

JOBS AND SKILLS  
IN THE LOCAL  
ECONOMY



# How are UIA jobs and skills projects contributing to inclusive growth?

Experiences and first lessons  
learnt from Bilbao, Madrid,  
Milan and Rotterdam



## About the Initiative

Urban Innovative Actions (UIA) is an Initiative of the European Union that provides urban areas throughout Europe with resources to test new and unproven solutions to address urban challenges. Based on article 8 of ERDF, the Initiative has a total ERDF budget of EUR 372 million for 2014-2020.

UIA projects will produce a wealth of knowledge stemming from the implementation of the innovative solutions for sustainable urban development that are of interest for city practitioners and stakeholders across the EU.

This report written by UIA Experts captures and disseminates the initial lessons learnt from the project implementation and the good practices identified. It is part of capitalisation and dissemination activities of the Urban Innovative Actions Initiative.

## Acknowledgments

We would like to thank the four UIA Experts, Eddy Adams, Alessandro Coppola, Miguel Sousa and Willem Van Winden for their work on the report. A special thank you goes for the project managers of the AS-Fabrik, BRIDGE, MARES de Madrid and OpenAgri projects who contributed with their knowledge to the publication. Last but not least, we would like to thank the different officers within the Permanent Secretariat who helped coordinate and produce the report.



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## Introduction

The decision to include the topic “jobs and skills in the local economy” in the first UIA Call for proposals in 2016 sent at least two clear messages to urban policy-makers and practitioners.

The first was that after years of financial crisis, negative growth and economic stagnation, urban authorities can play a key role in the recovery phase, addressing the immediate consequences (rise of unemployment and pressure on local welfare systems), but to do so they need to design and test new bold solutions.

The other, stronger, message was that the financial downturn and its dramatic consequences on local competitiveness, jobs and welfare systems should be considered as an opportunity to radically re-think local economic paradigms. An opportunity to lay down the basis for real **smart** and **inclusive** growth.

Smart because it is led by new promising economic sectors, the ones able to make the most from new technologies (digital economy, manufacturing 4.0) but also the ones able to generate wider societal benefits (green, white and blue economy and more generally the so-called social innovation sectors).

Inclusive because it builds upon the local assets and, even more importantly, because it offers equitable opportunities to citizens and it shares the benefits with different sections of society. In other words a growth where no one is really left behind, where the local workforce has the right skills to contribute actively to the economic performance of their territories.

The four projects finally supported in the first UIA Call for Proposals (out of more than 120 proposals received for this topic) synthesise well the strong commitment of urban authorities to act as frontrunners towards a new economic paradigm. Although from different angles and with very different local contexts, they all try to build solid ecosystems for growing economic sectors to prosper (helping them to anticipate major technological disruptions or helping new and emerging sectors) while investing on local people and their skills to ensure that they will contribute to and benefit from the new growth.

The cities of **Bilbao (AS-Fabrik)**, **Madrid (MARES)**, **Milan (OpenAgri)** and **Rotterdam (BRIDGE)**, together with rich and diverse groups of local stakeholders are now in the second of the three years of implementation. Initial results are being achieved, the first success stories are making the headlines of local media while new and unexpected challenges are being addressed.

All actors involved are unanimously convinced that the journey so far has been an incredibly rich learning experience. Lessons that will further improve the delivery of the UIA projects, that will be valuable for the four urban authorities in other policy-fields and future projects, and, even more importantly, lessons that can be extremely interesting also for other cities dealing with similar challenges.

In this perspective, building on the enthusiasm of the four cities to share the first lessons with a wider audience and thanks to precious work done by their respective UIA Experts, the four projects started, in March 2018, working together and they jointly identified four main questions around which the most valuable lessons were being generated.

These are:

- 1) How important is **industry clustering** in these projects' approaches to supporting the jobs and skills agenda?
- 2) How are the four city authorities evolving their **roles as brokers** in the approach to jobs and skills development?
- 3) How are the four cities developing **place-based approaches** to jobs and skills?
- 4) What can the four projects say about city approaches to **talent management**?

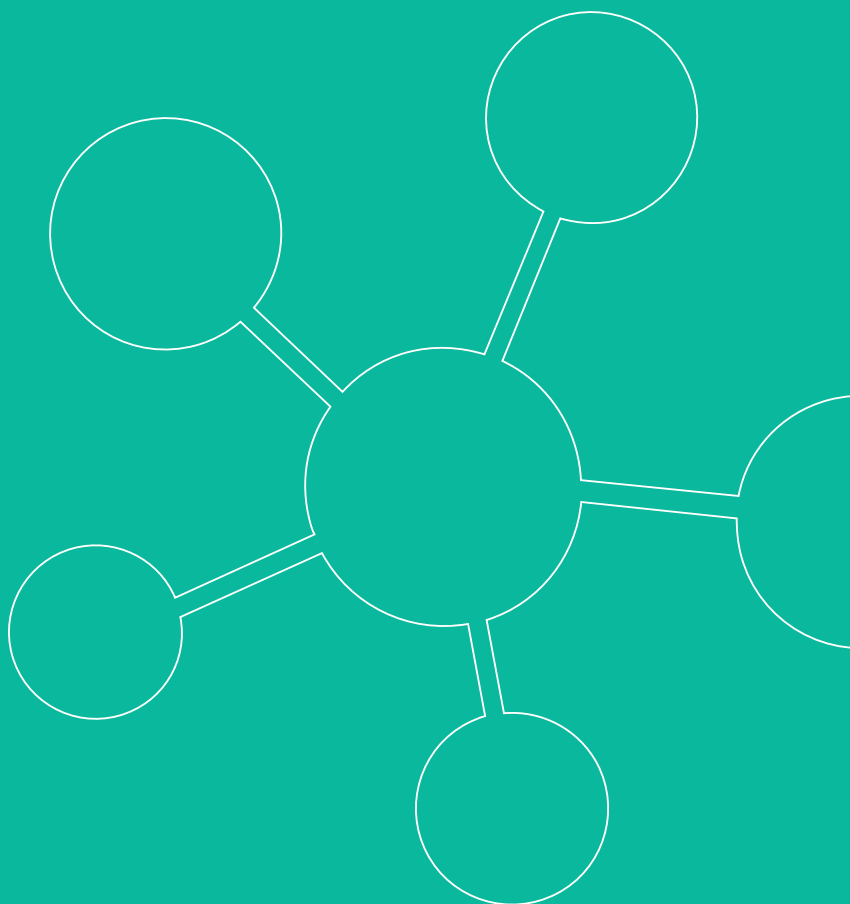
The four horizontal questions were first presented by the four UIA Experts in an Introductory Paper published in June 2018. The aim was to frame the four questions and to explain why and to what extent they are relevant for all the projects, highlighting the differences but also the common elements as well as the initial shared lessons.

To further deepen but also open the conversation around the common questions to other urban stakeholders in Europe, the four cities and the UIA Secretariat organised a public workshop in Brussels on the 22 June 2018. More than 60 participants from different Member States and institutions had the opportunity to discuss with the four UIA cities the four questions and learn more about their experiences and challenges. “Key Listeners” from DG Regional and Urban Policy and DG Employment closed the event clearly stressing the key role that cities should play in shaping smart and inclusive local economies also in the perspective of the next generation of the Cohesion Policy.

The present paper largely builds upon the Introductory Paper and it adds some elements captured by the four UIA Experts during the workshop as well as some examples of how the four cities are addressing the common questions.

# How important is **industry clustering** in the projects' approaches to supporting the jobs and skills agenda?

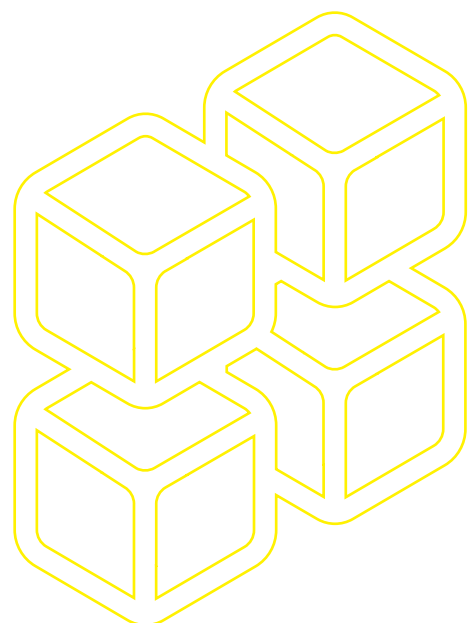
By **Willem van Winden**,  
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# What is **industry clustering** and why is it relevant?

