



Sweden 2004

Local development agreements as a tool to stop segregation in vulnerable metropolitan areas

Minutes of the peer review meeting,
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2004





Day 1 – Morning session

On behalf of the Swedish government, **Ms Annika Mansnérus** welcomed all the participants to the very first peer review of social inclusion policies in the European Union. As Deputy Director in the Ministry of Health and Social Affairs, responsible for social welfare for vulnerable groups, she has been closely involved in the EU social inclusion process and in drawing up the two Swedish Action Plans against poverty and social exclusion (NAP/incl).

The overarching strategy in the second action plan (2003-2005) is closer co-operation between different bodies, with a focus on the needs of individuals. Local authorities have wide experience of implementing action plans and of local partnership, but this often takes place on a sectoral basis. Achieving collaboration across the spectrum of economic and social agencies is therefore a step forward and a new development. One especially important departure is in reinforcing the user perspective.

The Swedish government's Metropolitan Policy is a good example of this approach, aiming to break down social, ethnic and discriminatory segregation and create equal opportunities – including gender equality – through increasing employment rates, reducing dependency on social welfare, improving public health and democratic participation, and cutting crime.

Ms Mansnérus welcomed the opportunity for countries to learn from one another, through the peer group programme, and hoped Sweden's experience would contribute to this mutual learning process.

Mr Armindo Silva, head of the unit for social protection policies in the European Commission's Directorate-General for Employment (Unit E2), outlined the principles of the peer review process. The peer countries expect a frank and objective account from their hosts of the policies that work and those that do not. In turn, the host country can learn from the response of peer group members. However, getting a better understanding of other countries' policies is not the only aim. The second objective is to promote the transfer of policies that have proved to be effective. This places a special responsibility on participants who are close to policy-making in their own countries.

The wide dissemination of material from the peer reviews is one way of supporting the transfer of good practice, and Mr Silva said the findings of the programme will be made public through a newsletter, a dedicated website, and



specific reports for each peer review session as well as an annual report. He emphasised that the peer review process is not a competition, designed to find the *best* policy. Comparative success cannot be measured objectively, but the factors making some policies successful can be replicated elsewhere. A third aim is to improve the effectiveness of policies and strategies in the area of social inclusion. "This is a vital challenge," he declared. Social inclusion policies are regarded with scepticism or even open criticism in some quarters, where economic and employment growth are regarded as the only way to tackle poverty and exclusion. "We have something to prove here," insisted Mr Silva. "The peer review should be looking for success stories, or at least inspiring stories."

The formal launch of the Peer Review Programme in the field of social inclusion means the EU's Open Method of Coordination has reached full maturity in this area, with all the planned support mechanisms for cross-border cooperation in operation. The other two instruments are the Transnational Exchange Programme, supporting 31 projects in 2004-2005, and the meetings organised each year by the Social Protection Committee, where national delegations examine Member States' NAPs/incl and assess how each country has managed to translate the EU's common objectives into national policies.

Mr Silva thanked the Swedish authorities for hosting the seminar, which would act as a pilot for future peer reviews in the programme.

Mr Evert Kroes, from the Swedish Justice Ministry's Office for Metropolitan Affairs, is responsible for coordinating the Metropolitan Policy, which involves seven ministries and 35 units.¹

He explained that Sweden's metropolitan regions are the centres of national growth, as well as creativity and entrepreneurship. However, they suffer from growing gaps between communities in terms of wealth, housing, education and health care; and from ethnic and social segregation.

The government launched the 1998 Metropolitan Policy in order to lay the foundations for long-term sustainable growth and to end segregation. Local Development Agreements (LDAs) – conceived as a tool for implementing the policy and in particular achieving its second goal – have been signed with seven municipal authorities: Stockholm, Malmö, Göteborg, Botkyrka, Haninge, Huddinge and Södertälje, covering 24 housing districts with 250,000 inhabitants. The agreements, laying down objectives and evaluation procedures, are coupled with appendices comprising local action plans formulated by residents

¹ Mr Kroes' presentation to the meeting is attached as annex 1



and community groups. This marks a new way of thinking, moving away from the days when civil servants drew up strategies based on their opinions of what people needed.

National policy lays down eight common objectives:

- Reduce benefit dependency;
- Increase the level of employment;
- Strengthen Swedish language skills;
- Raise the adult education level;
- Raise secondary school performance;
- Make environments safer and more attractive;
- Improve public health;
- Increase democratic participation.

The Local Development Agreement with the city of Stockholm sets six goals:

- Reducing unemployment rates and benefit dependency;
- Improving school results;
- Improving public health;
- Increasing access to culture and leisure activities;
- Securing attractive and safe neighbourhoods;
- Strengthening participation in the democratic process.

The agreement covers five Stockholm city districts: Husby, Skärholmen, Tensta, Rinkeby and Rågsved.

Evaluation and follow-up are key elements. A lot of studies have been carried out in the last two years on the local action plans and individual measures (of which there are more than 1,000). One crucial question is how this knowledge should be managed in the future, said Mr Kroes.

