




Labour Market Changes and Welfare Perspectives in Europe

Public Final Report

Summary of Findings from the LAW project – Final Phase

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CONTENTS

1. INTRODUCTION

This report summarises the results of the restructured L*abour Market Changes and Welfare Perspectives In Europe* (LAW) project, presenting the conclusions from the work carried out between its relaunch in November 2004 and the end of the project a year later. The aims of the project, funded by the European Commission's Information Society Technologies (IST) Programme were firstly to examine the scope of labour market restructuring in the development of a European information society and the challenges this poses to European welfare systems and secondly to explore the ways in which Information Society Technologies can offer solutions to the resulting challenges of ensuring social inclusion whilst promoting labour market efficiency in the development of a competitive knowledge-based economy.

In order to achieve these ambitious goals, the LAW project posed several inter-related questions which were addressed in sequence:

> First, what is the relationship between the introduction of ICTS and restructuring of labour markets and welfare systems?
>
> Second, which social groups are at risk and which groups benefit from this restructuring of organisations and labour markets?
>
> Third, what are the implications for welfare systems in Europe of catering for the needs of these at-risk groups and ensuring that they are not excluded and how are Europe's welfare systems responding to these challenges?
>
> Finally, what are the policy solutions? And how Information Society Technologies contribute creatively to these?

These questions were viewed as framing questions guiding the LAW research. In doing so, they brought together three very disparate policy areas:

> Information Society policies
>
> Labour Market policies
>
> Welfare Market policies

These policy areas are addressed very differently across the EU and have traditionally been studied separately by different groups of researchers with rather low levels of intercommunication and common frameworks.

Whilst labour market policy and information society policy are developed at a European level, welfare policy is primarily developed at a national level. Furthermore, whilst both labour market and welfare policies have strong institutional structures at national levels, information society policy is normally viewed as cross-cutting a number of policy areas, with no clear institutional embeddedness. Apart from these institutional differences, there are further differences involved in bringing together these different research areas, including enormous national differences in the structures of labour markets and welfare systems, and major differences in the disciplinary and theoretical perspectives of researchers in each of these three research domains.

The challenge for LAW was therefore to bring together three different world views in order to identify their mutual interactions. This is of course a vast task, beyond the scope of any single project; the LAW project did not expect to find definitive answers to all these questions: its function was rather to open up a dialogue between the three different constituencies in order to identify the key challenges and some possible solutions.

One major methodological challenge is created by the difficulty of combining the different data sets used for measuring welfare systems and labour markets: a major inconsistency in

the data is created by the fact that most welfare systems' data are based on the household as a unit whilst in labour market research the individual is the normal unit of analysis.

With respect to the welfare policy context, it is necessary to emphasise that the EU has no legal competence in this area; however there is evidence of strong awareness at the EU level of the challenges faced by national welfare systems and attempts have been made to seek increased convergence and interoperability between different welfare models.

This must be set against a background of a demographic emergency and crisis of pension systems in each country and a search for sustainable solutions, which is reflected in fierce debates at a national level, although up to now no agreed Europe-wide solution has been found.

It has to be recognised that, despite many national differences, most EU welfare models are based on a now outdated model of work and society: a post-war model that is rooted in a series of assumptions: the nuclear family as the standard family model, supported by a male breadwinner, earning a 'family wage', with a permanent, full-time 'job for life'. In this model, unemployment was seen as something temporary and transitional against which adequate protection could be provided, on the same basis as protection in the event of industrial injury or sickness, within an insurance model. Needless to say, all of these features have been brought into question in modern labour markets.

Some difficult questions therefore have to be addressed:

How can national models survive in a context of globalisation?

How can societies deal with a pool of permanently unemployed people?

How can flexible workers be provided with social protection?

