified through this process and help find solutions through innovative pilot projects throughout the programming period.

Similar arrangements exist in Scotland and Wales, and are described below. In both cases activities supported under EQUAL will need to be shaped so that they can inform the policy agenda.

2.2.4 Policy Context in Wales

The principles of equal opportunity for all citizens and ensuring that no groups are excluded from society are central to both the National Assembly for Wales and UK Government policy, not least in relation to the labour market. In line with the equality principles enshrined in the Amsterdam Treaty **The Government of Wales Act 1998** commits the National Assembly to ensuring that the principle of equality of opportunity for all people is taken into consideration both in the exercise of its business and in carrying out its functions. As part of discharging its responsibility to equality of opportunity the National Assembly is seeking to mainstream equality across the board through the development of systems and structures with particular regard to policy formulation, policy development and service delivery. An action plan is in place to take this forward which will ensure that mainstreaming is supported by specific actions such as the development of data baselines, the provision of equal opportunities awareness training across all aspects of the National Assembly's work and importantly working in close partnership with the equality agencies in Wales from both the statutory and voluntary sector. Another important feature of the **Government of Wales Act 1998** is the provision for the new WDA to have an extended role in the economic and social development of Wales.

In its first strategic plan "**Better Wales**", equal opportunities is identified alongside tackling social disadvantage and promoting sustainable development as one of the three major themes which will guide the work of the National Assembly.

Better Wales sets out a statement of values and principles which will influence the way the National Assembly will develop its policies, budgetary priorities and programmes over the coming years. Central to these values and principles is the promotion of a culture in which diversity is valued and equality of opportunity is a reality, and the development of an inclusive society where everyone has the opportunity to fulfil their potential. More specifically, the National Assembly is committed to:

- ? promoting equality of opportunity and tackling disadvantage;
- ? promoting a tolerant society in which diversity is valued;
- ? addressing the needs of all social groups, particularly the young, older people, disabled people and black and ethnic minorities;

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

- ? recognising the particular needs of rural areas and areas of social deprivation; and
- ? focusing efforts and resources on the problems of those most in need.

The importance of equal opportunities to the National Assembly can be measured by the fact that it is only one of two standing committees with a remit spanning the whole of the Assembly functions. **The Committee on Equality of Opportunity's** remit is to ensure that the Assembly has effective arrangements in place to promote the principle of equality of opportunity for all people in the exercise of its functions and the conduct of its business.

Another major theme that has been identified by the National Assembly as a priority for action is **promoting social inclusion**. The principle aims are to develop an inclusive society where everyone has the chance to fulfil their potential and the promotion of a culture in which diversity is valued and equality of opportunity is a reality. The National Assembly will invest £81million over the three year period from 2001 to help some of the most deprived communities across Wales. This funding will support the following initiatives:-

- (a) **Communities First** - in April 2000, the Assembly launched a consultation document on a new approach to community regeneration. The intention is to establish cross-sectoral and multi-agency methods of designing policy and local service delivery, which directly involve the community in planning and delivering services. Communities First will sponsor the creation of partnerships and encourage the development of locally determined, innovative patterns of service delivery which cuts across the conventional divisions between education, health, housing, training, employment planning and other services which impact on the well-being of individuals and their communities. It will target the most deprived areas in Wales. A second consultation document that will culminate in the selection of the communities to be targeted is expected to issue by the end of the year. The programme is expected to be launched in the spring of 2001.
- (b) the **People in Communities** programme aims to add value to other actions the Assembly is taking forward to tackle social exclusion. It is helping to determine what kind of action really works in excluded communities, where poverty and deprivation are concentrated. The programme is being implemented in eight communities across Wales. From 2001 the People in Communities programme will be incorporated into the Communities First programme.
- (c) the **Children and Youth Partnership Fund** has been established to promote local initiatives to lift the educational attainment of young people; engage them in creative activities in their communities and to encourage them away from crime, drugs, vandalism and truancy. Projects are being delivered by local partnerships.

2.2.5 Policy Context in Scotland

The document 'Social Justice : A Scotland Where Everyone Matters' establishes the Scottish Executive's vision with regard to social justice and equality of opportunity within Scotland. The approach of the Scottish Executive emphasises that social justice is at the heart of the Government's programme, with the principal aim of the Government being to defeat child poverty in Scotland within a generation. The document establishes a series of 'milestones' which are intended to provide a range of targets with which to assess the progress being made to eradicate poverty whilst more ambitious, long-term targets are set out which aim to end injustice and child poverty by 2020. The overall vision of the Scottish Executive with regard to delivering social justice is a Scotland in which:

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

- ? every child matters, where every child, regardless of their family background, has the best possible start in life,
- ? every young person has the opportunities, skills and support to make a successful transition to working life and active citizenship,
- ? every family is able to support itself – with work for those who can and security for those who can't,
- ? every person beyond working age has a decent quality of life,
- ? every person both contributes to and benefits from the community in which they live.

'Social Justice' emphasises the need for, an integrated approach between the public, private and third sectors; policy which aims to:- recognise the needs of people as well as the places in which they live; develop cross-departmental budgetary systems within Government which prioritise activities that support disadvantaged individuals; and, integrate local partnership actions. The progress of the Government (and successor administrations) towards these aims and 'milestones' will be assessed via the publication of an 'Annual Scottish Social Justice Report'.

2.2.6 Lifelong Learning

UK policy is described more fully in the UK's Employment Action Plan 2000. However, there are several key points related to Lifelong Learning which cut across the priorities of EQUAL.

In the UK, Lifelong Learning is seen as key to prosperity for individuals, businesses and the nation, which is hampered by poor skill levels at basic and intermediate level. Learning also promotes a fair and cohesive society, active citizenship and economic growth. It strengthens families, communities and the country. It thus has a particular relevance for people in disadvantaged groups, particularly as many of these will have been failed by and have negative experiences of their earlier education. Lifelong Learning is, rightly, included under the Adaptability pillar, but it is also an essential part of promoting the Employability and Entrepreneurship pillars.

The UK aims to widen participation in Lifelong Learning in general, which has a particular relevance for disadvantaged groups who have been under-represented in traditional formal education opportunities. The present UK Government is active in convincing people of the benefits of learning, removing financial barriers, other barriers - such as childcare responsibilities and physical access to learning opportunities. And, of course, the psychological barriers which deter too many people from disadvantaged groups. The major priorities for the UK are basic skills (where we have particular challenges) and information technology (where the EU has a major challenge in reaching the Lisbon target of becoming the world leader). Lack of skills in these areas major impediment to many people from disadvantaged groups, as well as to the adaptability of firms and employees.

Background: The creation of a learning society.

The Green Paper *The Learning Age* set out the UK Government's vision of a "learning society". It described "a process of change which the Government expects to continue throughout the lifetime of this Parliament and beyond" with twin objectives:

- ? to create the skills we need for a productive workforce and a globally competitive economy; and
- ? to increase access, participation and levels of attainment by disadvantaged (and sometimes excluded) groups so as to help reduce inequality, improve employability and contribute to community development and social inclusion.

In 1999, the White Paper *Learning to Succeed* set out how the UK Government is working to extend and improve the demand for and supply of high quality, relevant, and flexible learning opportunities and laid particular stress on ensuring that adults have the help they need to make informed choices about learning. The new Learning and Skills Council will play a key role in driving forward these improvements. The UK Government is building on the solid foundations of the existing lifelong learning framework to bring about a learning revolution for individuals, communities and employers, and making significant progress against the Secretary of State's priority themes:

Breaking the cycle of deprivation: Low attainment and inadequate basic skills have been a significant barriers to creating a fair and inclusive society. The UK Government is publicly committed to tackling the problem of poor basic skills (one in five adults have poor literacy skills and around the same proportion have very low numeracy skills). For many of the hardest to help, their family and community environments are the best place for them to learn, because they need support close to home in their local neighbourhoods, with learning offered in a range of non-traditional but familiar environments.

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

The effective supply of labour: *Learning to Succeed* sets out the need to develop responsive and coherent strategies for skills and workforce development at local, regional and national levels. The recently published National Skills Task Force report takes full account of sectoral issues alongside local and national dimensions (and thus require a much more strategic, active and consistently effective NTO network) and keep pace with changes in industry, commerce, and the public sector and the demands of a modern economy competing in a global market place. Since four fifths of taught learning is vocationally motivated or vocationally relevant, the Government is engaging employers, unions and employees in improving workplace learning, and securing higher levels of employer commitment to workforce development, and a better focus for that commitment, through, for instance, Investors in People. In particular, it is promoting a higher recognition of the benefits by small organisations. In addition to improving the skills of the existing 'stock' of young people in the labour market, the UK Government will also ensure that the 'flow' of young adults entering the labour market is more highly qualified than in the past. The Further Education sector also has a vital contribution to make to the economic prosperity of the UK, through maximising the talent of all its people, through increasing the employability of individuals and through responding to the skills needs of employers. In 1997/98, nearly 3 million adults (mainly part-time) were studying for around 4 million qualifications

Standards/ Widening participation: From April 2001, there will be a fully operational Learning and Skills Council charged with securing significant improvements in the quality of provision and take-up of learning, working effectively with partners at all levels, and making critical contributions to success across a broad range of Government objectives. The aim is to have significantly more adults in learning in line with new learning targets, secured through major expansion in Further Education provision for adults, and more flexibility in the modes of learning on offer and more learning in the workplace. The University for Industry will be at the forefront of driving up demand and learning flexibility by promoting the availability of, and improving access to, high quality learning through the use of ICT. Through access to individual learning accounts, individuals will be able to control, manage and invest in their learning and careers. The challenge for EQUAL will be to focus on key areas which require further innovative work to help test out new ideas to meet these objectives. Given the lack of basic skills within the workforce and the fact that this acts as a barrier to employment, basic skills will be a key feature for EQUAL.

The paper 'Opportunity Scotland' sets out the Scottish Executive's vision for a learning society and their agenda (to be fully developed over the next two years) for progression from school, to post-school education, training and skills development. The approach is characterised by five themes: awareness, access, participation, progression and quality. The paper presents a ten-point action plan with aims for 2002 of:

- ? launching the Scottish University for Industry which will use new technology to make access to learning easier;
- ? connecting all schools, colleges, higher education institutions, libraries and many community centres to the National Grid for Learning;
- ? investing more than £100 million to enable an additional 42,000 students to participate in further and higher education and a £6million pilot project which will support payment of fees and development of pathfinder courses for up to 3000 unemployed and low income HE part-time students;
- ? people in Scotland becoming holders of Individual Learning Accounts;

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

- ? developing the University of the Highlands and Islands Project;
- ? New Deal and New Futures programmes benefiting with more than 150,000 people;
- ? Scotland having 15,000 Modern Apprentices and more young people will be qualified to SVQ Level 3 through Skillseekers;
- ? all 16 and 17 year olds in work being entitled to study for a Level 2 qualification or equivalent;
- ? introducing Higher Still and a Scottish Credit and Qualifications Framework;
- ? introducing a new strategic framework in the FE sector which will promote co-ordination and maximise access to courses.

In the case of lifelong learning, the National Assembly's stated policy is to establish Wales as a learning country, one which is renowned world-wide for its high standards of education and training.

The 1998 lifelong learning Green Paper for Wales '**Learning is For Everyone**', or LIFE as it is commonly known, took the first steps toward achieving this goal by setting out a blueprint for lifelong learning. It proposed a National Learning Strategy for Wales based on :-

- i) better access to information and provision
- ii) new measures to increase and widen participation
- iii) a single, flexible, credit-related qualifications framework spanning all learning post-16
- iv) new targets for learning; and
- v) strengthening co-operation, collaboration and partnership at the local, regional and all-Wales levels.

The 1999 **Education and Training Action Plan for Wales** took up the philosophy of LIFE and turned it into achievable proposals. The Action Plan recommended modernising Wales' post-16 education and training systems through planning and providing in partnership. The aim is to promote new opportunities responsive to local need, widen choice and levels of participation, raise service standards, cut duplication and waste, and remove nugatory competition. Central to the new arrangements will be the establishment of a **National Council for Education and Training in Wales** together with its regional committees responsible for the funding of all post-16 education and training, excluding higher education. Local planning and delivery of post-16 education and training would fall within the remit of new Community Consortia for Education and Training.

The National Council for Education and Training in Wales will have a remit covering the whole of Wales. It will become operational from April 2001 and will assume the current strategic planning and funding responsibilities of the Further Education Funding Council for Wales and the four Welsh Training and Enterprise Councils. It will also have responsibility for funding post 16 education in schools and community based learning. The National Council's total annual budget will be in the region of £400 million

The EQUAL programme will need to be tailored to the Scottish and Welsh policy priorities where appropriate.

2.2.7 Equal Opportunities Mainstreaming

Mainstreaming of equal opportunities is a key issue both within DfEE and The European Commission. It is not only a requirement under ESF regulations but is a matter of social justice and can help increase the effectiveness and sustainability of development. Mainstreaming involves a systematic process of identification and integration of equal opportunities into all aspects of the planning and implementation of a programme followed by monitoring and evaluation. It involves identifying lessons learned and promoting equal opportunities by disseminating good practice widely. Equal opportunities mainstreaming should, therefore, ensure that policies, programmes and services meet the needs of all groups in society. This means ensuring there is no discrimination and proactively dealing with barriers to participation or success.

In November 1998 the Government issued new mainstreaming guidelines to all its Department and Agencies. The guidelines set out the key principles of effective policy appraisal. They detail action necessary to identify, assess and, where appropriate, take action to reduce or remove differential impact on disadvantaged groups, in particular, women, people from different ethnic backgrounds and disabled people. The guidelines apply to the development and delivery of all Government policies, programmes and services.

The ESF Unit is in the process of developing a UK ESF Equal Opportunities Mainstreaming Action Plan. The plan is a strategic document setting out the principles for ensuring that mainstreaming of equal opportunities takes place across all ESF programmes operating in the UK - this will include the EQUAL programme. The mainstreaming action plan has been developed in consultation with a number of partners including representatives from the Equal Opportunities Commission, The Disability Rights Commission, The Women's Unit in the Cabinet Office and the Commission for Racial Equality. The plan has been presented to the UK ESF Evaluation Standing Group and will inform the work of each Programme Monitoring Committee which funds ESF activity. Responsibility for developing and implementing the plan will pass to the ESF Equal Opportunities sub-group of the Objective 3 GBMC.

Evidence from the evaluation of the 1994-99 programmes

The final evaluation of the 1994-99 Objective 3 programme in the UK included an analysis of equal opportunities. This analysis used the EU definition of equal opportunities and therefore focused on issues relating to gender. The UK's more inclusive approach to equal opportunities received support from the final evaluation. The evaluation's sophisticated analysis of job prospects suggested that, after taking into account a range of personal characteristics, women were more likely than men to be in work around six months after completing their Objective 3 projects. Other disadvantaged groups within the labour market faced greater difficulties than women in finding work after ESF support. These results suggest that a *narrow* focus on gender alone was misplaced. There is a need for better *targeting* of resources. Women are not a homogenous group and rather than targeting women as a whole the evaluation suggested that it would be more appropriate to target specific groups of women who face disadvantage in the labour market. There are three groups of women who face the greatest difficulties and these are: lone parents, women with no qualifications and women returners.

Evidence on the participation of women in the programme suggested that women in general were being successfully targeted. The proportion of women on Objective 3 was higher than

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

amongst the unemployed as a whole. However, there were still barriers which prevented some women from taking part on the programme. The main barriers were lack of adequate childcare facilities and lack of flexibility.

It is important to look at the *types* of work that women move into on leaving ESF. The evaluation found that women were more likely than men to be in low paid part-time work. The evaluation concluded that there was scope for further action to ensure more effective mainstreaming of equal opportunities. Analysis of the occupations for which men and women were being trained suggested that gender stereotypes were actually being *reinforced* through the 1997-99 Objective 3 programme.

Mainstreaming in the new ESF programmes 2000-2006

The European Commission's guidance on gender impact - combined with the DfEE's own mainstreaming guidance - demands a wide ranging 'holistic' approach to equal opportunities. With the new programme, we have had the opportunity to begin a 'root and branch' review of how gender impact and wider equal opportunity issues can best be assessed.

These issues will be addressed through the Mainstreaming Action Plan. The mainstreaming action plan sets out the following principles to be followed to ensure mainstreaming of equal opportunities takes place on ESF programmes:

- ? ensure equal opportunities is included on the agenda for monitoring committees and that equal opportunities experts are identified and invited to contribute to monitoring committee meetings where appropriate
- ? set up an equal opportunities sub-group
- ? ensure that equal opportunities criteria are built into the project selection process
- ? consult equal opportunities experts on the project scoring framework
- ? ensure that monitoring systems gather appropriate equal opportunities data
- ? ensure that project design is appropriate to the target group
- ? disseminate good practice to projects relating to equal opportunities and
- ? ensure that different groups are targeted appropriately by projects.

EQUAL will take account of these principles. It will be essential that any good practice relating to equal opportunities which is identified through the EQUAL programme is disseminated to the mainstream ESF programmes.

The Mainstreaming Action plan also sets out the importance of monitoring and evaluation in mainstreaming equal opportunities. The evaluation of the English Objective 3 programme will include evaluation of equal opportunities. The overall evaluation strategy has already been agreed with the ESF Evaluation Standing Group and with the Objective 3 monitoring committee. The ESG is encouraging all ESF programmes to carry out an evaluation of equal opportunities. For Objective 3 the evaluation of Equal Opportunities will aim to:

- ? look at the participation of different disadvantaged groups on the programme and understand the factors affecting participation
- ? look closely at the types of activity undertaken by different groups on ESF projects
- ? compare the outcomes obtained by different groups
- ? look at mainstreaming of equal opportunities
- ? look at the organisational policies of project promoters as they relate to equal opportunities and
- ? make recommendations for good practice to encourage equal opportunities on ESF

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

projects.

The proposed monitoring and evaluation framework for EQUAL is discussed in a later chapter but it is relevant to emphasise here that the evaluation will look at how equal opportunities issues are addressed by EQUAL.

2.3 UK context and Government policies and initiatives according to pillar and thematic field

2.3.1 Employability

The Government is reforming the welfare state for the 21st century, by promoting opportunity for all and establishing that work is the best form of welfare. Activity is focused upon getting people into jobs, ensuring a retirement to look forward to, and eradicating child poverty in a generation. The Government appreciates the difficulties that people face when moving off benefit and into work; this is why support and guidance is available, especially to vulnerable groups like lone parents and people with disabilities, during this transition. The support is not merely financial, but can also take the form of continued contact with personal advisers who can offer guidance through awkward or unforeseen circumstances. This approach is a clear demonstration of an effective tailored service. It is an essential element of ONE as well as New Deal for Lone Parents.

The Government is investing £5.2 billion over 5 years in Welfare to Work, and in 1999 has continued to build on the early success of the programme. The New Deal for Young People remains the standard-bearer: we are now over three quarters of the way to meeting the pledge of 250,000 young people into jobs. New policy developments - in particular how the Government plans to build on the success of Welfare to Work thus far – are outlined in Section 2.2. We've done a lot, but there is a long way to go.

The Government's programme of tax and benefit reform is making work pay and helping to tackle poverty for around 1.4 million low-income families. The Working Families Tax Credit combined with the National Minimum Wage and changes to income tax and National Insurance charges gives a minimum income guarantee for low-paid families of £200 per week, rising to £214 in Spring 2001.

Attention is also focused upon encouraging a culture of lifelong learning among employers and individuals as well as by the Government, as a means to improve employability and particularly to address the problem of low basic skills in the UK.

As mentioned in Chapter One some groups remain at a significant disadvantage in the UK Labour Market in spite of falling unemployment generally. For these groups existing mainstream labour market measures have not been fully effective.