He emphasised the added value of the LDAs. Because objectives are linked, each goal achieved has a knock-on effect in another area. For example, when parents get work, children tend to do better at school. Further impacts in other ways that have not been foreseen mean that the LDAs represent very good value for money.

Annual assessment of the agreements takes place at three levels: district, municipal and national, with a dialogue between the different authorities. The yearly cycle comprises four stages: analysis, planning, realisation and evalua-



tion. The Commission on Metropolitan Areas, on which all seven ministries plus the prime minister's office are represented, makes an annual report to government as part of the evaluation process and this national involvement is important, said Mr Kroes.

The LDAs employ four key methods:

- **Management by objectives** – municipal and district authorities know what measures are needed in their areas, so objectives are set at each level. They are revised each year to make sure they are realistic, but no financial penalties are imposed if they are not met;
- Cross-sector **collaboration** in formulating and implementing the agreements;
- A **long-term perspective** – all the stakeholders must have a vision of what their city or district will look like in the future.
- A **'bottom-up' approach**. This may not guarantee success, but makes it much more likely. "If you *don't* have a bottom-up approach, you are guaranteed not to achieve sustainable development," insisted Mr Kroes. This means finding out what people want for themselves, rather than switching control of their lives to service-providers.

Funding: from 1999 to 2003 the government earmarked SEK 2.1 billion (€225 million) to support the agreements. Some municipal authorities still have money left to use by 2005, others – including Stockholm – have spent the full quota. Further funding comes from the local authorities themselves, and from other partners. This joint-funding aspect is important for the LDA as a whole, although it does not necessarily conform to a 50-50 balance on the measure level. Resources are adapted according to local needs.

Early results: Mr Kroes said it is not easy to be sure whether changes in the local areas can be put down to the LDAs, but ongoing research should give a more accurate indication by 2005.

Benefit dependency in the 24 city districts fell rapidly between 1998 and 2001 (see figure below). The upper secondary education rate also improved, and voter participation increased. The new way of working is more efficient, and therefore must have an effect, said Mr Kroes. A study of how local people themselves view the changes will also report by 2005.

Under the second phase of the LDA scheme, extra funding will end and the government will 'mainstream' successful initiatives within permanent structures and budgets.

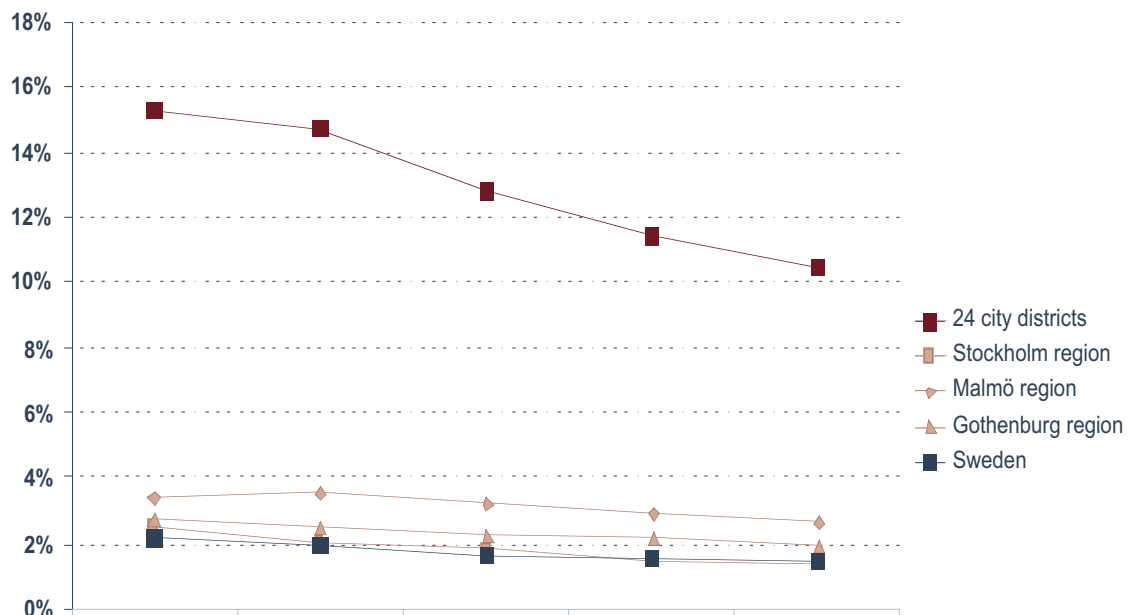


Work will continue on developing the coordination launched under the agreements.

Key lessons:

- Success is not instant. The bottom-up approach, active democracy and process work all need time.
- Joint funding leads to joint responsibility.
- Results come from 'strengthening without controlling' – focusing on objectives rather than how money is used.
- The importance of local partnership – all stakeholders are involved.

Benefit Dependency, 18-64 year, 1998-2002 (%)



Finally, Mr Kroes outlined four recommendations for the future:

- Link objectives at different levels, so that each contributes to the overall goal;
- Create ongoing progress, after funding is withdrawn;
- Integrate good practice into regular services;
- Improve coordination of good practice in different areas.