Turning to Information Society policies, we find a key message being sent to businesses that they should 'modernise or die'. There is also an extensive public discourse on the development of an information society embodying a series of commonly agreed assumptions: that an information society involves a shift from manufacturing to service industries and a shift from manual to non-manual occupations. It is also generally agreed that a knowledge-based economy is one in which skills need to change, individuals have to be prepared to learn new things throughout their working lives and adjust to dynamically changing employment conditions. There is also a general consensus across all Member States that there is a need for investment infrastructure and a need to spread digital literacy

Turning to the area of labour market policies, we find that this is an arena where the EU has clear policies, summed up in the Lisbon targets of 'more & better jobs'. There remain, however, some contradictions between these dimensions. The need to increase competitiveness in rapidly-changing global markets, remove labour market rigidities and enable cross-border flows of work may in some cases create new risks to the quality of employment, even if quantitative goals are fulfilled.

The integration of these three domains is of course an ongoing process, to which we hope the LAW project has made a constructive contribution. In the project's work programme, they were brought together in a series of activities designed to address sequentially the research questions addressed above. These activities, whose results are summarised in this report, were as follows:

1. An empirical overview of the changes actually taking place in labour markets in France, Germany, Italy, Poland and the UK with the aim of examining the extent to which these vary between different national environments; establishing the extent to which these changes compare with those anticipated in the extensive literature about employment in the Knowledge-Based Society and gaining a comparative overview of the welfare systems in these five countries.

2. An international expert workshop on 'Labour and Welfare in Europe in the Information Economy: Is there a danger of digital divide?' designed to guide the next phase of the work

3. An analysis of the groups at risk in the restructuring of labour markets in the transition to a knowledge-based economy in each of these five countries and a comparative analysis of the specific welfare measures developed in each country to cater to their needs.

4. A comparative study of the welfare systems in the five participating countries, with the addition of Sweden, as an example of the Nordic model, with a focus on identifying the ways in which these systems are being adapted and modernised to address the new challenges identified in the preceding stages of the work. Here, there was a particular focus on the ways in which Information Society Technologies are being used to improve the efficiency of labour markets and welfare systems and to develop new services to avoid social exclusion.

5. A series of case studies of eGovernment initiatives aimed at improving the efficiency of labour markets and welfare systems and avoiding social exclusion

6. A series of case studies of eLearning initiatives aimed at promoting the development of 'eSkills' for the existing workforce, for the unemployed and for citizens in general, with a special focus on initiatives designed to promote social inclusion and avoid the development of a digital divide

7. a study of the digital divide in New Member States, with Poland selected as a case study to for the analysis of measures developed to tackle the challenge of a digital divide

8. a conference designed to showcase good practice examples identified in activities 4-7, present the results of the project's other research activities, and develop policy recommendations for the future.

The conclusions from each of these activities are summarised in the remaining eight chapters of this report.

2. LABOUR MARKET CHANGES AND WELFARE PERSPECTIVES IN EUROPE: A REVIEW OF THE EVIDENCE

The first report from the second phase of the LAW project examined a number of hypotheses about the restructuring of labour markets in the transition to a knowledge-based economy by examining the evidence from five member states: France, Italy, Germany, Poland and the UK. It drew on secondary analysis of national data and literature reviews as well as an overview of EU welfare policy.

It began by reviewing the literature on the 'information society' and developing hypotheses for further investigation in order to establish the extent to the changes anticipated are actually taking place in each of the countries studied.

One of the distinguishing features of an information economy, according to this literature, is a shift from manufacturing to service industries, and from manual to non-manual occupations. In particular, a growth in the number of 'symbolic analysts' is to be expected, combined with a reduction in manual work.

A second strand in the literature points to a growing flexibilisation of employment. This may take the form of 'internal flexibilisation' (a breakdown of demarcations between different occupational groups, accompanied by a convergence of skills and an increase in multi-tasking) and 'external flexibilisation' (the increasing use of temporary, part-time or self-employed workers to enable a more rapid response to fluctuations in the demand for work). The spread of ICTs plays a major role in the development of these forms of work, according to most experts, because ICTs increase the speed of communication, and hence the speed with which firms have to react to market demands, and because they also increase the quality and quantity of information available, making it possible to develop systems for the management of 'just in time' delivery systems. Whilst internal flexibilisation cannot be identified from standard labour market statistics, external flexibilisation should be visible in the form of growing numbers of people employed under 'atypical' contracts of work, or with self-employed or (in Italy) 'parasubordinate' employment status. Furthermore, an analysis of these statistics by sector or occupation should make it possible to tell whether it is indeed the case that flexibilisation of employment is associated with the use of ICTs.

