

## Κοινωνική Συνοχή και Ανάπτυξη

Τόμ. 15, Αρ. 1 (2020)

Local Social Policies



Η σημασία και ο ρόλος του τοπικού επιπέδου στη δημιουργία θέσεων απασχόλησης σε συνθήκες οικονομικής κρίσης. Μελέτη και εφαρμογή Τοπικού Σχεδίου Δράσης για την Απασχόληση (ΤΣΔΑ) στο Δήμο Βόλου

*Nikos Ntasios*

doi: [10.12681/scad.25041](https://doi.org/10.12681/scad.25041)

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### Βιβλιογραφική αναφορά:

Ntasios, N. (2020). Η σημασία και ο ρόλος του τοπικού επιπέδου στη δημιουργία θέσεων απασχόλησης σε συνθήκες οικονομικής κρίσης. Μελέτη και εφαρμογή Τοπικού Σχεδίου Δράσης για την Απασχόληση (ΤΣΔΑ) στο Δήμο Βόλου. *Κοινωνική Συνοχή και Ανάπτυξη*, 15(1), 61–80. <https://doi.org/10.12681/scad.25041>

# The importance and role of job creation at local level under the economic crisis conditions. Study and implementation of a Local Action Plan for Employment (LAPE) in the Municipality of Volos

Nikos Ntasios, *Panteion University of Social and Political Sciences,*

## Η σημασία και ο ρόλος του τοπικού επιπέδου στη δημιουργία θέσεων απασχόλησης σε συνθήκες οικονομικής κρίσης. Μελέτη και εφαρμογή Τοπικού Σχεδίου Δράσης για την Απασχόληση (ΤΣΔΑ) στο Δήμο Βόλου

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### ABSTRACT

The purpose of this study is to explore the possibilities of decentralization and departure from social policies, with an emphasis on employment policies, in the framework of an integrated strategy to tackle rising unemployment. In this context, this paper attempts to promote an integrated strategy for the "localization" of employment policies linked to productive reconstruction at micro-region level (i.e. Municipality of Volos) through the design and implementation of a Local Action Plan for Employment. The study exemplifies the basic design requirement of an LAPE by exploring through a "sectoral research" the potential for job supply.

**KEY WORDS:** Unemployment, local development, local action plan, employment policy at local level.

### ΠΕΡΙΛΗΨΗ

Αντικείμενο της παρούσας εργασίας αποτελεί η διερεύνηση των δυνατοτήτων αποκέντρωσης και αναχωροθέτησης των κοινωνικών πολιτικών, με έμφαση στις πολιτικές απασχόλησης, στο πλαίσιο μιας ολοκληρωμένης στρατηγικής αντιμετώπισης της εντεινόμενης ανεργίας. Στο πλαίσιο αυτής επιχειρείται μέσω του σχεδιασμού και της εφαρμογής ενός Τοπικού Σχεδίου Δράσης για την Απασχόληση η ανάδειξη μιας ολοκληρωμένης στρατηγικής «τοπικοποίησης» των πολιτικών απασχόλησης και η σύζευξή της με την παραγωγική ανασυγκρότηση σε επίπεδο μικρο-περιφέρειας (Δήμος Βόλου). Η εργασία καλύπτει την βασική προϋπόθεση σχεδιασμού ενός ΤΣΔΑ διερευνώντας μέσω κλαδικής μελέτης την δυναμική προσφοράς θέσεων εργασίας.

**ΛΕΞΕΙΣ-ΚΛΕΙΔΙΑ:** Ανεργία, τοπική ανάπτυξη, τοπικό σχέδιο δράσης, τοπικές πολιτικές απασχόλησης.

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## 1. Introduction

The present article intends to explore the possibilities of creating new and sustainable jobs at micro-region level via the implementation of Local Action Plans for Employment (LAPE). The role of Local Government in mobilizing “local social capital” in order to develop local strategies for Employment and Social Inclusion, in a historical period of economic crisis and exacerbation of unemployment, is particularly highlighted.

Since the 1990s, in the framework of the European Employment Strategy, local and regional partnerships have been established in many EU countries to design local development programmes and integrated spatial investments based on the comparative advantages of the reference areas.<sup>1</sup> Differences in political, institutional and social profiles have determined the sustainability and effectiveness of these strategies in their development. Collaborative forms of employment, in the field of the social and solidarity economy, are increasingly recognized as important forms of job creation at local level, providing services to people subject to social exclusion (Doulia, 2015). This study attempts to implement an LAPE in the Volos Municipality area, produced upon comparative sectoral research in companies of three reference areas, namely the Cyclades Prefecture, the Municipality of Zografou (Athens) and the Municipality of Volos (Magnaesia), for the detection of local employment offer. The analysis of the LAPE shall be complemented with the use of local research findings to identify and prioritize the target groups’ needs, which have been the critical points to be addressed. This local research has been based on statistics that reflect the social and developmental profile of the region (i.e. Municipality of Volos) as well as on empirical data from local employment records.

Following this introduction, a brief reference to the theoretical background of the examined issue will be made and then the methodology, the research results, the analysis of the implemented LAPes and the conclusions on the potential opportunities resulting from the adoption of similar strategies, will be reflected upon.

## 2. Defining "local". From global to local

### *2.1 The local dimension in the European Employment and Social Protection Strategy*

Locality as a concept entails all those qualities that shape the nature and social character of local communities. Natural environment, local geography, social composition, economy, cultural identity, history and collective culture are factors that make up locality (Daoutopoulos, 2005).

Initially, The Treaty of Amsterdam has exhibited a different approach to employment policy in Europe (European Union, 1997). During the European Summit in Luxembourg back in 1997<sup>2</sup>, this approach was defined by thematic priorities followed by 'guidelines' on employment, with the 11th Guideline later in 2001 serving as reference point for regional and local action on employment. According to the latter, 'all local actors, including the social partners, are invited to mobilize in order to identify job creation opportunities at local level and strengthen their cooperation for this purpose'.<sup>3</sup>

Under the “Open Method of Coordination” policies in the framework of the European Employment Strategy,<sup>4</sup> the European social model received significant boost during the first decade of 2000. The Lisbon Strategy after 2000 set as a new vision “a Knowledge-Based European Economy,<sup>5</sup> which preserves the European social model, ensures environmental protection and

achieves full employment". Expectations concentrated on a shift from a centralized supranational welfare state to more decentralized forms, reflecting the national specificity of the 25 social systems respectively. The implementation of social policy would be carried out on local scale, yet the common objectives would be set and accounted at European level (Sakellaropoulos, 2003).