All the groups mentioned above can benefit under the first thematic field as defined in the guidelines. The ethnic minorities group specifically can also benefit under the second thematic field as defined in the guidelines. The sections below will therefore first look at the problems facing all groups except ethnic minorities, and then look at problems relating specifically to ethnic minorities.

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

2.3.1.1 Theme A: Facilitating access and return to the labour market for those who have difficulty in being integrated or re-integrated into a labour market which must be open to all

Gender

Barriers to employment

Women returning to work after a break to have a family can face a number of barriers:

- ? outdated skills
- ? lack of knowledge/contact with the labour market
- ? availability of childcare
- ? difficulty of balancing work and home life.

UK context and policy

The Government is taking action on a number of fronts to help women overcome these barriers.

- ? Firstly, it is taking action to raise skill levels and promote lifelong learning. This includes:
 - improving education and training opportunities for women through the new Learning and Skills Council
 - learndirect which gives easy and flexible access to new skills through e-learning;
 - Individual Learning Accounts to encourage people to plan and invest in their own learning with 400,000 accounts opened so far.
- ? Secondly, it is taking action to provide direct support for women returning to the labour market. This includes:
 - giving practical and financial support through the New Deals for Lone Parents and for Partners of Unemployed People. Both of these groups are overwhelmingly women, who need a hand back to work
 - offering advice and help with finding employment through mainstream Jobcentre services
- ? Thirdly, it is taking action to help women reconcile work and family life. This includes:
 - the National Childcare Strategy which will provide 1.6 million extra childcare places by 2004;
 - new rights for parents to take time off to care for their children;
 - campaign to promote work-life balance amongst employers.
- ? Finally, the government is also taking action to promote positive changes for women by:
 - tackling gender stereotyping through better careers choices, innovative approaches to work experience, and a major initiative to ensure women have the skills and opportunity to benefit from expected employment growth in Information and Communications Technology.
 - improving tribunal procedures for equal pay cases by consulting on proposals to speed up and simplify the processes.

Scope for further/innovative work under EQUAL

To tackle the issue of women finding difficulties in entering/returning to the labour market after having a child or because of other family commitments, EQUAL could fund activity to test ways of improving dependent care and the reconciliation of home and work responsibilities. In addition further work could be funded to pilot ways of ensuring that women with higher skills remain and make progress in the labour market.

In order to address the issue of low/outdated skills amongst women further work could be piloted under EQUAL to upskill and train women returners.

Disability

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

Barriers to employment

The following have been identified as possible barriers to employment:

- ? limited personal ambitions and expectations resulting from cultural assumptions, parental and family perceptions, peer-group attitudes and the attitudes of professional contacts, especially in the health, social services and education sectors
- ? poor inaccessible information on mainstream and specialist opportunities and support facilities
- ? limited education and training facilities, especially in secondary, tertiary and vocational training sectors
- ? low levels of economic activity resulting from poverty, poor access to general and vocational qualifications, inaccessible workplaces, discriminatory attitudes and poor access to business support services
- ? infrastructure barriers including inaccessible transport, housing, community facilities etc,
- ? restricted access to personal support services.

UK context and policy

There have been a number of innovative approaches developed and tested under recent initiatives including HORIZON, the UK New Deal for Disabled People, and the UK Employment Service's National Disability Development and Supported Employment Development Initiatives. Proposals under EQUAL will need to demonstrate how they build on, rather than duplicate, this work

Scope for further/innovative work under EQUAL

Ideas for further work to that specified above could either address specific disabilities, a range of disabilities, or disability generally. For instance:

- ? persuading economically inactive - especially long-term - disabled people that employment is an option they should consider
- ? guidance about pursuing new career paths for previously active disabled people, perhaps where their chosen career or occupation is no longer open to them. And support in making that change of direction
- ? developing volunteering opportunities - either in working with disabled people, or for disabled people themselves
- ? measures to identify, address and increase understanding of the physical, cultural and attitudinal barriers facing disabled people
- ? development of inclusive recruitment and selection procedures that challenge personal and organisational assumptions about disabled people and work and
- ? working with employers on redesign of work/the workplace to facilitate retention, integration or reintegration of disabled people (also features in adaptability).

Older workers

Barriers to employment

Older jobseekers face many difficulties, some have experienced age discrimination by employers targeting younger recruits, some find their skills have fallen out of date or lack

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

formal qualifications, and for others they may face the daunting challenge of competing for jobs in the present labour market having been in a particular area of work for many years before being made redundant or needing to accept early retirement. Not all older jobseekers need or want full-time work. Other commitments such as caring for dependents, younger and older, volunteering in the community, learning pursuits, and health constraints for some, make flexible or part-time work essential.

UK context and policy

Only 67% of people in GB aged 50 to state pension age are in employment, compared to 75% of all working age. The employment level for older people in Scotland and Wales, is even lower at just 59%. That is a terrible waste of skills and experience for both the individual and businesses alike. Although the majority of older people who are not in work are 'inactive' many would wish to work given the opportunity to do so.

Another important issue is that over the next two decades people over 50 will form an increasing proportion of the population - currently 1 in 5 people are aged 60 and over. This will rise to 1 in 4 by 2010 and 1 in 3 in 2025. Policies geared to maintaining labour market attachment and improving the employability of older workers as well as reducing duration of unemployment if they become unemployed will be crucial in the drive to improve employment rates overall.

The Government has introduced a range of measures to tackle these difficulties and to help older people, who want to work, back into a job. The Code of Practice on Age Diversity in Employment, and its supporting guidance for employers, has set the standard for non-ageist employment practices, not least in recruitment and training and development. New Deal 50 Plus, New Deal for Disabled People, New Deal 25+, UK On-Line Computer Skills, Work Based Learning for Adults, and other employment services, are all helping older people back into work - full-time, part-time and self-employment, and many of these measures support training either to help older people compete for jobs, or to remain in sustained employment.

Scope for further/innovative work under EQUAL

Equal can help further, by developing exemplar approaches to employing older people, to inform the further development of policy and programmes, and for national dissemination to improve the effectiveness of current measures offered by the Employment Service, private providers, colleges and the voluntary sector. Innovative work developed through Equal could cover any of the following areas:

- ? advice and guidance for unemployed or inactive older people to help them make the transition back into the labour market
- ? testing of approaches for providing financial support and advice for older people to help them make the transition back into employment
- ? assessment of the costs and benefits to employers of recruiting and retaining older workers
- ? mentoring support or support networks for long term unemployed or inactive older people on re-entering the labour market and
- ? approaches to recognising transferable skills, retraining or up-skilling older people, identifying the costs and benefits of training older people.

Refugees

Barriers to employment

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

Although refugees have access to mainstream employment measures, take up is low and these measures do not address the specific barriers to employment which refugees face. They are:

- ? work related English language (including that specific to the refugees intended occupation)
- ? understanding of UK labour market and practices
- ? UK relevant work experience and
- ? currency of non UK qualifications.

UK context and policy

A UK integration strategy for refugees has been drawn up by the Home Office. This should help construct a more coherent approach to resettlement drawing on current measures and services delivered via central government and key partners.

Scope for further/innovative work under EQUAL

There will remain gaps in services which address specific barriers to refugee employment. A national Development Partnership could develop a range of specific interventions to address these gaps, adding value and effectiveness. The full package (existing mainstream measures plus new targeted services) must focus on the needs of refugees and complement the activities to be taken forward under the theme which meets the needs of Asylum seekers – and seeks to develop support mechanisms to assist in the transition from asylum seeker to refugee [and/or those given exceptional leave to remain in the UK].

Drugs misusers

Barriers to employment

Drugs misuse can be a barrier to employment and is often connected to other 'multiple' disadvantage issues such as chaotic lifestyle and crime.

UK context and policy

Jobs help for drugs misusers is a young, developing area of policy that we need to take forward as quickly and thoroughly as possible. There is a momentum of public concern to tackle it. This will bring benefits not just on employment but also on health and law and order.

DfEE are currently piloting with the UKADCU (the UK anti drugs co ordination unit) a range of approaches to help unemployed drugs misusers - in this case people who've completed a drug rehabilitation programme - to make the transition to work and thus to stable lives. There will be a range of approaches from intermediate labour markets, ILMs, (in this case a supportive, sheltered working environment simulating real work) through to straightforward assistance with Jobsearch.

These pilots will be carefully evaluated and ultimately inform policy across Government. The DfEE is leading this work and the managing agent is the Centre for Social Inclusion. The Department of Health and the Home Office are also involved in the steering group arrangements.

Scope for further/innovative work under EQUAL

As this is a relatively new area of work there should be scope for further work to be taken forward with the support of EQUAL. In particular, the opportunity to exchange good practice and experience with other Member States which have a history of pro-active work to enable ex-users in the transition to work. It is essential that any EQUAL funded activity is linked to the overall national framework and is therefore able to influence the design of future provision.

Ex-offenders

UK context and policy

Offenders currently have access to a wide range of education and employment measures but are handicapped disproportionately by poor basic skills, inappropriate attitudes and behaviours for employment, high levels of drug abuse and poor social and family backgrounds. There are developments across government in the UK, which may lead to a more coherent and seamless approach to preparing offenders for work, from initial sentence planning onwards.

The Social Exclusion Unit are currently carrying out a consultation exercise for a study on offenders and re-offending, entitled **Reducing Re-offending by Ex-prisoners**, which will be published in Spring 2001.

Scope for further/innovative work under EQUAL

EQUAL could support the development of that seamless approach by supporting new services aimed at driving up the job success rate of this group. Services might include:

- ? specialist job brokers to help employers use conviction information to assess the risk of re-offending by job applicants
- ? joint case management by the key agencies (statutory and voluntary)
- ? joint programmes to address offending behaviour and employability deficits
- ? measures to encourage disclosure of criminal records so as to identify and target those who need help.

Geographical concentrations of deprivation and multiple disadvantage

In addition to the specific disadvantages described above, there remains a significant problem of concentrations of unemployment in relatively small geographic areas. The characteristic of multiple disadvantage concentrated in certain small areas is common to all regions, as described in the labour market analysis section. This remains an intransigent problem which requires concerted effort by a range of actors - in line with the recommendations of the Social Exclusion Unit PAT reports and the National Strategy for Neighbourhood Renewal action plan - which will be published in January 2001. The vast majority of the EQUAL activity to be funded under the employability theme must be informed by the inclusions strategies agreed for England, Scotland and Wales. This means that activities will focus on the development of the overall strategy and specific innovative action which seek to test innovative solutions to address localised problems. The precise areas to be targeted will be identified in the applications guidance - as the areas are expected to change throughout the programming period.

Overview employability

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

The key issues for EQUAL will be to add to the national social inclusion strategies to:

- ? combat discrimination faced by individuals and promote equality in the workplace
- ? test support mechanisms to help individuals re-integrate into the labour market.

2.3.1.2 Theme B: Combating racism and xenophobia in relation to the labour market

Barriers to employment

Racism and xenophobia are terms inter-changeably used in mainland Europe to refer to unlawful racial discrimination and inequality. In the UK the terms are more popularly interpreted to refer to general acts of racist violence and harassment. The aim of this thematic field is to address patterns of discrimination and inequality in the labour market, not racist violence generally.

As mentioned in Chapter One people from minority ethnic groups are more than twice as likely to be unemployed than white people and are less likely to reach senior positions at work.

The underlying reasons are complex and there is no simple nor single solution. However, recent research suggests that we cannot rule out discrimination in the labour market as a major factor behind these differentials. We need to focus attention on the fairness of employers' recruitment and selection practices; help employers understand the economic and social arguments for race equality in the workplace; and provide employers with practical support to develop and implement effective race equality measures.

In doing this we need to take into account that ethnic minorities are not homogenous - some minority groups do as well at work or in education as the white majority, and there are significant age variations and between generations in some ethnic groups. Geography is an issue - 45% of all ethnic minorities live in London (about 25% of Londoners). One overwhelming programme is unlikely to be appropriate.

UK context and policy

The UK Parliament is currently considering the Race Relations Amendment Bill. A key provision of the Bill is the placing of duty on public bodies to promote race equality.

Scope for further work under EQUAL

As the needs of ethnic minorities will be able to be addressed through all themes, it is important to focus this theme on specific areas that will improve the employment prospects of ethnic minorities. This could include the following:

? promoting the use of positive action where ethnic minorities are under-represented in the workplace

? developing innovative solutions to improve the outcomes for ethnic minorities on Government initiatives (*under-pinned by robust information to unpack factors such as differences between and within ethnic groups, socio-economic factors, influences of professionals, parents, peers and wider society, to help Government understand the motivations and barriers to progression among different ethnic groups*)

? pilot ways to promote the business case for a diverse workforce (*providing practical help to employers to formulate and implement equality policies, helping middle and senior managers get experience of working with, and for, minority ethnic groups and communities, e.g. through secondments, helping middle and senior managers get experience of working with, and for, minority ethnic groups and communities, e.g. through secondments*)

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

? build on existing demand-led (employer-focused) strategies to open up new opportunities for ethnic minorities in higher paying jobs (*taking forward innovative work led by the New Deal Task Force, based on the Wild Cat model which in New York has succeeded in getting ethnic minorities in receipt of welfare straight into high paying jobs in growth sectors such as IT. This approach has had the support of employers and has provided a direct route to stable employment for those recruited*). This approach could response to the issues identified in the Jobs PAT where concentrations of deprivation adjoin areas with a buoyant jobs market – and more targeted links need to be made.

2.3.2 Entrepreneurship

UK context and policy

The promotion of enterprise, innovation and productivity is a central objective for both the UK Government and the devolved administrations. Since the 1999 National Action Plan, the Government has worked to implement the commitments made in last year's Competitiveness White Paper "*Our Competitive Future: Building the Knowledge Driven Economy*". In Quarter 3 1999, there were 115,000 business start-ups in England, 22 per cent higher than the 94,000 recorded during the same Quarter in 1998⁶⁴. The new Small Business Service has been set up to provide a strong voice for small businesses at the heart of Government and help improve the coherence and support for small businesses. The position is not homogeneous across Britain and the Scottish Executive and Welsh Assembly will build on the UK approach to develop entrepreneurship.

The National Assembly supports programmes which encourage entrepreneurship and the development of management skills in SMEs. In order to help foster a stronger enterprise culture in Wales a new Entrepreneurship Action Plan is being co-ordinated by the Welsh Development Agency via a Steering Group representing a wide range of key interests. Following extensive consultation the Plan is intended to provide a cohesive framework for action. The aim is for a fully cross-sectoral approach so we effectively nurture and support the wealth of talent in Welsh colleges, schools, local communities and the business sector. Wales' rate of new business formation is among the lowest among the regions of Europe. Implementation of the Plan should help secure the step change needed.

Enterprise and inclusion

The UK enterprise policy recognises that self-employment can be an important option, including for those moving out of unemployment so it forms an important option in all the New Deals. It is also a flexible way to widen the world of work to groups like women who set up 30 per cent of new small businesses. The Social Exclusion Unit Policy Action Team 3 was asked to look at the role of 'Enterprise and Social Exclusion'. A forceful message to come from this work was the major contribution that enterprise promotion has to play in social inclusion. Many of the recommendations made in the report look to the Government's new Small Business Service (SBS) to take them forward. The report stated that – as part of its wider remit to promote small businesses, the SBS should encourage enterprise and business growth in disadvantaged communities. The SBS should develop a strategy to achieve this goal, and particular it should:

⁶⁴ Source: Natwest Bank Start-up Index (England & Wales only)

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

- ? Aim to give a clear sense of direction to the many organisations involved in research and business support in this area
- ? Identify and support good practice
- ? Look at how to develop services that add value
- ? Increase its own capacity in the field by building a centre of expertise, influencing and where appropriate commissioning new research into enterprise in deprived communities.

This report provides the ideal context for the innovative work that can be developed through EQUAL. As part of the Government's policy to encourage self-employment DfEE has a specific remit to encourage self employment as a route from Welfare into Work. Whilst self-employment will not be right for everyone it does provide a good opportunity for many people in deprived areas - particularly where mainstream businesses have moved out. In communities that feel excluded from much of society, self-employment provides some with an attractive route to economic dependence. Studies show that self-employment can be an effective route out of unemployment and exclusion. Each year about 270,000 (9%) of people leaving Jobseekers' Allowance (JSA) move into self-employment. Until recently people moving from unemployment accounted for roughly half of all people entering self-employment.

For many self-employment is a planned and positive career enhancing move, particularly those working in occupations and sectors where it is a conventional working pattern. Women (and men) may find self-employment an attractive option in order to achieve a desirable balance between work and family life. Disabled people can also benefit from its flexibility. Businesses set up by older workers tend to survive longer. For some people trying self-employment is a last resort when faced by the prospect of lengthy unemployment and low family incomes. Others move towards self-employment from unemployment in a totally unplanned way e.g. through the gradual build up of casual work for friends and neighbours.

Evaluations of business support programmes show the benefits of helping people into self-employment - with between 70-90% still trading after a year, which compares with around 50% of all JSA claimants returning to unemployment within a year of leaving the unemployment register. A new survey of the records of one provider in one large town that over time between 56-68% remained in either self-employment or a job. The net gain of the programme to the local economy in this one area was estimated to be £2.8 million each year. That said, it has to be recognised that there is the possibility of a venture not succeeding with potential consequences to an individual's financial position. On the other hand, people who experience self-employment may improve their general employability through demonstrating their motivation and giving them a work record.

Barriers faced by those moving into self-employment

There are a number of factors that may prevent people moving into self-employment, which reduces the contribution made by self employment to reducing exclusion and poverty. In general, women are less likely to enter self-employment than men. They also tend to enter different types of self-employment. Women are more likely to enter highly competitive service sectors with low margins (e.g. hairdressing). They are also more likely to enter part-time self-employment. Afro-Caribbeans have much lower rates of self-employment than Asians. One of the key recommendations of Lord Justice Scarman's report was that ethnic minority business ownership should be promoted to avert the perpetuation of an economically dispossessed black population. People may not see self-employment as a viable option for them and may not be aware of help that might be available should they want to move into self-employment. Concern about the tax and benefit system. Some unemployed people are put off moving into self employment because they are uncertain about whether they can continue to claim benefits when self employed; they are worried about disclosing their income when self

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

employed because it might badly affect their benefit claim; and they risk losing benefit if their business venture does not work out.

For groups not covered by recent reforms of the tax and benefit system (e.g. Employment Credit for people on New Deal 50 Plus and the Working Families Tax Credit) the uncertainty about income - particularly during the initial phase of the business' life - remains a problem and can be a disincentive to start up in business.

2.3.2.1 Theme C: Opening up the business creation process to all by providing the tools required for setting up in business and for the identification and exploitation of new possibilities for creating employment in urban and rural areas

The SBS consultation document (June 1999) stated that the SBS *'should play an important role in identifying those people who face specific barriers to entrepreneurship, for example women and those in disadvantaged communities and ensuring that support is tailored to meet their needs'*. This gives a very clear focus to EQUAL.

Scope for further work under EQUAL

The primary task of EQUAL will be to ensure that the mainstream (Small Business Support Service) is able to meet the needs of excluded groups.

Activities could include:

- ? piloting innovative approaches with DTI
- ? improving access to financial support (this could include the role of financing intermediaries, including Community Finance Initiatives, Mutual Guarantee Societies (MGS'), micro-credit organisations, social banks - and whether perhaps there is scope in building transEuropean funds or relations)
- ? improving training and guidance for excluded groups to ensure that they have the skills to succeed. Improve business professional skills (marketing, finance, business planning)
- ? examining approaches to tailor mainstream services to the needs of particular groups (Afro-Caribbean, women, people with disabilities, older workforce, enterprise as an option for ex-offenders/ex-drug users, encourage Asian self-employed to higher added value)
- ? examining role of business incubators for particular disadvantaged groups.