Industries tend to cluster in particular places or spaces: Well-known examples are London's financial cluster, or **Milan**'s fashion cluster, but many cities have particular specialisations. Some have emerged spontaneously over the years, but often, local policy has a role to play in identifying them, boosting them, or connecting clusters to each other or to knowledge institutes. For policies in the jobs and skills field, industry clustering matters as well.

A key challenge for jobs and skills agendas on any policy level is to find a good balance between generic and more sector-specific, specialist skills. On the one hand, in a fast changing economy, generic and "meta" skills are gaining importance, such as communication skills, team work, digital skills, information gathering and processing skills, problem solving, and the ability to learn effectively. On the other hand, the economy needs specialists: people who master a particular field, discipline, or craft. A carpenter must have in-depth knowledge about construction, materials, and be able to handle tools; Professionals in the health care sector must have deep and specialist medical and pharmaceutical knowledge, and need long training to become professionals. In a well-functioning urban labour market, the skills of workers/professionals match the specificities of the local industries.



But this situation is in constant flux. Some sectors are hiring, such as IT-related industries, health care, and personal services; others are in decline. Cities face the challenge to improve the match between supply and demand of skills. For this, they can design policies to steer or nudge more students into promising sectors (this is the aim of **Rotterdam**), or through retraining schemes for people already in work. This asks for a sector- or cluster specific approach, and deep collaboration with sector representatives, in order to understand the needs of the businesses.

The Rotterdam team found out that even generic skills often have a sector-specific colour. “Flexibility” of employees is considered important everywhere, but flexibility in the logistics sector has a different meaning than in health care.

Clusters matter for another reason as well: rapid technological change – especially digitalisation – has a deep and disruptive impact. Many firms have difficulty in catching up, and risk losing competitiveness. A challenge of the local jobs and skills agenda is to help and support companies in developing new competences, find new strategic directions, engage in innovative collaborations, and embed them in local innovation ecosystems. But technological change, though transversal, has a very different impact in different type of industries. Digitalisation in healthcare poses different challenges than digitalisation in manufacturing. Hence, a sectoral/cluster oriented approach makes sense.

In many cities, unemployment rates are still staggeringly high (especially among young people), and participation in the formal labour market is low. Promoting new types of local (social and/or collaborative) entrepreneurship is seen as a promising way to change this, and can at the same time improve the liveability of urban quarters. Although entrepreneurship –or being entrepreneurial- can be regarded as a generic competence or trait, requiring many generic skills (social skills, communication skills, etc.), start up entrepreneurs also need specific skills and competences to create a successful company. So again, also in this policy field, a balance between general and specific must be found.

The value added of a local sector- or cluster specific approach is reflected in Europe’s **smart specialisation agenda**. In the current and next programming period, European cohesion policy en-

courages regional economies to specialise in a smart way: not going for “one size fits all”, chasing trendy growth sectors or over relying on physical investments to build a knowledge economy, but rather identifying and playing on the precise specifics of the local economy (i.e. its industry structure, growing and declining segments, knowledge bases), and by trying to match the local industry better to research and educational programmes of universities.



## Bilbao AS-Fabrik

- bringing advanced services industry together

With 8,000 companies making up the advanced services industry providing 28,000 jobs and generating 25.9% of the city’s GDP a focus on this activity as well as the push for clustering is seen as essential for Bilbao’s local economy. The AS-Fabrik partnership unites organisations from different spheres of the advanced manufacturing sector together to work on a common strategy for the future. It includes different Universities and Research Centres (including from Mondragon University), the Basque Institute for Technology as well as the Audiovisual cluster. By bringing these actors together collaboration can take place on future challenges for the sector whether its digitalisation, IoT, supporting entrepreneurship or fostering start-ups. The project shows that there is a need for all the helix’s to interact and cooperate in order to change how companies, education and employment is shaped for a common growth for all in the coming years.

# How “cluster-specific” are the projects in Bilbao, Madrid, Milan and Rotterdam?



All of the UIA projects are cluster specific to a large extent, but from a different angle. In **Rotterdam**, a core aim of the BRIDGE project is to improve the job opportunities of young people in the deprived neighbourhood of Rotterdam Zuid. Unemployment is still very high there, but at the same time, specific local industries have difficulties in finding qualified staff. The port industries and the health sector are amongst these. A lack of awareness

of these opportunities, and what young people need to do to access them, amongst schools, parents and young people themselves, is a contributory factor to high levels of unemployment and low income levels in the area. To address this mismatch, the BRIDGE project unites many actors that work together to “nudge” young people into education linked to these growth sectors. Employers in **Rotterdam** offer a job guarantee to kids who choose a pathway in health

or port/industry related fields. Thus, this policy is quite industry specific. At the same time, the BRIDGE project promotes the improvement of social skills among young people, because a lack of these skills is a key fail factor. Among other things, it helps school teachers to include social skill formation more effectively as an integrated part of the curriculum, rather than treating it as an isolated topic.



The MARES project in **Madrid** has a sectoral focus as well, albeit in a different way. It aims to promote social entrepreneurship among citizens in four neighbourhoods that were hard hit by the crisis. In each neighbourhood, MARES trains and supports citizens to become social entrepreneurs, and develops community/incubation spaces for that purpose. All five “MARES” are specialised to some extent, focusing on care, energy, mobility, food, and circularity (recycling) respectively. These are seen as strategic sectors to introduce a new economic model in the city based on the social and solidarity economy values (green energy, clean transport, circular economy, fair trade, bio products, care). This is a typical case of smart specialisation at the neighbourhood level: The project first maps and then builds on each neighbourhood’s existing needs, skills and networks in this theme, and then builds innovations on that. The project leader, Roberto Corrales Moreno, stressed that there is no one size fits all, each specialisation requires a different approach. “Some clusters demand high qualification levels, for instance in solar panel technology, app development, others less so: bikers, shopkeepers”. MARES develops “learning communities”, led by experts and professionals, combining them with the regular offers of training courses for the unemployed people, to improve all these skills. Especially entrepreneurial skills –the practicalities of how to set up and run a business- are important here, and the regular educational system does not cater for that.

At first sight, **Bilbao’s** AS-Fabrik project looks even more sector-specific. It focuses on the digitalisation of industry –often referred to as “industry 4.0”, and the development of knowledge intensive business services in the metropolitan area. For **Bilbao**, this is very important: manufacturing industries are still an important part of the economy, but to remain competitive, they need to adopt digital technology, and a more service-oriented approach. More collaboration is needed to get there. AS-Fabrik intends to build an ecosystem in which industrial firms work together with universities, service firms, ICT firms. Thus, although the project is sector specific, at the same time it blurs traditional boundaries between production and service

## MARES de Madrid

### - the learning communities

**Building on the smart specialisation at the neighbourhood level, the learning communities bring together citizens from all walks of life aiming to put to good use their knowledge and experience as well as capitalising on their interest in learning and training.**

**On the premise that all citizens have knowledge and experience they mix those residents with different profile and provide them with guidance on collective self-employment, the social and solidarity economy as well as social innovation putting them on the path of employment or business creation.**

**A rich agenda of events is organised around the project’s five topics (energy, food, mobility, social care and recycling) where cross-cutting themes as discussed and lessons are learnt.**

**Registration is done through the [MARES website](#). The themes include gender and urban mobility, organic food canteens or pedagogy and sustainability.**

activities, and between innovation and manufacturing. The sectoral statistical categories that we still use to describe and measure urban economic activities, become increasingly obsolete. In terms of training and skills, AS-FABRIK takes a dual approach. To address the need for social and collaborative skills –they are necessary in a more collaborative economy- the project includes training modules for companies that cater for that. At the same time, AS-FABRIK also offers specific training for city managers, to make them more aware of the specific challenges of Industry 4.0.