These objectives have proved quite ambitious, especially in relation to the real performance of the European Union (EU) economies in the first decade of 2000 particularly the Greek one, and even to the broader policies that theoretically have sought to implement this strategy throughout.<sup>6</sup> In 2005 it was discovered that the strategy decided in 2000 had not had the expected results. In reality, the Lisbon Strategy had not existed as a set of European policies attached to objectives, whereas it was the very different national states that had sought to achieve the overall vision themselves.

The Spring Council of March 2005 renamed the Lisbon Strategy, as a "Strategy for Growth and Jobs", but did not change the general approach: its implementation still relied on the nation states that had to draw up three-year National Reform Programmes while the new 'guidelines' adopted summarized the key options not on the basis of the 2000 announcements but on a more neoliberal agenda.<sup>7</sup>

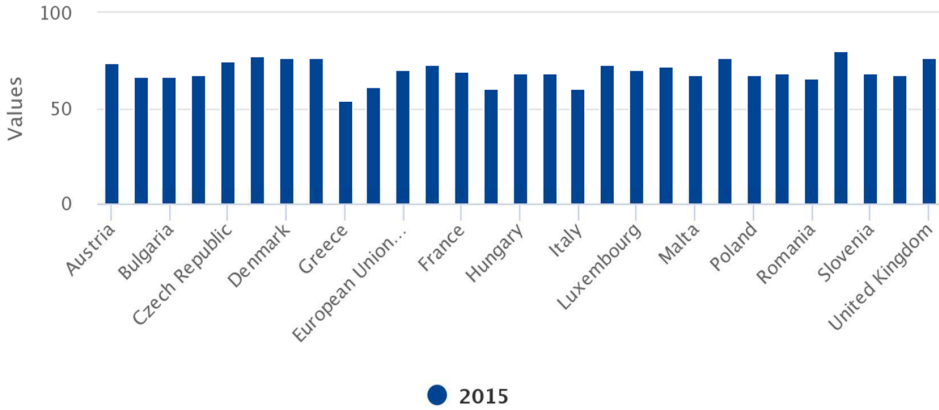
The reformulation of the Lisbon Strategy into the European Strategy of 2020,<sup>8</sup> has set five primary objectives that would guide national objectives and ought to be achieved in order to stimulate growth and increase employment in European Member States: 1. Increase the employment rate of the population of 20-64 years, from 69% in 2010 to at least 75% in 2020; 2. Invest 3% of EU GDP in research and development, in particular for the sake of strengthening private sector investment in R&D and 'European innovation partnerships' between the EU and the Member States; 3. Achieve the '20/20/20' climate and energy targets, i.e. to reduce greenhouse gas emissions by 20% compared to 1990 levels (or by 30%, if an international agreement is reached), to increase the share of renewable energy sources in ultimate energy consumption by 20% and to increase energy efficiency to 20%; 4. Reduce the rate of early school leaving from 15% in 2010 to less than 10% in 2020 and increase from 31% to at least 40% the proportion of the 30-34 year-old population completing higher or equivalent education; 5. Reduce by 25% the number of Europeans living below national poverty levels, relieving more than 20 million citizens of this situation.

The economic crisis of 2008 in the West World and the complete prevalence of the neoliberal agenda in the light of troika's policies to tackle the debt crisis across the Eurozone have led to a total failure of the social targeting of the 2020 Strategy.

### 2.1.1 Assessing the 2020 Strategy on Employment and Social Protection.

For Greece, the deviation from the social objectives of the 2020 Strategy is summarized in the following (European Commission, 2017): Employment: In 2008, when the Europe 2020 strategy was adopted, the employment rate in the 20 to 64 age group had been 66.3%. In 2014 it fell to 53.3% and in 2017 it was close to 58% (with part-time and various forms of "flexible" work having increased markedly). Greece is already lacking 17 points out of the 28 EU target and 12 out of the national target set, at 75% as an employment rate.

Figure 1: Employment rate by sex, age group 20-64\*

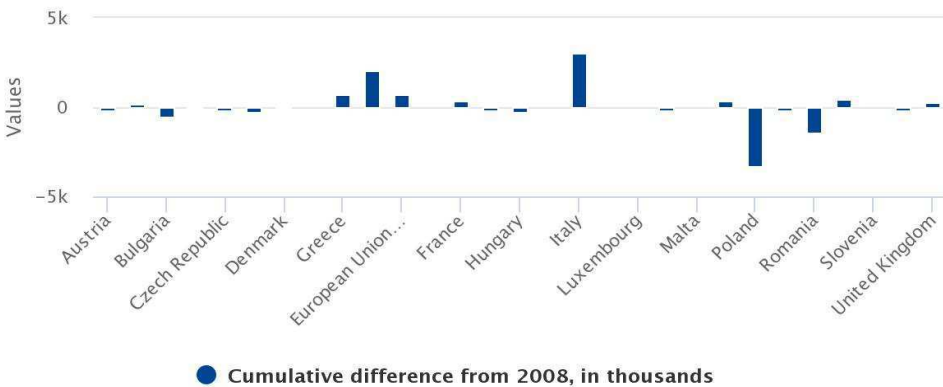


Source: Eurostat, 2017.

\*[EU objective: 75% employment (Charts on the achievement of the Europe 2020 objectives by country)].

Poverty and Social Exclusion: The official national target aims at reducing the number of people at risk of poverty and social exclusion by 450,000 until 2020 compared to 2008. On the contrary by 2017, people at risk of poverty had increased by 655,000. Official figures released by Eurostat in 2017 show that 31.8% of the population, or else 3.4 million people, in Greece were at risk of poverty or social exclusion. In 2008 the corresponding figure was merely 28.1%.

Figure 2: People at risk of poverty or social exclusion\*



Source: Eurostat, 2017.