Questions from the peer review participants highlighted the difference between steps to increase the number of people available for work, and to cut unemployment, and on the apparently heavy administration surrounding the LDAs.



Mr Kroes agreed that activation of people outside the workforce is a priority. In Malmö, the authorities were pleased when the unemployment rate increased since this meant more people were coming off social support and registering for work. However, a lot of people on social benefits have a long way to go before they can hope to secure a job. **Mr Kent Andersson**, the Deputy Mayor of Malmö, said there are 14,000 foreign-born residents in the city who are neither working nor officially unemployed, and ways must be found to help them. Regarding the weight of administration, Mr Kroes admitted the LDA programme works to a tight schedule, but pointed out that this can be synchronised with local authorities' existing annual budget rounds.

Ms Margitta Lukkarinen², the independent expert appointed to assess the Local Development Agreements, summarised the key principles of the Swedish Metropolitan Policy as focusing on the individual, fostering collaboration between different actors at different levels, eliminating legislative obstacles at national level, and implementing the Swedish NAP/incl.

The LDA programme is extensive, well organised and resourced, and provides for detailed evaluation. The adoption of mainstreaming and promotion of long-term, sustainable goals are interesting from a European point of view.

Ms Lukkarinen said the results so far are encouraging, and shortcomings are already being addressed. The holistic approach, and the emphasis on cross-sector cooperation are positive developments. The LDAs apparently draw in new actors – local people – and improve their quality of life, offering more effective service delivery. But what are the incentives for cooperation, she queried, and which new elements can be transferred as good practice?

With evaluation of the LDAs still underway, critical questions remain to be answered about their success in mobilising, involving and empowering local people. Among the wide range of measures, which are the real grass-roots actions? One of the most interesting questions from a Europe-wide perspective is whether the agreements can really affect the structures and mechanisms that create and maintain segregation.

Putting the Local Development Agreements in an EU context, Ms Lukkarinen said the programme does address key elements of the European strategy to fight poverty and exclusion. It adopts a multidimensional approach. Measures are designed to help the most vulnerable people in society, and efforts are made

² Ms Lukkarinen's presentation is attached as annex 2.



to mobilise all relevant groups. The scheme also falls in line with the objectives of the European Employment Strategy and the NAPs for employment. The importance of action at local level is highlighted by many studies, for it is at local level that jobs are created. Employment is recognised as a crucial factor in improving people's quality of life.

The LDAs can also have a role in improving governance. They seek to redefine relationships and redistribute authority, responsibilities and resources. They are long-term programmes, demanding intensive communication and cooperation between parties. Yet can local partnerships and civil society bring about greater social inclusion, and why do some partnerships work while others do not? Ms Lukkarinen hoped that the evaluation process would give more answers, and she defined the key questions as:

- o Can LDAs affect the processes that create ethnic and socio-economic segregation?
- o Can LDAs work in areas where social protection systems are weak (for example, some of the new EU Member States)?
- o What are the incentives needed to successfully mobilise local residents and stakeholders?

Questions from the peer group focused on whether the LDA initiative would be too expensive to apply universally, how to maintain progress at the end of the extra funding period, and whether the policy means favouring urban areas at the expense of rural communities. To tackle segregation, is it not also necessary to involve outer city areas in the programme, to allow for movement between districts?

Participants also asked about the procedures for setting objectives and evaluating results. How do objectives take account of local research findings, and are partners selected with the aim of bringing specific knowledge and skills to projects? Is broad participation the right approach, and if so, why?

Mr Kroes said the cost of extending the scheme has not been assessed, "but it's a form of partnership that will be copied," he added. The debate about future resources is an ongoing one. Municipal councils are keen to maintain the agreements. Since better horizontal collaboration is one of their chief benefits, it may be possible to develop them as an effective tool of cross-sectoral governance, with the state deciding on the precise role of the different agencies such as employment offices, social services and police.



Methods of evaluation are always under discussion. Researchers want more time to reach definitive conclusions, whereas policy-makers demand instant answers. 'Quick and dirty' evaluations can indicate whether policies are heading in the right direction without waiting for a full scientific analysis.

Backing the importance of partnerships with local people, Mr Kroes said it is a question of changing the perception of these areas. "We don't like to use the terms 'distressed' or 'deprived'," he explained. Media tend always to focus on problems, rather than the strong sides of local communities, and to counter this the programme adopts a communication rather than an information strategy. "We have to sell a product. We are selling the new metropolitan area," he concluded.

Mr Andersson explained that between now and 2015, the number of 20-34-year-olds in cities like Malmö is predicted to increase much faster than in the rest of Sweden, making action to counter social exclusion vital. Programmes must work not only in deprived areas, but across whole cities, so as to promote growth.

As regards funding, he said the LDAs could only be compared to the oil lubricating the engine. The petrol that fuels it has to be found in regular budgets.

Mr Matti Heikkilä, the independent expert from Finland, described the 'magic word' *partnership* as very fashionable. He referred to two existing reports on its use as a tool to fight social exclusion³.

He questioned the scope of partnerships. Given that public authorities play an important role in Swedish society, what opportunity do organisations such as chambers of commerce have to take part?

