



Jobs and skills in the local economy

In the discussions on the EU Urban Agenda, the issue of job creation was consistently raised as one of the top priorities for the EU, Member States, cities and citizens. This is not surprising when one considers that whilst the level of unemployment has been falling in recent times, 22.6 million people in the EU were unemployed as of September 2015, with many of these in the age-groups that should normally be the most productive and involved in a healthy, prosperous society.

As with the other topics, cities are in a unique position to address this challenge because urban authorities take decisions that are closest to most citizens. As the EU gradually moves out of the economic crisis, it should be remembered that more than two-thirds of the EU's workforce live in cities and that urban agglomerations are the main drivers for innovation, competitiveness and economic growth across Europe. Cities therefore have a key role to play in creating and supporting the right conditions for the innovative investments that lead to more and better jobs for their citizens.

Once more, the kinds of projects expected are not defined in detail, but the URBACT report "More jobs: better cities"¹ could be used for inspiration as it sets out some of the steps that urban authorities can take to stimulate growth and jobs. For instance:

- Strengthening local supply chains to help the local economy to benefit from the local market and playing an active role in building connections between local companies, their stakeholders, and both local and broader market opportunities;
- Actions to help maximise demand and to enhance the connection of local SMEs with wider markets;

¹ More Jobs : Better Cities, Urbact report 2013

- Supporting existing SMEs, identifying their key challenges and providing innovative solutions;
- Providing a business-enhancing environment, working in collaboration with the business community and building bridges among complementary businesses (i.e. circular economy, waste from one process being raw material for another...)
- Developing an enhanced entrepreneurial culture and fostering the creation of new firms and social enterprises by promoting favourable local eco-systems, including through 'business incubators' and similar initiatives; and
- Fostering job-rich sectors such as the green economy, health, ICT etc.

In addition, the Commission recognises that cities need to manage their labour markets to ensure a good match between demand (the jobs available) and supply (the people who want them) in order to get the most benefits from economic growth. Upgrading skills levels and better foresight as to labour market needs are essential, as people need to have the right skills if they are to be employed long-term by a competitive employer. Working with educational establishments to match their teaching to the evolving labour market needs, stimulating skills demand, working together with them and with employers to make sure the skills needed are known in advance, while encouraging investment in new skills are also elements that could feature in actions that cities can take.

As stated previously, as UIA projects will be in essence isolated test cases, a flexible interpretation will be used in terms of what can be funded by the ERDF as part of a single UIA project, provided that the overall project can be viewed as contributing effectively to the thematic objectives and investment priorities of the ERDF; and that the project is not overwhelmingly focussed on an activity more typically covered by the ESF.