

International cities: case studies

Barcelona

Introduction

Barcelona is the second largest city in Spain and the capital of the autonomous region of Catalonia. The city has a population of 1.6 million people (<http://estadistica.bcn.cat>), while the size of the city's functional urban area is around 4.9 million (Eurostat). The city forms the core of the Barcelona-Lyon mega-region (Trullen, 2015).

Barcelona has transformed its economic base. In the 1970s and 1980s the city experienced significant deindustrialisation of basic industries. In response to this, extensive physical regeneration was combined with a development model that focused 'heavily on knowledge, entrepreneurship and value-added services' (OECD, 2009; page 16). The city is an important centre for high-technology content exports, with strong investment in R&D and high rates of entrepreneurship (ibid). Barcelona is also at the cutting edge of smart city technologies, having developed a range of projects linked to economic, social and environmental imperatives (BIS, 2013)

While the Barcelona labour market appears to be particularly vulnerable to cyclical job destruction, the clear trend has been towards employment growth over the past three decades (Trullen, 2015). Between the mid-1980s and the 2007 financial crisis Barcelona managed to marry economic growth with a trend towards greater equality in the income distribution (Trullen, 2015). Barcelona experienced strong employment growth between the mid-1980s and mid-2000s, adding in excess of 1.2 million jobs (Trullèn, 2014). Over the same period the proportion of the population with higher level qualifications increased, and inequality (as measured by the Gini coefficient) decreased (ibid). During the economic crisis, large numbers of jobs were lost in the city (ibid), there has been a rise in long-term unemployment (Torres, 2015), and inequality has also risen (Trullen, 2015).

The most recent data published by the OECD for the Barcelona Metropolitan Area (from 2012) suggest GDP remaining below pre-crisis levels, and an unemployment rate in excess of double the pre-crisis rate. Both these patterns mirror wider national experiences since 2007-2008. More recent figures from 2014 suggest something of an improvement in recovery, although significant challenges remain (Barcelona Activa, 2014). As such the current context for seeking to develop inclusive growth is quite different from that in the pre-crisis period.

Governance

The political leadership of the city has shifted as a result of the recent elections. The 2015 Barcelona City Council election saw success for Barcelona en Comu (Barcelona in Common), a grass-roots party developed by activists and citizens (for an overview of the development process see Aragon et al, 2015); with the party now governing the city as a minority government (with 11 seats out of 41 in the City Council) The new Mayor of Barcelona Ada Colau Ballano, rose to prominence as a housing activist campaigning against evictions. As the capital of Catalonia, Barcelona has significant decentralised powers including around housing, transport and economic development.

The city's budget expenditure in 2015 was some 1,996 million Euros (<http://w28.bcn.cat/pressupostos2015/en/>). Of this 80.6million Euros is spent on economic development and employment, 90.4 million Euros on housing and city planning, and 243.1 million Euros on social services and social promotion.

The strategic budget priorities which set the context for spending decisions in 2015 were:

- Take care of people, especially the most vulnerable
- Economic reactivation and employment creation

- Make Barcelona run with high quality services, setting a new smart city model
- Barcelona recognised as city of culture, knowledge, creativity, innovation and welfare

[\(http://w28.bcn.cat/pressupostos2015/en/\)](http://w28.bcn.cat/pressupostos2015/en/)

An important challenge to developing strategic policy is the need to reconcile the needs and preferences of a number of administrative areas – 10 districts and 73 neighbourhoods.

Strategy, Vision and Leadership

Barcelona Activa plays an important role in economic development and employment policy within the City of Barcelona. The organisation is a municipal company of the City Council and leads on policy orientated towards 'business creation, business growth, human capital development, innovation promotion, and employment' (OECD, 2009; page 44). As such the organisation is responsible to a significant extent for implementing political leaders' vision of growth and economic development in the city.

The Barcelona Activa report (2015) provides a sense of the breadth and scale organisation's activities. Some key outcomes of these in 2015 were:

- Support given to 54,648 people
- Employment and skills support given to 26,982 people (5,168 people at risk of exclusion)
- Academic and careers guidance given to 16,077 students
- Entrepreneurship support given to 14,850 people
- Start-ups mentored – 2,813
- Business projects set-up – 213
- Companies supported – 5,966
- Training activities funded – 23,963

(Source: Barcelona Activa, 2015)

Barcelona Activa managed a budget of more than 37 million Euros in 2015. The majority of which, 89 percent, was allocated to employment and skills, and business and entrepreneurship provision.