\*(EU objective: 20 million fewer people facing social exclusion).

Tackling unemployment, which is already affecting the Western world and is expected to be intensified by the removal of pandemic protection measures,<sup>9</sup> requires generous funding from the Central Banks, national reconstruction plans and the creation of new sustainable jobs such as the circular economy, green growth and so on, mostly locally and in new areas.

The 17 objectives of the new 2030 Sustainable Development Agenda<sup>10</sup>, which will form the basis for the development of the 2020 Strategy in the new programming period (2021-27), could be achieved provided that two things precede; first, an effective response to social inequalities, unemployment and social exclusion that threatens Europe's social stability, and second restoring issue of the universal application of the minimum guaranteed income as a priority in social policy.<sup>11</sup>

### 3. Methodology research

**A** Local Action Plan incorporates in its design a set of phases and steps with the most critical ones being those of defining the spatial framework in which it will be implemented, the establishment of the "Local Human Resources Council" - a partnership involving local "social capital" -, public consultation with social actors and citizens, financial tools and outcome indicators of actions that cover existing and new jobs.<sup>12</sup>

One of the most critical issues that should be addressed in the planning phase is that of identifying dynamic labor supply and demand trends and clearly capturing the characteristics of the target groups from which the beneficiaries will emerge. In the context of the research carried out in this study, there has been an effort to bridge this gap, and this fact itself constitutes its added value.

Primary statistics: National Statistical Services' census, monthly OAED census from ERGANI and the annual Reports of the National Labor Institute should be taken into account but cannot determine the dynamic trend of labor supply at industry level or on individual enterprise basis.

Therefore, the following are proposed: (a) a "a comparative sectoral research" targeting local enterprises in order to diagnose from the experience of the entrepreneurial players themselves (local entrepreneurs) the prospects and dynamics of the economic sectors and thus the trends of local labor supply, in conjunction with (b) a "local survey" so as to prioritize the needs of target groups, drawing on statistics and reflecting on the social profile of the intervention area as well as on empirical data of employees in employment promotion and counseling structures.

#### *3.1 Results of the sectoral labor supply survey*

The "comparative sectoral research" was conducted in 268 companies,<sup>13</sup> from three regions, namely, the Cyclades Prefecture and the Municipalities of Zografou and that of Volos, linked to 11 categories of double-digit STAKOD codes. Companies were grouped into 8 categories based on 11 variable-parameters included in the questions of the relevant questionnaire.

These variables concerned the: 1. Extent to which the owner's educational and professional experience is relevant to his business. 2. Extent to which the company's human resources are exploited. 3. Employment of more workers apart from the owner himself. 4. Degree of professional specialization required to deal with competition. 5. Number of members employed from the owner's family (family business). 6. Economic performance-profitability. 7. Prospects of the

industry according to the owner. 8. Age of young people (18-40 years) employed. 9. Number of workers-technicians' employed.

The configuration of the above variables resulted in 8 groups of the sampled enterprises, Groups: A, B, C, D, E, F, G & H, where each group displays dynamic characteristics or deficiencies in relation to the 16 variables, according to the data displayed in Table 1.

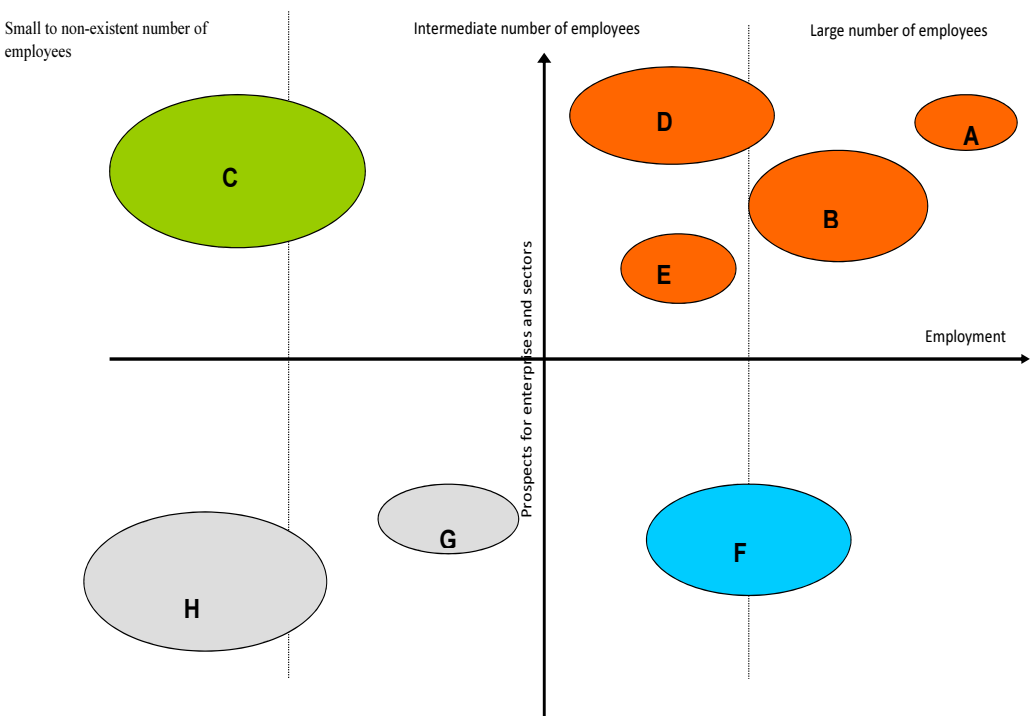
**Table 1: Group sample enterprises in relation to questionnaire variables**