2.3.2.2 Theme D: Strengthening the social economy (the third sector), in particular the services of interest to the community, with a focus on improving the quality of jobs

UK context and policy

There is a strong tradition of voluntary sector and community involvement in the delivery of Government programmes and regeneration initiatives. The ESF has contributed to this, at European and national level. At European level the current ESF Article 6 "Local Social Capital" pilot projects will draw together a range of activity across all member states, which will help inform the debate and develop models which seek to strengthen the social economy. In addition, the British 1997-99 Objective 3 funded capacity building projects which targeted

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

organisations which had access to those who were disadvantaged in the labour market, but needed practical support to help the organisations to operate more effectively. New ideas and approaches will also be developed and tested through the 2000-2006 Objective 3 programme where support is being targeted on local responses to social exclusion. However, in spite of this wealth of experience, or perhaps because of the diversity, there is a lack of clarity about the role of the Social economy within the British labour market, this is primarily because it can encompass a wide range of activity with varied objectives and rationale. This is exacerbated by the fact that the models for the social economy vary considerably across Europe - where the historical role of the voluntary sector or the legal basis on which activities have been developed varies significantly. EQUAL provides the opportunity to learn from other member States and to clarify how best to develop the Social Economy in Britain, in a way which is appropriate to the overall policy, the labour market conditions and takes account of the legal framework.

Some of the activities that are encompassed by the Social economy are set out below but this is illustrative rather than exhaustive:

? social firms: which exist to meet social objectives, such as providing employment for people with disabilities or a past history of mental health problems and who would otherwise find it difficult to get a job. In the UK there are examples such as " Social Firms UK" which seeks to exploit niche markets and trade in the open market. This is quite different from social firms models which operate in some other Member States, where more protection is provided, often driven by legislation.

? community businesses: which exist to enhance the resources available to a local community. Frequently started up by Faith organisations

? credit unions: which seek to provide alternative sources of finance, more recently in deprived areas where people find it difficult to get access to mainstream banking, but more traditionally a mutual support option in UK and other Member States

? LETS: local means of exchange of services without charging money

? Intermediate labour market projects: which seek to enable the transition to employment for individuals who face difficulty in accessing real jobs, or which exist to provide an alternative source of employment where real jobs are in short supply

? development trusts: which seek to help broker a community involvement in the public/private sector led re-development of areas. They also develop and deliver community based, sustainable initiatives to contribute to economic and social regeneration

? co-operatives: which are frequently established for ethical reason. In many cases other Member States have more experience of co-operative ventures, often driven by a different legal framework and history

? Community-based activity: wide range of leisure/social/learning activities that are organised by and for the community for the benefit of all.

As the list illustrates, the role of the social economy has generally been to provide an alternative when the mainstream services have failed. The tradition of short-term area based interventions means that there is a diverse range of activities and experience - many of which may have had good results on a local scale. But overall there has been limited opportunity for the work that has been taken forward to influence the design and implementation of

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

mainstream activities. This runs the risk of developing a wide range of disparate activities, misses the opportunity to share good practice and identify approaches which work, it does not provide the opportunity or expectation to influence mainstream services. Any work funded through EQUAL needs to be able to influence the way in which core services are provided.

The Government recognises the increasing role that the social economy can play in regeneration and engaging those individuals and communities that have in many ways been failed by mainstream services. However, we need to clarify the rationale and objectives and make sure that we are encouraging the sustainable routes to regeneration and employment rather than encourage short-term interventions that are not sustainable.

In this context we should also consider the potential of the voluntary sector (500,000 people employed) as an appropriate route into employment for those targeted by EQUAL

The Small Business Service (SBS) will seek to ensure that business support is as available and accessible to social enterprises as it is to any other form of business. SBS is working with the British Bankers Association and Social Enterprise London to develop a website to inform business support providers and financiers about the social economy.

Scope for work under EQUAL

The overall objective for this activity should be to develop a framework for the support and development of the social economy in GB. There is scope to learn from existing good practice from the UK and other Member States – for example Italy where co-operative development has a stronger formal role. This theme will need to take forward at least one national project which draws together good practice, and local projects which focus on support on the most deprived areas. EQUAL should seek to:

- ? help develop a common understanding of the range of potential activities, and to clarify the varied objectives
- ? develop and test appropriate mechanisms to respond to a specified need
- ? help improve the infrastructure to help those involved in the social economy from the local partner or community organisation to central Government Departments involved in the regeneration and employment
- ? develop management and business skills in social enterprises (PAT16).

This should not preclude work to examine the scope for building transnational social enterprises - the UK sector is small and also largely localised, especially where companies emerge from municipal origins. It may be possible to explore the scope for cross-European social business networks or joint ventures.

2.3.3 Adaptability

UK context and policy

The Government believes strongly that the key to economic dynamism is the capacity to adapt to swift technological and organisational change. The key to encouraging adaptability of businesses and employees is to promote a balance between flexibility and fairness. This is especially important within the UK which has a diverse labour market which offers people choice but within a framework of minimum standards. Legislation, such as the *Employment Relations Act*, the *Working Time Regulations* and the *National Minimum Wage*, is used but also unnecessary and burdensome regulations on both the labour market and business are

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

reduced, through the Better Regulation Task Force and the Government's Regulatory Impact Unit. The result in 1999 was that the UK continued to have one of the most flexible labour markets in Europe.

2.3.3.1 Theme E: Promoting lifelong learning and inclusive work practices which encourage the recruitment and retention of those suffering discrimination and inequality in connection with the labour market

2.3.3.2 Theme F: Supporting the adaptability of firms and employees to structural economic change and the use of information technology and other new technologies

Both these thematic fields cover lifelong learning, work-life balance and ICT skills. The following section is therefore divided along those lines rather than the thematic fields, examining first lifelong learning and then taking the work-life balance and finally ICT skills.

2.3.3.3 Lifelong Learning

UK context and provision

As explained in section 2.2.6 the overall strategy for Lifelong learning already has a strong focus on basic skills, in recognition of the characteristics of the British labour market. It is essential that any provision developed with the support of EQUAL is able to add to this provision - one key area for EQUAL will be to continue to develop ways in which to attract the non-traditional learners who are in work - into training.

The current initiatives that are most relevant to EQUAL are described below:

- ? Adult and community learning has a key role to play in promoting access to learning, particularly for people from the disadvantaged groups upon which the Equal Programme will focus. A wide range of learning opportunities which appeal to individuals and family across a local community can:
 - ? provide first steps to learning and pathways to further education and employment
 - ? provide suitable opportunities for personal development and support involvement in the community for example through volunteering which in the wider sense can also support individuals' health and active ageing;

- ? Adult and community learning has important lessons for wider application to learning generally and for the target group of the EQUAL programme. In particular:
 - ? treating learners as active partners - a partnership of equals between the provider and the learner - and 'listening to learners'. Responding to local learners' needs as well as national priorities
 - ? in the use of familiar and comfortable learning environments or by using interventions which start from where the learner's interest lies which may be principally social or group oriented in nature and which may involve a pre-learning period to build up learner's engagement e.g. family day trips which may then lead on to family literacy and numeracy courses
 - ? using voluntary bodies who are successful at engaging non-learners and using LEAs where they have a good track record - but there are important issues around

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

- co-ordination in a local area which need to be addressed (Learning Partnerships)
- ? taking care to address access issues - seeking to ensure childcare is available, adequate Information, Advice and Guidance, working through funding issues from the learner's perspective, transport and equal opportunities
- ? quality and professional development.

Changing attitudes

A key part of the Government's strategy is changing people's attitudes, convincing individuals of the benefits of lifelong learning. This is particularly important for EQUAL's target group, many of whom are alienated by their experience of traditional education.

The LSC will have a legal duty to promote learning. The Ufl's marketing activity will also have an impact on the demand side. Research shows that people's attitudes to learning vary significantly between different groups, suggesting a need for targeted promotional messages.

Information, Advice & Guidance (IAG) for Adults

The Government has agreed that for 2000-01 delivery of the local IAG policy, at local level, will be through partnerships of IAG providers (linked to Learning Partnerships) working under contract to the DfEE. IAG partnerships will be allocated funds for this purpose subject to production of a business plan which meets the terms of the specification published in February 2000, and subject to satisfactory delivery of those objectives and targets contained in the plan.

IAG should complement the aim of the Learning Partnership to co-ordinate local action to create a more coherent, effective and accessible set of local arrangements for learning and the information, advice and guidance needed to support it. The emphasis of this years programme is to provide access to a coherent range of high quality and co-ordinated local IAG services which meet clients needs. The added value of delivery through local IAG partnerships lies in their ability to:

- ? co-ordinate the range of services which currently exist, so that clients have access to a network of complementary IAG services
- ? engage relevant providers in the voluntary and community sector to deliver IAG services on an outreach basis
- ? provide extra services where there are gaps and
- ? ensure that IAG provision meets national quality standards.

New Basic Skills Adult Strategy

Work has begun on several new measures. They include a national basic skills curriculum based on new standards, national testing.

The Government's full National Strategy for tackling poor basic skills will be announced by the Secretary of State later this year. In April the Secretary of State announced the setting up of an Adult Basic Skills Strategy Unit in the DfEE to drive forward the strategy, which will be staffed from a range of Government Departments affected by poor basic skills in society.

Improving Basic Skills will be a key responsibility of the Learning and Skills Council, and neighbourhood learning centres. The strategy for improving basic skills in areas including adult literacy is not so much to offer "up-front" courses but to embed opportunities to learn skills through a wide range of activities that engage the interest of socially excluded people. Further announcements will be made later in the year.

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

Family learning, where children and their parents learn together, in a structured or semi-structured learning environment, has a unique role to play in reaching families in their own local community. Not only to support parents with their children's education but also to provide an opportunity to improve parents' learning and skills.

Family Literacy and Family Numeracy - now a national initiative - enable parents and their children to improve their literacy and numeracy skills learning together. Funding of £7 million from the Standards Fund for Family Literacy and Family Numeracy will reach up to 20,000 families in 2000 - 2001.

Evaluation has shown that the initiative is successful in improving children's early learning, in supporting links between family and school, and in encouraging parents to re-enter education, training and work. However it can be difficult to recruit parents and is probably best run as part of a wider menu of family learning opportunities.

£10m Budget funding will help us this financial year set up programmes to reach just under another 20,000 families particularly in the most disadvantaged areas. Also, it will set up new innovative projects to develop how Family Literacy and Numeracy is run in future. These will include national pioneer projects: around 5 ICT based projects and around 10 community body based projects working with for example national bodies working with childminders, refugees and so on.

The Budget funding will also be used to reach 50,000 parents in a new shorter programme called 'Keeping up with the Children' which will enable parents to learn about how they can support their children as part of the schools National Literacy and Numeracy strategies and gain information about developing their own skills.

National Assembly policies and programmes to improve skill levels in Wales include research and information provision to enable all partners to take the necessary actions; access to advice and guidance; a range of work-based training programmes for young people and adults; training initiatives specifically targeted at the small-firms sector; support for employers to collaborate on skills and training issues and support for the Investors in People programme.

The Future Skills Wales project, the results of which were published in March 1999, has provided important information concerning the need to increase the adaptability and employability of the workforce by raising skill levels, working alongside measures to promote equality of opportunity and better access to lifelong learning opportunities. A **Skills Unit** has been established to take forward further research on skills and to disseminate results. It will be located within the Council for Education and Training for Wales from April 2001. A **Skills Task Force** was established in December 1999 to take a strategic look at the results of the Future Skills Wales project, and submit a report to the Assembly with recommendations on further strategic actions that should be taken, to put Wales at the leading edge of economic development. This report was published in October 2000.

The Assembly is also encouraging employers and national training organisations in Wales to come together to set up Skills Sector Groups. Examples of current groups are the Wales Electronics Forum covering consumer electronics, semi-conductor, communications and IT; the Automotive Forum; the South Wales Aerospace Group; and the Opto-electronics sector in North Wales. These groups can help plan skills and strategies for their sectors.

National Literacy and Numeracy Strategies

EQUAL COMMUNITY INITIATIVE PROGRAMME
Department for Education and Employment (European Social Fund Unit)

The UK Government is raising standards in schools through the National Literacy and Numeracy Strategies. A major review has been carried out to identify the underlying problems and potential solutions. The Government is already taking action (including introducing national standards and a curriculum, improving teaching quality, and improving accessibility to education and training in the community and workplace). EQUAL activities will need to be informed by the national strategies as these are developed.

Scope for further innovative work under EQUAL

Lifelong Learning potentially has a major contribution to make under both the thematic fields. However, given the relatively low levels of basic skills within the workforce, it is important to focus on basic rather than higher level skills - so that resources are directed towards those who are most disadvantaged in the labour market. The key contribution of EQUAL will be to develop innovative approaches to ensure that non-traditional learners are given the basic skills they need to make work pay. It is essential that priorities continue to be informed by the national policy developments – which in England will be the national strategy for improving adult literacy and numeracy skills.

Types of activities:

? pilot work to inform national policy: for example - how to enable intermediary organisations to be able to play an effective role in developing basic skills provision within their community, eg NACRO, voluntary sector

? tailored approaches to meet the needs of older people, who often have particular problems with adaptability and where innovative approaches to motivating them and helping them to acquire new skills are needed, for example exploring what barriers (including psychological barriers) stand in the way of encouraging them to learn and how they might be overcome (for example through use of mentors)

? new approaches to attract those who missed out on a formal education into learning, mechanism to convince them of the benefits of Lifelong learning.

The devolved administrations in Scotland, Wales and Northern Ireland have major responsibilities for lifelong learning policy and implementation. However, there is good liaison between these devolved administrations, and with UK Government Departments.

2.3.3.4 Work/life balance

This comes under both the thematic fields in this pillar. The need to develop work-life balance policies has been driven by:

- ? a tight labour market caused by low unemployment rates and skills shortages
- ? an increased demand for services to be delivered outside the traditional working day and
- ? the need for businesses to reduce costs caused by absenteeism, work-related stress and loss of experienced staff after maternity leave, and to maximise return on investment in recruitment and training by retaining staff.

UK context and provision

The Government's work-life balance campaign aims to increase awareness and take-up of

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

employment policies and practices that benefit business and help employees enjoy a better balance between work and the other demands on their lives.

A wide range of working practices and patterns are in use in the UK, but there is evidence that many employees, including those who do not have caring responsibilities, would like to take up flexible working patterns - for example almost 24% of employees work formal flexi-time. but 35% of employees would like to. The campaign is not prescriptive: not all flexible working options will suit every business, nor will they suit every employee. We are encouraging employers to adopt practices which suit their business and their employees, recognising that employees have different needs at different stages of their life cycle but that all will work best if they can achieve an appropriate balance between work and all other aspects of their lives.

There are a variety of social, demographic and economic drivers behind the campaign, such as:

- ? the increasing employment rates for mothers with partners
- ? the increasing numbers of people combining work with other caring responsibilities
- ? increased demand for downshifting from older workers
- ? reducing numbers of young people and increasing numbers of older people
- ? the need to increase the numbers of lone parents, people with disabilities and people from other disadvantaged groups who can work - because work is the best route out of poverty
- ? the recognition that children from workless households are disadvantaged but that when parents work they need time with their children
- ? evidence of changing attitudes from young people entering the labour market

- ? and: the tight labour market caused by low unemployment rates and skills shortages
- ? increased demand for services to be delivered outside the traditional working day
- ? new global pressures and competition
- ? recognition by businesses that having a diverse workforce means they are better able to serve and retain a diverse range of customers
- ? the costs to the economy of absenteeism and work-related stress
- ? the costs to businesses who fail to retain experienced staff, for example following maternity leave
- ? the need for businesses to maximise the return on investment in recruitment and training by retaining staff.

Everyone benefits from good practice in work-life balance:

- ? **Businesses** can find it easier to deliver services; easier to recruit, retain and motivate staff; easier to recruit from wider pool; easier to reduce stress, sick leave, staff turnover and absenteeism; and easier to increase motivation, loyalty and productivity

- ? **The economy** benefits as labour market grows in size. More skilled and experienced people available for work. Skills are retained in labour market. Women in particular become more financially independent. Productivity can grow. Larger workforce allows for more flexible deployment of resources. That can lead to more employment and greater business opportunities

- ? **Parents and carers** can spend quality time at home, as well as supporting financially those they care for and

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

- ? **Society** benefits as mothers and fathers can more easily support their children. Sick or disabled people who are helped by carers can enjoy better quality of life, with less need to rely on NHS and social services. People with disabilities have better access to work. People who want to improve their skills have time to study. People who want to be active in community can fit this round their work. Reducing number of workless households is key to delivering our commitment to eradicate child poverty.

The campaign is being delivered in partnership with Employers for Work-Life Balance (an independent group of employers who have benefited from work-life balance policies) and developed with advice from the Ministerial Advisory Group on Work-Life Balance which includes a broad range of stakeholders.

A number of activities are underway or planned. For example, Employers for Work-Life Balance:

- ? have set up a helpline for employers which signposts them to a variety of voluntary and not for profit organisations who can provide practical advice about implementing work-life balance policies
- ? are running a series of seminars for employers with a voluntary organisation, Parents At Work
- ? are promoting a work-life balance benchmarking manual for employers and a booklet about the business case for work-life balance for SMEs

and we are:

- ? providing £2.25 million over two years for the new Work-Life Balance Challenge Fund that will provide free advice to employers from consultants to develop work-life balance policies in their organisations. The Challenge is open to all employers in England and Scotland. There is a separate Challenge Fund for projects in Wales, aimed at small and medium sized enterprises. We are welcoming applications from organisations in the public, private and voluntary sectors who are committed to improving work-life balance and can show that they would benefit from consultancy advice. The Challenge Fund will help businesses realise the bottom-line benefits of flexible work patterns, and will help employees achieve a better balance between work and the rest of their lives
- ? funding research, including a baseline study of work-life balance practices in 2,500 organisations and involving 7,500 employees will give a clear picture of the extent of work-life balance policies and provide a baseline against which to measure the progress of the campaign
- ? sponsoring the Parents At Work employer of the year awards with Lloyds TSB
- ? preparing a series of good practice guides in partnership with the Women's' Unit.

Scope for further innovative work under EQUAL

Company based action research, set in the sectors which have the longest working hours in the UK and involving comparable companies in three Member States (UK, France, NL). The research would be conducted by practitioners rather than academic researchers so that the results would be more immediately applicable in the business setting. We would use the outcomes to strengthen an evidence based *challenge against long hours working* in the UK and to provide practical tools for UK companies wishing to change their work culture (for example, management training tools and case study evidence).

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

Rationale for this activity: Research shows that workers in the UK, particularly men, are more likely to work long hours than anywhere else in the European Union. However UK output per head is below the G7 average and the costs to employers in 1995/96 of work-related stress were between £353 million and £381 million. (More recently the costs of stress to the UK economy have been estimated at around £7billion). Repeated surveys of managers show that they believe long working hours are damaging their health and family relationships. Further evidence of the damage caused to individuals and the economy comes from reported Employment Tribunal cases but we know that some employers, especially big names, prefer to settle out of court. The long hours culture is a barrier to equal opportunities as mothers, lone parents and carers are less likely to be able to work longer hours than their contract stipulates than other workers who do not have dependants to care for. Not being able to work longer hours is, in some organisations, a barrier to progression for employees and thus a cost to employers

The long hours culture in the UK appears to be unique in Europe, but does not bring with it commensurate productivity levels. Early results from our baseline survey seem to show that people in the South East and London work longer hours than people elsewhere. Our baseline research will also tell us whether this is true across all sectors or whether long hours are more common in some sectors than others. We understand that the French decision to reduce working hours has not damaged their productivity. We would like to investigate how French companies have introduced reduced working hours and the effect of the change on work-related stress and productivity at company level. It would also be useful to compare the UK and French experience against that of another Member State, perhaps the Netherlands.