A third aspect of labour market restructuring associated with the development of a Knowledge-Based Society is the delocalisation of work. ICTs make it possible for work to be carried out at a distance whether this is in the form of home-based teleworking, mobile eWorking, or the large-scale relocation or outsourcing of information-based jobs.

These trends do not, of course, take place in a vacuum. They also interact with other demographic and economic patterns including such factors as an ageing population, increasing labour market participation by women, growth in immigration and the impact of the business cycle, factors which have implications for current and future demands on welfare systems as well as on the structure of national labour markets.

A detailed analysis of the evidence relating to these trends for France, Italy, Germany, Poland and the UK found support for some, but not all of these hypotheses.

2.1 Tertiarisation – the development of service economies?

All the labour markets under study have witnessed a dramatic drop in the proportions of employment in production and a growth in service employment. This confirms one of the central hypotheses of the 'information society' concept. However this has taken forms in different countries and in some economies, notably Italy and Germany, the decline in manufacturing has levelled off and may even be demonstrating signs of growth in some sectors.

Tertiarisation may therefore represent not so much a continuing trend as a specific characteristic of a particular phase of restructuring. Whilst some manufacturing industries have declined, others may expand. Moreover much of the expansion in service employment (especially in business-related services) is directly linked to the production sector and cannot survive without a thriving market in these industries. Furthermore, some of the apparent growth in production-related services is a statistical artefact – a by-product of the outsourcing of service functions by firms in the production sector. The development of ICTs is a critically important enabler of much of this outsourcing.

2.2 Service work = information work?

A great deal of the new employment created in services in each of the countries studied is undoubtedly directly connected with the handling of information and the use of ICTs and the workers concerned could be accurately designated as 'symbolic analysts'. The high proportional growth in occupations such as computer programmers in most of the economies under study is testament to this development. However it should be pointed out that some of this growth is from a rather small base and is dwarfed, numerically speaking, by smaller percentage growth rates in more numerous occupations.

It must also be pointed out that a very large number of service workers do *not* fall into this 'symbolic analyst' category. One important source of growth in service employment has been in health and social services. Here, the rise has been generated mainly by demographic changes, especially by the ageing of the population, and cannot be attributed to the introduction of ICTs. Another area of growth has been in relatively low-skilled occupations in retail, tourism, cleaning and catering, again activities with little connection to the development of an information society.