Variables	Business groups							
	12	48	68	37	27	8	14	54
	A	B	C	D	E	F	G	H
Relevance	+	--	-	++	+	+	--	-
Human Resources Exploitation	-	+	+	+	+	~	-	-
Staff Employment	+	+	-	~	+	+	~	-
Number of Permanent Employees	++	+	--	+	+	+	-	--
Specialties	+	+	~	+	+	-	~	~
Family Employment	-	+	+	-	-	+	+	~
Financial Performance	+	+	+	+	-	-	-	-
Branches Perspectives	++	+	+	++	--	+	--	--
Business Perspectives	++	++	+	++	-	+	-	--
Active Employees	+	++	--	~	++	+	-	--
Craftsmen-Workers	-	++	--	-	++	++	-	--
Activity Branches	Education / Provision of Services	Hotels-Restaurants / Trade	Trade	Constructions/Education / Provision of Services		Wood-Metal / Food	Hotels/Restaurants	Retail
Entrepreneur Age	-	-	-	~	-	++	+	-
Duration of business operation	New (+)	Old (~)	1990-96 (~)	Old (~)	Rather Old	New (++)	Old (-)	Old (-)
Legal BusinessForm	SA		Individual Company		GP	Individual		Individual
Market						National	Local/National	Local

Placement of the clusters analysis on the axes relating to (a) employment levels and (b) to the sustainability prospects of enterprises is presented in Figure 3. This diagram creates four sub-regions with dynamic groups of enterprises which show a tendency to positive labour supply and economic perspective and involve the following sectors: 1. Education and Services in the regions M. of Zografou and M. of Volos (Group A). 2. Hotels and Catering (Group B) in all reference areas (M. of Volos, Zografou and Cyclades). 3. Provision of Services/ Education and Construction (Group D) in all reference areas (M. of Volos, Zografou and Cyclades). 4. Wood, metal, car and food supply in M. of Volos (Group F).

The above findings also demonstrate that from the 3 reference areas, the Municipality of Volos is the area with the greatest potential in the job offer at the given time period and that was where the Local Employment Plan (LEP) was implemented as a Key Study.

**Figure 3: Illustration of business groups (cluster) in the system of the two dominant axes of factor analysis**





## 4. Implementation of the Local Employment Action Plan (LEAP) in the Municipality of Volos

### 4.1 Employment -Unemployment - Social profile

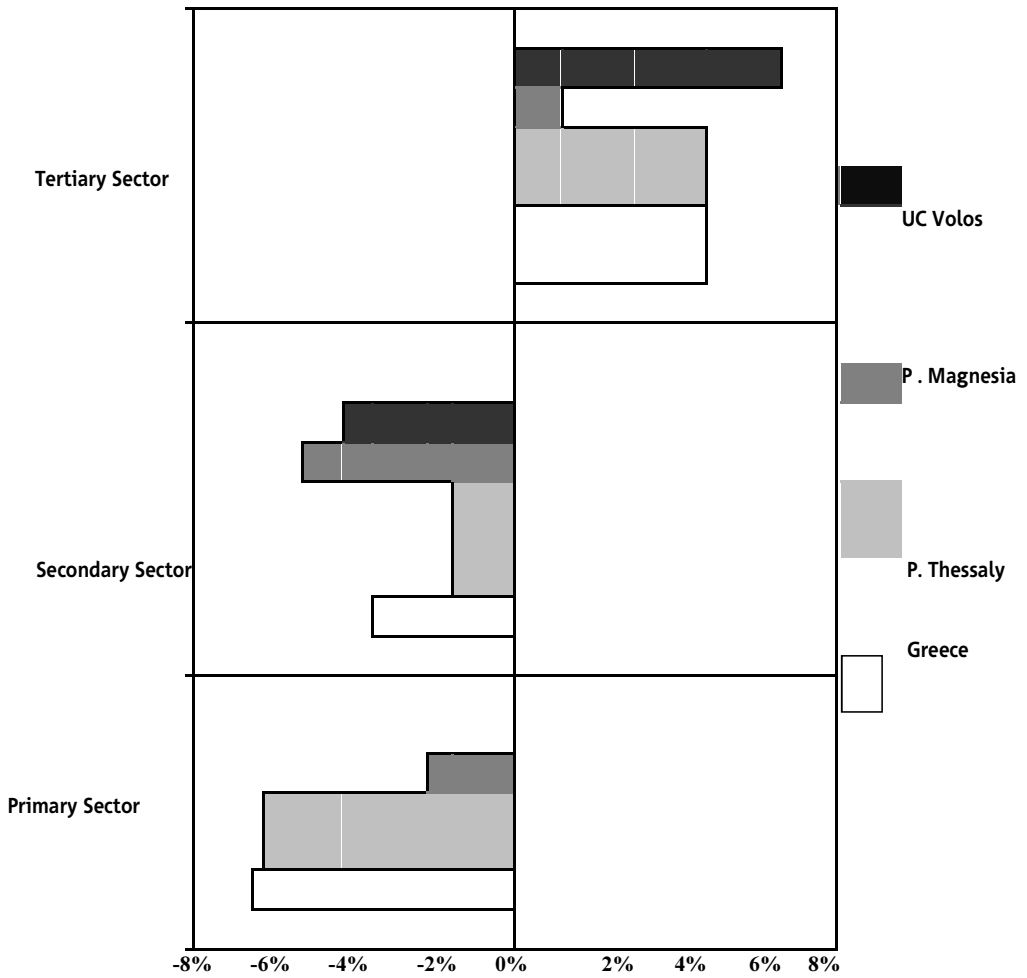
**I**n the early years of the financial crisis, back in 2013, the average annual unemployment rate in the Prefecture of Magnesia reached a percentage of 37.5%, when the national average was close to 28%.<sup>14</sup> This high rate results mainly from the blow to the trade and construction sectors, while the loss of jobs in the industrial sector is more limited, after a prolonged period of de-industrialization in the region during the 1990s.<sup>15</sup> Until 2001 the largest percentage of workers in the Volos Urban Complex (UC) was employed in the tertiary production sector, where the participation rate is not only consistently higher than that of the country, region and prefecture, but also shows growth trends (Figure 4), while the participation rate in the primary sector remains constantly very low. Equally important is the employment rate in the secondary sector, -about a quarter of the active population of UC Volos-, along with the equivalent of Magnesia, which, however, declined faster than that of the region and the country.