Key issues to address through EQUAL:

- ? Schemes to help employers develop flexible working practices in support of better work/life balance
- ? reconciling work and carer responsibilities
- ? flexible/progressive retirement good practice
- ? assessment of the costs and benefits to employers of allowing paid time off for volunteering (particularly for older employees in years approaching retirement)
- ? use of technologies in work to support job retention of older people with health issues.

2.3.3.5 ICT and adaptability

The ITEC skills strategy aims to make the UK the number one country for the supply of specialist IT, electronics and communications skills. As the national IT strategy is developed it will be important to enable EQUAL both to focus on innovative approaches to help develop higher level skills and to ensure that the IT strategy is able to engage those with lower level skills, to ensure that they are not doubly disadvantaged in the world of work. There is also scope to focus on encouraging more women into skilled ITEC occupations. Women are generally under-represented in these kinds of jobs. We envisage tackling the gender issue broadly in two ways. Firstly we need to promote a more positive image of jobs in ITEC to women to encourage more to study ITEC-related qualifications and pursue careers in ITEC. Secondly, we need to get employers to recruit from non traditional labour pools, including women, and put in place employment practices that support the needs and interests of women and allow them to pursue career goals while balancing work/life responsibilities. In partnership with ITEC National Training Organisations, we will be supporting programmes of activities to address these policy goals, including a new image campaign in IT and advice to ITEC companies on best practice in broadening recruitment. We will be working closely with the policy agenda to promote Science, Engineering and Technology to Women (through the Office of Science and Technology) and with the Women's Unit which has made women in IT

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

a key policy area. Ministers accord the promotion of women's interest in ITEC the highest priority. Officials are currently considering how a special women's taskforce in IT might further our policy objectives.

Key issues to address through EQUAL:

- ? develop innovative approaches to build on the IT strategies for England, Scotland and Wales to take make IT accessible to those with low level skills
- ? ensuring that there are viable routes between community-based/individual learning initiatives in ICT and actual employment in ICT-related fields
- ? ensuring the quality of socially inclusive learning initiatives by creating a sufficient supply of appropriately qualified IT trainers
- ? defining and promoting work-based education, training and work experience environments and provision which are friendly to women and to potential employees from disadvantaged groups
- ? promoting organisations representing cultural industries. We consider that the interface between lifelong learning and culture represents an opportunity for further development throughout the EU, in particular encouraging European networking to enhance the role of libraries, museums and galleries in lifelong learning. There is exciting work in many member states in encouraging people from disadvantaged groups to learn in libraries, museums and galleries which would benefit from the European dimension which EQUAL might provide
- ? maximising labour market resources by supporting job desegregation in the ITCE (Information Technology, Communications and Electronics) industries, and promoting the return of women with SET (Science, Engineering and Technology) qualifications to the labour market.

2.3.4 Equal Opportunities

Working towards equality of opportunity for all citizens is a core goal for policy-making. The steps we are taking in regard to older workers, disability, minority ethnic groups and those at risk of becoming socially excluded are reported particularly under Guideline 9.

The UK has implemented a number of initiatives specifically aimed towards improving equality for women. These include having, since 1997, a Minister for Women at Cabinet level and a central Women's Unit, which continues to play an active role across Government, shaping and responding to policy developments. The Women's Unit worked with the Home Office on separate consultations with young women and young men which resulted in a joint report, "*Listen Up*", on the issues and concerns to Youth which will inform policy makers on the differing needs and perspectives between the genders.

More generally, women tend to gain greater benefit than men from policies which are aimed at improving the work/life balance and more flexible opportunities to learn, given that women form the majority of homemakers and undertake the larger share of caring and domestic responsibilities in the UK. These policies mean that in the UK 68.8 per cent of women of working age are in employment, which exceeds the target set at the Lisbon Special Summit.

The Wales **European Equality Partnership** was launched in October 1997, comprising Chwarae Teg, WCVA, WDA, All Wales Ethnic Minority Association, WEFO, National Assembly for Wales, the Equal Opportunities Commission, the Commission for Racial Equality and Disability Wales. The partnership's main aim is to integrate equal opportunities into

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

structural fund project development, approval and monitoring and to develop new measures to mainstream equal opportunities in the economic development of Wales.

2.3.4.1 Theme G: Reconciling family and professional life, as well as the re-integration of men and women who have left the labour market, by developing more flexible and effective forms of work organisation and support services

Activities falling under this thematic field are covered in section 2.3.3, above, under 'Work-life balance'. Given the approach to mainstreaming - support related to re-integration will be addressed through the first pillar.

2.3.4.2 Theme H: Reducing gender gaps and supporting job desegregation

UK context and provision

Every Member State of the EU (and the US) experiences a pay gap, in a number of cases wider than the UK's, and occupational segregation is also recognised as a problem through the EU. However (perhaps because of the high profile given to the gap here by the Equal Opportunities Commission) in its comments on the UK's annual National Action Plan on employment, the European Commission specifically asked the UK to take more action to close the pay gap. The position of women in the labour market and statistics relating to the gender pay gap are highlighted in Chapter One.

Occupational segregation is a crucial factor relating to the pay gap, as set out in Chapter One. However, the Government is aware that there are "no quick fixes" for the pay gap or for occupational segregation any more than there are for (say) improving the skills of the workforce in general. It is important to remove barriers to girls' and women's' choices; encourage them to make choice of education and career which will be the most rewarding financially; prohibit overt or covert discrimination; and respect individuals' choices.

Addressing the gender imbalance is a key issue in the Government's drive to tackle skill shortages in IT, electronics and communications (ITEC) occupations. Women are significantly under-represented across these occupational roles, often deterred by either gender stereotyping that pressures women into non-science/technology based occupations or the negative images (macho, techy, nerdy) that surround jobs in these sectors. The Government will be working in partnership with industry, education providers, National Training Organisations and other key bodies to provide a more positive image to women of careers in ITEC and help industry introduce recruitment, training and retention policies that support women in their careers. We are:

- ? undertaking research to understand how women are supported into ITEC occupations in the UK and other major Information Age economies, with a view to identifying international best practice
- ? committed to a new campaign to improve the image of IT professionals, particularly focusing on women's negative perceptions of these roles.

Scope for further/innovative work under EQUAL

These are the key issues to address under EQUAL:

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

- ? Combating discrimination and employer perceptions and promoting desegregation among employers through:
 - ? establishing stay in touch schemes with employers, for higher skilled women who risk losing their up-to-date knowledge or face difficulties in maintaining their professional qualifications outside of the workplace;
 - ? promoting occupational de-segregation in science, engineering and technology related occupations through the entry of women at technician level and below, particularly from mature entrants and those from non-traditional backgrounds

- ? Piloting ways of breaking down and overcoming stereotypes of 'women's and men's work' and roles among parents, peers, teachers, careers advisers, training providers and employers through:
 - ? enhancing financial literacy - building the key messages into citizenship learning for young men and women
 - ? breaking down stereotypes of "women's work" to broaden the choices young women feel free to make, and in particular promoting careers for women in areas of historic under-representation (e.g. science, engineering and technology)
 - ? ensuring women get the chance of higher skills training to make long term gains in self sufficiency
 - ? increasing learning resources to help those who missed out on a formal education and who need to upgrade their skills to get into a job which will make returning to work pay (including older women whose pension profile may be poor, OR helping women in part time low skill jobs move upwards to better paying work).

- ? Promoting occupational desegregation in science, engineering and technology occupations through the entry of women at technician level and below, giving priority to help women train for and fill the ICT skills gap (priority could be given to young women, older women, 'multiply disadvantaged' women as appropriate) through:
 - ? improving the image of ITEC careers for women by influencing careers advisors, changing the perceived macho culture and more family friendly attitudes;
 - ? ensuring that the IT skills agenda is seen across the whole pre-university 5-18 year age group as a viable and interesting career
 - ? providing opportunities for penultimate year graduates to gain experience of working in ITEC SMEs
 - ? feminising ICT - giving priority to help young or older women train for and fill the ICT skills gap. (In mathematics and computing science there are three times as many young male students as female)

Whilst many of the activities identified above relate to IT and science and engineering, the work to be taken forward under EQUAL should be able to respond to the need to address the under-representation of men in sectors such as care, and primary school teaching.

2.3.5 Asylum Seekers

At the Tampere Special European Council in October 1999, the UK and other Member States renewed their commitment to the principles of the 1951 Convention Relating to the Status of Refugees and the need to provide protection for those at risk of persecution. Member States are also committed to combating abuse of the asylum process in order to ensure that those genuinely in need of protection can be granted that protection as speedily as possible.

UK context and provision

In this context the UK is committed to assessing applications for asylum as quickly as possible and has recently committed additional resources to enable all applications to be processed within two months. In addition, the National Asylum Support Service (NASS) was established earlier this year to take responsibility for supporting destitute asylum seekers under the recently introduced dispersal policy. NASS is supported by voluntary sector organisations including the British Refugee Council and is in the process of developing an integration strategy which will meet the needs of refugees and those with exceptional leave to remain.

Work related to Asylum seekers will cover the UK rather than just Great Britain as responsibility for the issue has not been devolved.

2.3.5.1 Transition from Asylum Seeker to Refugee

Asylum seeker and refugees are two legally distinct groups of individuals, who reside in the UK. EQUAL is required to focus on the needs of asylum seekers. However one of the key factors which has exacerbated the situation for asylum seekers who are given permission to work - or become refugees - in the past has been failure to respond in a co-ordinated and coherent way to the very diverse needs of people within these two groups. The dislocation between the treatment of asylum seekers and the support services for refugees has exacerbated the situation.

The intention to ensure that applications are assessed within two months means that the most useful support for asylum seekers will be to focus on support to enable their swift transition to the labour market, once a positive decision has been taken. In addition, during the short period of assessment, basic orientation support could be made available to asylum seekers to ensure that they understand what help will be available and how this will be provided. This could include guidance to ensure that they had an understanding of how the support is organised for refugees seeking employment, and to explain what they could expect should a positive decision be taken. This should remedy the current position where individuals can become detached from the system once a decision has been taken and will enable the UK EQUAL programme to make a significant contribution to meet the needs of asylum seekers who are given refugee status.

EQUAL has so far provided a useful means for the DfEE and the Home Office to work together alongside the British Refugee Council to see how best to assist asylum seekers with their initial orientation and their transition to the labour market in cases where they are recognised as refugees. However, in order to develop a service which avoids the current pitfalls, EQUAL should enable individuals to be assisted along the continuum from asylum seeker to refugee - with support appropriate to their legal status. EQUAL provides an opportunity to develop an employment strategy to run parallel to the Refugee Integration Strategy which is being devised by the National Asylum Support Service (NASS). It is

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

essential that this work complements the work taken forward through the NASS and the European Refugee Fund. The thematic group will clarify the best way in which this complementarity can be delivered.

This work will require further discussions with the key partners but could encompass:

- ? Orientation: provision of information, addressing expectations and perceptions of the asylum-seeker. Most asylum-seekers have misperceptions of their future, whether successful or not in their application for asylum. EQUAL could help address these misperceptions by encouraging them to return to their country of origin or helping them with their integration if successful
- ? develop innovative means to harness the potential of asylum seekers and enable a rapid transition to employment once positive decisions on status have been taken. (The main barrier is that although people may be highly skilled they often lack an understanding of how or where to find suitable work and how to sell themselves CVs etc. If they are lost at this stage - much more difficult to track and re-engage.)
- ? help develop education and training which will give those who have been refused refugee status useful skills in their home country
- ? Those given temporary protection may not be asylum applicants, but are included in the European Commission EQUAL guidance. Support could be made available to them in the form of language and vocational training to assist their resettlement on their return, tailored to the needs of the individual and relative to the economy of their country of origin. There are at present no persons benefiting from temporary protection in the UK.
- ? Those given exceptional leave to remain are also targeted in the EQUAL guidance and should be supported through this strand of EQUAL. This could include: language training to aid integration, and the development of new targeted services and specific interventions to address specific barriers to employment of those with exceptional leave to remain, addressing gaps in mainstream provision

Support in cases where a decision is delayed

- ? Asylum seekers can currently be given permission to work when they have been in the country and awaiting a decision for over six months. Whilst this should be a very small group of people from 2001 - where the individual is entitled to work in the UK they will need to be covered in the national employment strategy. Activities under EQUAL could involve identifying suitable models to enable those asylum seekers who are entitled to work in the UK to find and keep sustainable employment.

2.3.6 Transnational co-operation

So that EQUAL in Great Britain is able to deliver the key priority of transnational co-operation and influence good practice on a European level it is proposed that there should be co-operation with certain Member States where we have good working practices on particular themes. We are keen to establish links with:

- ? Sweden and the Netherlands
 - ethnic minorities and access to lifelong learning
 - equal opportunities, in particular the gender pay gap
- ? Italy
 - social economy
- ? Spain
 - life-long learning
- ? France
 - social exclusion

The Guidance to applicants will clarify the way in which transnational cooperation is to be encouraged. We also want to encourage work in Central European countries where we already have a programme of support, such as the current links with the Czech Republic, Slovenia and Poland which are funded through PHARE.

However, this list is not exclusive and does not rule out co-operation with other Member States.

However, any form of transnational co-operation will need to take into account differences in definitions, procedures and legal bases between the Member States.

So that EQUAL can fully play its role as a laboratory of development and of promotion of new implementation methods for employment policies, close co-operation will be established between the Member States, the social partners and the Commission, in order to successfully exploit the potential for impact on the European Employment Strategy of good practice developed throughout the European Union.

The work programme of this co-operation (thematic studies, periodic evaluation, discussion forums, etc.) and its methods will be determined in parallel with the increasing pace of the Initiative. To this end, each year, a detailed work programme of the European level actions will be established in close co-operation between the Commission and the representatives of the management authorities.

Each managing authority will commit itself to an active participation in this co-operation at Union level.

Within the frameworks of networking and national distribution of good practice (Action 3), each management authority will encourage, organise and support the work of the DPs required to take part in the actions at European⁶⁵ level.

⁶⁵The travelling expenses incurred by the participation of DPs in actions at European level will be covered by the budgets envisaged in the Member States for Action 3.

Chapter 3: Other factors that have shaped the development of the programme

3.1 The consultation process in England, Scotland, Wales

The Government has carried out a consultation exercise in which individuals, organisations and policy makers were invited to comment on the themes to be addressed and activities to be supported by EQUAL in England, Scotland and Wales.

In England organisations and individuals were invited to complete a questionnaire via the ESF News site on the Internet and a GB EQUAL e-mail address was established to collect additional thoughts and comments.

The Scottish Executive and the Welsh Assembly carried out their own consultation using the same questionnaire. A Wales EQUAL Liaison group has been established to advise the National Assembly on the development and implementation of EQUAL in Wales. The same function will be carried out in Scotland by the Structural Funds Equal Opportunities Forum which includes representatives of all three statutory equalities agencies and which has discussed the proposals put forward in this document.

Each of the Government Offices for the English regions was invited to complete the questionnaire and in several regions EQUAL seminars provided the opportunity to collect additional comments.

Over 70 organisations replied with the highest response coming from the voluntary sector and local authorities. Around a third of these organisations had previous experience of ADAPT and/or EMPLOYMENT. The key themes identified were:

- A - access to the labour market
- E - promoting lifelong learning
- B - ethnic minorities
- F - adaptability of firms and the use of IT

The consultation also provided useful information on the way in which Development Partnerships should be established, with respondents wanting these to be able to be developed at the local, regional and national level. Another strong point that came out of the consultation was the importance of partnerships to involve both employers and the smaller organisations. These points will be taken on board - as the partnerships will be able to be formed at the level that is appropriate to the policy they wish to influence, and we recognise the need to engage employers in the process. In those themes where employer involvement is essential Development Partnerships will have to clarify how they will do this.

The questionnaire also provided specific information on the Member States where we might find good opportunities for transnational co-operation. Denmark, Netherlands, Italy, Germany and Finland were identified as strong transnational partners. Annex C provides the tables which shows a breakdown of the replies to the questionnaires. We will return to the information gathered throughout the consultation as the programme is developed - it provides a range of other points that should be addressed as we move towards implementation .

3.2 Lessons from ADAPT and EMPLOYMENT

Experiences from the ADAPT, EMPLOYMENT and other Community Initiatives have informed the overall development of the EQUAL programme, for example in emphasising the need for support in mainstreaming and recognising the benefits of more strategic approaches based on partnership rather than individual promoters.

The Final Evaluation of the GB ADAPT and EMPLOYMENT programme is being carried out by GHK Economics and Management. An initial report was published in April 2000 and an update to this report will be available by December 2000. The update will focus on the ADAPT Round 3 projects and the longer term impact of mainstreaming. This section draws on the former evaluation - however, the design of EQUAL has already taken on board many of the key lessons from the GB evaluation. In particular that the effectiveness of mainstreaming which will be improved as a result of the stronger policy focus and the potential to maintain this strategic focus through the thematic groups.

3.2.1 Mainstreaming

Findings from the evaluation

Mainstreaming is the process by which lessons learnt from individual projects or groups of projects are used to influence the policy process at the local, national or European level. Whilst projects have been effective in carrying out dissemination, the mainstreaming has mainly been limited to the local level rather than to policy development. There have been notable exceptions to this where EMPLOYMENT projects were able to demonstrate contributions to national policy initiatives including the National Childcare Strategy, New Start initiative and the wider social inclusion agenda and disability policy, which were supported by interviews with the relevant policy influencers.

It is no great surprise that vertical mainstreaming impacts were largely confined to the Department for Education and Employment. However where ADAPT had been tailored to meet a policy gap - there was considerably more interest in the potential findings, for example, from the ADAPT Round 3 Ufl projects.

Under EQUAL, there is a greater scope to include, for example, other Departments from the first stage of the programme. Key recommendations from the evaluation of ADAPT and EMPLOYMENT:

- ? improve involvement of policy makers and influencers in development and in making best use of project findings
- ? policy input to programme development - to identify areas for inclusion in the programme.
- ? policy input to the appraisal process - clear requirements for policy relevance.
- ? policy targets for formative and final dissemination
- ? ensure that project ideas fit with current and medium term policy requirements, and that targets can be clearly identified for both formative and final dissemination activities
- ? expand policy input beyond DfEE.

Implications for EQUAL

The development of EQUAL has taken on board the stronger policy focus. Although several recommendations specified that projects should develop a mainstreaming plan - this has largely been overtaken by the design of EQUAL, which will give much greater support to mainstreaming from the outset. However, keeping up with policy developments will represent a continued challenge under EQUAL, and disseminating emerging findings which can influence the implementation, will continue to be important.

The report recommended that projects should be encouraged to select partners who may be able to provide routes to influence policy. For example, where projects were working with national bodies, such as the National Childcare Bureau and National Training Organisations, routes to influence national policy were more direct. The design of EQUAL should enable this much closer link with a stronger requirement to work with key organisations.

3.2.2 Innovation

Findings from the evaluation

Projects funded under ADAPT and EMPLOYMENT must be innovative to provide lessons which are of value to policy development. Projects must show innovative approaches, which may be completely new or applied in a new context or with a new target group.

The evaluation found that projects most commonly featured 'process oriented' innovative components, relating to the development of new methods such as new training materials and approaches. This was particularly the case for the EMPLOYMENT programme.

In terms of what projects were intending to implement, ADAPT projects most commonly planned to develop wholly new approaches, while EMPLOYMENT projects more commonly intended to implement new combinations of existing approaches. This may result from ADAPT's focus on industrial change, a newer policy area than the more traditional areas of labour market intervention under EMPLOYMENT, and so offer a greater opportunity for wholly new approaches.

Although the foci of innovations were in most cases local, i.e. responding to local issues with new local solutions, many examples were identified where projects' specific intents were to operate at the national level and beyond. Even when locally focused, the results of the assessment of potential influence and application show that the implications of their findings for policy and practice extend far wider.