Mr Kroes said partnerships vary according to local needs. In the Flemingsberg district for example, the wide range of partners – including enterprises, the university, university hospital, employment office and inhabitants – are involved in strategies to develop business activities in the area.

Ms Riitta Särkelä, representing the European Anti Poverty Network (EAPN), called attention to the role of NGOs. Ending poverty requires social, not individual action, she argued. How does the government go about creating the political will within municipal authorities to tackle social exclusion, and if structures need to be changed, what changes have taken place so far?

3 *Local Partnership: a successful strategy for social cohesion?* By Mike Geddes, European Foundation for the Improvement of Living and Working Conditions; and the European Commission's *European Synthesis Report on NAPs/incl.*



Mr Kroes said the extra funding provides a strong incentive for municipal authorities to take action. Authorities led by parties across the political spectrum have signed Local Development Agreements, united in the belief that action is needed.

Involving local people is not easy. Many tend to be mistrustful of civil servants at first, but their 'expert' knowledge of what it is like to live in these areas is crucial, and once they find the right action is being taken they will start to get involved and be drawn into developing new strategies. He recalled an occasion in 1999 when, after listening to a group of hostile residents describing problems going back 25 years, he made a 'deal' to convince them that he would support their interests. The news spread rapidly through the community by word of mouth and had a strong mobilising effect.

As regards structures, individuals no longer get passed from one agency to another for employment, social security and other questions. "We have to continue this integrated way of working. It would be crazy not to," he concluded.

Day 1 Afternoon session: visit to the local Job Centre in Skärholmen (area of Stockholm).

Mr Jan Johansson from the Skärholmen District Administration told the peer group that the Job Centre does not write off its clients as "deprived" or "vulnerable". "People are full of possibilities, and our aim is to help them take control of their lives. We are proud of our work here."

Mr Björn Jacobson, responsible for coordinating the Local Development Agreements in the city of Stockholm for the last five years (until the end of last year), said the original approach was an ambitious one: to work in all target areas at the same time. Employment and education were the easiest subjects to tackle because of past experience. But sometimes it was hard to recognise the overall targets within the local activities.

The guiding principle is the bottom-up approach of involving local people, yet he drew attention to an inherent contradiction in the programme, in that problems and objectives are defined from the top.

Another important aspect of the work is its long-term perspective, although this suffered a setback in 2002 when new government guidelines cut the target areas to just two.



The overall aims of the Metropolitan Policy – eliminating segregation and creating growth – are not easy to implement at local level, said Mr Jacobson. The city is responsible for collating plans and objectives from different districts and bringing them together in one agreement, signed by the municipal authority and the government.

Looking back, he identified potential areas for improvement. Better cross-sector collaboration is now evident at local level, but more progress is needed regionally and nationally. The city authority also believes that state funding should continue in order to sustain activities in the long term, and the original government decision gave the impression that this would be the case.

The clearest successes were in cutting benefit dependency and boosting employment. Between 1997 and 2004, dependency fell by 37-38%, and in some districts by up to one half. In the area of schools and language teaching, a number of measures are underway. The city has invested in skills development for teachers, and changes in the curriculum have inspired mother-tongue teaching in a wider range of general subjects.

Summarising the lessons learnt, Mr Jacobson said that new forms of cooperation at different levels have enlarged the potential for development. People are more inclined to question routine measures, and there is a greater awareness of the need to involve local residents. Regular reporting and evaluation mean work is structured more efficiently.

However, building lateral cooperation and breaking down old structures takes a long time. Many of the measures have had a real impact on individual lives, but not on the status of different city areas, on discrimination, or on housing policies. He proposed a national and regional mobilisation to prevent a return to traditional 'territorial' thinking.

To the northwest of Stockholm, three district councils have been working together to prepare follow-up to the Local Development Agreement. **Ms Susanne Tengberg**, from the Kista district Department for Integration, Labour Market and Culture, said Kista combines a thriving technology park known as Sweden's 'Silicon Valley' with poor housing areas. Some 25,000 people travel from Stockholm to work in Kista each day, but only 7-8% of local residents are employed in the industrial area. Inhabitants speak over 80 native languages, and 45% have no regular employment.



To implement the bottom-up approach and involve residents, the authority advertised in local newspapers, put up posters, contacted voluntary organisations and held open meetings. In 1999 it set up a reference group of different partners, which met once a month and collected 50 project proposals.

The reference group was disbanded after a year, but new partnerships developed, especially with the business community. A new approach to business entailed asking “What can we do for you?” rather than “How can you help us?” she explained. “You need to have a win-win perspective when building partnership.”

The successful Kista ‘Matching’ project involved collaboration between business, educators and recruitment agencies. Participants who submitted a written application and demonstrated motivation were guaranteed a job. In the end, 80% of those who took part obtained permanent work. Yet the scheme did not adopt a real bottom-up approach, even though residents thought it did, because what they wanted from it was a job.

Ms Tengberg said the lessons learnt from the programme over the last few years are so important that the district authorities are now seeking finance from other sources, including EU funds. Unless society opens the doors to people in deprived areas, there will be labour shortages in many European countries in the coming years, she concluded.

