

District (Local) Alliances for Economic Development and Labour in Berlin

(German: Bezirkliche Bündnisse für Wirtschaft und Arbeit (BBWA) in Berlin)



1

Workshop F: Creating local ecosystems for social innovation

1. The local alliances for economic development and labour in Berlin

The Berlin Alliances, as local groupings, have been created to implement the local dimension of the European Employment Strategy and to deal with local challenges in economic development and employment. The partnership approach evolved from the „Territorial Employment Pact“ (TEP) Initiative of the European Union in the late 90ties. In 2019, the local alliances have been existing since 20 years in all Berlin districts. They have produced a huge number of local approaches and projects to improve the social participation and employability of the long-term unemployed and to strengthen the local economy.

⇒ The alliances themselves can be considered as a social innovation in a local ecosystem because the partnership provides local and innovative solutions for economic and employment challenges.

2. The organisation of the local alliances – steering group

As much uniform structures as necessary, as much flexibility as possible. This basic principle makes alliance work transparent and understandable, but also allows alliances to respond adequately to local conditions and needs.

⇒ The Steering Groups (in each district one) design and implement the Local Action Plans and decide upon projects that are funded by three different instruments (see below).

The Office provides different organisational services for the steering committee and organises special project selection committees.

The Project Advisory Boards accompany bigger projects through the whole project cycle.

All processes and committees are supported by an intermediary body, contracted by the Land Berlin and the ESF Administration Authority – the zgs consult GmbH.

The zgs consult GmbH is also in charge of the administration of the financial instruments and is linking the local alliances to the level of the Land Berlin.

3. Social innovation in the context of alliance work

The District Alliances in Berlin are a good example that social innovation is anchored at the local level and often thrives best on a systematic view *“when different actors within a given territory actively and regularly work together and identify effective forms of partnership that create both individual returns and shared value, forming an ecosystem”* (see workshop abstract).

Different Actors of the Berlin districts want to further develop the alliances into a platform that promotes social innovation even more systematically. Decentralised, agile and participative structures and processes are to be developed even more than before, in which actors from businesses, politics, science and civil society pool their resources and know-how. New social ways of thinking and acting are to be tested and further developed interactively and in creative processes in order to improve the social participation and employability of the long-term unemployed and other vulnerable or disadvantaged groups and to strengthen the local economy.

"What are the main drivers and barriers to building local ecosystems to promote social innovation and entrepreneurship?"

Driving forces, e.g.

- Once taking the opportunity to mainstream a European Pilot Initiative (Territorial Employment Pacts) to all Berlin Districts ("European Employment Strategy meets real local needs"), driving forces: EU, DG Empl. European Employment Strategy; Land Berlin, Senate Department of Labour
- Being confronted with rapidly growing and complex local problems and challenges on local (district-) level
- Using the potential and resources of different local actors (under the lead of the local authorities) to find innovative solutions for local challenges
- Setting up action plans and up-dating them accordingly to the changing needs of the local people and the economy
- Reaching out those who are hard-to-reach by "traditional" institutions
- Strengthening local partnerships through networking and pooling of resources
- Reducing bureaucracy by simplified cost options

Barriers, e.g.

- Insufficient knowledge and lack of recognition of the importance of social innovation in solving complex challenges
- Segmented decision structures and processes in administration ("Pillar-thinking")
- Lack of infrastructure and human resources
- Bureaucracy remains high despite simplified cost options (1st and 2nd level auditing)

4. The funding instruments of the local alliances

To date, the alliances have been equipped with three funding programmes, based on national, regional as well as ESF and ERDF co-financing.

The three instruments are:

- **Local Social Capital (German abbreviation: LSK) – micro-projects**
- **Perspective – Development – Employment (German abbreviation: PEB)**

3

- **Economic Development Measure (German abbreviation: WDM)**

These instruments enable to qualify the alliances as ecosystems for social innovation. In particular, the PEB funding instrument calls for and promotes the development of innovative solutions within the framework of the alliances and the testing of them in a local context.

Brief description of the funding program Perspective – Development - Employment

Main objectives of the programme:

- Promoting employment at local level
- Promote the social and work integration of disadvantaged target groups and those furthest from the labour market
- Stabilising disadvantaged target groups and improving their employability in the labour market
- Increasing the personal competence of the respective target groups
- Promotion of innovative model projects
- Introduce small and new organisations and initiatives on the ground to ESF funding opportunities
- Contribute to the horizontal objectives of the ESF (promotion of equality between men and women, equal opportunities and non-discrimination, sustainable development, article 7 and 8 of ESF-Regulation)

Due to the model character, different approaches are possible to achieve the objectives in the projects. A variety of methods such as counselling, socio-educational support, practical testing, coaching or workshops can be used. New concepts can be tested within the framework of the concept.

The maximum project duration is three years.

The funding:

The maximum amount of ESF funding is 50% of the project costs and is limited to 250,000 Euros per project for a maximum period of three years. Insofar as the necessary national co-financing cannot be raised through funds from the respective districts or third parties, such as subsidies from other public institutions (e.g. job centres) or also private funds (own funds of the executing agencies, companies), a pro-rata financing from funds of the Senate Administration responsible for labour up to an amount of 25% of the total costs may be provided. A flat-rate of 40% of the personnel costs for all other costs is applied.

(This article only reflects the opinion of the author, based on the input of the zgs consult GmbH BBWA Team).

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