Between 2014 and 2017, the Prefecture of Thessaly exhibits the most rising trend in the employment of catering services, with an ever-increasing ratio of recruitment and redundancies. Retail trade, in addition to motor vehicles and motorcycles trade, is the next sector in increased labor supply. The third major sector based on the new vacancies created is the food industry; - the industry ranks third for the years 2014-2016, while in 2017 it fell to the fourth place-. Finally, wholesale trade, as well as trade in motor vehicles and motorcycles, occupies the third place in 2017 with a gradual upward trend. The Municipality of Volos ranks first in 2015 and generally shows an upward trend of new job positions with the exemption of the year 2016, where it declines.<sup>16</sup>

#### 4.1.1 Quality characteristics of unemployment

The unequal distribution of unemployment by sex is an important finding reflected in Figure 5, where the number of registered unemployed women in U.C of Volos is about two and a half times higher than that of the corresponding men in the 2001-2006 reference period.<sup>17</sup> Looking at the distribution of the unemployed by age groups for 2001, it is noted that in each spatial unit the largest participation in unemployment is the 20-24 years old group (difficulty entering the labor market), followed by the corresponding 45-49 year-olds (structural unemployment resulting from business closures or seasonality) (Table 3). An important aspect is that of the unemployment of vulnerable social groups of the local population, especially the Roma, those released from prison, drug addicts, and guardians of single-parent families, the disabled and refugees-migrants.<sup>18</sup>

Figure 4: Employment change by production sector (2001-1991)

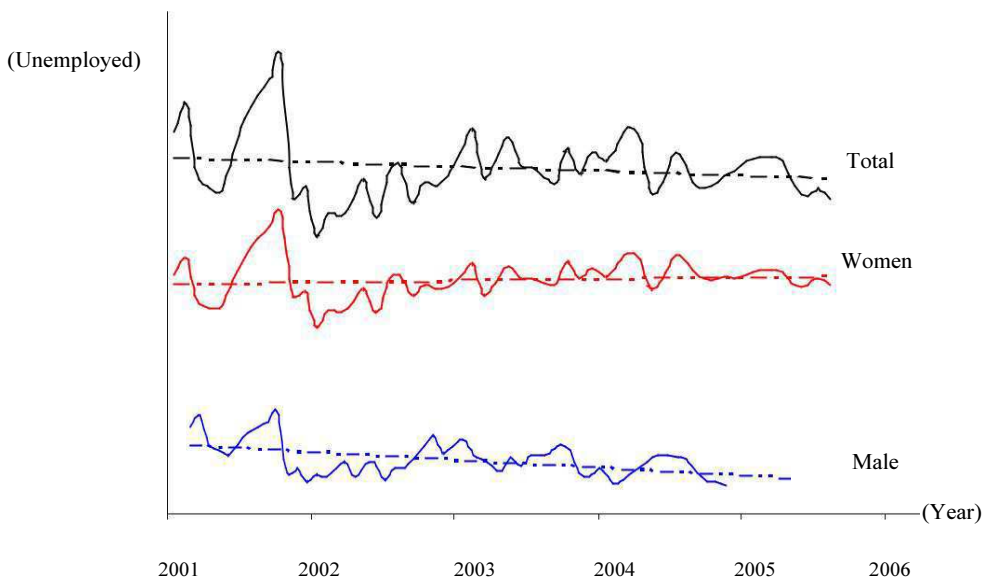


Source: National Statistical Office (1991, 2001).

**Table 3: Employment by age group (2001)**

Age Group	Greece		P. Thessaly		P. Magnesia	
TOTAL	4.102.091	100,00%	266.460	100,00%	71.495	100,00%
15-19	63.002	1,54%	3.905	1,47%	1.221	1,71%
20-24	370.500	9,03%	21.564	8,09%	6.365	8,90%
25-29	572.401	13,95%	33.612	12,61%	9.378	13,12%
30-34	629.104	15,34%	37.861	14,21%	10.825	15,14%
35-39	569.853	13,89%	35.622	13,37%	9.889	13,83%
40-44	556.517	13,57%	37.069	13,91%	10.189	14,25%
45-49	479.487	11,69%	32.617	12,24%	8.635	12,08%
50-54	394.051	9,61%	27.865	10,46%	6.985	9,77%
55-59	240.259	5,86%	18.978	7,12%	4.289	6,00%
60-64	145.760	3,55%	12.647	4,75%	2.360	3,30%
65-69	52.654	1,28%	3.302	1,24%	864	1,21%
70-74	25.090	0,61%	1.230	0,46%	464	0,65%
75+	3.271	0,08%	181	0,07%	26	0,04%

Source: OAED of Volos, 2006.

**Figure 5: Registered unemployed by sex in U.C of Volos**

Source: OAED of Volos, 2006.

On the basis of the analysis for the quality characteristics of unemployment in the region, an additional survey was carried out during the same period (2005) on the profile and needs of the target groups in employment promotion structures, i.e.: A. women and young people and B. vulnerable social groups.

Analysis of the research findings identified the need for increasing the employment of the above target groups. Targeting constitutes the critical point to be resolved in the LAPE under configuration. Swot analysis identified: (a) the existing problems as defined by the disadvantages and risks for each target group and (b) the possibilities that may arise on the basis of advantages and opportunities created for them. Actions pertaining to each objective are identified and assigned with a cost, justified by result indicators.

For an integrated approach, it is proposed to accompany the LAPE with an independent strategy designed to stimulate the entrepreneurship of small and medium-sized enterprises –especially, the ones affected during the financial crisis - by giving priority to those included in the dynamic groups, resulting from the “sectoral labor supply survey” (Methodology). This strategy, which includes a set of economic, technical and institutional support interventions, is considered to be of particular importance, given the prospects for the supply of new jobs.

The above strategy is part of a broader framework for local development planning and opportunities created in the context of the crisis, possibilities in the direction of a new production model with characteristics endogenous, ecological and collaborative. This planning at the spatial level of the LAPE implementation will finally produce and shape the specialized counselling and training packages of the target groups as well as the content of vocational education and lifelong learning for this spatial unit.

## ***4.2 Applying the LAPE for the area of Volos Urban Complex***

In the Municipality of Volos, a significant number of stakeholders participate actively in human resources training and in the promotion of employment and social inclusion. Most of them belong to the wider public sector and have already gained serious experience in the pursuit of training and in employment policies through European Programmes financed by the European Social Fund (ESF).<sup>19</sup> In order for the intervening power of these bodies to be as effective as possible, the establishment of a “Local Council for the Development of Human Resources” is suggested, in which all policy stakeholders, social partners and the university will participate under the Municipality auspices.