**Milan’s** OpenAgri project, as the title suggests, is active in the agricultural industry. The project intends to create an open Innovation hub on Peri-Urban Agriculture, integrating several food policy experiments in a single strategy, and operating as a living lab to foster innovation in the agri-food sector. Agriculture-related SMEs and start-ups are experimenting with innovative tools for increasing and transferring capacities. Players from various parts of the value chain are involved: farmers, but also suppliers of technologies, seeds, plants, materials; logistics, marketing, and knowledge/research institutes. A

key feature of the project is to connect and mix skills in new ways. University students can obtain internships or write theses related to the project, and in this way the link with the university is strengthened. The project also identifies which new skill sets are needed in the field of innovative agriculture, and helps to improve the match with young or unemployed people through the creation of skills profiles. Also, it mixes skills for different specialisations. For example, experts in the food processing industry working together with experts in energy management in order to design the next generation of buildings needed by the food sector.

Thus, each of the four projects has generic but also distinct cluster specific features. **Bilbao** and **Milan** each opted to fully focus on one cluster of activities: industry 4.0 and agriculture, respectively, and seek to promote new types of synergies between actors to promote innovation and match demand with supply; **Rotterdam** is trying to nudge more young people into a limited number of sectors that exhibit employment growth, but stresses social skills across the board; **Madrid** goes for five clusters, to be developed in new neighbourhood hubs.

# Lessons to share

- **Traditional sector or cluster oriented policies are becoming obsolete.** All projects reflect the challenge to transcend traditional boundaries between sectors or clusters. Typically, urban economies are still organised along traditional lines –with sector-oriented industry associations, government agencies and statistical categories- , but innovation comes from cross-sectoral collaboration, and from better alignment between industry and research/education.
- In many cities, **the education system is too slow to adapt to the changing economic reality**; this conclusion is in line with the chapter on talent management included in this publication. Even though there may be no jobs linked to particular courses, educational providers continue to offer them, and young people continue to choose them. This is partly due to national legal frameworks beyond the control of urban actors, but also to limited communication and interaction between business and educational/ research institutes. The UIA projects are a key lever to make progress here.
- It is a challenge for cities to **maintain a healthy balance between the promotion of generic and specialist skills**. Generic skills – social skills, teamwork, problem solving skills etc. – are gaining weight, and lay a foundation under the development of more cluster- or industry specific skills. A key insight from the MARES and BRIDGE projects is that people, young or old, can only be economically productive when they feel safe, understood, recognised, and able to influence their own lives. In many deprived urban areas, these conditions are not met, and social projects that address them must be considered as key economic development efforts.
- Having said this, **specific competences and crafts are indispensable to access solid jobs**, or start successful businesses, in growing sectors such as technology, construction, and healthcare.
- The AS-Fabrik project shows that **new mixes of competences are the key to future competitiveness**, and it deploys innovative collaborative tools to identify gaps and promote more collaboration between industrial firms, service firms and education/research in the region.

2

# City Brokerage

By **Eddy Adams**,  
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# What do we mean by 'City Brokerage' and why does it matter?



In the previous section we acknowledged the dissolution of fixed boundaries between traditional industry sectors. We also noted the continuous rise of cross-sectoral collaboration, and its importance for innovation. Relating to urban development, city authorities in Europe have long assumed a pivotal role in supporting this kind of activity. For example, the Quadruple Helix concept, involving public, private and academic partners, together with citizens, is well-established, with urban administrations often at the centre.

However, recent trends have affected the context in which this collaboration takes place, impacting on cities' brokerage role. One has been the growing scale and complexity of the partnerships involved in major urban projects. Increasingly, we see what Park Won Soon, Seoul's innovative Mayor, described as **super cross-sectoral collaboration**. This shift has been occurring at a time when, in large parts

of Europe, there has been a diminution of public funds, often requiring city authorities to lever in higher proportions of external funds. This type of public sector behaviour implies a complex set of competencies.

City authority staff increasingly require a repertoire of skills to navigate this fluid landscape. This applies to elected officials as well as to public employees. A growing body of research evidence points to the growing importance of city brokerage and to the importance of building public sector capacities in this area, as part of a repertoire of competencies required by the so-called **New Public Servant**.

Alongside this, there is a growing recognition of the public sector as a driver of innovation, beyond simply being a neutral broker. Marianna Mazzucato's<sup>1</sup> work has shone a light on the public sector's central role in the development of many tech-related innovations where the

scale of investment, degree of risk and timescales have deterred private partners. Her work has challenged previous assumptions about the public role in the collaborative innovation process.

1 Mazzucato, M. (2011), *The Entrepreneurial State*, Demos, London, UK.

# The role of the city authority as an **innovation broker** in the UIA projects

The four UIA projects confirm city authorities' roles as equal partners in these collaborative ventures. They also give an insight into the different dimensions of collaboration involved. These include cross-departmental activity, where the UIA team within the City Authority is managing horizontal relationships and, at times, challenging cultures and behaviours. We also see new 'vertical' relationships emerging, as cities reshape the machinery of multi-level governance.

In **Rotterdam**, this internal relationship management function is evident in addressing one of the core challenges facing BRIDGE: the mismatch between the education curriculum and the labour market. The project's success depends on addressing aspects of this, particularly in relation to the respective expectations of schools, young people and employers. An important early message coming from the BRIDGE project is that this expectations gap is a factor in the disconnect between the worlds of education and employment. Success for BRIDGE requires changing mind-sets and attitudes amongst colleagues in the education system, pushing teachers out of their comfort zones, as well as challenging those national policy makers responsible for the curriculum.

Alongside this sensitive internal agenda with education, is the equally challenging work of building sustainable trusted relationships with employers. Where businesses anticipate having first pick of the 'best' students, and access to enthusiastic motivated future employees,

## **Rotterdam – BRIDGE**

**Tackling the disconnect between the worlds of education and employment is central to the BRIDGE project and its plans for the Rotterdam-South neighbourhood. In this aim, the municipality has had to add another string to its bow: the broker.**

**The city has a growing economy with a large port and also in the healthcare, food and technology sectors. However, the residents in Rotterdam South are not aware of the wide range of opportunities within their reach and the business sectors are not included the conversation when curricula and the definition of skills are established.**

**By taking on the brokerage role, Rotterdam has brought into its partnership the educational sector as well as the policy makers but it has also been responsible of knocking on the right doors and ensuring the engagement from the future employers of the children currently participating in the project located far but within reach from their neighbourhood.**



there can be a need for some management of expectations. The BRIDGE Interventions team is working hard to maintain the enthusiasm and commitment on both sides, and in doing so have realised that this task will be ongoing throughout the life of the project.

We see these patterns in other UIA projects. An equally complex partnership model is in operation in **Milan**, where the OpenAgri project combines a food-industry focus operating at city and neighbourhood level. Functioning credibly in this leadership role requires city staff to bring a sound understanding of the food sector, which **Milan** brings from long experience, most recently relating to the 2015 Food-Expo.

An important element of OpenAgri focuses on creating a vibrant food entrepreneurship hub. This involves working closely with start-ups, many of whom are young, focused on the circular economy and with limited experience of the public sector. One of the challenges here is ensuring that their enthusiasm and energy is retained when the pace of development may be a little slower than they expect. Again, this comes back to management of expectations and the city authority creating a niche position of trust within these collaborative models.

A high level of collaboration with new partners is also a distinctive feature of the **Madrid** UIA project. MARES operates in four specific neighbourhoods across the city, out of disused municipal premises. As we discuss in the preceding chapter, each of these assumes a particular sectoral focus.

Of the four projects, it is in **Madrid** that we see the highest levels of citizen participation. The aim is to empower and mobilise communities, requiring the city authority to allow high levels of devolution and local autonomy. Building on existing trusted relationships, the city administration has relied upon locally based community organisations to front these neighbourhood connections.

These local actors have also led in mobilising the methods used to stimulate community participation and ownership. These have included tools like community lab sessions, as well as the

use of digital tools and web applications. Although the city team has been involved in these developments, they have taken a back seat in line with the project's philosophy.