2.3 Flexibilisation of labour markets?

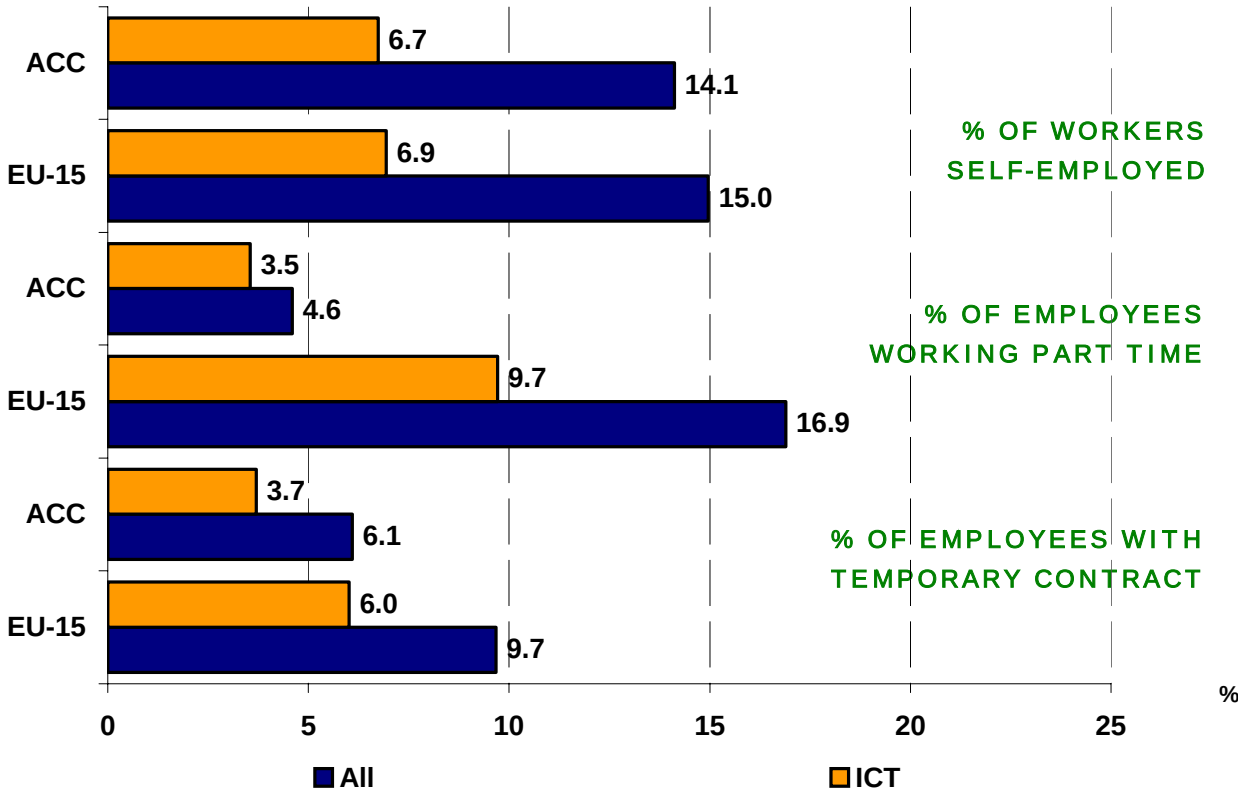
Each of the countries, in its own way, demonstrated conclusively that the flexibilisation of labour markets which plays such a strong part in models of the information society has indeed been taking place, if this can be judged by an increase in part-time and temporary employment and other contingent forms of work.

In some cases, for instance in the growth of home-based teleworking, and in the use of *parasubordinate* contracts for call centre workers in Italy, there is a clear link between the introduction of ICTs and the development of these "atypical" forms of flexible working.

However it is much harder to make out a general case that flexible forms of work are associated with the use of ICTs. Indeed, some results from the STILE project suggest the opposite. Figure 2.1 shows the results of an exercise in which all workers in ICT sectors in the EU 15 and New Member States were compared by employment status. As can be seen, in both the new and old member states, the ICT workers less likely to be self-employed, working part-time or working on temporary contracts than the generality of workers. This conclusion does not just hold good at the aggregate level but was also the case within each

Member State for each type of employment, with the single exception of self-employment in Portugal where a high rate of self-employment was found amongst the ICT workers (a relatively small group).

Figure 2.1: ICT workers compared with all workers, EU and Accession States, by employment status



Source: Eurostat Community Labour Force Data, 2001, analysis by the STILE project

This negative correlation between ICT work and flexible working forms suggests that the 'problem' of flexible work in the information society is not so much that ICTs are a direct *cause* of flexibilisation but rather that flexibilisation is an indirect *effect* of an increasingly service-based economy affecting not the information workers themselves but precisely those groups who are in the non-information-intensive jobs.

This hypothesis is supported by the evidence from many of the country studies that those most likely to be in atypical forms of employment are socially vulnerable groups including immigrants, lone parents and workers from deindustrialised areas with high unemployment who cannot find regular work. The occupations in which part-time or 'mini-jobs' are most likely to be found (including retail, cleaning and catering) and those where temporary or self-employment is common (including construction work and low-skilled clerical work) also bear out this assumption.