Mr Kim Randrup, manager of the Skärholmen Job Centre, described how the centre was set up at the end of Sweden’s 1990s recession, as part of a new strategy within the Local Development Agreement for helping people to get into work. It is now no longer reliant on extra funding, but serves four city districts in southwest Stockholm, in partnership with Skärholmen employment and social insurance offices and local industries and associations.

Its central philosophy is that “everybody wants to assume responsibility for their own lives. Our job is to support them. We are social workers and we like to help,” said Mr Randrup.

The centre works on three principles: identify measures that work; when they do not work do something different; and do not repair what is not broken.

Sweden has a long tradition of identifying problems and offering support, but that was a problem in itself, he explained. Focusing on problems creates a negative spiral of accusations and defence. Instead, the Job Centre adopts a



solution-based approach that emphasises motivation and the individual's determination to achieve a goal. The priority is to help people to join society rather than to claim benefits. Staff never question people's choice of goal, but build on the skills and resources needed to reach it.

The Job Centre has two sorts of clients: new applicants (30%), who must apply for work before they can receive social benefits, and others (70%) who have been on welfare payments for some time, for whom employment is a huge challenge.

The 23 staff are crucial to the success of the policy. Every client who comes to the centre becomes the focus of a collaborative effort with the common goal of finding him or her a job. Each one gets a personal coach, whose aim is to boost self-esteem and make the individual attractive to employers. Each coach is responsible for up to 80 people, but 30 of these may be on training programmes, and others off sick or starting work. Realistically, staff can give personal attention to about 20 clients at a time. In 2003, 75% of the 1,500 new job seekers who visited the centre found work.

Following the Job Centre visit, **Ms Margitta Lukkarinen** introduced **Key Aspect 1** on the agenda: **Local mobilisation and involvement of beneficiaries.**

The involvement of local actors is the most challenging and most difficult aspect of the LDA programme, she argued, but is crucial to successful local development. The scheme's greatest shortcomings relate to this issue – not through a lack of will but because of a shortage of methods and experience. Many initiatives are still formulated in a traditional way, prioritising traditional players. Issues are too far removed from their everyday lives for residents to contribute to defining strategies.

An evaluation report by the Swedish Integration Board found that most residents were not interested in getting involved, largely because of the methods used to contact them. It identified some unconventional but successful approaches such as knocking on doors, small outdoor meetings, 'link workers' in housing districts, and talking to people in their home environment.

Ms Lukkarinen said she could find few incentives to encourage people to get involved in the Local Development Agreement activities.

Questions and contributions from the peer group focused on whether initiatives like the Job Centre could operate just as well without the Local Development Agreement, the nature of cooperation between different bodies – such



as schools – at local level, and whether it is possible to work with different ethnic groups at the same time. What factors lead people to leave these areas, and do they reinforce segregation by moving as they become better off? Is neighbourhood consultation obligatory under the LDA scheme, what are the incentives that attract people, and is there any way of measuring their satisfaction?

Mr Heikkila drew attention to the findings of an EU-funded project carried out three years ago, on the involvement of excluded people in drawing up anti-poverty policies.

Mr Jacobson said it was the extra funding from government under the LDA scheme that helped hard-pressed district councils to launch initiatives like the Job Centre.

As for different ethnic groups, cooperation depends on the purpose of the dialogue. Some projects are aimed at specific groups anyway, and consultation can be targeted. But initiatives affecting broader neighbourhoods can run into conflict between communities.

Given the persistence of racist structures, it is the Swedish population that tends to move out of districts as immigrants move in, although there is also movement among different ethnic groups such as Turkish and African communities.

There is little tradition in Sweden of dialogue with the public service consumers, and it takes a long time to build up confidence and show people that the authorities are serious about inviting them into the consultation process. Unemployed people tend to lack self-esteem and do not expect to be listened to anyway: for example, fewer of them exercise their vote.

Mr Kroes agreed that the extra funding has helped to raise awareness within local government of the need to reassess how things are done. The LDAs are a tool for bringing in new working methods centred on the concept of empowerment.

He suggested many people find it easier to take part in concrete activities – such as running a local playground. Therefore the first priority is to ask them what *they* want to do. It is crucial to communicate on an equal basis, and civil servants have to be prepared to change their language if they want to avoid driving people away.



He pointed out that people often move in the interests of their children – for example to find a school where they will learn better Swedish. However, 50-60% of residents in these districts say they enjoy living there and want to stay.

Although there is no system of penalties within the LDAs, after three to four years the national and municipal authorities are now fully aware of the importance of local consultation. Mr Kroes, who is responsible within the office for monitoring how the bottom-up perspective is used, stated that clear communication between state and municipality is essential for this process: “If they don’t do it, they have to deal with me,” he joked. “I am always talking about the bottom-up perspective.” However he recognised the logical contradiction in imposing a bottom-up policy from the top.

Public response is the hardest thing to measure. Surveys in Fittja noted a big shift in awareness between 1999 and 2003: 60-70% of those questioned now know something about the programme. But there are no established indicators apart, possibly, from election results.