Co-ordinating this hive of activity across the neighbourhoods is an important element of the MARES project. Here the administration has assumed an important pivotal function. The City of **Madrid** has established a database of actors involved across the entire project, functioning as a portal for neighbourhood requests for external knowledge and expertise. In this way the four participating *barrios* support one another.

In **Bilbao** this cross-neighbourhood need is absent, as the AS-Fabrik project focuses on a single location, the Zorrotzaurre peninsula which is earmarked to become a new industrial district. This is another large-scale complex project, involving partners across the public, private and academic sectors. The fourth helix dimension, involving citizens, remains work in progress, as the first UIA Expert Journal<sup>2</sup> notes.

**Bilbao** has an established reputation for the management of complex urban developments, with the Guggenheim now a byword for ambitious urban regeneration, twenty years on from its opening. Consequently, the city authority role of marshalling partners and resources is familiar territory. However, through the UIA project it is operating in new areas with the Basque regional government, relating to its Regional Innovation Strategy (RIS3) priorities. This extended multi-level governance cooperation reflects the project's ambition to reclaim **Bilbao** as a centre of advanced manufacturing excellence in the region.

Although not a marked departure from its established way of working, AS-Fabrik has provided some challenges as the City Authority assumes its leadership and brokerage role. One has been the need for public-sector participants to be well-versed in the implications of Industry 4.0. Being able to demonstrate such awareness helps build trust amongst the partners, reassuring them that the city authority is credible with industry players. In order to achieve this, **Bilbao** has provided training courses for civil servants and elected officials.

2 The AS-Fabrik Journal n°1: [https://www.uia-initiative.eu/sites/default/files/2017-12/FINAL%20VERSION\\_Bilbao.pdf](https://www.uia-initiative.eu/sites/default/files/2017-12/FINAL%20VERSION_Bilbao.pdf).

# Lessons to share

Each of the four cities has useful lessons to share on how urban authorities can effectively assume this increasingly important brokerage role. Their work represents a shift away from what one workshop participant described as the 'Jurassic' city authority model. Without doubt, the complex choreography of these projects requires a matching set of skills and aptitudes within municipalities.

Three key lessons emerge from these projects at this early stage:

## **City authorities increasingly need to assume a key pivotal role in these complex innovation projects:**

- Increasingly, the boundaries between sectors – organisation and industrial – are blurring. Implementing innovative solutions requires public authority personnel to be confident operating in this fluid environment, as it is in the spaces between traditional fault lines where innovation is often found.
- This has many implications for the way city authorities work. Those leading the process must be capable of working across established departmental silos, encouraging, supporting and challenging colleagues in other parts of the organisation.
- At the same time, they must be at ease working beyond the public sector, and with colleagues from other disciplines and organisational types. Here, city authorities come as equal partners in the innovation process – at least – and in many cases provide the vision and driving force.
- Cities do this from their position as trusted honest brokers, fulfilling a unique role in the development and management of the complex collaborative structures required to deliver on ambitious long-term city goals. At times it is a specific department – helping external players navigate the complicated structure of a large city authority – which assumes a navigational role
- Finally, it is important to note that city authorities are not the only brokers. From our workshop discussions, it is clear that a feature of this new operating environment is a more distributed leadership role where the brokerage function can be assumed by multiple players

## **Cities must invest in their staff:**

- The competencies required to fulfil this city authority role are found in talented and committed people. Often, their talents enable them to work in any sector, but they choose to work for the city. Quite often, they have switched between sectors, giving them credibility with industry peers, as well as important insights into different organisational cultures.

- In **Milan**, for example, the OpenAgri project relies upon city authority staff with a detailed understanding of the food sector. The commitment to extending the city's food sector's innovative activity is a shared passion amongst those working across the public, private and NGO sectors.
- **Bilbao** provides another case where city staff require a certain level of sectoral competence to work credibly with colleagues in the private sector. The city authority recognises this, and one of the key beneficiary groups has been the public sector officials – staff and elected representatives – whose digital skills have been upgraded.
- It is too early to say whether this investment commitment in these cities represents a shift away from the outsourcing trend that has led to a reduction in the local authority skills base in recent decades. However, it certainly underlines the understanding that to participate as credible players, city authorities must develop the relevant sections of their workforce. The tension between what one workshop participant described as the 'buy or build competencies' remains, but cities are rethinking the balance as they deliver on these projects.

### **Trust others and don't be afraid to let go:**

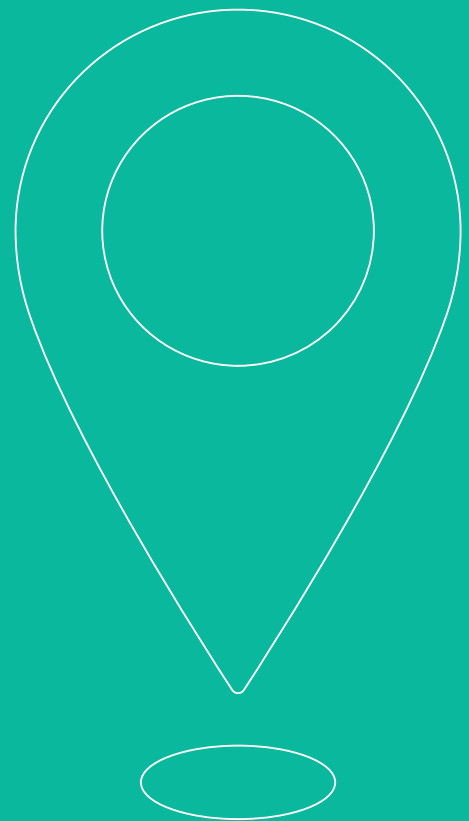
- As city authorities are developing their own trusted positions at the heart of these complex partnerships, so must they have trust in others and be prepared to let go. This means, in the true spirit of teamwork, to recognise when others are better placed to get results. To use a football analogy, it is as important to gain as 'assist' than to score yourself – so long as the team benefits.
- Public authorities are not always good at this. The old command and control habits die hard. However, we can see in these projects the benefits of behaviour change which allows others to shine. The MARES project in **Madrid** is perhaps the best example of this. Acknowledging the special relationships in place within these communities, the city authority has taken a back seat, giving space to others to develop and implement the methods needed to get the best out of these barrios. In the background, the city authority continues to play a key role – holding things together across the neighbourhoods and making connections – but the front line activity belongs to others.
- Not only does this free up city authority capacity, it also sends a message that the local players are trusted to deliver on one of the city's most emblematic projects.



3

# Place Based Approaches

By [Alessandro Coppola](#),  
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# The **relevance** of this topic



The idea of bottom-up place-based policies in the areas of local economic development and workforce training is not new in the history of urban policy. This is evident from 1960s and 70s experiments in urban community development in the United States where conditions of racial segregation and social exclusion in neighbourhoods were challenged also through the support of new economic projects linked to the abilities and demands of residents and to the experience of “territorial pacts” and more widely “distretti” in Italy in the 1980s and 90s.

However, the idea that local development is to be understood as the outcome of an endogenous mobilisation of resources and skills embedded in a determined local environment has acquired a new significance in the context of the wide structural changes that advanced economies have experienced since the late 1970s, with the crisis of old industrial regions and modes of production. This saw the rise of new kinds of industrial clustering and agglomeration dynamics in regions that had been peripheral in the previous mode of production. This has given way to the transition of many urban economies towards a decisively larger share of services in both output and employment.

More recently, the emphasis on places – understood in terms of a complex ensemble of cultural, spatial and social characters – as factors of production in themselves has further increased in policy and scholarly discourses.

As a good example of such an orientation, discourses on “flexible specialisation”, “cognitive-cultural capitalism”, and “the creative city”, have pushed city and regional authorities to play an increasingly assertive entrepreneurial role in packaging particular policies aimed at both attracting external investments and at developing endogenous resources. These have involved pursuing the strengthening of factors that are indicated as key for economic success. Typically, these include access to human capital (as discussed in our Talent section), a vibrant cultural life, enjoyable public spaces, opportunities for coordination among economic and social actors, specialised areas for business incubation and the scaling up of coordinated economic activities.