2.4 A single European model of an information economy?

It is often supposed that the path to a knowledge-based economy (like the path to 'economic development') follows a single inevitable course, and will bring increasing convergence between national economies and labour markets. One of the most striking conclusions to be drawn from the foregoing descriptions is that, on the contrary, European nations exhibit profound differences from each other and that each has its own distinctive model of economic development, shaped by its own culture, customs and history.

The different ways in which national economic actors have chosen to adopt ICTs can be well illustrated by the results of the EMERGENCE survey which collected information on the implementation of various forms of teleworking across the EU 15 plus Poland, Hungary and the Czech Republic. Figures 2.2-2.5 show the percentages of employers using ICTs to relocate work in each of four ways. These are:

Home-based teleworking by employees working exclusively at home using ICTs including a telecommunications link to the employer's premises

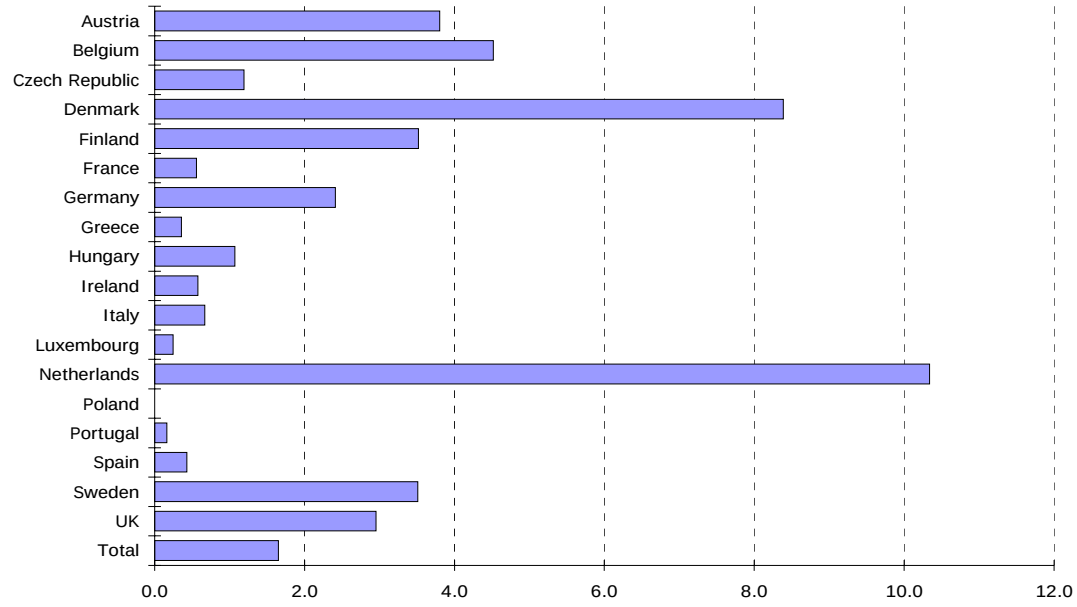
Multi-locational teleworking by employees working from a number of different locations using ICTs

'eLancing' – teleworking by self-employed individuals working from their homes using ICTs to communicate with their clients

'eOutsourcing' – using a telecommunications link to outsource work to an external company which provides ICT-based services.