When the innovative components of projects were assessed, considerable potential for influence and application at the policy or operational levels was identified. Over 80% of all projects were assessed as having relevance in their sector or beyond, with the EMPLOYMENT programme having the greatest share of projects rated highly (44%). However, low levels of potential influence and application may not necessarily be because the project idea was unsound, but that some management or partnership failure prevented its full development and implementation.

Recommendations for EQUAL

The recommendations:

- ? include clear guidance on innovation in guidance materials, including examples of potential projects, but not so prescriptive as to constrain creativity
- ? ensure promoters and partners are clear on the demonstration objectives of innovative programmes, to ensure lessons are not lost or become secondary to the achievement of hard outputs. Developing clear understandings about the demonstration role of projects will be important in ensuring that the aims and objectives of EQUAL will be achieved. The monitoring requirements of innovative programmes can also contribute to ensuring the focus on innovation
- ? as much can be learnt from innovative approaches which are not successful as those that are. Projects will be allowed to fail and lessons will be learned from these unsuccessful approaches.
- ? seek ways to facilitate transnational partner involvement in the innovation development process from the outset - the development phase planned for EQUAL may assist this
- ? demonstration projects will rarely run exactly to plan, and the need for flexible management at the programme level is to be encouraged. Management approaches that emphasise the identification of qualitative outcomes and key lessons are to be encouraged in EQUAL.

Implications for EQUAL

Guidance will need to clarify how innovation will be encouraged. The design will also need to allow lessons to be learnt from approaches that do not succeed.

3.2.3 Transnationality

Findings from the evaluation

The transnational aspect of the Community Initiatives enabled innovations to be shared at the European level.

Project promoters frequently had limited expectations of the benefits their transnational activities could offer at the outset, and over half would not have included a transnational component in their projects without it being a funding requirement. Consequently projects' initial plans and ambitions for transnational activities were often set low, concentrating on exchanging information and ideas rather than on joint project development. This was less the case with more experienced projects, or where transnationality was a central element of individual projects.

However, project managers commonly described how the actual benefits of transnational activities exceeded their expectations, especially when working with partners in Europe for the first time. A range of benefits were identified, from those of direct benefit to the project in question to less tangible benefits including the development of new contacts and providing first experiences of transnational partnership working. In many cases, especially projects new to transnational working, the benefits of their experiences were likely to be realised in the future.

Less positively, a series of barriers hindered the effectiveness of transnational collaboration. These began with the process of partner identification, the requirement for bids in individual Member States, and the lack of synchronisation between approval processes. During implementation, projects also identified barriers, most commonly referring to cultural differences such as different approaches to work and operating within new political and legal environments. The most influential barriers, however, were the lack of complementarity between partners and unequal partner contributions, which limited the benefits projects were able to realise from their transnational collaborations.

Within this framework it is understandable that transnational ambitions are commonly limited. While the introduction of the development phase in Round 2 made the loss of partners at the bidding stage less damaging, a number of projects still described entering partnerships of last resort. This contributed to many of the difficulties identified during project implementation, notably the lack of complementarity between partners. With transnational partners most commonly meeting six times a year or less there is a limit to what can be expected from their collaborative activities. This was recognised by many projects, and a number of techniques to ensure effective collaboration were described.

Recommendations for EQUAL

The design of EQUAL seeks to improve transnational partnership working through the following:

- ? Co-ordinated applications round between GB and other Member States
- ? Development Partnerships to set out transnational agreement before full funding
- ? Improved European project database
- ? Guidance material will have to identify how the transnational element will be taken forward.

3.2.4 Thematic lessons

There are lessons to be learned from the final evaluation of EMPLOYMENT and ADAPT. Some of the key points are reflected in this section.

Theme A: access to the labour market

The experience of EMPLOYMENT and ADAPT shows that when helping disadvantaged groups enter or return to the labour market the context and method of delivery can be just as important as the actual project activity.

A progression route or “pathway” approach can bring together a number of key activities (guidance, training, mentoring and placement) and establish how well individual competencies meet the needs of the changing labour market. The provision of a single “gateway” or a “one-stop-shop can improve access and Individual tutoring and mentoring can improve support.

Project effectiveness is maximised when there is an environment that supports and encourages partnership and co-operation between all the partners and where the target group participate in decision making as active and responsible partners. The involvement of employers and trade unions is also an essential ingredient for project success.

Theme B: combating racism and xenophobia

EMPLOYMENT and ADAPT experience has shown the importance of coherent strategies and local integrated approaches involving local authorities, employers and NGOs in tackling discrimination and improving ethnic minority groups access to employment. Improved understanding of the different cultures and linguistic skills of the diverse workforce can also help tackle discrimination.

Theme C: business creation

Experience from EMPLOYMENT and ADAPT projects has demonstrated that comprehensive training programmes combining various levels of support and improving access to finance can particularly help those people who have difficulty in accessing the labour market set up and develop their businesses.

Projects have shown the value of programmes tailored to meet the needs of potential entrepreneurs with modules on business skills as well as personal development to boost confidence. Types of advice and support that have proved to be effective include help to produce a business plans and identify markets and niches, advice on business legal requirements, mentoring and a support networks to create links with other businesses as well as continuing support beyond the initial start up period.

The establishment of local partnerships involving banks, Chambers of Commerce, local authorities, SME support organisations and local companies can play a crucial role in improve access to funding. New types of loan can help individuals with solid development plans or contracts obtain the necessary start-up capital .

Theme D: strengthening the social economy

The outcomes of EMPLOYMENT and ADAPT projects have identified several areas that are important in the development of the social economy.

For example, it is important for local partnerships to explore and identify new types of funding and loan capital in order to help social enterprises to become self-financing businesses. Some ADAPT and EMPLOYMENT projects have developed quality systems and standards for the social economy in order to professionalise the new services and gain recognition for the vocational qualifications this sector. It would be worth considering the outcome of this work to inform activity under EQUAL.

The social economy needs to be involved in local economic development partnerships and encourage job creation by identifying new needs at local level and transforming them into new demands for services. Local partnerships can also help social enterprises to network.

Theme E: promoting lifelong learning and inclusive work practices

EMPLOYMENT and ADAPT projects have identified the need for lifelong learning strategies to promote “employability for life” rather than a “job for life” and bridge the gap between the existing or short term needs of business and the need to have a workforce with the attitudes

and skills to cope with future job or organisational change.

This is fundamental to the UK Lifelong learning strategy - and requires co-operation and joint responsibility from all the stakeholders .

Theme F: adaptability and IT

ADAPT and EMPLOYMENT projects have demonstrated the benefit of anticipating business and skill needs, the importance of continuing and management training and learning networks for SMEs and other companies .

Observatories of business and skill needs can be a useful tool for SME development. They can improve the design and content of learning, the capacity to interpret information about change in products and markets, technology, competitors as well as the legal and regulatory framework.

ICT offers SMEs the opportunity to participate in a learning network with other companies. Management training via peer learning can improve the learning culture within a company. As the level of ICT continues to grow lower skilled workers will need help to increase their ICT skills.

Theme H: gender segregation

EMPLOYMENT has demonstrated that proving the businesses advantages of utilising individuals potential, changing workplace culture and exploiting new developments in traditional male or female sectors can be effective in initiating long-term change in segregated sectors.

ADAPT and EMPLOYMENT projects have introduced a range of practical steps to help employers improve their recruitment and selection processes. Measures that have proved particularly successful have included:

- ✍ helping organisations to review and amend their procedures for recruitment selection and promotion to attract and retain more women or men,
- ✍ Equal opportunities measures agreed by senior management and targeted at shop floor and at middle management level.
- ✍ Mentoring programmes to change stereotypical attitudes.

Whilst these approaches are relevant for gender equality, they could also inform work under the employability pillar.

3.3 Priorities for Support

When considering the priorities for EQUAL we have had to be clear about nature of inequalities, and the work that is currently being taken forward in Britain to address these issues. This should help identify specific areas that would benefit from further support on a transnational basis. In order to reach these conclusions we have taken account of the priorities set out in the UK Employment Action Plan and the ESF Objective 3 Community Support Framework for Great Britain, and have taken account of the Joint Employment Review recommendations on the 1999 and 2000 Employment Action Plans. We have also consulted widely and considered the lessons to be learnt from Employment and ADAPT.

In order to set the scene policy colleagues from several Government Departments, the Scottish Executive and the National Assembly for Wales were invited to identify the areas where they would find it useful to focus EQUAL. Following on from this, an EQUAL working group was established to draw together policy representatives, the social partners, the equality commissions and organisations with a specific insight - such as the British refugee council and the third sector European network. This group considered the proposed Government priorities, the results of the external consultation exercise and has helped shape the priorities for support and identify the areas which would benefit from further work with other Member States. It has been extremely useful to help develop a common understanding of how EQUAL could work and ensure that we use EQUAL in a focused way.

The following three points were discussed by the working group and are worth expanding here. Firstly, the clear commitment to mainstreaming. There was overwhelming support for the UK approach to mainstreaming to be reinforced throughout the programme ie to ensure that this covers all those who are disadvantaged in the labour market rather than being restricted to gender. However - in order to deliver a genuinely mainstreamed programme it is essential that a rigorous implementation strategy is developed to ensure that this works in practice. Although the Commission for Racial Equality supported a mainstreaming approach they somewhat reluctantly agreed that we should still have a separate theme that examines race issues - as this will enable useful thematic work with other Member States.

The second point relates to targeting. Although EQUAL will have a thematic focus, it is important to recognise the different needs within groups (relative disadvantage of ethnic minority groups, relative position of women eg with low skills) and the programme must be able to focus on the specific needs of those who are most excluded.

The final point relates to Asylum seekers. We were able to have useful discussions between the Home Office, the DfEE and the British Refugee Council on the needs of Asylum seekers as defined in the EQUAL guidance. This is a complex area, which enabled us to make progress and identify the most fruitful areas for co-operation under EQUAL.

Overall focus

The EQUAL working group and the external consultation exercise identified employability as the most important issue to be address through EQUAL, as this remains the most significant barrier to any individual. In addition as the lack of basic skills within the British labour market remains a significant concern, the working group agreed that EQUAL should have a strong focus on developing models to enable the acquisition of basic skills by the non-traditional learner. However there should be scope for exceptions which meet the aims of the EQUAL. For example :

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

- ? IT - where there should be scope to examine both IT higher level skills and the IT skills for those with no or low IT literacy
- ? models for tailored skills acquisition which will enable an individual who is currently disadvantaged to make rapid progress eg customised re-training for refugees, or tailored support to help a person who is disabled whilst employed to retrain for alternative work

Targeting

EQUAL must be well targeted to make best use of the resources. However, the only theme that could be excluded from the programme was theme G (reconciliation of family and professional life) as any innovative work could be carried out under the adaptability pillar. Themes A and D will be expected to focus on the deprived areas in line with the national inclusion strategies. Beyond this, targeting will need to be delivered by ensuring that themes are as specific as possible and that they identify the intended policy impact at the outset.

When examining the priorities for support under EQUAL we have sought to identify the real policy gaps that could usefully be informed by EQUAL, where we would benefit from transnational co-operation. We took account of the work that was already being taken forward through domestic funding and mainstream ESF. It is essential that EQUAL maintain close links with new policy developments, such as key reports from the Social Exclusion Unit, and key developments related to basic and IT skills. The priority activities mentioned in the table below are broad enough to allow for policy developments over the 6-year period, the activities described provide a general guide which will be further clarified in the guidance to applicants. This is particularly important as the English Neighbourhood renewal strategy and IT strategy will be published early in 2001. Moreover, further work to develop the adult basic skills strategy will be taken forward early in 2001. The guidance will identify the activities we would like to encourage work at national or regional. The project selection criteria will make clear the requirement to:

- i) deliver the objectives set out in the CIP
- ii) have close links with and be able to inform policy development
- iii) demonstrate innovation and added value (domestic provision plus mainstream ESF and Community Initiatives).

The tables at the end of this section set out the priorities for support under each theme. This shows the link between the perspective of the Joint Employment Review (JER) on the UK Employment Action Plan, the domestic policy context and the priorities for support. The priorities are in line with the comments from the JER on the of 1999 and 2000 Employment Action Plans - which highlighted the fact the lack of basic skills remains a challenge for the UK, and the lack of IT skills as a risk to competitiveness. The focus in EQUAL on gender de-segregation as a means to address the gender gap, takes account of the fact that this is an area which could be improved significantly. The evaluation of ESF Objective 3 in 1999 identified that gender stereotypes were being reinforced rather than challenged by ESF provision. It also provides a means to address the needs of older people within the workforce who will have completed their education at a time when policy equal opportunities was less well developed. In contrast, National Childcare Strategy is an area where the UK has made significant efforts over recent years to address the lack of provision, which have been informed by EMPLOYMENT projects and will be further developed with support from the 2000-2006 ESF Objective 3 in Great Britain. As a consequence there is limited scope to focusing EQUAL on Childcare policy, although it may well feature at project level.

EQUAL COMMUNITY INITIATIVE PROGRAMME
 Department for Education and Employment (European Social Fund Unit)

Financial allocations

The financial allocations take account of the relative priority of each theme and are set out in detail at table at page 78. The split will be as follows:

	GB	Indicative split to theme
Employability	40%	A 30% B 10%
Entrepreneurship	20%	C 10% D 10%
Adaptability	25%	E 12.5% F 12.5%
Equal opportunities	5%	G 0% H 5%
Asylum Seekers *	5%	-
Technical Assistance	5%	

NB:

- i) the Asylum seeker provision covers all of the UK - and is based on the assumption that this support is restricted to those seeking asylum, and immediate support in their transition to the labour market once a positive decision is taken. The more general needs of refugees will therefore be able to be addressed through the rest of the EQUAL programme

EQUAL COMMUNITY INITIATIVE PROGRAMME
Department for Education and Employment (European Social Fund Unit)

Find a document containing activities which EQUAL support at:

*http://www.esfnews.org.uk/equal/docs/EQUAL_Final_9_March_table.doc – MS-Word format
OR*

http://www.esfnews.org.uk/equal/docs/EQUAL_Final_9_March_table.pdf – Acrobat format

3.4 Thematic focus

EQUAL will be distinguished from the former ADAPT and EMPLOYMENT programmes and the new Objective 1,2 and 3 Structural Fund programmes by its thematic approach to testing new ways of delivery for policy priorities in the framework of the European Employment Strategy (EES) and the emphasis on partnership in a context of transnational co-operation.

Policy makers, the social partners and the equality commissions have been involved in the development of the programme, and their continued involvement in the development and delivery is essential to maximise EQUAL's impact on labour market and employment policy. This will enable EQUAL to take account of the lessons which emerge throughout the programme and will also ensure that the work is able to adapt to policy and labour market changes.

EQUAL in GB will operate in seven of the eight thematic fields, defined in the context of the four pillars of European Employment Strategy. There will also be a separate theme which addresses the needs of those seeking asylum - which will operate on a UK basis, as this area of policy has not been devolved. The tables set out earlier in this chapter describe the overall rationale for the proposed activities, drawing on the comments from Council Recommendations on the 2000 National Action Plan for Employment and the key priorities which need to be addressed with the context of the British labour market.

Thematic Networking Groups (TNGs) will be established for each selected theme and will include relevant policy representatives from the DfEE or other Government Departments, the Scottish Executive, Welsh Assembly, representatives of the equality commissions (Commission for Racial Equality, Disability Rights Commission, and Equal Opportunities Commission), social partners and the Development Partnerships. Government offices and Regional Development Agencies could usefully be involved in these groups to help take forward the direct lessons for mainstream ESF and to specify regional priorities. Each thematic group will be chaired by a representative of the managing authorities.

The precise role of the Thematic Networking Groups will be agreed with the GB monitoring committee and set out in the Programme Complement. This will include:

- ? Strategic Focus: to ensure that EQUAL continues to focus on the priority areas, and takes account of emerging findings and changes in policy and/or the labour market. Each network will report to the EQUAL GB Monitoring Committee,
- ? Recommend projects for approval by Monitoring Committee: it is envisaged that strategic groups within each theme will consider all the applications within their thematic area and recommend the English and GB-wide projects which best fit the strategic focus. In order to consider the GB perspective they will be provided with details of projects that only operate with Scotland and Wales (rather than GB-wide) and will already have been endorsed by their respective management committees. Members of these groups will have to declare any interest in the work of any proposals from Development Partnership - and will not be expected to participate in the consideration of these proposals.
- ? Dissemination Strategy and Thematic Networking: the national support structure will work with the networking groups to develop and agree a dissemination strategy with the EQUAL GB Monitoring Committee. Dissemination strategies will include lessons learned as well as good practice. All DPs will be expected to participate in GB thematic networking activity.

The networking groups will ensure that mainstreaming will take place at both the horizontal

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

level (ie organisations in the same or a similar field) and the vertical level - as they will encompass the representatives of regional and national policy. The groups will also need to feed into the UK ESF Evaluation Standing Group (see section 5.2), which has been established to develop a more coherent way of transferring good practice within Structural Fund programmes. The networks will also identify and assess the factors leading to good practice and benchmark their performance and disseminate good practice from the end of Action 1.

Thematic Networking Groups will participate in dissemination and evaluation at the European level, as will the development partnerships.

Technical assistance will be used to establish the TNGs and support thematic networking activity. The maximum percentage available to Development Partnerships under Action 3 will be 15% of total funds available for the first call.

The leading principles of EQUAL (partnership approach, empowerment/ participation, transnational cooperation, innovation, the thematic approach, dissemination and mainstreaming) will be implemented via the establishment of Development Partnerships (DPs) and Thematic Networking Groups (TNGs).

3.4.1 Development Partnerships

All Development Partnerships (DPs) will need to draw on key partners such as: policy representatives appropriate to the provision being developed (local/national/regional) ; social partners; organisations which represent those being targeted: voluntary sector; those delivering provision: Learning and Skills Councils, Employment Service, Local Enterprise Companies, Scottish Enterprise, Highlands and Islands Enterprise, Small Business Service, National Council for Education and Training in Wales, Welsh Development Agency, FE and HE Colleges, the Careers Service, NTOs and voluntary organisations. Regional Development agencies and English Regional Government offices will also have a role to play. It is likely that involvement of the equality commissions will be in an advisory capacity.

DPs may be organised on a geographical, economic sector or industrial sector basis. We estimate that of 100 DPs, 20% would be national/sectoral and 20% regional - the remaining 60% could have a local/regional focus. Partnerships should be formed on a national, regional or local level, depending on the policy focus of their chosen activity. The thematic work related to assisting asylum seekers, will be UK wide but there is expected to be scope for local projects. Each DP will be formed by an initial core of partners. These initial partners will ensure that the key relevant organisations including small organisations can be involved during the life of the partnership. It is also essential that the business community, especially SMEs as well as those small organisations with innovative ideas or close links with the disadvantaged groups, are involved in DPs.

The Partnerships will assist a wide range of disadvantaged groups as a result of their thematic approach. DPs will need to ensure that their proposals principally benefit those subject to the main forms of discrimination (based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation) and inequality. DPs should also ensure that thematic activity is fully accessible to all such groups. Organisations assisting one particular target group (i.e. the disabled) are likely to be members of several different thematic DPs. The DPs should not be established to focus on one particular target group apart from asylum seekers and refugees. The promotion of equality between women and men will be integral to all themes.

The principle of empowerment will be central to each DP. The recipients of support should be

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

involved in the decision-making and evaluation of the projects, and the DP must take their views into account.

Partnerships will have to select one of the themes listed below as the focus of their activity. In addition to the key partners, a range of other organisations, many of which will be single issue groups expected to be involved in each thematic area are also listed below.

The list below is illustrative.

Employability

Occupational sector organisations, including Trade Associations would be well placed to develop sector based age strategies, approaches to up-skilling and tackle age discrimination.