Alongside this, EU regional and urban policy has supported these efforts through a wide range of programmes and tools which has become increasingly sophisticated over time in terms of understanding, framing and defining what “local development” is. In the current cycle of regional policy programming - tools such as CLLD (Community Led Local Development) and ITI (Integrated Territorial Investments) have promoted a more closely integrated, place-based and participative framework for the implementation of regional policy.

Such tools have come to embody the idea that local development is possible when, in a certain territory, **local actors’ “knowledge and preferences” are identified and mobilised in a “process of self-discovery”**. Moving from the broadly regional to the urban dimension, Urban Innovative Actions have come to represent a consistent and advanced implementation of this approach in the urban realm bringing the traditional place-based participative stance of much EU urban policy making (e.g. Urban and Urbact initiatives) to a new level of “co-creation” and “co-production” also in the perspective of enhancing processes of place-based, inclusive, local economic development.

At the same time, besides the emphasis on place-based policies, a new focus on the role that discreet urban spaces can play in such policies is coming to the fore. In previous eras of urban policy this focus had mostly involved the creation of integrated settings for the delivery of certain services at the neighbourhood scale – in the form of community centres offering services ranging from health to culture, education to training – and for the nurturing of civic participation at the local level in the context of wider processes of decentralisation and of urban regeneration programs. In such initiatives, besides occasional linkages to employment policies, the issue of economic development was widely ignored being framed as depending on higher scale structural policies and strategies.

More recently, in the context of a re-discovery of endogenous development processes and of emerging forms of locally based “community economies”, this traditional focus is now shifting to the creation of a new generation of “hybrid” spaces combining functions of socialisation, training and collaboration in the perspective of the creation of new services and economies at the local scale. The metaphor of new urban spaces as “hubs” – offering resources while fostering new projects among citizens – is becoming central in these conversations and is fully consistent with the new organisational landscape of the post-fordist economy and with the role that projects, networks and entrepreneurialism play many different realms of urban life.



## Madrid – Mares project: putting municipal spaces to good use

**Even if the four spaces housing the Mares of Madrid are not the central element of the project, by renovating the underused spaces, the city is providing a space for participatory learning as well as to the support and creation of social and solidarity businesses. Located in the city centre, Vallecas, Vicalvaro and Villaverde the four buildings are becoming new beacons within the neighbourhoods open to all. The Mares have different designs tailored to the nature of the activities planned within them and there is in addition the strong back-up of the district elected representative. It has not only contributed to the revitalisation of the area it is located within but has made the social and solidarity economy part of residents normal life and a real option for them either in the search for employment, as a business opportunity or in their consumer habits.**

# What do the projects tell us about emerging city approaches to place based initiatives?

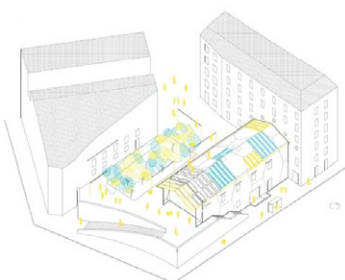
A variety of contexts and approaches characterises the four projects in this regard. First there is an essential difference in terms of what is the territorial scale – or the scales – at which the place-based economic development approach is actually exercised. In two cases there is a clear focus on certain areas because of some socio-demographic characteristics that define a condition of relative social and economic disadvantage – the four neighbourhoods designated by MARES de **Madrid** and the large area of Rotterdam South in the case of BRIDGE in **Rotterdam**. In the other two – OpenAgri in **Milan** and AS-Fabrik in **Bilbao** – the scale is city-wide although the location of the project is in a certain area – Zortzaurre in **Bilbao** and the Vettabbia Valley in **Milan**. Here, the link with a place does not depend much on the disadvantaged character of the area but, more, on the availability of certain reconversion potential in the built environment (buildings to be repurposed), on previous planning decisions (an area zoned for economic development or agriculture) and on its relevance for the goals of the project (in the case of **Milan**, a decommissioned farm in a large agricultural park).

However, it is clear that – even if very differently – all the projects intend to deliver benefits that will be important at the city and metropolitan scale beyond their respective place-based approaches. If MARES de **Madrid** intends to deliver a stronger social and solidarity economy, BRIDGE in **Rotterdam** to deliver a better alignment between emerging job opportunities and job demand, OpenAgri to enhance and innovate the agricultural sector and AS-Fabrik to support wider smart-specialisation they must deliver visible results, at some point in the near future, at the city or even at the metropolitan scale. At the same time, it is also clear how all projects – with the exception of BRIDGE – decisively invest in the creation of concrete, individual examples of that new generation of hybrid urban spaces that we mentioned above. These new spaces are supposed to play a critical role in the creation of a new localised community of practitioners that will ensure in the case of MARES de Madrid the development of new actors and networks of the urban social economy,

of innovative manufacturing in that of AS-Fabrik and of urban agriculture in that of OpenAgri.

Spaces are seen here as concrete contexts to share services and information, nurture collaborations and also develop new identities both for the ones who directly use them and the generality of the interested public at large (who can associate that space to a certain new economy or forms of social organisation that the city is trying to foster and produce).

In other words, these spaces are called to facilitate those processes of molecular agglomeration that have been considered by urbanists, sociologists and economists alike key in the production of innovation in the era of cognitive cultural capitalism. In doing so, they put into questions traditionally “spatially-blind” economic development and employment policies that through the management of mostly national and regional systems - workforce training, development incentives, education – essentially reframing what a “development policy” can be.



Energy MAR located in Madrid City Centre



## Bilbao – AS-Fabrik project creates hub in future knowledge island

In order to create an ecosystem able to face the transition to Industry 4.0 a common space functioning as a meeting point as well as a reference point was seen as pivotal. The project will be hosted in a former disused factory located in the Zorrotzaurre island<sup>1</sup> called the Beta2 building. The space not only reminds citizens of the industrial past but symbolises the use of existing resources for future resilience. With multiple functions taking place within it, the former factory will host training programmes for university students, entrepreneurs as well as professionals in order to face the challenges of Industry 4.0. It will provide networking opportunities bringing together the main stakeholders creating a unique integrated city strategy for the transition to the next economy with start-ups being fostered and promoted. In addition, an Observatory and Ideas Lab will be located within the space analysing main trends in technology sectors, Industry 4.0 and digital economy providing advice for companies making them more resilient to challenges. The exchanges between these activities provides a coherent and integrated way of working. As a further strength, the AS-Fabrik space is surrounded by other entrepreneurial and training initiatives making the island where it is located a new home for knowledge and innovation.


# Lessons to share

We need to keep in mind the fact that a **place-based policy always involves a variety of scales** (and therefore more than one place) beyond the one that is immediately targeted – a disadvantaged area or a functional zone within the city – and that it is strategic to consciously articulate the relationship between the project and this variability of scales (e.g. which actions for which scales?). Furthermore, places are intermingled layers of policies and all projects derive from a variably higher-scale, previously established set of policies. – Therefore it is critical to clearly understand how projects can be consistent with these different policy layers, within a multi-governance context. Each of these projects offers insights into this underlying how the innovation they advance can be disruptive and conflictual with previously established policies and systems

- Linked to this, “places” are made of very different actors, components, forms of knowledge and in this case as well the four projects offer different understandings of such variety. MARES de Madrid relies on existing local neighbourhood level actors, on city and even national level actors while having as a goal the constitution of totally new actors - the social economy enterprises that, at least initially, can be rooted at the very local level – in the perspective of making neighbourhoods both hubs for certain economic sectors and contexts in which to develop endogenous economies rooted in needs and skills that are locally available.
- BRIDGE relies first and foremost on very important neighbourhood actors such as schools – that are already involved in a larger integrated urban regeneration initiative targeting Rotterdam South. These actors are now invited to play a larger leadership role in changing some highly localized elements such as the street-cultures, for example through role models and by establishing more systematic relationships with students and parents. At the same time – based on this highly local place-based work – the project intends to establish relationships with metropolitan scale employers. Indeed, a key challenge is to address the insularity of many residents in Rotterdam South, encouraging them to embrace wider economic and job opportunities at the metropolitan level.
- AS-Fabrik relies on an existing city-level ecosystem comprising knowledge institutions and business organisations that – in partnership with city authorities – will leverage the creation of the new hub in Zorrotzaurre in order to create structured pathways for the generation of new enterprises or the enhancement of existing ones. Finally, in a fairly similar vein, OpenAgri leverages on already existing actors – knowledge institutions, anchors, “disseminators” in the project’s language – to animate a hub space aimed at delivering a whole range of final benefits to the larger agricultural ecosystem that exists in **Milan’s** region while at the same time enabling the creation of new actors able to develop a proper “urban agriculture” – with new and articulated skills, organisational forms and markets - economic sector.