Indicative participant members in the proposed Local Council are representatives of: a. local and regional authorities; b. public education and employment bodies (OAED); c. private education, training and lifelong learning institutions; d. workers' trade unions (Labor Centre); e. Chambers, f. research and technology centers; g. the Church, social actors, cooperatives of unemployed and vulnerable groups and active citizens.

The University's contribution to the recording of dynamic labor market trends and educational needs as well as to the creation of permanent training structures (such as an institute for lifelong learning and vocational training) is important.

International experience shows that the main trigger for participation in LEAP partnerships derives from interventions to upgrade public infrastructure and the operation of local social participation institutions (e.g. General assemblies, local referendums, participatory budgets, etc.) (Hatzimichalis, 2018).

### 4.3 Actions to address critical issues

Following the analysis of problems and capabilities by critical issue below, the relevant actions concerning (a) the beneficiaries and (b) the employment support structures participating in the Local Human Resources Development Council are also identified.

<b>1st Critical issue: Tackling women's and young people's unemployment</b>		
	<b>Targets</b>	<b>Actions</b>
<b>Beneficiaries</b>	Informing (individual) recipients about issues in the labor market.	Organizing meetings at the premises of training bodies, OAED and other structures involved in the promotion of employment. Updating a survey on the needs of the local labor market. Use of research results to train consultants in employment support centers. Publishing activity of employment support centers and "Career Day" fairs.
	Development of lifelong counselling and career guidance services. Strengthening women's employment in the Third Economy Sector	Organizing events and awareness seminars
	Addressing housing problems	Adopting of examples and good practices of social housing through building or urban cooperatives. Tracking of empty houses
<b>Structures</b>	Improving the knowledge and skills of young unemployed people as well as the ability to support and reinforce the process of job search by experienced executives	Empowering social economy enterprises and women's entrepreneurship. Systematic cooperation between the educational and training bodies of the region and the local enterprises in the implementation of the traineeship of the training programmes.
	Counselling for the unemployed	Support for the creation of integrated structures of employment support centres (ESC) at local level under local council's supervision.
	Sustainable operation of local employment support centers	Upgrading employment support services with experienced fixed-term staff. Integration of new technologies. Updating information material.

<b>2nd Critical issue: Tackling unemployment among people belonging to vulnerable social groups (V.S.G)</b>		
	<b>Targets</b>	<b>Actions</b>
<b>Beneficiaries</b>	<p>Personalized approach of individuals from vulnerable social groups.</p> <p>Improving the knowledge and competences of people among V.S.G.</p> <p>Training, counseling and legal support.</p>	<p>Establishment of mobility support infrastructures for disabled people.</p> <p>Staffing of existing employment support structures (with staff specialized in V.S.G.</p> <p>Awareness referring to residents and professionals for the employment of people of vulnerable social groups – Corporate social responsibility.</p> <p>Design and implementation of integrated programmes for people with V.S.G background, regarding decent housing and living, the coverage of food and energy needs, social inclusion and access to the labor market.</p> <p>Training disabled people in professions related to local culture and history.</p> <p>Training Roma in recycling, composting and re-use programmes.</p>
<b>Structures</b>	<p>Mapping specific fields and objects to promote social entrepreneurship/ Specific incentives.</p> <p>Organization of empowerment workshops as well as creation of employment support services for people among V.S.G.</p> <p>Creating a shelter for abused women.</p> <p>Enhancement of a toxic-dependent support centre within therapeutic communities.</p> <p>Grant possibilities to enhance the entrepreneurship of people belonging to the V.S.G.</p> <p>Awareness campaigns</p>	<p>Submission of documented funding proposals for the creation of empowerment workshops, as well as services to support abused women ( i.e. shelter for abused women).</p> <p>Raising awareness of the local community to remove stereotypes against people from V.S.G.</p> <p>Creation of primary social care for the provision of personal services to children, women, disabled people and the elderly (Social Cooperative Enterprises)</p>

The implementation of the actions of the 3rd Critical issue: “Stimulating entrepreneurship in small and medium-sized enterprises” will begin to be implemented by the group of the “Local Human Resources Development Council” in the business sectors which according to the comparative sectoral research survey have shown dynamic prospects and thus potential for increasing employment supply. The groups of participant businesses are: 1. In the primary sector: 1.1 Food production. 2. In the secondary sector: 2.1 Metal processing; 2.2 Wood processing; 2.3 Construction; 2.4 Car industry. 3. In the tertiary sector: 3.1 Hotels- Tourism; 3.2 Catering industry; 3.3 Educational Services.

At the same time, the employment consultants under the auspices of the local council, after (a) working out the profiles of the unemployed and (b) proceeding to individual counseling, will then move on to identify the monitoring group of the relevant training actions discussed in the 1st: "Tackling unemployment among women and young people" and in the 2nd Critical issue: "Tackling the unemployment of people belonging to vulnerable social groups (E.C.O.)".

The relevant actions include:

<b>3rd Critical issue: Stimulating entrepreneurship in Small and Medium Enterprises</b>		
	<b>Targets</b>	<b>Actions</b>
<b>Beneficiaries</b>	Framework of educational needs at businesses and sectors level (Cooperation between Municipality and Chambers). Training within the framework of corporate responsibility, sustainable development and circular economy	Sectoral intra-operational training programmes
	Training of self-employed and workers in the basic use of foreign language terminology, communication policy and cultural history of the city	
<b>Structures</b>	Linking university - research and technology centres for the needs of local SMEs. Adapting an institutional procurement framework – public tenders to support local production. Collaboration between a local network and international national organisations.	Drafting of a local endogenous production reconstruction plan with the active participation of all potential actors.
	DG Growth of the E.U. Startups framework support. Alternative applications of financial instruments ( i.e crowdfunding) <sup>20</sup> . International contacts with alternative credit institutions (Ethical- Cooperative Banks, etc.) <sup>21</sup>	
	Business clusters. Connecting tourism to local-regional production especially of the primary sector	
	Social media/local stations. International educational and cultural programmes as a means of showcasing local products.	
	Highlighting quality and history in brands (brandname)	

#### 4.4 Towards a development strategy for "localization" and endogenous productive reconstruction

Taking into consideration (a) the productive reconstruction of the wider intervention area, (b) social and spatial cohesion and (c) sustainable development - in the specifications of "Local Agenda 21"<sup>22</sup> and the "EU 2030 strategy" - the key developmental objectives proposed are referred to in Table 4.

