

## **Aims, Background and Framework of the EU-Project Smart Region**

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### **I. Preface**

During the next years and decades the demographic change will significantly influence social structures, economies and labour markets in Europe. At this, the demographic developments will lead to considerable changes in the age composition of the labour force potential: In the close future there will not only be a steadily increasing proportion of older employees who attend to the labour markets but they also will – in combination with political measures to extend working lives – have to work longer. The given circumstances create challenges for the employees, employers and policy-makers alike and raise a number of questions: What are the alternatives to the prevalent practice of early retirement? How will it be possible for companies to remain productive and competitive with older and ageing workforces? Which measures can contribute to employees maintaining their health and their ability and motivation to work longer?

### **II. Background and Framework**

To successfully meet these future challenges the European Commission finances within the framework of Article 6 of the European Social Fund (ESF) *'Innovative approaches to the management of change'* to support the development and testing of innovative actions to anticipate and manage change.

Under this overarching theme, innovative actions focus on two more specific sub-themes within the period 2004-2006:<sup>2</sup>

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<sup>2</sup> For further information see: [http://europa.eu.int/comm/employment\\_social/esf2000/article\\_6\\_en.htm](http://europa.eu.int/comm/employment_social/esf2000/article_6_en.htm).

- **Management of demographic change**, with the aim of supporting innovative initiatives to promote active ageing and to raise the employment rate of older workers.
- **Management of restructuring**, with the aim of supporting innovative solutions to restructuring by enhancing the capacity for adaptation and anticipation of workers, enterprises and public authorities.

For the **2000-2006 programming period**, the ESF interventions in general contribute to “actions undertaken in pursuance of the European Employment Strategy and the annual guidelines on employment by supporting measures to prevent and combat unemployment and developing human resources and social integration into the labour markets”.<sup>3</sup>

The added value of the innovative measures carried out under Article 6 can be seen in the innovative approaches which allow for experimentation of new ideas and demonstration of new hypotheses, from the possibilities of identification of good practice and the exchange of knowledge and experience that can be transferred to the ESF mainstream.

As such, Article 6 constitutes a direct interface between policy-makers and practice. It facilitates the communication of policies to practitioners “on the ground” and, at the same time, it is a mean by which practitioners are able to inform the policy process at European level. By this new policy initiatives take account of the operational context in which they must be implemented.

### III. Partners

Smart Region is one of 33 projects within the framework of Article 6 carried out in the period 2004-2006 as an innovative approach to the topic “management of demographic change”. **Co-ordinated** by the German Pension Insurance (Deutsche Rentenversicherung Bund) partners from three countries are working on the development of new solutions to deal with demographic change and the management of its effects. The **partners** are researchers from the institutes INIFES (Augsburg/Germany), SÖSTRA (Berlin/Germany), ÖSB Consulting PLC (Vienna/Austria) and the CEDEP of the Autonomous University of Lisbon (Portugal). The implementation of the measures is carried out together with **co-operation partners** from a range of old and new EU member states; especially Poland and Slovenia are included in mainstream activities.

<sup>3</sup> See: [http://europa.eu.int/comm/employment\\_social/esf2000/article\\_6\\_2000\\_2006\\_programme\\_en.htm](http://europa.eu.int/comm/employment_social/esf2000/article_6_2000_2006_programme_en.htm).

Further **co-financing partners** are the Hans-Böckler-Foundation in Germany, the Department for Economics of the Province of Styria, and the Austrian Federal Ministry of Economics and Labour.

#### **IV. Aims and Activities of Smart Region**

The key issues dealt with by the project are the effects of demographic developments on regional labour markets, the role of early retirement in this context, and support for all groups of employees to sustain their workability. In a preventive approach, the focus is not only on appropriate working conditions for people who are already of a certain age but much more to ensure age-friendly working conditions for all employees and age groups – not at least for the “baby boomers” who will reach retirement age within the next few years and deserve the opportunity of retiring in good health.

The **main pillars** of Smart Region are:

- Researching demographic change and its effects as well as the **reasons behind the current practice of early retirement** in a regional and inter-national comparison.
- **Developing** and testing innovative **methods** for extending the working lives of current 35-45 year-olds and for **maintaining** their **workability**.
- **Transferring the successful experiences** of large companies with the realisation of age appropriate management to SME (small and medium sized enterprises) through the creation or use of regional networks.
- **Create awareness** among all relevant actors and the general public in order to raise the willingness to employ older workers and to reduce prejudice against elderly workers on both sides - employees and employers.

#### **V. The Selected Smart Regions**

In order to reach these objectives, measures at company and on regional level will be developed and carried out in eight selected regions in Germany, Austria and Portugal. The chosen *Smart Regions* are in Germany: *Garmisch-Weilheim-Landsberg* and *Bayerisch-Schwäbische Donauregion* (both Bavaria), *Ost-Brandenburg* (Brandenburg) as well as *Mittelthüringen* (Thuringia); the Austrian districts *Leoben* and *Graz-Umgebung* (both Styria) and the Portuguese regions *Península de Setúbal* and *Alto Alentejo*.



## VI. Regional Approach

A new and vital starting point lies in the regional approach adopted by Smart Region: The concept of the project follows the EU-strategy as well as the general understanding that national employment policy has also to be implemented locally. Therefore the two following **research hypotheses** were formulated which contain the basic idea on which the project builds up:

1. Regional analysis have the ability to make the (varying) local needs become obvious more easy and show up options of concrete regional requirements of intervention.
2. Regional measures are more adequate to identify the effects and the consequences of the regional implementation. Further more the interdependences of the impact can be shown up.