Age: voluntary sector organisations such as Age Concern, including Age Concern Training, and members of the Third Age Employment Network.

Drug misusers: organisations such as UK Anti Drugs Co-ordination Unit (UKADCU) and Centre for Social Inclusion as well as ex- offender organisations such as Probation Service, Social Exclusion Unit (SEU) and National Association for Care and Rehabilitation of Offenders (NACRO).

Racism

Race Relations Advisory Service and ethnic minority organisations.

Enterprise and Social Economy

Small Business Service Business Links, Social Firms UK, Social Enterprise (London) , Prince's Trust, PRIME, Chambers of Commerce.

Adaptability

University for Industry, New Ways to Work (NWW) (a voluntary organisation), Employers for Work-Life Balance, the Institute of Personnel and Development (IPA), the Industrial Society, the Work-Life Forum, the UK Work Organisation Network, the Federation of Small Businesses, the Health and Safety Executive, the Local Government Employers Organisation, other NGOs such as Parents At Work, Mothers in Management, the Work-Life Research Centre and Family Friendly UK Ltd. Links with particular sectors could include, the Chemical Industries Association and the Engineering Employers Federation.

Equal Opportunities and gender gaps

IT, electronics and communications (ITEC) and NTOs.

Asylum Seekers

The UK wide DP will be established to assist asylum seekers but there will also be scope for funding of local activities; this level of detail will be specified in the programme complement. Partners will include policy makers from DfEE, Home Office - NASS, Scottish Executive, Welsh Assembly, Northern Ireland as well as the British Refugee Council.

3.4.2 Transnational co-operation (at DP level)

At the end of Action 1, each DP has to conclude a *transnational co-operation agreement* with at least one DP in another Member State. In addition, this co-operation will also be able to stretch to similar projects financed in a non-Member State under the PHARE, TACIS or MEDA programmes. On an exceptional and duly justified basis, co-operation could also be extended to another partner external to EQUAL provided that the potential value added is clearly ascertained and this associated partner brings the proof of its capacity to cover its own expenditure carried out within the framework of this co-operation. Partners outside EQUAL will be called "associated transnational partners" and their participation will be submitted for approval by the management authorities responsible for the various partners.

Within the framework of transnational co-operation, each DP is in contractual relation⁶⁶, for those issues concerning itself, with its own national management authority to which it gives account. Nevertheless, the various DPs (transnational partners) are connected among themselves by a *transnational co-operation agreement* which specifies the objectives and common work methods of their "*transnational co-operation partnership*". This *agreement*, committing Development Partnerships of different countries around a joint work programme, obviously exceeds the national scope of each partner and requires methods of management at European level.

To this end, the Commission will set up on its own servers, via a Web interface, the tools necessary to present, update and allow the approval of the various *transnational co-operation agreements*. The DP which assures the secretariat of the *transnational co-operation partnership* will enter the data concerning the transnational partners and the agreements concluded. An electronic validation by the various contracting transnational partners and by the various management authorities concerned will be necessary.

Each *transnational co-operation partnership* will choose for itself a name which identifies it, and will specify in its transnational co-operation agreement:

- ? The dependent partners and the possible associated transnational partners;
- ? The objectives pursued by co-operation and the expected value added;
- ? The detailed work programme (nature of the activities, budget allocated to each activity, timetable of implementation);
- ? The role of each one of the DPs or associated transnational partners (financial amount allocated to co-operation; responsibilities in relation to implementation);
- ? The collective decision-making methods (description of the mechanism);
- ? The management methods (co-ordination, secretariat,...);
- ? The mechanisms of evaluation of co-operative efforts.

Chapter 4: Strategy for implementation

This chapter describes the process by which EQUAL will be implemented in Great Britain. This includes information about project selection, publicity, partnership, dissemination and mainstreaming and financial arrangements. It also provides an explanation of monitoring and evaluation mechanisms, as well as the indicators that will be used to monitor the effectiveness of activities supported and a description of the expected impact of the interventions. A diagram indicating the roles of those involved in implementation is attached at Annex D.

4.1 Subsidiarity

4.1.1 Devolution

The Government has taken steps to modernise the way in which Britain is governed, including the devolution of power to Scotland and Wales since 1 July 1999, and the establishment of mechanisms for devolution in Northern Ireland in December 1999. There are important executive, legislative and administrative differences between each of these countries. The policies reported in this plan are a mix of matters reserved to GB and those that are devolved. Northern Ireland has a separate Community Initiative plan for EQUAL. This plan will cover all activities except provision for asylum seekers, as policy on asylum seekers has not been devolved. Action on asylum seekers will be taken forward on a UK basis.

Following the transfer of specific devolved powers and responsibilities of the Secretary of State for Wales, to the National Assembly on 1 July 1999, the National Assembly has responsibility for developing and implementing policies which reflect the particular needs of the people of Wales. While responsibility for employment policy (including equal opportunities legislation) is reserved to the UK Government, the National Assembly has overall responsibility for business and economic development in Wales and its other policy responsibilities include education and training and policies for tackling social disadvantage. These policy responsibilities, and its statutory responsibility under the Government of Wales Act 1998 to ensure that its functions are exercised with due regard to the principle that there should be equality of opportunity for all people, give the National Assembly a strong interest in the development and implementation of the EQUAL initiative.

4.1.2 Managing Authority

EQUAL will be implemented in line with Council Regulations Nos. (EC) 1260/1999 and 12/62/1999. The DFEE will act as the Managing Authority (see Art. 34) for GB and Gibraltar, but a number of tasks will be delegated to the Scottish Executive and Welsh Assembly. This will include responsibility for: ensuring that the programme is developed in a way which reflects their national priorities; making EQUAL payments and maintaining separate accounting systems; and implementing EQUAL financial controls in Scotland and Wales.

The Scottish Executive and the National Assembly for Wales will establish EQUAL Management Committees to oversee the implementation of EQUAL in Scotland and Wales. These Management Committees will operate as sub-committees of the GB Monitoring Committee and will provide regular reports on progress. The Scotland and Wales Committees will put forward recommendations to the GB Monitoring Committee (through the TNGs as mentioned at 3.4) on the selection of Development Partnerships in their respective countries; monitor the implementation of the associated work programmes and trans-national co-operation agreements and ensure that the outcomes from projects in Scotland and Wales are

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

effectively disseminated. The Committees will also take steps to ensure that Scotland and Wales benefit from the experience of EQUAL in other parts of GB and in other Member States.

4.1.3 Payment Systems

All payment claims will be made to the Commission by the DfEE. The money received is routed through the Bank of England onto the Authority's accounts. Separate accounts are reserved for EC money. These accounts do not bear interest. The Paying Authority will pay the final beneficiaries on receipt of valid claims. DfEE will be the Paying Authority but will delegate specific functions to the Scottish Executive and the National Assembly for Wales. These functions will include the certification of claims; the making of payments; and the maintenance of records and financial controls (including audit responsibilities).

The Managing Authority will be responsible for ensuring that payments systems used have robust financial controls. Standards of probity and propriety consistent with those used for UK government expenditure will be applied to the management of ESF grant funds while these are under the control of the Managing Authority. Procedures will be established to ensure that on submission of valid and properly completed claims, applicants are paid promptly.

DfEE will ensure that the tendering process for outsourcing Technical Assistance complies with EC directives on public tendering. Those responsible for assessing bids will take into account recommendations by Commission auditors regarding cost control of TA contracts.

Systems will be maintained to clearly identify all receipts from the Commission and individual payments to final beneficiaries. Procedures will be set up to ensure that EC regulations on prompt payments are complied with.

DPs will be required to provide external audit certificates to ensure that there is independent assurance on the total eligible expenditure for the project.

The portion of the UK EQUAL budget allocated to Northern Ireland will be routed to that country's managing authority.

In accordance with Article 32.7 of the Structural Funds' Regulations DfEE will, no later than 30 April of each year, submit to the Commission their updated forecasts of applications for payment for the current year and their forecast for the following year. All DPs will be required to provide profiles of planned expenditure. DfEE will collect information from England projects using the Projects and Payments Database (PPDB). The Scottish Executive and National Assembly for Wales will collate the relevant information for DPs based in those countries and DfEE will collate information at GB level.

4.1.4 Monitoring Committee

A Great Britain Monitoring Committee (GBMC) for EQUAL will be established to oversee strategy, policy, monitoring and evaluation. It will agree its own terms of reference and will be chaired by a representative of the Department for Education and Employment (DfEE) which will be the managing authority for EQUAL in Great Britain. It will also agree the broad framework for project selection, the role of the Thematic Network Groups and agree and oversee a GB wide publicity strategy. The GBMC for EQUAL will be assisted by a permanent secretariat responsible for the preparation of papers for discussion by the Committee or for

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

clearance by written procedure, agendas and minutes of meetings.

The GBMC will reflect the principles of partnership. It is important that it has a strong impact on policy and it is therefore essential that the structure reflect the key organisations that can make this happen. It is also important that social partners and organisations representing people with direct experience of the main forms of discrimination and inequality in connection with the labour market are represented. It will comprise representatives from the Scottish Executive, the Welsh Assembly, key policy representatives of Government (including Cabinet Office Social Exclusion Unit, DTI, DfEE), the Equal Opportunities Commission, Commission for Racial Equality, the CBI, TUC, and Disability Rights Commission. Organisations such as the British Refugee Council and other relevant voluntary sector umbrella bodies, such as National Council for Voluntary Organisations, the National Training Organisations National Council and ICOM will be expected to take part in the detailed work of the Thematic Network Groups. The monitoring committee will aim to have a gender balance amongst its members.

Implementation of EQUAL in Wales will be managed through a Wales EQUAL Implementation Plan. This Plan will be developed within the framework of the GB EQUAL CIP and will be agreed by the GB EQUAL Monitoring Committee. A Wales EQUAL Management Committee will oversee the implementation of this plan and report to the National Assembly and the GB Monitoring Committee on progress.

Similar arrangements will apply to Scotland, with a separate EQUAL Management Committee operating within the framework of the GB EQUAL CIP, reporting to the GB EQUAL Monitoring Committee.

4.1.5 Compatibility with Community policies ('State Aids')

According to Article 12 of the Council Regulation 1260/1999, measures financed by the Structural Funds or the FIGG must be in keeping with the provisions of the Treaties, Community legislation based on the treaties, and Community policies. This compatibility is checked when funding applications are examined and while the measures are being carried out. In this connection, the following principles must be observed.

Rules on Competition

Co-financing by the Community systems of State aid for undertakings is subject to the aid being approved by the Commission, in accordance with Articles 87 and 88 of the Treaty.

Under Article 88 (3) of the Treaty, the Member States must inform the Commission of any plans to grant, extend or alter State aid to undertakings.

However, State aid meeting the "de minimis" conditions laid down by the Commission at Community level for State aid to SMUs does not need to be notified and therefore requires no prior approval. The aid is covered by the implementing provisions set out in the Commission's notice on the de minimis rule for State aid.

In addition to the above, aid to certain industries is subject to compulsory notification under the following Community provisions (list is not exhaustive):

- a steel, (NACE 221) ECSC Treaty and, in particular, Decision 91/3855/ECSC 2496/96/ECSC
- b steel (NACE 222) Commission Decision 88/C 320/03 Framework for certain steel

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

sectors not covered by the ECSC Treaty (OJ C 320, 13.12.1988, p3

c shipbuilding Council Directive 93/115/EEC (NACE 361.1-2) Regulation (EC) No 1540/98 of 29 June 1998 (see also Competition Law in the EC, volume 11A, Rules applicable to State aid. Situation at 30 June 1998)

d Code on aid to the synthetic fibres industry Commission Decision 92/C 346/02 (NACE 260) (OJ C 94, 30.3.1996, p11)

e framework for State aid in the motor vehicle industry sector Commission Decision 89/C 123/03 (NACE 351) extended by Commission Decision 93/C 36/17. (OJ C 279, 15.9.97, p1)

As regards new aid schemes and new notifiable ad hoc grants not foreseen in the initial decision approving the OP, the following provisions shall apply:

- ? The UK will notify to the Commission (DG Competition) for approval any new aid schemes and ad hoc grants;
- ? Once the new aid schemes or ad hoc grants have been approved, and following the approval by the Programme Monitoring Committee of the insertion of these additional approved aid schemes and ad hoc grants in the Community Initiative Programme, GB will submit a revised list of state aid schemes and ad hoc grants to the Commission (Dg EMPL);
- ? In accordance with Art 30 of the General Regulation, the starting date for eligibility of expenditure will be the date on which GB submits to the Commission the request to modify the assistance by a formal Commission decision.

4.1.6 Data collection, follow-up and annual report

4.1.6.1 Consolidation of data at European level

To facilitate the transnational work of the DPs, to allow the co-ordination of the programmes at European level and to satisfy the needs, in particular as regards monitoring and evaluation, Great Britain will take part in the common electronic system of data collection set up by the Commission for the specific management of the EQUAL Initiative called: "EQUAL Common Database" (ECDB).

On the basis of preparatory work between the Commission and the Member States, precise fields were identified. Set out in Annex E, they constitute the exhaustive⁶⁷ list of the common quantitative data to be transmitted at the European⁶⁸ level. In addition to this data consolidated at European level, the DPs will in addition be required to transmit complementary data intended for the national level alone and summarised at 5.1.

The Managing Authority will collect the physical data from the DPs. It will transfer the data concerning the DPs as well as those collected at the level of the programme, to the ECDB, on the basis of the technical protocols defined by the Commission. The data on Actions 1, 2 & 3 will be updated continuously by the Managing Authority and will be transferred to the Commission at least once per month. The data relating to the annual report will be transmitted at least once a year and at the latest on 30 June following the reference year.

⁶⁷ Except financial information included in the "Vade-mecum for the Plans and Programming documents of the Structural Funds" which will be collected by the SFC database.

⁶⁸ This list will be finalised at the time of the adoption of the CIP. Depending on the implementation of EQUAL and of the start of the evaluation work, it could require certain modifications. These will be made only according to technical feasibility and by agreement with the representatives of the various Managing Authorities.

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

The Commission, by means of suitable computer systems, will make available on the Internet the essence⁶⁹ of the information transmitted by the Member States. This will make it possible to consult the activities of each DP at individual level, as well as the consolidated situation concerning implementation at the level of all the programmes.

For the closed fields (typologies), the Commission's application will allow consultation of the fields useful for transnational co-operation in the 11 official languages. The Managing Authority will make the necessary provisions in order that the open fields (text fields) are translated at least into English.

Further details of the methods for data collection will be included in the programme complement.

Annual implementation report⁷⁰

A certain homogeneity in the annual reports of the various Member States is desirable for the good monitoring of the overall implementation of the Initiative and to co-ordinate the networking efforts at national and European levels.

The quantitative minimum common data concerning implementation, to be transmitted at the time of the annual report, will be covered by the transmission to the ECDB (annex E). The other relevant indicators of situation, result or impact, as anticipated by this CIP, will also be communicated, by means of the annual report.

Insofar as the implementation of EQUAL will be progressive, a common format cannot be determined in advance. Each year, in good time, a common structure for the annual reports will be determined in close co-operation between the Commission and the representatives of the Managing Authorities. This common structure by no means prevents the Managing Authority and the Monitoring Committee from adding to it any element that it will judge relevant

4.1.7 Reporting

In line with regulatory requirements, the managing authority will submit to the European Commission annual and final programme implementation reports. The data to be included will be discussed with the EC. The report will be examined and approved by the Monitoring Committee before it is sent to the Commission and will be used to inform the National Action Plan.

4.2 Calls for proposals

4.2.1 Publicity

The Managing Authority will be responsible for ensuring that Commission regulations regarding information and publicity for the Structural Funds shall be applied in line with Information and Publicity Regulation 1159/2000.

The Managing Authority shall be responsible for ensuring that publicity is given to the Community Initiative Programme and particularly for informing:

⁶⁹ On the basis of decisions taken in a concerted way, access to certain fields could be restricted.
⁷⁰ As set out in Article 37 of Regulation (EC) N° 1260/1999

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

- ? potential final beneficiaries, trade and professional bodies, the economic and social partners, bodies promoting equality between men and women and the relevant non-governmental organisations about the opportunities afforded by the assistance
- ? the general public about the role played by the Community in the assistance concerned and its results.

The Managing Authority shall ensure that an appropriate and effective annual publicity strategy is prepared setting out details of publicity measures to be undertaken which will be agreed with the GB Monitoring Committee. Development Partnerships will be required to implement the requirements of the publicity regulation.

In accordance with Article 18.3 (d) of Council Regulation 1260/1999, the programme complement will include – in addition to an overall communications action plan – a detailed description of the publicity and information measures to be carried out.

4.2.2 Guidelines for applications

Timetable

GB Monitoring Committee to launch the first call for proposals during spring 2001. The call will be publicised via the ESF web site and corresponding websites in Scotland and Wales, a media press notice and to those on the EQUAL mailing list. Potential applicants will be able to obtain access to guidance and the application form from the ESF web site. Application packs will also be available from the GB EQUAL Support Unit.

Applicants will have up to three months to complete the EQUAL application form and completed applications will be independently appraised. During the autumn Thematic Network Groups will consider these appraisals and recommend to the GB Monitoring Committee the Development Partnerships to be funded. In Scotland and Wales, the respective Management Committees will put forward recommendations to the GB Monitoring Committee on the selection of DPs. The Management Committees will also pass their recommendations to the TNGs to ensure that there is a GB perspective on Welsh and Scottish DPs. The GB Monitoring Committee will endorse the list of recommended projects.

Actions

50% of the GB budget will be allocated to first round activities. EQUAL will fund activity under the following four actions:

- ? Action 1: setting up Development Partnerships and transnational co-operation
- ? Action 2: implementing the work programmes of the Development Partnerships
- ? Action 3: thematic networking, dissemination of good practice and making an impact on national policy and
- ? Action 4: Technical Assistance to support actions 1, 2 and 3.

Actions 1 and 2 are sequential. Member States will be expected to be in a position to start Action 3 at the earliest point that results are available to disseminate. Action 4 will provide support from before the commencement of Action 1.

In keeping with EU expectations, Development Partnerships have to make separate

applications to their respective Member States.

4.2.2.1 Action 1 : Setting up Development Partnerships and transnational co-operation

Action 1 aims to facilitate the creation or the consolidation of durable, effective Development Partnerships and to ensure that transnational co-operation will have a real added value. The time period available for Action 1 is not expected to exceed 6 months and will be restricted to 5% of total funds available for the first call for Development Partnerships.

Action 1 will consist of three stages:

- ? Application for Action 1
- ? Selection for Action 1
- ? Submission of Development Partnership Agreements and Transnational Co-operation Agreements

Application

Selection for Action 1 will be based upon an application submitted jointly by a number of organisations which form the Development Partnership. The application should identify:

- ? the partners to be involved in the Development Partnership at the outset; the arrangements for ensuring that all relevant partners can become involved during the life of the partnership including, in particular, appropriate small organisations; and the arrangements for handling the administrative and financial responsibilities
- ? the rationale for the partnership and why there is a request for funding under EQUAL rather than other Structural Funds programmes,
- ? a diagnosis of the problem to be addressed and an explanation of how the needs of all the potential beneficiary groups will be taken into account
- ? the objectives of the partnership
- ? a work programme for Action 1
- ? the nature of the activities they intend to implement in Action 2
- ? the expectations for the transnational co-operation; including identification of at least one partner from another Member State.

Submission of Development Partnership Agreements and Transnational Co-operation Agreements

At the end of Action 1, each Development Partnership must submit two documents in order to have selection confirmed and receive funding to implement Action 2:

- ? a Development Partnership Agreement (DPA) and
- ? a Transnational Co-operation Agreement (TCA).