The strategic approach to linking growth with inclusion is set-out in the new *Barcelona Employment Strategy 2016-2019*, which identifies the following high-level strategic priorities:

1. Increasing actions for the improving employability for all
2. Placing employment at the centre of the municipal policy
3. To develop territorial employment projects and services

The central aims of the strategy relate to reducing the median income gap between neighbourhoods, and addressing the unemployment gap between neighbourhoods. In this respect the strategy is focused on greater equality of outcomes (albeit at a spatial rather than individual level).

The need to build effective collaborations and service linkages is an important element of developing and delivering the strategy. In developing the strategy an emphasis is placed on mapping and understanding the provision which exists already, and encouraging collaboration and knowledge exchange between stakeholders; including a gender perspective within all actions under the strategy; developing a joint action plan to set goals and indicators; and, developing evaluation frameworks (Source: Employment Strategy 2016-2019).

The development of the strategy draws on the findings from the 'General Action Plan' of the City Council. This includes a range of participatory work with citizens, trade unions and the third sector.

Design, Implementation, Monitoring and Impact

The Employment Strategy is coordinated by Barcelona Activa. The strategy will include measures such as job and education placements which will be tracked. There is a management information system to support this although there are some barriers to data sharing. The details of project level interventions are still being determined and there are currently no outcome measures to report.

From the new strategy's design a number of areas of interest around inclusive growth can be highlighted (with individual projects sitting under these). These are:

1. Service integration – looking at the potential opportunity of employment offices (at least one per district) which provide a range of core services as well as specifically targeted local services; and, creating improved procedures for data sharing.
2. Human capital and vocational education and training (VET) – increasing VET and access to VET for disadvantaged groups
3. Job creation – identifying sectors or projects to generate jobs growth, creating a 'regulatory framework' establishing 'employment as a priority issue', and revising and enforcing social value clauses in contracting
4. Job quality – through applying a 'quality of employment' criteria to jobs offered through employment services, and creating 'seal of employment quality'

Exemplar themes and initiatives

A range of policy and programme actions are identified which sit beneath the strategic aims (selected activities are reported in Table 1). This includes actions aimed at improving the efficiency of service delivery, actions to grow employment opportunities, improve job quality and expand access. Elements of note regarding inclusive growth include strategies to prioritise interventions for disadvantaged groups, a focus on expanding vocational education opportunities, identifying and pursuing projects targeting jobs growth, and the use of social clauses in procurement and direct public sector employment to drive up the quantity and quality of employment. It should be noted that as the strategy is new there is limited detail on the exact nature of some project activity.

Table 1: Selected actions which will underpin the Employment Strategy

Strategic
<ul style="list-style-type: none">• To map resources and provision and to established a 'city-level political agreement, and if possible metropolitan, which agrees and articulates an employment strategy and its carrying out, with the participation and complicity of all the economic and social stakeholders who are key in terms of fostering employment'• To include a 'gender perspective' to all actions which will developed under the Employment Strategy• To establish knowledge exchange and learning opportunities between stakeholders and municipalities• To establish greater integration of employment services• Define a set of measures and indicators to track progress of strategy impact
Increasing actions for 'employability for all'
<ul style="list-style-type: none">• Improve the development and use of LMI to anticipate employment opportunities• To focus on job quality through applying a 'criteria of quality of employment with regard to the reception of job offers.• To prioritise support for 'women in situations of vulnerability or precarious employment, over 45 years old in situations of long-term unemployment or people without papers'.• To seek to develop a local employment office model with co-location of services• Develop new projects targeted at the most disadvantaged localities and/or groups in the city• To increase access to, and provision of, vocational training, dual training, skills accreditation – guaranteeing 'access to training for employment for all, giving priority to the most disadvantaged groups and/or at risk of exclusion'.• Create a Vocational Training Network with training providers and employer/sector bodies

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- Increase digital literacy
 - Increase the provision of municipal training programmes
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Employment at the centre of the municipal policy