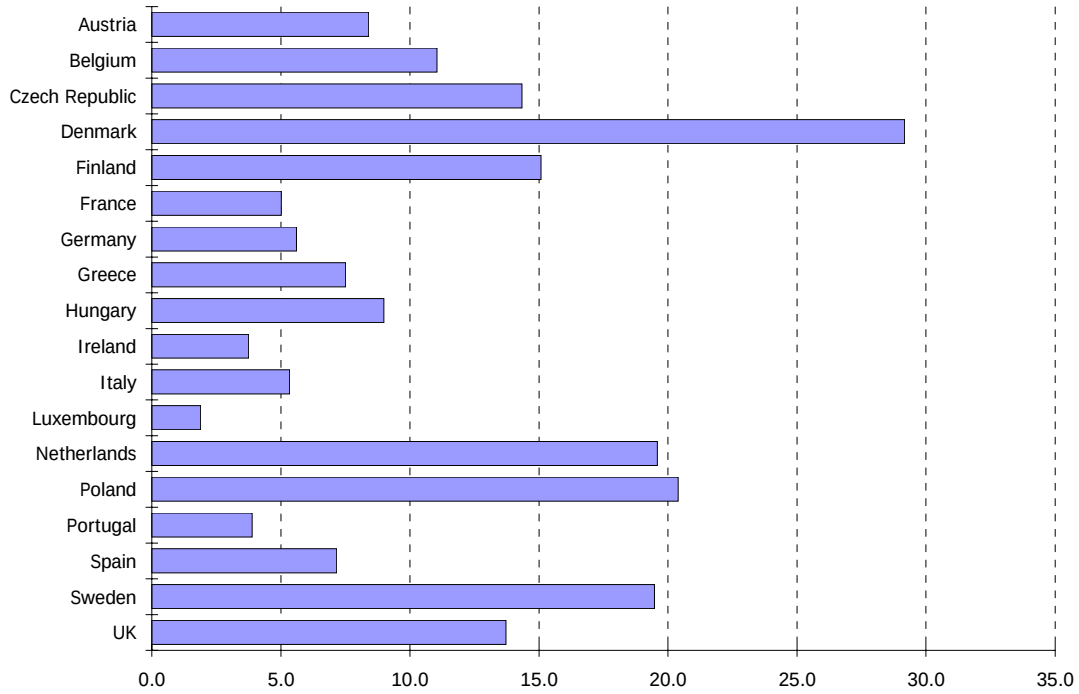
As can be seen from these figures, each of these types of teleworking shows a completely different pattern of national distribution. No one country can be said to be more 'advanced' than any other. Rather, each has adopted the form of teleworking best suited to its own particular circumstances.

Figure 2.2: Home-based teleworking in Europe, by country, 2000



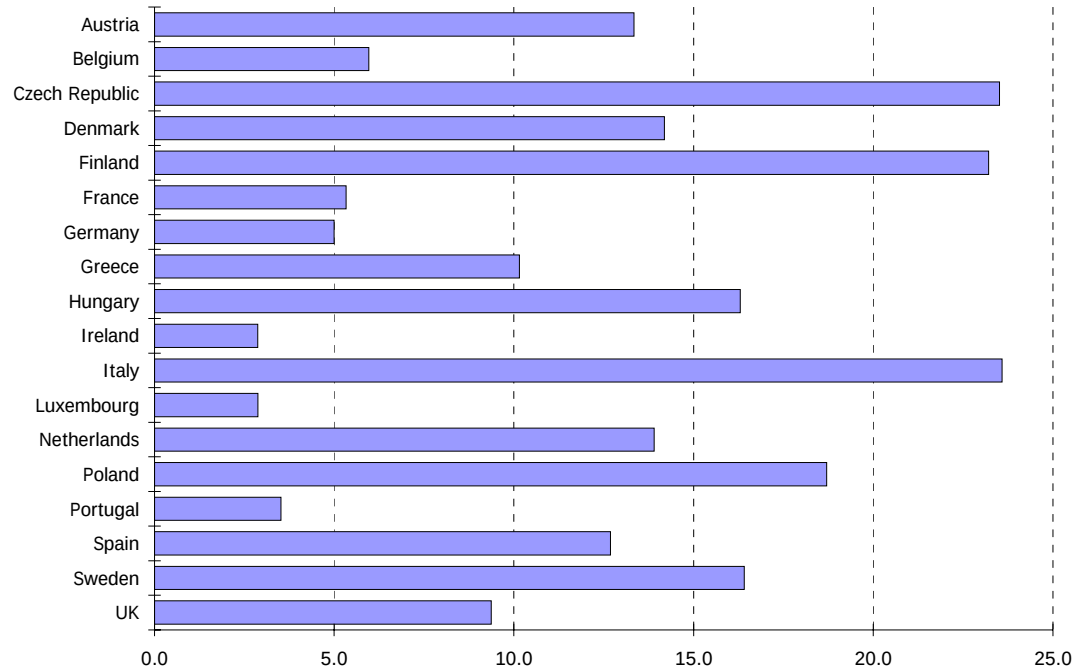
Source: EMERGENCE 18-country survey, IES and NOP, 2000