**Table 4: The development objectives of the Prefecture of Magnesia<sup>23</sup>**

- Reconstitution of the regional industrial identity
- Upgrade to an important center for services, education, research and technology
- Development to an international center of cultural and historical interest
- Expansion of multiple forms of tourism – with emphasis on educational, cultural and ecological tourism
- Development of sustainable (organic) agriculture and livestock farming
- Protection of natural ecosystems and reconstruction of infrastructure – shielding to tackle climate change
- Development of collaborative and cooperative forms of economy based on the historical tradition of the wider region

Within the framework of the local development strategy, the cooperative sector can be developed across the spectrum of the above-mentioned development objectives by contributing to the creation of new and sustainable jobs.<sup>24</sup> The "third sector", in order to meet this objective, should be linked – as attempted with the local development experiment in Anavra (Rakkas, 2014) – to the great communal and cooperative tradition of the region<sup>25</sup> set as an example of "modernization of tradition" towards the direction of productive reconstruction.

In the primary-agri-food sector, the direction of production of quality-organic products on a local scale on the basis of the traditional multi-cultivation model can give content to a "new agriculture" (Woods, 2011). In other words, a strategy combining incentives for relocation, the exploitation of 'school land' and of unused equipment from agricultural associations as well as the creation of new dynamic groups of producers on local scale. The influx of locally produced quality products into tourism consumption – a crucial issue for the survival of small producers and accommodation facilities in tourism over the next period – as well as practices of "Community supported agricultural production"<sup>26</sup> would help to limit imported products by creating a more self-sufficient and safe nutritional model.

In the secondary sector, the use of Information and Communication Technologies combined to the possibility of accessing open source software by small and independent producers could give impetus to the production of quality industrial products suiting consumer needs and preferences. The use of 3D printers both decentralized and on a small scale, allows the production of household products and the coverage of public supplies such as medical equipment, machinery and/or energy systems adapted to local production and consumption requirements.<sup>27</sup> The "mas-toric (i.e. craftsman) art"<sup>28</sup> - a peculiar aspect of the Greek production - with roots dating back to the 19th century in the area of Volos could be made feasible again in the new model of peer networks, which together with the exploitation of bankrupt industrial - craft units and their "slow" mechanical equipment could boost the creation of new "working cooperatives".<sup>29</sup>



In terms of energy production, cooperative schemes could undertake the renovation of houses along with energy saving projects the installation of small-scale Renewable Energy Sources (RES), the exploitation of traditional energy technology (windmills/wind pumps) and earthquake protection, within the framework of potentials for "energy cooperatives".

Mythical Jason and the "Argonautical Campaign", the refugee tradition and the religious monuments of the city, the industrial tradition in tobacco, metal, tanning and textiles all viewed at the respective museum premises could render the area a cultural and educational center of universal dimension.<sup>30</sup> The railway connection with Milies could further contribute to the development of educational-cultural tourism,<sup>31</sup> familiarizing visitors or students of other countries with the great educational school of Milies, the "Pandidaktirio" of Filippidis, Gazis and Kostantas, the legacy of Rigas Ferraios Velestinlis, the works of the great folk painter Theophilos, the bridge of De Kiriko – father of the surrealist Italian painter – and with many other monuments of the region's popular culture.

Recycling, composting, reusing and repairing should be organized at neighborhood level by activating local environmental groups, thus contributing to saving money, addressing the ecological crisis and creating real jobs in the context of the "circular economy"<sup>32</sup> as well as to providing solutions for the vulnerable social groups in the reference area.<sup>33</sup>

## 5. Conclusions

**T**hrough its adopted approach, the present study has intended to contribute to the formulation of an original methodological tool for the preparation and implementation of a Local Action Plan for Employment (LAPE) under conditions of crisis in the traditional Social State, filling the gap of dynamic detection and labor supply in a specific spatial unit (Municipality of Volos).

More specifically, it is recommended to consult and train unemployed people (young people, women, and special groups of the population) in dynamic sectors of the local economy as identified by sectoral field research such as: in the production of food via biological-natural methods, in the processing of metal and wood – traditional sectors of the local industry – in the construction sector and in the car industry, with applications of the circular economy in tourism and catering.

A broader development strategy proposed for the region of Volos involves: (a) the restoration of its industrial identity (focusing on the defense industry and the creation of a ship repair zone in the Port of Volos); (b) its emergence as an educational and cultural pole of international status; (c) the promotion of alternative forms of tourism by pairing it with other sectors of the economy, in particular the primary sector; (d) sustainable development and innovation with an emphasis on public infrastructure and the circular-green economy.

The cooperative tradition of Volos can give impetus to new projects of social and solidarity entrepreneurship by creating real and sustainable new jobs. Local-regional employment and social inclusion policies require continuous evaluation and redesign, interwoven with actions to upgrade and/or expand public infrastructure as well as with national social and economic policies (e.g. minimum guaranteed income).

The Greek experience of similar initiatives being exclusively supported by European Structural Funding resources and the lack of a more holistic and targeted spatial intervention has led to reduced efficiency in the creation of new and sustainable jobs and in tackling structural unemployment.

For Local Governments, a critical point in the near future will be to secure individual resources or local funds so as to address the complex and amplifying problems that will multiply in

the phase of the forthcoming economic downturn, although the State is given a great opportunity to redirect the workforce from sectors vulnerable to major crises of the globalization model.