The Development Partnership Agreement should contain as a minimum:

- ? an assessment of current labour market exclusion, discrimination and inequality, within the thematic field and territory/sector concerned
- ? objectives and priorities for action, reflecting the learning from previous relevant action in the territory/sector
- ? a detailed work programme accompanied by a realistic budget
- ? a clear identification of the role of each partner, including the arrangements for steering

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

- and managing the partnership and administering the financial support
- ? a mechanism for on-going assessment including the presentation of data and information on the Development Partnership and the analysis of results
- ? the commitment of the Development Partnership to collaborate on Action 3 and
- ? its strategy and mechanisms for implementing a mainstreaming approach.

The Transnational Co-operation Agreement should contain:

- ? a transnational work programme accompanied by a budget
- ? the role of each transnational partner, the common methods of decision making and the organisational arrangements for implementing the common work programme
- ? the methodologies for monitoring and assessment of joint activities.

The DPA and TCA must also demonstrate that the Development Partnership fulfils the following conditions:

- ? Transparency: the Development Partnership must demonstrate the availability of the necessary co-financing
- ? Representative capacity: the Development Partnership must be able to demonstrate its capacity to mobilise different actors in order that they work together. Particular attention will be given to the arrangements for ensuring that all relevant actors, such as: public authorities; the public employment service; NGOs; the business sector (in particular SMEs); and the social partners, can become involved during the life of the partnership. The Development Partnership must show that appropriate small organisations are able to participate fully
- ? Co-operative spirit: the Development Partnership must be able to demonstrate its capacity and its willingness to work in a context of transnational co-operation and explain the expected value added of transnational co-operation in implementing the different components of the work-programme. In addition, the Development Partnership must plan to co-operate in networking, dissemination and mainstreaming activities at both national and European level.

The DfEE (or the Scottish Executive and the National Assembly for Wales in their respective countries) will confirm the initial selection of the Partnership if these conditions are fulfilled. We will notify the partnership of the multi-annual budget available to implement its work programme.

Appeals process

If a Development Partnership is not selected for funding, the ESF Unit / Welsh Assembly / Scottish Executive will write and let them know enclosing the marks awarded by the selection panel and explaining the appeals procedure. There will be an appeals process where Development Partnerships wish to appeal against non-selection.

4.2.2.2 Action 2 : Implementation of the work programmes of Development Partnerships

The implementation of work programmes selected under Action 1 would normally cover an initial period of 2 to 3 years. However, if the results obtained justify an extension, a further grant may be approved, along with an extension of the period of financing for the Development Partnership. The percentage of funds available for Action 2 should be at least 75% of total funds available for the first call.

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

Whilst there is separate funding for dissemination under Action 3 the DPs will also be expected to take an active role in the TNGs and any associated conferences or events organized at national or EU level. As indicated at 5.1 we estimate that DPs will attend two TNG meetings, two national events and one EU event per year.

4.2.2.3 Action 3: Thematic networking, dissemination of good practice and making an impact on national policy

Networking, dissemination and mainstreaming activities within EQUAL will be a separate mandatory action. DfEE will be responsible for ensuring this is organised in such a way as to facilitate maximum input into labour market and employment policy and the involvement of social partners.

The EQUAL Monitoring Committee will agree a strategy for mainstreaming at both the horizontal level (the level of organisations active in the same or a similar field) and the vertical level (the level of regional and national policy, including the National Action Plan (NAP) and the Structural Funds). These mechanisms should aim to:

- ? identify factors leading to inequality and discrimination in connection with the labour market and monitor and analyse the impact or potential impact of the Development Partnerships on policy and on the different groups subject to discrimination and inequality
- ? identify and assess good practice and benchmark performance and
- ? disseminate good practice, from the end of Action 1.

These activities will normally involve Development Partnerships acting either singly or in groups on the basis of their specific expertise and proven capacity. Development Partnerships would receive additional funding for this purpose.

The Thematic Network Group will need to agree the dissemination activities to be funded through Action 3. The decision will be based on:

- i) dissemination being targeted and appropriate (eg to impact on local / regional / national policy development);**
- ii) the need to ensure maximum impact with available resources.**

The criteria for allocating funding under action 3, as agreed with the GB monitoring committee, will be included in the programme complement.

The maximum percentage available to Development Partnerships under Action 3 will be 15% of total funds available for the first call.

EQUAL will follow the Objective Three equal opportunities mainstreaming action plan. In addition TNGs will be expected to assess the extent to which the activities funded through EQUAL have been able to influence domestic policy and programme delivery. This will be covered in the annual report.

4.2.2.4 Action 4 : Technical Assistance

Purpose of GB EQUAL Support Structure

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

The GB support structure will play a key and critical role during all four action phases of EQUAL. It will carry out its role under the direction and supervision of the EQUAL National Co-ordinator in the ESF Unit.

The support unit will:

- ? Work with Scottish European Executive and Welsh European Funding Office to develop and implement an effective Great Britain publicity strategy.
- ? Provide secretariat support to the Thematic Networking Groups, aiding them to complete their function as advisors on the strategic and thematic focus of the Initiative and as assessors of the Action 1 and Action 2 work programmes of Development Partnerships (project promoters).
- ? Help the core partners of Development Partnerships to identify and recruit the relevant partners and develop an effective Action 1 work programme Working closely with support structures in Scotland, Wales, Northern Ireland, other Member States and non Member States eligible for funding from Phare, Tacis or Meda programmes to help potential partnerships search for and identify suitable transnational partners.
- ? Help Development Partnerships to develop good quality and effective Development Partnership Agreements and Transnational Co-operation Agreements that meet the criteria set out in the Commission Communication and ensuring that the Development Partnerships are effective at Community level and that the objectives of the Initiative are achieved.
- ? Work with Support structures in Wales and Scotland to develop and maintain a Great Britain database of all development partnership applications using the agreed European Commission model.

At the end of each bidding round the GB Support Structure will be required organise the independent appraisal of any English GB and UK projects submitted , providing information to Thematic Network groups and the GB monitoring Committee. Work will include an initial scrutiny of all projects, against selection criteria set out by the Monitoring Committee and the eligibility requirements of the EQUAL Operational Programme.

The GB Support structure will also co-ordinate the assessment work of the EQUAL support structures in Scotland and Wales to enable the Thematic Network Groups to make recommendations to the GB Monitoring Committee and to enable the GB Monitoring Committee to endorse all projects.

Other Member States support structures

Under previous Initiatives, promoters experienced difficulties with the transnational element of their projects, as Member States had different timetables and selection processes. One of the key elements of EQUAL is an emphasis on strong transnational partnerships between promoters. The support structure will therefore be required to work closely with support structures in other Member States to discuss national lists of projects – identifying where projects have been supported in all Member States, where transnational partners have failed to gain approval and making proposals to the ESF unit and GB Monitoring Committee on whether and how these 'mis-matches' can be dealt with.

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

Operations and Thematic Networking

The GB Support Structure will have lead responsibility to coordinate and disseminate the experiences and results of all Development Partnerships and will provide the Secretariat for each Thematic Network Group and enable Thematic Network Groups to develop and implement their dissemination strategies in order to maximise input into labour market and employment policy.

The GB Support Structure will co-ordinate co-operation in European networking and ensure that all relevant information is collected and shared with other Member States and the Commission.

Three Categories of technical assistance will be available to support the implementation of the CIP.

Category A: EQUAL Specific Support Actions (75% of budget)

Great Britain will establish EQUAL support mechanisms to provide comprehensive advice, guidance and support to organisations wishing to participate in the EQUAL programme. They will provide guidance on the principles and methodology of EQUAL, in particular the thematic priorities, the partnership approach and transnational co-operation. The support mechanisms will facilitate the work of the Thematic Networking Groups in the thematic networking, dissemination of results and mainstreaming. The support unit will also be responsible for delivering the EQUAL communications plan.

Category B: Basic Administrative and financial TA Activities (15% of budget)

Technical Assistance will be used to implement, manage, monitor and control the CIP. Activities will include the scoring, appraisal and selection of the Development Partnerships, meetings of EQUAL monitoring and advisory committees, Development Partnership audits and on the spot visits.

Category C: Complementary TA activities (10% of budget)

Great Britain will establish support structures to undertake EQUAL related studies, evaluation as well as deliver EQUAL seminars. Technical Assistance will also be used to acquire and install computerised systems for management, monitoring and evaluation.

Support Structure Selection Procedure.

The GB Support Structure for EQUAL will be chosen via a restricted tendering procedure. A tender notice will appear in the Official Journal and organisations interested in participating in the tender will have 22 days to complete and return a business questionnaire. The questionnaire asks for information that tests financial capability, legal fitness, structure and systems and experience.

The questionnaire will enable the tender panel to identify a shortlist of six organisations. These organisations will have a further 22 days to respond to the invitation to tender.

A tender panel will consider all the tenders and decide which organisation/s will provide the GB EQUAL Support Structure services.

4.3 Leading principles of EQUAL

4.3.1 Partnership approach

Partnership is a cornerstone of British policies to improve employability and to promote human resources development. The partnerships of the 1994-1996 European Social Fund programmes has broadened and deepened during the life of the programmes. In addition to the British Public Authorities, it is expected that EQUAL partnership will build on previous experience and include representatives of workers and employers, the equality Commissions, education and training communities, the voluntary and social economy sectors and the management authorities for each country.

EQUAL partnerships will be established at geographical or sector level and called Development Partnerships. These Partnerships will bring together representatives of different target groups who will define and agree a strategy to be followed for tackling inequality and discrimination in the labour market within a selected theme. Within this strategic overview, Partnerships will commission sub-groups to develop innovative methods of helping specific target groups.

Development Partnerships will also work with other Development Partnerships in thematic networks which will co-ordinate appropriate dissemination and mainstreaming of lessons learned from their activities. These networks will be expected to engage policy makers and influential organisations such as the equality commissions to help ensure the development of a stronger policy focus and best use of project funding.

The National Assembly for Wales is taking steps to develop the capacity of organisations and groups which represent those who suffer from discrimination and disadvantage, so that they can communicate in an organised way on policy development and implementation across the spectrum of Assembly functions. Development funding has been provided to establish and extend equality networks; to improve the capacity to disseminate information about policies, proposals and programmes; to facilitate the communication of views; and to develop the capacity of networks to sustain a policy dialogue with the Assembly. The National Assembly for Wales has established an Equal Opportunities Standing Committee supported by an Equality Policy Unit. This Unit maintains a dialogue with organisations representing disadvantaged groups; acts as a catalyst and promoter of change and provides a centre of expertise and advice on best practice. It works closely with policy divisions within the National Assembly in raising awareness of equality issues and promoting the mainstreaming of equal opportunities in all areas of the Assembly's business and functions.

4.3.2 Empowerment/participation

The principle of empowerment will be central to each Development Partnership. In practice this will mean that those who will be targeted for support will also have an opportunity to influence the design and evaluation of the proposed activities. The active participation of those targeted for assistance should be positively assessed in the selection for Action 1 funding and the confirmation of selection for Action 2. To that end target groups will need to be involved in DPs and any advisory committees.

4.3.3 Transnationality

Development Partnerships will undertake transnational co-operation with other Development

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

Partnerships working within the same theme. This must comprise at least one Development Partnership from another Member State which will receive funding under EQUAL. It is also possible to extend to similar projects in non - Member States. Action 1 under EQUAL aims to facilitate the creation or consolidation of transnational partnerships by giving the partnership time to 'match' with partners in other countries and set up Transnational Co-operation Agreements before full funding. The time period for Action 1 will not exceed 6 months and will represent no more than 5% of total funds available for the first call for Development Partnerships. 15 % of the GB budget will be used to fund Transnational Co-operation.

All Development Partnerships must comprise a substantial and effective element of transnationality throughout the life of the project. This may, for example include joint development of methods and approaches to training and job creation, the exchange of trainers or trainees, the 'benchmarking' of successful partner countries' training and management systems, and the organisation of joint conferences and workshops. Priority will be given to those actions which most clearly demonstrate a multiplier effect at a European level; the production of a training package or qualification or training of trainers. Priority will not be given to projects where transnationality is confined to trainee exchanges.

4.3.4 Innovation

All activities undertaken by Development Partnerships must be innovatory in some way. Examples of innovation may include new methods of delivery or new systems or new qualifications. Development partnerships must show what they have done to test the assertion that activities are innovatory. They must identify how the success of the innovation is to be measured and how, if successful, the innovatory outcomes will be incorporated into mainstream programmes or otherwise put into practice.

In addition, Development partnerships will be required to demonstrate how they are developing models of good practice, which can be subsequently transferred to other parts of the European Union. Partnerships must be clear on the demonstration objectives to ensure that lessons are not lost or become secondary to the achievement of hard outputs. Much can be learned from innovative approaches which are unsuccessful as those which are and it will be possible for projects to fail but still contribute to mainstreaming activity. Innovative approaches which emphasise the identification of qualitative outcomes and key lessons will be encouraged.

4.3.5 Thematic Approach

EQUAL in GB will operate in thematic fields defined in the context of the four pillars of the European Employment Strategy (EES): Employability, Entrepreneurship, Adaptability, and Equal Opportunities. In addition to these thematic fields, there will be specific action in respect of asylum seekers. Our strategy for EQUAL aims to:

- ? ensure that proposals principally benefit those subject to the main forms of discrimination (based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation) and inequality and each thematic field will be fully accessible to all such groups
- ? ensure that the promotion of equality between women and men is integral to the thematic fields in all four pillars as well as being targeted through specific actions in the fourth pillar
- ? have in mind the ideal of improving the supply of and demand for quality jobs with a future
- ? encourage the effective use of existing mechanisms (for example those that exist for social dialogue) to improve awareness of the factors leading to discrimination, inequality and exclusion in connection with the labour market.

4.3.6 Dissemination

Community wide dissemination of progress and outcomes of projects is central to the success of the EQUAL initiative in particular in ensuring that innovatory ideas are transferred across the Community and ensuring that information is widely available about existing provision and developments. In order to disseminate good practice and benchmark achievements, Development Partnerships will be expected to participate in GB thematic networks. Thematic Network Groups (TNGs) will have a role in working with the Development Partnerships on thematic networking and help identify suitable partnerships which will contribute to thematic clusters and discussion fora at EU level. The GBMC will agree an overall dissemination strategy which clarifies the range of work to be taken forward at national, thematic and DP level. This will encourage best use of new technology, e.g. websites.

4.4 Selection, Eligibility Criteria and Contracts

4.4.1 Selection

Selection criteria will reflect the leading principles of EQUAL. The procedures for selecting Development Partnerships fall within the competence of the Department for Education and Employment (DfEE), in co-operation with the EQUAL Monitoring Committee. Unsuccessful applicants will be given reasons for their non-selection.

A common approach to selection of Development Partnerships will be adopted by England Scotland and Wales and agreed with the GBMC. The project selection system for 2000 - 2006 will be designed to encourage and reward strategic partnerships which share common thematic objectives and show they can work together effectively. It is proposed that preliminary checks on applications will be undertaken by the Support Structure (which includes the Scottish European Executive and the Welsh European Funding Office in Scotland and Wales. Independent assessors will have overall responsibility for evaluating project proposals. Their views will then be passed to TNGs who will make recommendations to the GBMC concerning GB and English DPs. The Scottish and Welsh advisory committees will make recommendations on DPs based in those countries. These checks will be based on criteria drawn up by the GB EQUAL Monitoring Committee which will follow the principles laid down in this Community Initiative Programme and ensure that proposed activities address a specific policy gap, are innovative, have the potential to influence mainstream policy and do not duplicate other Structural Fund programme activity. DPs eligible for funding from different financial sources will be double-checked. The eligible projects will then be assessed and ranked against more qualitative criteria by experts independent of the Development Partnerships. A report on the balance of Development Partnerships proposed for selection, taking into account value for money considerations, will be made by to the Monitoring Committee.

DPs will also be required to show that their programme can be accessed by all and meets the needs of people with disabilities.

It will be important to separate out the functions of project bidding and project approval. If, for example, TNGs are to take decisions on project approval, members of the TNGs either cannot bid or cannot assess bids from their own sector.

4.4.2 Eligibility of activities

The normal eligibility rules of the ESF apply. EQUAL may fund action normally eligible under the European Regional Development Fund (ERDF), European Agricultural Guidance and Guarantee Fund (EAGGF) or Financial Instrument for Fisheries guidance (FIG) rules. We would expect this type of activity to complement action under ESF. The standard rule that a single item of capital equipment can cost no more than £1000 will apply. We would expect most of the activity under EQUAL to focus on eligible ESF activity rather than a bias towards capital expenditure. Exceptions to this rule could be made if the Development Partnerships could make a strong case to justify the required capital expenditure.

4.4.3 Contractual arrangements with Development Partnerships

DfEE (or the Scottish Executive and the National Assembly for Wales in their respective countries) will normally contract directly with the Development Partnership. However if the Development Partnership is not a legal entity the Managing Authority will contract with the lead organisation within the Development Partnership.

The contract letter will set out the terms and conditions and once the Development Partnership or lead organisation has completed profile forms and signed and returned a copy of the contact letter there will be a binding contract between the Managing Authority and Development Partnership or lead organisation. Contractual agreements must be entered with DPs selected after the first selection round by 15 November 2001.

4.4.4 Co-Financing

DfEE is currently negotiating simplified arrangements for co-financing under ESF Objective 3. Given the innovatory nature of EQUAL and the close link to policy development we will consider co-financing targeted initiatives to take forward elements of EQUAL. Mechanisms for implementing co-financing will be described in the programme complement.

4.5 Complementarity

The DfEE will promote complementarity between EQUAL and LEONARDO and LEADER+. In particular it will seek to ensure that there is no double funding of projects and that activities within EQUAL add value to those already supported within LEONARDO and LEADER+. This will be achieved through:

- ? cross-representation on programme committees
- ? consultation on operational plans
- ? ensuring liaison between the relevant LEONARDO and LEADER+ National Agencies and EQUAL Support Structures and
- ? a shared approach to events and publicity.

The DfEE will promote complementarity between EQUAL and Urban and the England Rural Development Programme's Vocational Training Scheme and Rural Enterprise Scheme. At the selection stage those responsible for assessing bids will ensure that there is no duplication of activities. There will be particular focus on co-ordination with the Urban programme to ensure that EQUAL adds value to its work to tackle the specific problems associated with built-up and

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

industrial areas.

The selection system will also ensure that there is no duplication between EQUAL and Objective 3 activities. The O3 Monitoring Committee will be consulted at the DP selection stage to avoid double-financing of projects.

The Scottish Executive and Welsh Assembly will also promote complementarity between EQUAL and the above programmes in their respective countries.

The main link between EQUAL and Objectives 1, 2, and 3 will be through the UK wide Evaluation Standing Group, which will seek to ensure that lessons learned are used to inform the design and targeting of mainstream ESF (see 4.9.2). In addition, presentations will be made to other Monitoring Committees and a central website will provide information on all programmes to encourage greater clarity.

Territorial Employment Pacts will be able to bid for support under mainstream ESF funding, but they could, if appropriate, bid for support to carry out additional innovative work under EQUAL.

The European Refugee Fund national programmes are also soon to be implemented. There will be co-ordination at selection stage between the Immigration and Nationality Directorate of the Home Office and EQUAL to avoid double-financing and confliction of proposals concerning refugees and asylum seekers. The Home Office will also play a key role in the Asylum Seekers TNG.