Ms Tengberg described new initiatives in schools and universities, including training for teachers and exchange of good practice among parents. Fresh ways of working with voluntary organisations have also evolved, but many old structures are still in place and are resistant to change. More effort is needed to develop new knowledge and find new methods. She recognised that one of the problems inherent in working with direct democracy is judging how representative the people who come forward really are.

The Belgian independent expert **Mr Thomas de Béthune** suggested that the organisers responsible for involving local people are as important as the projects themselves. He asked whether social workers receive specific training for this role. This is a step currently under discussion in Belgium.

Mr Kroes said the 24 process leaders in the 24 districts all have very different backgrounds: as teachers, journalists, priests, engineers or social workers, for example. He agreed that training is required to develop a “new kind of social worker”, and added that universities are examining this as part of the evaluation process.

Closing the first day of the peer review, **Mr Wolfgang Schlegel**, from Inbas, drew some conclusions about the elements required for the LDAs to be successful:



- Strong political will to involve and empower local people;
- Time and patience, as part of a long-term perspective;
- A set of new instruments, with trained and skilled facilitators to apply them;
- A change of attitude across all public services;
- A good monitoring and evaluation system to discover what does and does not work.

Day 2 – Key Aspect 2: Institutional arrangements – vertical and horizontal cooperation of various public bodies involved.

Introducing the session, Ms **Margitta Lukkarinen** said cross-sector cooperation is key to the success of the LDAs. Vertical cooperation is a means of delivering information to regional and local players and managing feedback. Horizontal cooperation is a tool for empowerment and improving governance. Good collaboration creates new alliances and policy initiatives.

Successful partnership requires:

- Formal structure;
- A multiple coalition of interests;
- The commitment of a wide range of different parties;
- A common agenda;
- A multidimensional action programme with a holistic approach.

She posed a number of questions:

1. Who sets the agenda? Are all parties involved and whose voice is heard? (i.e. local groups, NGOs?)
2. What are the mechanisms to involve the social partners and the social economy (NGOs, trade unions, co-ops etc)? They should be present at all levels.

Mr Kroes sketched out a plan of the different agencies relevant in the scheme, including: employment, health, social benefits (means tested), social insurance (sickness/pensions/disablement), housing, police, education, culture, National Integration Board and National Migration Board; and the levels at which they operate: national, regional, municipal and local.

Stockholm has 18 city districts, which have responsibility for a range of services including education, health and parks. Five of them are involved in the



LDA programme, out of seven originally earmarked as needing support. The national government set the total budget and signed the LDAs with municipalities, and work is carried out at local level through action plans. So far only public authorities are partners in the agreements, although private involvement “could come”. Other parties, including business, may join in the action plans.

With the end of the extra funding, the “big discussion” now focuses on how to pay for ongoing measures.

The Office for Metropolitan Affairs, set up four years ago, plays a key role in horizontal communication at national level. However, Mr Kroes conceded that “every ministry has its walls” and there is still a long way to go to achieve true horizontal collaboration.

LDAs are also a tool for steering national policy and spending. The idea of extra funding arose in the 1990s, when existing policies were failing to resolve specific problems such as segregation, as a way to kick-start development in the right direction. Some of the measures within the agreements are cheaper than previous policies, and can therefore point to a more effective use of existing budgets.

Mr Schlegel wondered whether it is true to say that the LDA programme’s “hidden agenda” is to offer a financial “carrot” to the different actors to induce them to work together horizontally and establish a new system of governance, with better communication and collaboration, as the only means of effectively fighting social exclusion.

This in turn stimulates change in all sectors, challenging the traditional ‘top-down’ way of doing things, and forcing national policy-makers to reassess their way of working and how they use budget resources.

Mr Kroes confirmed that this is an explicit, rather than hidden, aim of government policy: to create the conditions at national level for a horizontal approach.

Ms Mansnérus explained that the Swedish government draws up its NAP/incl through consultation with all the relevant ministries, creating a *de facto* collaboration.

The EU’s social inclusion goals also have an impact on policy decisions at municipal level.

Johan Vandebussche, the Belgian official representative, asked what happens if municipal authorities do not reach their agreed objectives.



Mr Kroes said there are no financial penalties. Councils have to explain why they failed, and revise their objectives for the next annual cycle, to make them more realistic.

On the input from NGOs, he said organisations of all sorts are involved in local activities, including cultural foundations, theatre groups and ethnic associations. Some take part in funding. Some city districts set up broad committees to decide on local measures. **Mr Jacobson** said participating organisations tend to be local associations rather than traditional NGOs. They contribute their specific skills and knowledge so as to improve the quality of actions.

The Local Development Agreement programme's relevance and transferability to peer countries

Belgium

Independent expert **Mr de Béthune** argued that segregation is due to broad, underlying factors, such as labour market, access to housing, cultural habits, etc. In Belgium, the national government has made annual contracts with major cities and undertaken to give direct financial aid to help them achieve pre-determined goals in deprived neighbourhoods. LDAs by themselves are not sufficient to resolve problems of segregation, but could be part of a wider package within most of the national, regional and local regulations and measures. In Belgium there is much stronger regional autonomy than in Sweden. However, the federal government has already adopted the cross-sector approach and management by objectives, in common with the Swedish scheme. He suggested the methodology for working with local partners is primarily a tool of governance in Sweden, and this could have relevance for Belgium.