⇒ The conclusion is that: Regional strategies can be more effective; we expect them to be more successful than macro strategies.

## VII. The Scientific Research and Implementation Process

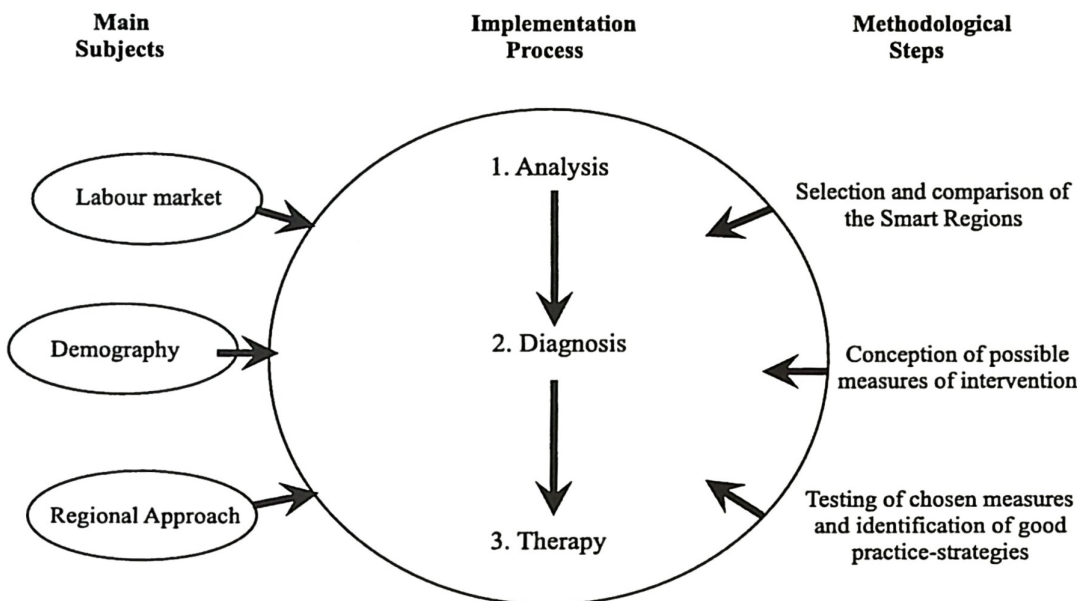
In the following the specific procedure of the Scientific Research and Implementation Process will be shown up by giving a short overview on already realised activities as well as intended further steps of action planned.

Every region has its own dynamics, distinctive features and unique characteristics which brings about an individual regional initial position. That is why good practices cannot be simply transferred from one region or company to another without looking at the prevailing premise and framework conditions. In order to reach these objectives, distinguished measures at company and on regional level are being developed in the project. In a further step a methodical set of measures has to be identified in order to filter out the good practice-strategies which allow the transfer of successful experiences by focussing the ESF mainstream activities. Therefore Smart Region builds on thorough analyses of the regional situations and takes these into account in the implementation and assessment of measures.

The **Scientific Research and Implementation Process** can be cut in three areas: The **scientific analysis**, the state conditioning **diagnosis** and the **therapy**. The given

areas are always dealt with in reference to the **main subjects** of the Smart Region – **labour market, demography** and the **regional approach** (see figure below).

**The Scientific Research and Implementation Process:**



The three fields of the Scientific Research and the Implementation Process contain in particular the following aspects and steps of intervention:

**1. Scientific analysis: Fundamental research (secondary analysis and own survey)**

- National and regional analyses in relation to demographic developments, labour market policy data and legal and institutional conditions
- Company and individual case studies in the project regions
- Evaluation and systematisation of regional data

- Analysis of the regional retirement actions (conception and evaluation of process produced data)

⇒ *Selection of the Smart Regions based on the identified criteria*

## 2. State conditioning diagnosis: Identification of possible measures and fields of intervention

- Appraisal of the results of the analysis focussing i.e. on regional disparities and differential forecast of regional development.
- Development of regional scenarios and identification of measures and fields of activity on the basis of the collected data.
- Selection of good practice models of age appropriate management in companies.
- Discussions with regional actors and companies in the framework of regional conferences and workshops and visits to companies.

⇒ *Joint development of implementation plans and measures for the region*

## 3. Therapy: Implementation of measures

- Awareness-raising and qualification of multipliers (policy-makers, labour market policy actors, social partners, others) in the framework of workshops and interviews
- Establishment of regional networks of small and medium sized enterprises (SME)
- Consulting processes and pilot projects in companies in the project region
- Accompanying information and awareness-raising campaigns

⇒ *Identification of good practice-strategies.*

## VIII. Status Quo and next steps

The Smart Region-Project now runs for about one year. Reviewing the work done, a most positive picture of the carried out activities can be drawn. In June 2005 an international conference took place at the German Pension Insurance (Deutsche Rentenversicherung Bund) in Berlin. First results especially concerning the regional analysis were demonstrated, added by national and European aspects and points of views from researchers as well as practitioners working on the relevant topics.

The conclusions of the meeting are documented in a first publication including more detailed aspects concerning the analysis, the prevailing premises and regional framework conditions. Up to now the *Smart Regions* have been successfully chosen and the concrete practical activities in the regions have been started such as the regional conferences and workshops. On the whole it can be summarised that the acceptance as well as the willingness of relevant regional actors and companies to participate in the project activities is high and exceeds the expectations of the Smart Region-Team. These good results as well as the expected successful ongoing has been reported on the *Lisbon Meeting* which also will be documented in this publication. Further information on the activities in the individual regions, the project as a whole as well as the partner institutes and the documentations of the conferences are available on the pages of [www.smartregion.net](http://www.smartregion.net).