EQUAL COMMUNITY INITIATIVE PROGRAMME
Department for Education and Employment (European Social Fund Unit)

4.6 Financial Plan

Financial Table for Operational Programme by Priority and by Year

Commission Reference No - Operational Programme: **xxxxxxxxx**

Title: **Community Initiative EQUAL - Great Britain**

Member State: **United Kingdom**

Priority/Year	Total Eligible Cost	Public Participation			Private Eligible Cost (est.)	Revenue (est.)
		Total Public Eligible Cost	ESF Participation	National Participation		
Priority 1						
2000	0.000	0.000	0.000	0.000	0.000	
2001	47.448	45.076	23.724	21.352	2.372	
2002	52.380	49.761	26.190	23.571	2.619	
2003	52.356	49.738	26.178	23.560	2.618	
2004	52.522	49.896	26.261	23.635	2.626	
2005	52.840	50.198	26.420	23.778	2.642	
2006	52.776	50.137	26.388	23.749	2.639	
Total ESF Related	310.322	294.806	155.161	139.645	15.516	0.000
Priority 2						
2000	0.000	0.000	0.000	0.000	0.000	
2001	23.724	22.538	11.862	10.676	1.186	
2002	26.192	24.882	13.096	11.786	1.310	
2003	26.180	24.871	13.090	11.781	1.309	
2004	26.262	24.949	13.131	11.818	1.313	
2005	26.420	25.099	13.210	11.889	1.321	
2006	26.386	25.067	13.193	11.874	1.319	
Total ESF Related	155.164	147.406	77.582	69.824	7.758	0.000
Priority 3						
2000	0.000	0.000	0.000	0.000	0.000	
2001	29.656	28.173	14.828	13.345	1.483	
2002	32.740	31.103	16.370	14.733	1.637	
2003	32.726	31.090	16.363	14.727	1.636	
2004	32.828	31.187	16.414	14.773	1.641	
2005	33.024	31.373	16.512	14.861	1.651	
2006	32.984	31.335	16.492	14.843	1.649	
Total ESF Related	193.958	184.261	96.979	87.282	9.697	0.000
Priority 4						
2000	0.000	0.000	0.000	0.000	0.000	
2001	5.932	5.635	2.966	2.669	0.297	
2002	6.548	6.221	3.274	2.947	0.327	
2003	6.546	6.219	3.273	2.946	0.327	
2004	6.566	6.238	3.283	2.955	0.328	
2005	6.604	6.274	3.302	2.972	0.330	
2006	6.596	6.266	3.298	2.968	0.330	
Total ESF Related	38.792	36.853	19.396	17.457	1.939	0.000

EQUAL COMMUNITY INITIATIVE PROGRAMME
Department for Education and Employment (European Social Fund Unit)

Priority 5 (A-S)							
2000	0.000	0.000	0.000	0.000	0.000	0.000	
2001	5.932	5.635	2.966	2.669	0.297		
2002	6.548	6.221	3.274	2.947	0.327		
2003	6.546	6.219	3.273	2.946	0.327		
2004	6.566	6.238	3.283	2.955	0.328		
2005	6.604	6.274	3.302	2.972	0.330		
2006	6.596	6.266	3.298	2.968	0.330		
Total ESF Related	38.792	36.853	19.396	17.457	1.939		0.000
Technical Assistance							
2000	0.000	0.000	0.000	0.000	0.000	0.000	
2001	5.932	5.932	2.966	2.966	0.000		
2002	6.548	6.548	3.274	3.274	0.000		
2003	6.546	6.546	3.273	3.273	0.000		
2004	6.566	6.566	3.283	3.283	0.000		
2005	6.604	6.604	3.302	3.302	0.000		
2006	6.596	6.596	3.298	3.298	0.000		
Total ESF Related	38.792	38.792	19.396	19.396	0.000		0.000
All Priorities							
2000	0.000	0.000	0.000	0.000	0.000	0.000	
2001	118.624	112.989	59.312	53.677	5.635		
2002	130.956	124.736	65.478	59.258	6.220		
2003	130.900	124.683	65.450	59.233	6.217		
2004	131.310	125.074	65.655	59.419	6.236		
2005	132.096	125.822	66.048	59.774	6.274		
2006	131.934	125.667	65.967	59.700	6.267		
Total ESF Related	775.820	738.971	387.910	351.061	36.849		0.000

Notes: Indexation included at 2% per annum to 2003 only
Excludes Northern Ireland Allocation

The intervention rate is calculated in relation to total eligible costs. The amount available from private sources is difficult to quantify in advance. The above must be regarded as tentative and may be amended in the light of experience. It is intended that so long as at least 50% of programme costs are nationally funded the ESF amount can be claimed.

Northern Ireland Allocation

EQUAL COMMUNITY INITIATIVE PROGRAMME
Department for Education and Employment (European Social Fund Unit)

ANNEX 1

All priorities/Year TOTALS	Total Eligible Cost	Total Public Elig. Cost	ESF partic.	National public participation					Private Elig. Cost (est.)	Revenue (est.)	
				Total	Central	Regional	Local	Other (to be specified)			
				1	2	3	4	5			6
2001 Total ESF Related	2.817	2.690	1.788	0.902						0.127	
2002 Total ESF Related	3.109	2.970	1.974	0.996						0.139	
2003 Total ESF Related	3.106	2.967	1.972	0.995						0.139	
2004 Total ESF Related	3.118	2.978	1.979	0.999						0.140	
2005 Total ESF Related	3.136	2.994	1.990	1.004						0.142	
2006 Total ESF Related	3.130	2.989	1.987	1.002						0.141	
Total Meuro	18.416	17.588	11.690	5.898						0.828	

The ESF intervention rate for Pillars 1 and 4 is 65%. For Technical Assistance it is 50%

CHAPTER 5: DELIVERY, MONITORING AND EVALUATION MECHANISMS

5.0 Monitoring and evaluation

In the 2000 - 2006 programming period there is an increased emphasis on the use of research and evaluation to assess the progress and impact of programmes. This will be reflected for EQUAL. The evaluation framework will build on lessons learnt from the experience of monitoring and evaluating the ADAPT and EMPLOYMENT programmes. The evaluation framework will reflect the fact that the projects funded under EQUAL will be innovative and developmental. The focus will, therefore, be on the method of delivery rather than outcomes as in the mainstream ESF programmes. Data on outcomes will still be collected via the monitoring system in order to help evaluate the success/efficiency/effectiveness of methods of delivery. The aim is to develop a robust and reliable system which imposes the minimum possible burden on projects, whilst still having the maximum impact on policy formulation.

5.1 Measures of performance

Measures of performance

The European Commission's guidelines⁷¹ state that there is a need for an appropriate and effective system of indicators of programme performance. A certain minimum of input and output information is required to provide a picture of the "volume" of activity funded by EQUAL across Great Britain. The proposed indicators set out in the Community Initiative Plan build on the common minimum outlined in the EC guidelines. The set of indicators expands on the minimum to reflect more closely the nature of the GB programme, structured around the four Pillars. Primarily, the indicators shown are of a quantitative nature, although it is important to recognise that the EQUAL programme has a large qualitative element to it. The table does include some qualitative indicators. It is important to recognise that qualitative issues are difficult to establish and appreciation of them may be more appropriately addressed through formal evaluation techniques. The identification of these issues and the envisaged methodologies to address them should be part of the evaluation mandate.

There are three different sources of information for the collection of monitoring data. The primary source is the monitoring forms (the application form, project closure form and the annual monitoring forms). However, it is more appropriate to collect some monitoring data from project visits carried out by the National Support Structure and from work carried out as part of the evaluation. The source is indicated on the table below.

⁷¹ Guidelines for systems of monitoring and evaluation for the Human Resources Initiative EQUAL in the period 2000-2006, July 2000

EQUAL COMMUNITY INITIATIVE PROGRAMME
Department for Education and Employment (European Social Fund Unit)

Expected Impact over the Whole EQUAL Programme

OVERALL EXPECTED IMPACT OF EQUAL		
Action	Indicator	Forecast
<u>Action 1</u>		
<u>Input</u>	Funding (million €)	€17.261
	Average Amount spent on setting up DP/TC (million €)	€0.086
	Numbers of DP/TC set up	200
	Average number of partners in DP/TC	12
<u>Action 2</u>	Funding (million €)	€258.916
	% Of DPs attempting to measure soft outcomes	80%
	% Of DPs promoting flexible working arrangements within beneficiary companies	80%
	Number of individual beneficiaries	90,000 – 125,000
	% Of women receiving support	50%
	% Of Asylum seekers receiving support	
	Of those companies receiving support, % which are SME	75%
	Average number of transnational meetings attended per DP per year	6
	Average number of national events attended per DP per year	4
	Average number of European events attended per DP per year	1
<u>Action 3</u>	Funding (million €)	€51.783
	Average number of national events attended per DP per year	4
	Average number of European events attended per DP per year	2
	Average number of events organised per DP per year	2

The above table gives details of the overall impact of the GB EQUAL Programme. The total budget available is calculated at 327.96 million euros. These are the allocations of England, Scotland and Wales minus the total (UK) budgets for Technical Assistance and Asylum Seekers. **Note except where stated differently all the figures relate to the impact over the whole of the programme.**

EMPLOYABILITY IMPACT		
Action	Indicator	Forecast
<u>Action 1</u>		
<u>Input</u>	Funding (million €)	€7.594
<u>Output</u>	Average Amount spent on setting up DP/TC (million €)	€0.086
	Numbers of DP/TC set up	88
	Average number of partners in DP/TC	12
<u>Action 2</u>	Funding (million €)	€113.922
	% Of DPs attempting to measure soft outcomes	80%
	% Of DPs promoting flexible working arrangements within beneficiary companies	80%
	Number of individual beneficiaries	62,000 – 75,000
	% Of women receiving support	50%
	Of those receiving support, % which are Unemployed	85%
	Average number of transnational meetings attended per DP per year	6
	Average number of national events attended per DP per year	4
	Average number of European events attended per DP per year	1
<u>Action 3</u>	Funding (million €)	€22.784
	Average number of national events attended per DP per year	4
	Average number of European events attended per DP per year	2
	Average number of events organised per DP per year	2

EQUAL COMMUNITY INITIATIVE PROGRAMME
Department for Education and Employment (European Social Fund Unit)

ENTREPRENEURSHIP IMPACT		
Action	Indicator	Forecast
<u>Action 1</u>		
<u>Input</u>	Funding (million €)	€3.797
	Average Amount spent on setting up DP/TC (million €)	€0.086
	Numbers of DP/TC set up	44
	Average number of partners in DP/TC	12
<u>Action 2</u>	Funding (million €)	€56.961
	% Of DPs attempting to measure soft outcomes	80%
	% Of DPs promoting flexible working arrangements within beneficiary companies	80%
	Number of individual beneficiaries	10,000 – 20,000
	% Of women receiving support	50%
	% Of DPs supporting firms in the Social Economy	50%
	Average number of transnational meetings attended per DP per year	6
	Average number of national events attended per DP per year	4
	Average number of European events attended per DP per year	1
<u>Action 3</u>	Funding (million €)	€11.392
	Average number of national events attended per DP per year	4
	Average number of European events attended per DP per year	2
	Average number of events organised per DP per year	2

ADPABILITY IMPACT		
Action	Indicator	Forecast
<u>Action 1</u>		
<u>Input</u>	Funding (million €)	€4.833
<u>Output</u>	Average Amount spent on setting up DP/TC (million €)	€0.086
	Numbers of DP/TC set up	56
	Average number of partners in DP/TC	12
<u>Action 2</u>	Funding (million €)	€72.496
	% Of DPs attempting to measure soft outcomes	80%
	% Of DPs promoting flexible working arrangements within beneficiary companies	80%
	Number of individual beneficiaries	15,000-25,000
	% Of women receiving support	50%
	Of those receiving support, % which are Employed	90%
	% Of beneficiaries participating in lifelong learning	50%
	Of those companies receiving support, % which are SME	75%
	Average number of transnational meetings attended per DP per year	6
	Average number of national events attended per DP per year	4
	Average number of European events attended per DP per year	1
<u>Action 3</u>	Funding (million €)	€14.499
	Average number of national events attended per DP per year	4
	Average number of European events attended per DP per year	2
	Average number of events organised per DP per year	2

EQUAL COMMUNITY INITIATIVE PROGRAMME
Department for Education and Employment (European Social Fund Unit)

EQUAL OPPORTUNITIES IMPACT		
Action	Indicator	Forecast
<u>Action 1</u>		
<u>Input</u>	Funding (million €)	€1.035
<u>Output</u>	Average Amount spent on setting up DP/TC (million €)	€0.086
	Numbers of DP/TC set up	12
	Average number of partners in DP/TC	12
<u>Action 2</u>	Funding (million €)	€15.535
	% Of DPs attempting to measure soft outcomes	80%
	% Of DPs promoting flexible working arrangements within beneficiary companies	80%
	Number of individual beneficiaries	3,000-5,000
	% Of women receiving support	80%
	Average number of transnational meetings attended per DP per year	6
	Average number of national events attended per DP per year	4
	Average number of European events attended per DP per year	1
<u>Action 3</u>	Funding (million €)	€3.107
	Average number of national events attended per DP per year	4
	Average number of European events attended per DP per year	2
	Average number of events organised per DP per year	2

The forecast for the number of individual beneficiaries is given as a range. This is because quantification of this indicator is not straightforward and could be prone to wide variations. Two main factors have contributed to the difficulty of this task which are the lack of unit cost information for EQUAL and the lack of knowledge of what proportion of EQUAL funds will be used to help individuals as opposed to organisations. In an attempt to overcome these issues we have used evidence from the ADAPT and EMPLOYMENT programmes to derive an estimate of the unit cost and reviewed the EQUAL plan for each pillar to make an assessment of to what degree each priority offers scope for assisting individuals. The overall impact target is derived for totalling the ranges of each pillar after rounding.

There is a general requirement for the chosen system of indicators to be characterised by greater stability and transparency of information⁷². The final evaluation of the Objective 3 programme suggests that “whatever monitoring system is developed, it should be guided by a commitment to promote a robust and reliable system which is consistent over time and place and imposes the minimum burden on projects [and Development Partnerships in the case of EQUAL] necessary to have the maximum impact on policy development and monitoring”. In addition to the formal indicators, more detailed monitoring data will be gathered on a number of issues such as beneficiary characteristics and DP activities to enable as comprehensive a picture as possible to be created at GB level.

To maximise its impact, it is particularly important to link data collection to key decision points. Consequently, the table of indicators also shows the likely frequency for reporting. To provide information on the impact of mainstreaming equal opportunities, where appropriate, each of the indicators will need to split out results by gender.

Assessing the potential effectiveness and efficiency of the programme

⁷² Pathways to Employment: The Final Evaluation of ESF Objective 3 in Britain (1994-1999), DfEE Research Report (164)

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

The quantification of targets for assessing programme performance is notoriously difficult. Lessons from previous evaluation - particularly for ESF under Objective 2 - suggest the scope for forecast error in target setting can be large. There are areas we cannot measure through a single point indicator. Certain forms of assistance to develop structures and systems do not lend themselves easily to quantification. Projects which focus on new ways of delivering employment policies cannot easily be quantified, particularly on an annual basis. More importantly, it may not even be desirable or justified to focus on annual outcomes for certain types of activity. Some areas are best left until mid-term evaluation when a more qualitative assessment of impacts can be carried out.

The targets that have been developed for EQUAL are presented under the four Pillars, enabling us to see how the differing types of support are working. Targets are presented for the entire programme (2000-2006). It has been particularly difficult to develop targets for EQUAL because of the developmental nature of the programme and as a result targets are not presented for all the indicators. As EQUAL is different to the previous Community Initiatives, ADAPT and EMPLOYMENT, it has not been possible to use the monitoring data from these two programmes to predict performance of the EQUAL programme.

The impact of the EQUAL programme will be measured by the extent to which vertical mainstreaming has successfully taken place. The overall objective of the programme is to fund development projects to test out ways of combating labour market discrimination. As EQUAL will be funding development projects it will not be appropriate to look at impacts in terms of the net numbers of beneficiaries going into jobs or gaining other positive outcomes. Vertical mainstreaming will be measured as part of the evaluation of the programme and this is where the impact of the programme will be discussed.

The traditional approach to performance indicators emphasises measures of positive outcomes (jobs, self-employment, further training) and qualifications. However, it is important to acknowledge that, taken in isolation, they fail to take full account of the positive contribution which activities funded through EQUAL can make. Given the nature of labour market disadvantage faced by the typical EQUAL client group, a fuller assessment of the success of projects could come from looking at the progress of individuals against their own aims set while on the project. Some measure of the 'distance travelled' towards labour market integration might provide a more complete measure of the wider contribution of EQUAL. Although measures of 'distance travelled' by the more disadvantaged beneficiaries could usefully feature in project monitoring, it would not be appropriate to set national targets at this stage given the need to establish a reliable method of measurement. Following commissioned research, the ESF Evaluation Team has set up a working group to look at ways to monitor soft outcomes at a national level. As a result of the study 'A Guide to Measuring Soft Outcomes and Distance Travelled' has been prepared and is available to EQUAL projects to help them devise systems. This working group will be consulted as to how their work can be used to evaluate programme performance under EQUAL and to inform the measures of success for EQUAL target groups.

5.2 Evaluation

The evaluation strategy will aim to assess the extent to which EQUAL has succeeded in achieving its overall objective of creating/testing and transferring new ways of delivering employment policies, seeking to reduce labour market discrimination and inequalities faced by disadvantaged groups. The key principles of partnership, transnationality, innovation, empowerment and mainstreaming will be evaluated. The evaluation will answer how and to

EQUAL COMMUNITY INITIATIVE PROGRAMME

Department for Education and Employment (European Social Fund Unit)

what extent EQUAL has succeeded in achieving its objectives. It will cover questions on effectiveness, efficiency, relevance and consistency. The analysis of the impact will focus on structural effects with some analysis of the impact on individuals in terms of increased employability and adaptability. The overall evaluation approach will be qualitative.

The Objective 3 Community Support Framework set out plans to establish an Evaluation Steering group (ESG) to co-ordinate common evaluation activity across all European Social Fund activities in all parts of the United Kingdom. EQUAL will work within the broad framework for evaluation established by this group, to work towards a consistent approach to ESF evaluation in the UK. The ESF Evaluation Team will draw up an evaluation strategy and manage the evaluation of EQUAL. All evaluation work will take place on the basis of a partnership in which Monitoring Committee members, including social partners, will be encouraged to take part in steering groups for individual evaluation studies. In addition, the ESF Evaluation Team will feed emerging results from evaluation and monitoring into the work of the EQUAL Monitoring Committee to inform decision-making.

The experimental nature and transnational dimension of EQUAL require a first-rate evaluation addressing both national characteristics and its impact at a European level. In addition to the national evaluation, a European level evaluation will also be launched under the responsibility of the Commission services, coordinated with the national evaluation exercise.

Within a framework of the partnership between the Member States and the Commission, close attention will be paid to the largest possible harmonization of the terms of reference of the various evaluations, to meetings between national evaluators, and to the identification of useful lessons for the further implementation of the programme. The European dimension will be important, and points of complementarity and convergence will be sought between evaluations at national level, and a European level.

An evaluation strategy for EQUAL will be developed over the Autumn and will be ready in time for the launch of the programme. The strategy will be discussed and agreed with the Evaluation Steering Group and with the new EQUAL Monitoring Committee. However, it will be important to have an independent evaluation which:

- ? commences with the DPs;
- ? covers the whole lifetime of the programme; and,
- ? takes on board the self-evaluation of the DPs and is carried out in accordance with the principle of empowerment in EQUAL.

It will include both a mid-term evaluation in 2003 and a final evaluation in 2005. The ESF Evaluation Team will manage the evaluation and work will be commissioned to an independent research organisation.

EQUAL COMMUNITY INITIATIVE PROGRAMME
Department for Education and Employment (European Social Fund Unit)

Annexes

Find a document containing all annexes at:

http://www.esfnews.org.uk/equal/docs/EQUAL_Final_9_March_Annexes.doc – MS-Word format

OR

http://www.esfnews.org.uk/equal/docs/EQUAL_Final_9_March_Annexes.pdf – Acrobat format