Another element that needs to be kept in mind is that it is not enough to say “place-based”, since actors and social groups can have **very different understandings of what a place is**. Therefore it is critical to consciously articulate projects’ rationales and goals with the kind of actors (existing, new, higher scale?) and the kind of knowledge (citizens’, institutional, expert) that the project intends to develop in its operations.

- Therefore, it is important to keep in mind that if **developing a “place” inevitably means to be the protagonist of a self-discovery process**, the essential questions in any place-base project are: what kind of knowledge needs to be discovered, created or organised in the context of the project? And how and by whom can it can be discovered or created?
- In this perspective, even if in different forms, all projects use places in order to produce forms of knowledge that in the long run are supposed to improve the effectiveness of policy-making and to allow economic development.
- Through very complex operations, MARES has been mapping skills and existing economic activities present in the four neighbourhoods in order to develop – through different forms of support - new economic projects with realistic potential. Through the establishment of an observatory, AS-Fabrik intends to monitor the evolution of high-tech innovative manufacturing sectors and of the local performance in the area in order to make sure that projects incubated – and more in general the activities promoted – are in line with the evolution of the larger market. BRIDGE **Rotterdam**, goes beyond creating new knowledge, to bridge information between economic actors, the educational system, youth and families.



In the generation of new urban spaces – in the sense that was specified above – it is critical that in the implementation of these projects, **the process that lies behind the generation of spaces needs to be considered a top priority by the city administration and other actors alike.** The experience of the three projects prove in fact how the design of new kind of spaces can prove to be a challenge to established design and public procurement of cities and that such challenges, if not anticipated, can become an obstacle on the way of their success by delaying activities and not delivering the expected improvement of neighbourhood contexts that it was promised.

- Attention must be given therefore not only to the quality of the spaces created – that in some projects is ensured through the establishment of co-design processes aimed at making sure that future users' preferences and perspectives are included - but also on the level of procedural complexity and the time needed in order to actually produce and open them to both the community of practice that will use them and the wider public. One more critical aspect involves the equilibrium between the level of spatial specialisation that is needed by economic actors – that need, especially in the case of AS-Fabrik and MARES areas and technologies of production that can be incompatible with other uses - and the inclusion of the local population of the neighbourhood where such spaces are located.



4

# Talent Management

By **Miguel Sousa**,  
UIA Expert for Milan, OpenAgri



# What do the projects tell us about emerging city approaches to talent management?

As stressed in previous sections, the challenge for European cities today is to stimulate job creation but at the same time to improve the added-value and social and economic wealth produced by the jobs created. The four projects, are helping local ecosystems to rethink the resources they need to innovate and grow, in order to establish the means to inspire and attract a whole range of talent, from the agriculture, social innovation, artistic, creative and human sciences areas to the new digital opportunities.

Much of the latest thinking on cities underlines the centrality of talent to successful urban development. For example, in the *Triumph of the City*<sup>1</sup>, Glaeser stresses the importance of cities' capacity to nurture, retain and attract human capital. Access to a large diverse talent pool is vital for encouraging innovation and entrepreneurship as well as for promoting social and economic mobility.

This emphasis on human capital is also reflected in EU policy. The new Skills Agenda for Europe<sup>2</sup>, adopted by the Commission in June 2016, launched 10 actions to make the right training, skills and support available to people in the EU. The 'Digital Skills and Jobs Coalition' is one of the 10 actions that calls for the need to bring digital skills to a wider population, not just IT professionals. EU countries are working on developing national digital skills strategies, and cities play an increasingly important role in this, evidenced for example through the Urban Agenda for the EU.

Much work is taking place to better understand the changing need for skills. The OECD not only measures skills in student and adult populations, it also works with countries to develop skills strategies tailored to specific needs and contexts. Their evidence shows that using both cognitive (literacy, numeracy) and "soft" (communicating, influencing, negotiating) skills in the workplace and maintaining them over a lifetime is strongly related to greater skills proficiency – which, in turn, is related to economic and social well-being.

This is a complex challenge that cannot be addressed by traditional means. It is no longer (just) about creating employment, but how to attract, retain, adapt or convert talents into the present and

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<sup>1</sup> Glaeser, Edward (2011), *Triumph of the City: How Our Best Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier*, New York, USA.  
<sup>2</sup> A New Skills Agenda for Europe: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016DC0381&from=EN>.



future needs of the local economic and social fabric – and, vice-versa, how to adapt these needs to the new education and qualification dynamics, while facing competition from other world-wide cities. The integration between the qualification of talents and the provision of an ecosystem that can attract and realise the potential of such talents, is at the very core of the four projects.

The projects are addressing talent management at an urban scale, aggregating local actors to produce a new breed of blended talents, ensuring that supply and demand for new skills are matched, and contributing to the improvement of the average added-value produced by employees. These dynamics are only possible due the existence of solid local innovation ecosystems, with the presence of a strong network of partners, under the coordination of the Urban Authorities, Milan, Madrid, Rotterdam and Bilbao.

## Rotterdam

### Getting into the right career is no child's play

The BRIDGE project provides the opportunity for the children of Rotterdam-South to get on the right path to employment in the city's high growth sectors (technology and healthcare). Even if ample employment opportunities are available this has not treacle down to parents, teachers and students when making the choice on education. By providing mentoring, guidance and the Career Start Guarantee there is a push for the children in the neighbourhood to get the right skills, the ones that will provide them with access to the jobs that exist and will be available by the time they finish their schooling. There is an important role played by the mentors working with the children that inspire them as well as the central role that teachers have. Within the project, teachers have the role of getting up to date with the labour market as well as feeling comfortable in providing career guidance with a long-term perspective when the children will be out of their care.

# The **role** of the city authority



The main added-value of the cities' approach relies on the integration of business, the social and solidarity economy with an education and qualification system that ensures that the requested talent in terms of technological skills, mainly on creativity, human sciences and innovation, are available at the local ecosystem.

**Bilbao** AS-Fabrik's project mission is to increase the competitiveness of companies in the advance services sector by developing an Industry 4.0 Hub. **Milan's** OpenAgri project, has the mission to develop a Peri-Urban Agriculture Hub, and both projects are implementing specialised education modules for students, young graduates and professionals to prepare them for the new realities in talent demand. Both are pushing the cities to move quickly and decisively into a new, enhanced, technological level, that will change the way the city actors perform and interact, making them trial cities for Industry 4.0 and Peri-urban agriculture, in this way increasing the city's capacity to retain and attract talents. The Hubs are the basis for the transition of **Bilbao** and **Milan** into a next economy based on knowledge and digital platforms, valorising R&D&I, valuing natural resources, and the development of new products, services and the growth or creation of new companies and jobs.

Madrid with the MARES project and Rotterdam with the BRIDGE project, are co-designing the future skills rethinking the way cities identifies and nurture talent as well the educational and qualification system responsiveness to labour market needs. MARES focuses is on people from all ages tapping into hidden or emergent talent within neighbourhoods making use of collaborative tools to stimulate local community participation. It's crucial for MARES to work with young people and adults in a non-traditional training system to keep abreast of social and technological developments in a rapidly changing and inter-dependent world. BRIDGE is generating important findings in relation to the mismatch between education systems and urban labour markets, revealing talents that can influence their choices for future professional careers.