Figure 2.3: Multilocational teleworking in Europe, by country, 2000



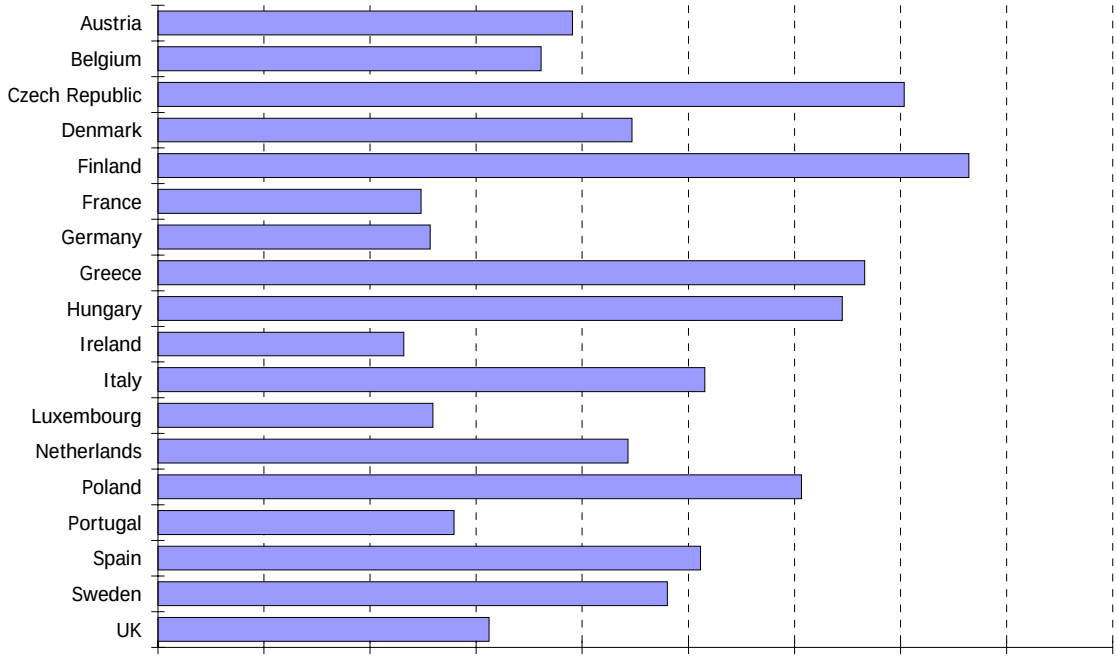
Source: EMERGENCE 18-country survey, IES and NOP, 2000

Figure 2.4: 'elancing' in Europe, by country, 2000



Source: EMERGENCE 18-country survey, IES and NOP, 2000

Figure 2.5: 'eOutsourcing' in Europe, by country, 2000



Source: EMERGENCE 18-country survey, IES and NOP, 2000

Italy, for instance, shows a very high rate of 'eLancing' in reflection of a strong culture of informal networking between small firms. The Netherlands, with a low rate of female participation in the labour market, has a very high rate of telehomeworking. Attention could be drawn to many other specific national differences in teleworking patterns.

The differences are presented here to demonstrate the general point that each country has its own distinctive path to a knowledge-based economy. These diverse national economic patterns are of course reflected in diverse welfare systems. Indeed, they could be said to be both shaped by them and to contribute in turn to the particular form that each national welfare system takes.

3. LABOUR AND WELFARE IN EUROPE IN THE INFORMATION ECONOMY: IS THERE A DANGER OF A DIGITAL DIVIDE?

The international workshop held in Brussels, in March 2005 confirmed the results of LAW's review of the evidence in highlighting the complexity of the restructuring of labour markets in the EU and the difficulty of comparing the flexibilisation of employment across different national and institutional contexts as well as the diversity of the effects of the introduction of ICTs across different occupational and sectoral groups.