## Notes

1. 89 Territorial Employment Agreements (ESAs) upgraded to pilot projects in 1997. <http://inforegio.cec.eu.int/pacts>.
2. On the issues discussed at the Luxembourg Summit see: [https://ec.europa.eu/commission/presscorner/detail/el/PRES\\_97\\_288](https://ec.europa.eu/commission/presscorner/detail/el/PRES_97_288).
3. Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions - Strengthening the local dimension of the European Employment Strategy /\* COM/2001/0629 final \*/ Document 52001DC0629.
4. For the definition of the term see: [https://eurlex.europa.eu/summary/glossary/open\\_method\\_coordination.html?locale=el](https://eurlex.europa.eu/summary/glossary/open_method_coordination.html?locale=el).
5. For the objectives of the Lisbon Strategy see: <https://www.espa.gr/el/Pages/DictionaryFS.aspx?item=397>.
6. Policies related: investing in knowledge and innovation, harnessing the potential of SMEs, improving employability with flexibility and security and the best possible management of energy resources <https://eur-lex.europa.eu/legal-content/EL/TXT/HTML?uri=LEGISSUM:g24246&from=EN>.
7. According to the 2005 National Reform Programme of Greece "the elaboration of the NRP was based on a new development model, which looks forward to the development of sound private business initiative, competitiveness and extroversion" European Social Fund, Electronic Library. <http://www.esfhellas.gr/el/Pages/eLibraryFS.aspx?item=1756>.
8. For the five Objectives of Europe 2020 see: <https://www.espa.gr/el/pages/staticEurope2020.aspx>.
9. 59 million jobs at risk in the EU reports a publication by the McKinsey Global Institute (MGI), April 2020. It refers to occupations for which returning to normality will take longer, due to social distancing measures: <https://www.mckinsey.com/industries/public-sector/our-insights/covid-19-and-jobs-monitoring-the-us-impact-on-people-and-places#>.
10. For the EU's approach in implementing the UN Agenda 2030 for Sustainable Development see: [https://ec.europa.eu/info/strategy/international-strategies/sustainable-development-goals/eu-approach-sustainable-development\\_el](https://ec.europa.eu/info/strategy/international-strategies/sustainable-development-goals/eu-approach-sustainable-development_el).
11. INE GSEE Study "Basic guaranteed income and minimum guaranteed income policies in EU-15, 2010".
12. See above (2).
13. The research was conducted by the Employment Promotion Network – Development Partnership "In Action", within the framework of the EQUAL Initiative A Phase 2004-2005, with partner bodies being OAED, OEEK, KEDKE, EETAA, the rural research laboratory of the Department of Spatial Planning Engineering, Urban Planning and Regional Development of the University of Thessaly and private training bodies – in which the author of the present article has also been involved.
14. ELSTAT Survey, 2017.

15. The crisis in the industrial sector of the region was addressed by reducing work shifts or even by converting contracts into individual agreements, although in a few cases also with redundancies (see special newspaper Magnesia tribute to the industry of Volos, 2015).
16. 2018 Annual Report of the National Institute of Labor and Human Resources for the Region of Thessaly, period: 2014-2017.
17. The depiction of unemployment characteristics for the U.C of Volos is based on primary data from OAED of Volos (2006) as well as on data from the 2006 Research-Informatics Employment Observatory (PAEP) for the prefecture. The reference period was selected in conjunction with sectoral research (see Methodology).
18. Inventory of vulnerable social groups in the Prefecture of Magnesia by the Vocational Training Centre (VTC) of Prefectural Committee of Popular Education (NELE) Magnesia, 2005.
19. For the social profile of the LAPE intervention area, the characteristics of the target groups, the data on social exclusion and the actors active in the field see: "Regional Strategic Plan for Social Integration with a Detailed Plan for Action and Implementation of Interventions to Combat Poverty and Deepening Social Cohesion in the Region of Thessaly" Region of Thessaly, 2015.
20. The main categories of financial instruments are microloans, guarantees, risk sharing loans (all forms of including microloans) and equity financing investment schemes. (Association of Management Consulting Companies of Greece- SESMA).
21. E.g. Banca Etica, European Micro Finance Network, Greek Cooperative Banks.
22. It was drafted in June 1992 by the leaders of 100 countries and representatives from more than 10,000 NGOs in Rio, Brazil, as part of the UN Summit with the purpose to promote the principles of sustainable development. (Daoutopoulos, Local Development, 2005). An important source of information on international, European and regional initiatives in the context of local Agenda 21 on the International Council for Local Initiatives website: [www.iclei.org](http://www.iclei.org).
23. Strategic Development Plan of Volos, 2007-2013, University of Thessaly.
24. Law 4430/16 and Law 4019/11 Social and Solidarity Economy, L. 4384/16 Agricultural cooperatives.
25. See. Klimis, A. "Cooperatives in Greece" in the Social Solidarity and Regional Development Network (KAPA), Center for the Support and Development of Cooperative Enterprises. <http://www.diktio-kapa.dos.gr/>.
26. For Community Support Agriculture see European CSA Research Group.
27. In the current pandemic crisis, the University of Thessaly has already begun the production of 7 thousands of face shields and respirators to protect doctors and nursing staff from Covid 19 using CNC cutting and 3D printers, with the support of students and volunteers.
28. See. Institute for Endogenous Productive Reconstruction: [ednogenesis.blogspot.com](http://ednogenesis.blogspot.com).
29. Law 4513/2018.
30. For the design of cultural policy at local and regional level see Bitsani E. "Cultural Management and Regional Development".
31. For the design of an alternative tourist model see Apostolopoulos K. 2009.
32. See European Commission 2019, "Implementation of the Circular Economy Action Plan".
33. Fields of development action of Local Government Organizations in Law 4555/2018 for the Self-Government "KLEISTHENIS".

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## Biographical Note

**Nikos Ntasios** is an executive of the Organization Unit for the Management of Development Programs (MOD SA), seconded to the Special Management Service of the Operational Program "Development of Human Resources, Education and lifelong learning" at the Ministry of Economic Development and Tourism. He studied Mechanical Engineering at the Polytechnic University of Patras specializing in environment and energy, did postgraduate studies in Urban and Regional Development and holds a doctorate in Sociology of Panteion University. Participated in the collective publication of the books: "NGO and Globalization in Greece" and "Social Economy theory, experience and proposals" (Alternative Publications). He writes systematically on topics related to local development, the environment, social cohesion and employment, while he is an active citizen in the respective fields. E-mail: ntasiosn@gmail.com.