Talent is a major driving force of growth through their effect on labour productivity. It's essential for young people to enter the labour market, access good-quality jobs and embark on successful careers. This work starts by identifying talent in a yearly stage of personal development at the ages of 8/9 and channelling those with the right skills and aptitude into sectors they may not think they could be interested in. BRIDGE is also conducting a pioneering work to identify the future skills needs of the Next Economy in order to gain a better picture of what kind of skills and talent we will need.

At this stage there are some initiatives in the four projects that are important to follow, such as: the OpenAgri internship programme for young graduates, including certification of competences and skills through Open Badges<sup>3</sup> and valorisation of new emerging professions, such as aquaponics professional, food innovator and other hybrid profiles; the MARES project prototypes that have been formulated on mutual learning communities, coming both from laboratory activities and from new and already established on-line participative tools; the AS-Fabrik specialised education modules developed for both students and professionals, to prepare them for

the new realities in modern manufacturing and related services and the BRIDGE Career Start Guarantee, which consists on the commitment of employers to guarantee an opportunity for young people in Rotterdam South who complete the relevant higher-level vocational training.

Globalisation, digitalisation, climate and demographic change are re-designing professions and social environments as well as driving the growing demand for higher levels of non-routine, cognitive skills and new types of skills, requiring innovative approaches to talent management, such as those proposed by the OpenAgri, Mares, Bridge and AS Fabrik projects.

## Milan – OpenAgri Experimentation Laboratory in Urban Agriculture

**The city aims through the project's activities to create an 'innovation playground' that will combine commercial activities with innovation. It will foster the right skills in order to establish itself as a leading figure in peri-urban development. The skills needed are targeted at agricultural entrepreneurs, companies as well as start-ups and bring together all parts of the agricultural economic chain from production to distribution. For this, knowledge around three key areas in the sector is being developed with clusters established on sharing economy and social innovation, production and agro-ecosystem services & technological innovation in the agri-food chain. The university and research partners are essential to adapt knowledge already in existence with the specificity of the Milanese local area.**

3 *A way to communicate skills and achievements by providing visual symbols of accomplishments including verifiable data and evidence that can be shared.*

# Lessons to share

- **Talent management requires a vertical and horizontal integration at city level** and a key lesson that is shared by all the projects is the need to have a strong partnership between the government, academia, R&D Centres, social organisations and enterprises where all stakeholders, including civil society, will be called to action.
- Also, **talent management lessons can be drawn from project activities**, such as the OpenAgri Experimentation Laboratory in the Urban Agriculture acceleration program that was developed in a co-creation process between the OpenAgri team and the selected 18 projects.
- The fast changes in talent management have generated fears about the capacity of individuals to adapt rapidly and the risk that some groups will be left behind. These threats can only be turned into opportunities for well-being and good social outcomes for all if **policymakers support innovative projects that bring new approaches to skills development**. This will require a multi-level dialogue between cities, where most employment is, and national governments which tend to control the learning and skills curricula.
- From **Rotterdam**, the outcomes of the pioneering work to identify the future skills needs of the Next Economy. It is expected that education providers will come forward with new types of qualification that **break away from the traditional classification of courses** in engineering, medicine, arts, etc. that is more than 300 years old, and adapt their offer to short-cycle courses that reinforce the digital skills of those outside STEM, enabling those with the technical knowledge to embrace industrial jobs. From **Bilbao**, we see similar developments, with **the rethinking of the educational and qualification system's responsiveness to labour market needs**, both on the supply and demand sides.
- People have to **be able to re-skill and up-skill throughout their lives**, so that they can adjust to the rapid changes, as well as seize new opportunities, in the workplace and in their everyday life. This is particularly important in the new labour market characterised by frequent transitions. How people will be supported to address has major implications for careers guidance systems.
- From **Madrid**, the hidden and emergent talents that will come up from the neighbourhood local group's work represents an **open, inclusive and bottom-up approach** which puts local human resource assets at the centre of the regeneration process.
- **Skills systems need to be redesigned**, so that they equip people with the mix of skills they need throughout their lives, as digitalisation transforms the way people work, communicate, and interact with each other and changes the nature of economies. Cities need to understand the nature of these changes, and how to implement the right policies to **ensure that digitalisation promotes sustainable and inclusive growth and empowers people** with the capacity to prosper in a rapidly evolving environment.

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# Looking Ahead

**This report confirms that, at this early stage,** important lessons for cities are already emerging from these four UIA projects. Although each enters the jobs and skills theme through a different door, valuable shared messages have been identified. Cities across Europe can take note of these.

Their experience so far confirms the importance of collaboration for the innovation process. It also dispels any notion that knowledge resides in traditional learning institutions. Knowledge can be found anywhere in today's economy, and its fluid nature requires new blends of cognition, skills and experience, not always found within traditional settings. Cross-sectoral learning communities where expertise is systematically exchanged and transferred is what we see at work in these UIA examples.

This means stronger connections between education and labour market actors, as well as a better understanding of local skills supply and demand needs. It also implies the involvement of other players – those we might call *unusual suspects* – who can bring fresh perspectives and shake up existing partnership chemistries. Trust is at the heart of this; an important message from this work. So too is the ability of the city authorities to broker complex collaborative structures, and to be ready to stand back and let other fulfil the role.

In order to be successful, cities need to connect all the pieces of the complex 'labour market puzzle.' In these four cities the UIA projects form an important piece of the bigger urban, regional and national programmes addressing jobs and skills issues as we enter the Next Economy. In each city they assume the role of front-runners, designing and testing new solutions. They are following Lincoln's dictum that "*the best way to predict your future is to create it.*"

The four projects are now progressing as they start the last year of implementation. These will be challenging but exciting times where all the civil servants and local actors will be expected to be involved. Finalising the activities, evaluating the first results and trying to ensure the long-term sustainability will definitively generate a rich knowledge base. This is why UIA Experts will continue to follow closely the projects documenting their progress and capture the main learning points in the upcoming projects' Journals.

This initial exchange across the four cities has triggered awareness and created an appetite for future exchange and collaboration. This was the first time the UIA Initiative was bringing together cities from ongoing projects to exchange and share experiences and lessons learnt. We believe it was worth it. The feedback received confirmed that the real added value of the knowledge generated by UIA projects is that this is evidence-based and grounded on the efforts cities are making to implement their bold ideas.

In the upcoming months, the UIA Initiative will continue working with all ongoing projects to explore different avenues in order to share the main lessons and contribute to the wider policy debates around jobs and skills as well as the other policy areas of the Urban Agenda for the EU.

Last but not least, as we publish this paper, five new projects working on the topic of jobs and skills in the local economy have been selected in the framework of the fourth UIA Call for Proposals<sup>1</sup>. Compared to the four projects presented here, they are working on different but complementary drivers to shape smart and inclusive local economies and they have equally bold and ambitious ideas on how to do it. As they will start the testing phase, they will bring their own contribution to the body of knowledge that the UIA Initiative is generating.

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<sup>1</sup> Further information on the selected jobs and skills in the local economy projects can be found in the following news item: <https://www.uia-initiative.eu/en/news-events/discover-22-new-projects-3rd-uia-call-proposals>





# Annex

# The AS-Fabrik project



ERDF budget: EUR 4,646,114.12

Considering the challenge faced by manufacturing industries in the Bilbao area that are moving towards a 4.0 dimension, the AS-FABRIK project seeks to increase the competitiveness of the advanced services sector of Bilbao (Knowledge intense Business Services – KIBS), that will prepare current or future workers of the KIBS sector, to acquire the needed skills, in order to supply digital transformation demands.

Bilbao City council is therefore leading a strategic alliance between leading businesses and universities, local service providers and entrepreneurs, in order to shape a collaborative pilot ecosystem based on innovative pillars and hosted in a tailor made space for experimentation and incubation of new services. New education programs for university students, entrepreneurs and professionals addressing the new challenges of the industry 4.0 and the digital economy will be tested, while networking actions among the main stakeholders, supported by tailored IT tools, will ensure a good match between demand and supply. New business models will be prototyped to support specialised start-ups that will benefit from a Minimum Viable Product (MVP) test Fab Lab for the market validation of new products/services.