National official **Mr Vandebussche** said social cohesion is a priority in Belgium. The Swedish example is relevant in the way it deals with multi-annual plans, and as metropolitan policy in Belgium also involves a number of ministries, there could be lessons in this area as well.

Since the federal government has very little power in sectors such as housing, it takes a strategic approach, but strategies have to be applied according to regional circumstances.

The LDA programme is an ambitious one, particularly in the way it promotes horizontal coordination and enforces evaluation.



Spain

Independent expert **Mr Juan Carlos Collado** reminded participants that Spain, like Belgium, has decentralised much of the political process to the regional level. The LDAs demand a high degree of vertical collaboration, but because of the strict division of competences and financial controls in Spain, this would be very difficult. Different levels of government are virtually autonomous.

Nevertheless, there is a Social Services programme carried out since 1988 by the Ministry of Labour and Social Affairs called the Concerted Plan for Basic Benefits of Local Corporation Social Services. It has been consolidated now and constitutes the administrative, financial and political base of the Basic Public Social Services Network. Local corporations are responsible for its management. The regulations for administrative and political consensus, the agreement over nationwide minimum benefits, the model for administrative management (agreements between the national, regional and local public administrations) and the agreements over the distribution of financial resources have ensured a stable framework guaranteeing citizens access to these public services and a framework for technical and political debate, through the structures established for monitoring the agreements.

Commenting on the principle of management by objectives and the political responsibilities associated with the implementation of objectives, he felt that different objectives called for different political levels to take responsibility, also taking into account the varying competencies. Infrastructure policy, for example, needs different types of accords between political levels to social policy. Each policy has its optimal level of implementation. But for individuals the priority is proximity and multidimensionality – since their problems are multidimensional – and the Swedish programme has something to teach in this regard. Horizontal collaboration is clearly important and as such perhaps easier to apply today in Spain than vertical collaboration.

In Spain, there is almost no public policy evaluation, whereas this aspect is crucial to the LDA programme. Mr Collado said he would also like to learn more about this.

Two factors that would stand in the way of transferring the Swedish model are:

1. Due to the great size of districts in metropolitan areas, people have very little sense of participation on their individual needs.
2. Political decentralisation is relatively recent and has proved quite costly. Responsibilities are now starting to be shared at municipal level, but have yet to reach local level. This could be a future goal, but will be hard.



Italy

Independent expert **Ms Alda Salomone** explained that in Italy employment and social affairs are handled at national, regional, provincial and municipal levels. However, the regions now have more powers than national government due to the devolution process. What is more there are in effect two Italys: the north where services are quite efficient and the south where many structural problems persist.

She raised three issues relevant to the Swedish programme:

1. Italy is interesting in exchange of indicators of evaluation and monitoring.
2. Italy is working to improve the efficiency of employment and other services, but how should this be reconciled with meeting individual needs and enabling people to influence policy?
3. In the less developed south of Italy, multidimensional funds are used for the so-called PIT (Integrated Territorial Programmes). There are some 150 PIT covering 2,000 projects and some of them are specialised in social field – PIS (Integrated Social Programmes). Groups of animators work to set up local partnerships and develop labour policies. Ms Salomone said it would be interesting to know more about the tools of local animation and professional training and competences of the operators required for this work.

National official **Ms Anastasia Giuffrida** said the government aims to set standards for regional action, and to offer tools and strategies, but autonomy is strong and it is the regions that implement local policy. It would be hard to imagine the LDA system working in Italy at the present time, but similar methods are used in some small projects, involving dialogue with all local actors. In the south, particularly, cooperation between different institutions is difficult, but necessary.

Portugal

National official **Ms Susana Vieira** said Portugal's first national programme (National Programme for Poverty Alleviation) was launched in the 1990s, creating a dynamic that has resulted in many local projects promoted either by municipalities or by non-profit private institutions, in association with local partners, which submitted their candidatures to approval. People are now much more used to working together in partnership to achieve locally established goals.



Since 2000, there are moves to work in a more planned way, progressing from national to local level, included the setting up of the Social Network Programme. This brings together groups of partners to plan for local and social development. It is currently operating in 176 municipalities, but in general terms its financing, which comes from European Social Fund, is directed to the constitution of Local Action Committees and to Social Diagnosis and Social Development Plans, and not to the implementation of these plans *per se*. On the other hand, local projects continue to develop, depending on national financing from the National Programme for Poverty Alleviation. The next step will be to create a new programme (Inclusion and Development Programme, included in NAP/incl 2003-2005) to replace the National Programme for Poverty Alleviation and to channel resources to poorer areas (both rural and urban) and more vulnerable groups, by means of projects also promoted by local agents, some of those projects drafted from the Social Development Plans already completed in the context of the Social Network Programme.