- Identify sectors or projects in the city to generate employment.
 - To establish a 'regulatory framework' that places employment 'as a priority issue on the political agenda of the current municipal government'
 - To use social clauses to maximise employment outcomes particularly in relation to the specification of payment of minimum salaries which are derived from a calculation of the cost of living and which will be significantly above the national minimum wage (around 15,000 workers are employed in contracted out services). To use the same reference salary to agree collective bargaining agreements for public sector workers (there are around 15,000 public sector employees).
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Adapt the services to the territory and the needs of the people

- Create a catalogue of services and provision and to fill gaps through local provision
 - Increase cooperation around service delivery between stakeholders and districts
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(Source: Draft Employment Strategy 2016-2019; stakeholder interviews).

The types of interventions outlined in the strategy build on previous developments in the City such as the Agreement for Quality Employment in Barcelona (2008-2011) which was based on dialogue between the City Council of Barcelona, the two largest trade unions (CCOO del Barcelonès and UGT), the two largest business organisations (Foment del Treball and PIMEC) and, the Government of Catalunya (OECD, 2009). The agreement set-out a consensus view of the Barcelona development model including the promotion of a quality and inclusive labour market with high levels of productivity and innovation which supports social and territorial cohesion (Ibid). This included a focus on entrepreneurship, human capital development, youth (un)employment and access to employment and quality of work.

Other previously developed examples of projects and programmes in the City include an example of developing inclusive growth at project level through a partnership between The Parks and Gardens Municipal Institute (PGMI) and the City Council's employment advisory team (EAL) (Trujillo, 2015). The partnership was developed to improve the integration of individuals with disabilities into the PGMI workforce. The project team assessed the needs of employees with disabilities and provided tailored training, the EAL developed individual action plans to improve work situations. The project also helped link employees with access to other services they might need to improve well-being. Organisational developments include improved standards around induction; internal collaboration of departments to better meet the needs of employees with disabilities; ensuring training caters for employees with disabilities; overcoming barriers to enabling employees to carry-out new tasks; and workshops on managing relationships and training on mediation. Sixty-four employees were supported over a five-year period with the evidence pointing to less sickness leave, greater participation in training, and more varied work tasks.

The Labora programme is targeted at unemployed people, particularly those at risk from social exclusion. The programme is a public-private partnership between around 140 local businesses and the Catalan Entities for Social Action, the Federation of Insertion Companies of Catalonia, and the Red Cross (Torres, 2015). The programme creates a 'protected labour market enriched with job opportunities for the most at risk'. The main target beneficiaries are young unemployed adults, those with substance addictions, the long-term unemployed, women without benefits, migrants and those aged over 55. The main features of the programme are one-stop shops for employment and social needs advice, a protected labour market, a personalised service for social and employability needs, a competency assessment model to identify needs, and access to wider support services.

By April 2015 the programme had served 2,621 individuals and placed 132 into employment.

Synthesis and Conclusions

Barcelona is in many ways an international success story. The city has managed a transition and recovery from industrial change to reorientation to new growth sectors. Barcelona for a long period of time has also managed to marry economic growth with falling inequality. However employment in Barcelona has historically been vulnerable to cyclical falls. The recession of the late 2000s hit the city comparatively hard and recovery has been slow.

The political administration of the city has recently changed, with a new Mayor from a community activism background. This is likely to enshrine and extend the importance of the social outcomes of growth which was already apparent in policy in Barcelona as well as to increase the importance of participatory approaches.

The strategy for developing more inclusive outcomes is strongly focused on employment as the mechanism linking growth and social improvement. The strategy includes a focus on established areas of intervention in the city, such as a focus of programmes and projects on particular disadvantaged groups, as well as elements which are new, such as the use of social value in procurement and direct public sector employer as a way of growing wages. The strategy also has an emphasis of increasing the role of vocational education and training in improving labour market outcomes. The focus of the strategy is on outcomes, in particular the income gaps between and unemployment rate between city neighbourhoods.

It was acknowledged in stakeholder interviews that success in relation to the strategy, the aim to grow the quantity and quality of jobs, would also depend on wider economic development policy and industrial strategy in developing job opportunities, while the political leadership in the city has expressed concerns about an over-reliance on mass tourism.

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