At the end of the project, KIBS providers from Bilbao will have access to AS-FABRIK, the “factory for the creation of advanced services for industry”, that will gather in a physical space an integrated kit of tools in order to shape new products and services for the new industry needs, and to reinforce their competitiveness. This new model will lead to create a new generation of young and advanced service providers able to supply the challenging digital transformation demands the manufacturing sector is growingly facing.

## Partnership:

- *Ayuntamiento de Bilbao*
- *Bilbao Ekintza - Public Agency*
- *Mondragon Goi Eskola Politeknikoa J.M.A. S.COOP - Research Centre*
- *Mondragon Unibertsitatea Enpresagintza S.COOP - Research Centre*
- *MIK S. COOP. - Research Centre*
- *GAIA - Association of Electronic and Information Technologies in the Basque Country - NGO*
- *Deusto Foundation - Basque Institute of Competitiveness - Research Centre*
- *Asoc. Cluster Audiovisual de Euskadi - EIKEN BASQUE AUDIOVISUAL - NGO*
- *Mondragon Centro de Promocion, S.COOP - Business Support Centre*
- *IDOM Consulting, Engineering, Architecture, S.A.U. (IDOM) - Private Company*

# The MARES project



ERDF budget: EUR 4,799,607.20

Since 2008, the economic crisis' impact in Madrid has produced several mutations. Social polarisation and spatial segregation dynamics have escalated, strengthening even more the income barrier between the north (exclusive urban services) and the south/ southeast (negative externalities concentration). The MARES project will initiate an urban and economic resilience strategy on employment through the social and solidarity economy in key industries to move forward a new model of productive matrix of the city.

Therefore, a comprehensive approach of actions will be deployed, based on four pillars:

- Activating recovery processes, prototyping and co-designing disused public spaces.
- Launching a competencies lab capable of promoting economic resilience strategies of civil society.
- Fostering territorial economic innovation processes which generate a new economic fabric through social economy formulas and improve the competitiveness and sustainability of the existing productive schemes in the city.
- Encouraging mechanisms for awareness raising, territorial economic revitalisation and cooperation among agents in order to articulate ecosystems allowing production diversification and more collective possibilities on employment and employability at local level.

The MARES project will launch in four city districts, Centro, Villaverde, Vallecas and Vicálvaro, four spaces called M.A.R.E.S. Every MAR will be specialised: M (mobility), A (food), R (recycling), E (energy) and S (social and care economy, common to the four MAR). These MARES will become a prototype of urban resilience on employment by encouraging social and solidarity economy on these strategic sectors. The project will generate economic activity and create stable jobs by deploying business models, principles and values of the social and solidarity economy. It will recover abandoned or disused common areas and make them available for the creation of new productive initiatives.

## Partnership:

- *Ayuntamiento de Madrid*
- *Agencia para el Empleo de Madrid (AE) - Public Agency*
- *DINAMIA S. COOP. MAD (DN) - Private Company*
- *Grupo Cooperativo Tangente (TNG) - Private Company*
- *SIC ARQUITECTURA Y URBANISMO SLP (SIC) - Private Company*
- *Vivero de Iniciativas Ciudadanas (VIC) - NGO*
- *Todo por la Praxis (TxP) - NGO*
- *Fundación Acción contra el Hambre (ACH) - NGO*
- *NUEVO ESPACIO INDUSTRIAL MADRID, S.L. - ECOOO - Private Company*

# The OpenAgri project



ERDF budget: EUR 4,996,745.52

In line with the challenge addressed in the Milan Urban Food Policy Pact to make urban food systems more inclusive, resilient, safe and diverse, the OpenAgri project seeks to improve the urban entrepreneurship context by fostering the creation of innovative firms and social enterprises focusing on the agri-food sector.

An “Open Innovation Hub on Peri-Urban Agriculture” will be created, integrating several food policy experiments in a single strategy, and operating as a living lab to foster innovation in the entrepreneurial, social, sustainable and technological dimensions of the agri-food sector. At an entrepreneurial level, the Hub will promote development projects involving SMEs and ‘startupper’, and will experiment with innovative tools for increasing and transferring capacities. At the social level, community-led initiatives for inclusion, urban regeneration, social, and territorial cohesion projects will be implemented, aiming to change the “Porto di Mare Area” from what is currently a problematic suburb into a great experience of collaboration and sharing of new knowledge and opportunities, targeted, in particular, at young people, disadvantaged groups and migrants. At the sustainable and technological levels, the project will develop disruptive and innovative solutions for peri-urban agriculture based on new approaches and tools for food production.

As a result, besides its potential to increase food availability, while assuring food safety and improved eating habits, the project aims to develop the zone’s peri-urban agrifood sector in a way that will attract investments for further innovative processes. Last, but not least, the OpenAgri project will regenerate this peri-urban zone of the city by making it an example of social inclusion and innovation.

## Partnership:

- *Comune di Milano*
- *Camera di Commercio, Industria, Agricoltura e Artigianato - Chamber of commerce*
- *Fondazione Politecnico di Milano - Research Centre*
- *Fondazione Parco Tecnologico Padano - Incubator dedicated to technological companies and startups*
- *Università degli studi di Milano - University*
- *Politecnico di Milano - University*
- *Avanzi - Think Thank*
- *Cineca - Research Centre*
- *FUTURE FOOD INSTITUTE Trust (FFI) - Research Centre*
- *ImpattoZero Srl - Private Company*
- *La Strada Società Cooperativa Sociale - NGO*
- *Sunugal - NGO*
- *Poliedra - Centro di servizio e consulenza del Politecnico di Milano - Research Centre*
- *IFOA - Istituto Formazione Operatori Aziendali - Training Centre*
- *Mare s.r.l. impresa sociale - NGOFOOD PARTNERS SRL - Private Company*

# The BRIDGE project



ERDF budget: EUR 4,997, 624. 24

BRIDGE addresses the urgent urban challenge of better aligning young people's educational choices with future labour market needs. Rapid transformation of many sectors of the Rotterdam economy has already started to change the skills that are required from the workforce. The associated unprecedented new economic opportunities and challenges will drastically change labour market needs. Consequently, qualification and skill gaps are expected to grow significantly.

The target area of South Rotterdam (200.000 inhabitants) has major disadvantages across key socio-economic indicators compared to the rest of Rotterdam and the country. Unemployment is at 21%, 32% of the children grow up in poverty and 39% have parents with no/low formal education. First and second-generation migrants make up 74% of the population in the focus areas of South Rotterdam. In this context, young people often make career choices that lack a realistic labour market perspective. The result is a persistent situation in which although the work is there, many of the 2.000 young people from South Rotterdam annually entering the labour market cannot realistically compete, either in the current, or in the EU vision of a green digital economy.

The proposed innovative urban action ensures that by 2020, 50% of secondary vocational training students in South Rotterdam, will have chosen a career in one of the major growth sectors. This ambitious goal will be achieved through close cooperation between employers, schools, national and local government. Pupils will follow a programme centred on the opportunities relating to the Green Digital Economy major growth sectors. Bringing together all 68 primary schools, 20 secondary schools and 3 vocational schools in South Rotterdam, all pupils and their parents will take part in the programme. This career and talent orientation programme will start in primary school (age 9) and end when students enter the labour market.

The crucial element in the programme is the Career Start Guarantee. Employers will offer 600 pupils per year a Career Start guarantee (420 for technology sectors and 180 for healthcare) at the moment they enter secondary vocational education and need to make the most crucial subject and career choices. Provided that the pupil chooses the training that the labour market needs, an employer will commit in advance to that individual with a guaranteed career start after graduation. Impact investment instruments (public subsidy based impact investing, social return on investment and social impact bonds) are an integral part of the project, supporting scaling and mainstreaming of the programme.

## Partnership:

- *Gemeente Rotterdam*
- *Metropoolregio Rotterdam Den Haag - Organised agglomeration*
- *SEOR B.V. - Research center*
- *Hogeschool Rotterdam - Rotterdam University of Applied Science*
- *RebelGroup Executives BV - Private Company*







**The Urban Lab of Europe !**



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Development Fund



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