“The LDAs are very interesting and not a totally new idea for us,” she said. The NAP/incl 2001-2003 contained two similar instruments: the urban and rural social development contracts (as Portugal is unlikely to focus just on urban areas). One difference is that these contracts were meant to be signed at two distinct levels (a centralised one and the other at local level), including not only public authorities, both local and central, but also private institutions, both profit and non-profit. Significantly, these instruments have never been created and they are not present in the NAP/incl 2003-2005.

Finland

National official **Mr Markus Seppelin** said Finnish structures and traditions are quite similar to Sweden. Regional disparities already exist as an outcome of policy failures, and must be remedied. But Finnish cities do not suffer the same gravity of spatial problems as those in Sweden due to the more balanced population structure. The Finnish cities have been successful in promoting social mixing. However, problematic tendencies towards more pronounced spatial segregation can be observed in certain urban neighbourhoods.

Cross-sector cooperation already exists in Finnish government. The main problem with introducing new initiatives is the question of who will pay. Municipal authorities are unwilling to take on new obligations without extra resources. Thus a programme like the LDAs would be very useful if it can be cost-effective.



Finland has a lot of government and EU-funded projects in deprived areas, but the long-term benefits are questionable and there is a lack of coordination between them. Municipal authorities are also now starting to compete for good taxpayers and exclude bad ones, creating an obstacle to social mixing. Their independence makes it hard to influence policy decisions.

Mr Seppelin wanted to know what measures can be adopted to prevent bad housing areas developing.

Lithuania

Independent expert **Mr Romas Lazutka** said sectoral policies can create segregation, or favour stronger subjects such as more easily employable people. The question thus arises of combining the different goals of different institutions. The value for Lithuania in adopting a scheme like the LDA programme would be to address the needs of the most vulnerable people, like children with learning difficulties, and to reorient policies away from the better off to socially excluded communities.

Netherlands

Independent expert **Ms Marie Louise de Bot** said the Swedish experience is very familiar in the Netherlands, which has a similar programme. Municipal councils are also fairly autonomous. They have to translate the agreements to the local level, making agreements with local participants like housing companies, schools etc. Participants are autonomous, so therefore municipal councils need incentives to encourage their cross-sector involvement. These could be extra funding, lesser rules or the harmonisation of existing regulations.

In the past the authorities tended to focus purely on socio-economic issues. They wanted to improve the vulnerable metropolitan areas by creating a more diverse supply of houses because they feared desolation. Now they have added integration goals in their policy. The diversity in housing supply is welcome to stop segregation. Immigrants do not have to leave the area when their socio-economic status improves, and the area also has housing for the more prosperous.

Immigrants have fewer opportunities to prevent the arrival of drug addicts, vandals or other criminals who in turn make neighbourhoods more difficult to live in. Improving their Dutch language skills and social inclusion will help, but greater safety is also required. Therefore, safety goals have been added to the policy.



Stakeholders

On behalf of the stakeholder groups, **Ms Särkelä** said the bottom-up approach is very challenging but very important. She stressed the need for political commitment, and for strong social protection systems as the basis for building a culture of cooperation and participation. The EAPN is ready to share this challenge and help in the process of developing active local collaboration, she concluded.

Summing up the debate, **Mr Silva** said Sweden's problems, while they have a local dimension, are common to all countries. Issues like segregation, long-term dependence on welfare and the integration of immigrants are increasingly claiming the attention of politicians and the media. National responses offer a clear potential for transfer to other countries, although differences in institutional frameworks can be an obstacle.

For example, the direct application of the LDA programme in countries with a strong regional level of devolved government like Belgium, Italy and Spain is difficult. Sweden and Finland, on the other hand, have comparable structures and have adopted similar policies.

The Swedish model is very much in tune with the objectives of the EU's Community Action Programme for combating social exclusion. Elements like the joined-up approach, the mobilisation of all social actors, coordination between institutions, attention to vulnerable groups, countering segregation and regular evaluation are all in line with EU policy. Although it is hard to develop common indicators because of the variety of different projects, Mr Silva said the large number of evaluation reports was impressive, and the anticipated global evaluation of the programme will be very important. In all, Swedish Local Development Agreements comprise a very interesting scheme that deserves to be followed up.

Conclusion

Mr Silva said this first peer review meeting in the field of social inclusion policies was like a test case, and could offer useful lessons for the rest of the programme.



The Peer Review Programme started in the field of employment in 1998, and despite changes in working methods has proved quite successful. Member States themselves regard it as valuable.

Social inclusion is a more difficult subject area. There is a stronger tradition of evaluation in employment policy, more statistics available, and issues are more homogeneous. So it was not been immediately obvious that the peer review procedure would be appropriate in the field of social inclusion.

Nevertheless, his first impressions were quite positive. Mr Silva said he was looking forward to the rest of the programme, and to seeing its impact on the transfer of policies.

Closing the meeting, **Mr Tommi Riihonen** from the Swedish Justice Ministry said the peer review comes at a perfect time for Sweden's own policy development, just as the long-term lessons of current policy are being assessed.

These issues are not local issues, but aggregate in local areas. The bottom-up approach and long-term continuity are key to the LDA programme, as is the evaluation process. He hoped this would provide indicators for the best way to foster development and bring real change in people's everyday lives.