Not only were there significant differences between European member states in progress towards an information economy (e.g. major differences in technological indicators such as broadband penetration as well as differences in the proportions of workers and citizens using ICTs in their daily work and life) but there were also differences in other dimensions of competitiveness.

A presentation of the results of the STILE project showed that right across the EU, ICT employment has grown steadily and is above the average of growth in overall employment However this varies considerably by country. The Scandinavian countries and Ireland are at the higher end, experiencing a high proportion of ICT employment, and Romania, Portugal and Cyprus are at the lower end.

On the whole, the ICT sector is geared towards the service sector rather than manufacturing. Ireland, Hungary and Germany have a high manufacturing proportion whereas in most other countries the ICT employment is situated in services sectors.

Combining measures of ICT intensity and growth of ICT employment-intensity, EU countries that are moving ahead (exhibiting both a high intensity and a high growth of ICT) include Hungary, Germany, Austria and Belgium;, countries that are catching up include Estonia, Latvia and Greece and countries falling behind include Cyprus, Portugal, Lithuania and Romania.

An EU 25 analysis by age revealed that one of three ICT worker falls into the age category of 25–34 years and around 70 % of ICT workers are in the age group of 25 – 44, thus the ICT workforce is made up of a relatively young workforce. In respect to gender, ICT work is very male dominated (67% of total ICT economy) in contrast to 57 % men in the total workforce.

A detailed analysis of ICT in the German labour market concluded that the German information economy needs high- qualified employees. New jobs seem only emerge in service jobs like R & D, management and high level services. Two thirds of German employees need computers in the workplace, but the type of usage varies. Telework has not grown into a dominant from of work and is mostly an additional activity to other spatial redistribution possibilities of the workspace. Recently, the booming demand for IT specialists has come to a stop and the German Green card experiment showed unexpected results in the sense that migrant workers only stay on for a very short period of time.

Shifting from a labour market to a welfare perspective, the workshop compared expenditure on pensions and invalidity, health, unemployment and family benefits and drew attention to the problem of sustainability. The challenge of creating sustainable public pensions expenditure has led several countries to reform their pension systems in such a way as to link the flow of benefits to that of contributions paid by the worker during his or her active life.

This approach, however is difficult to square with the twin demands of, on the one hand achieving more flexible labour markets and on the other avoiding social exclusion, because it means that a worker who spends long periods in atypical jobs will not reach a sufficient amount of contributions. For instance, in pension schemes of 'virtual 'capitalisation, like those existing in Italy, Poland and Sweden, a full year of work over 40 years typically contributes 2.5% of that person's future pension; if the period of work is only half a year, or if the rate of pension contribution of atypical workers is half that of typical ones, or if the two hypotheses are applied together, the worker loses from 1.25 to 1.85 percentage points of pension benefits. A person who spends five years as a discontinuous worker may receive as a pensioner from 6 to 9 points less in his or her pension than a full-time permament worker. The relationship between new forms of work organization and labour markets, on the one hand, and the needed for adjustments of welfare systems on the other are crucial issues for the renewal and consolidation of the European social model.

A longitudinal study of unemployment in Austria, further highlighted the danger of a polarization in society between those who are in full-time permanent employment, with full national insurance and pension coverage, and those who shuttle intermittently between short-term jobs and unemployment. The discussion also drew attention to the very different national approaches to managing such problems: In Austria, Labour Foundations provide a means for the state to retrain laid-off workers who often subsequently return to their previous employers whilst providing continuity of national insurance contributions. Similar schemes exist for manual workers in Belgium. In other countries such 'labour hoarding' might take different forms, for interesting relying on temporary employment agencies or a pool of freelancers. Indirect subsidies from the state to employers take different forms in different national environments, for instance in the UK in the form of tax credits to low-paid workers. This produces a situation where unemployment levels are lower, but a substantial proportion of the workforce is in low-paid, low-skill employment.

A presentation of situation in Poland concluded that according to labour market trends in Poland 'typical' employment is unlikely to remain typical. The new pension system does not promise – on average - good benefits in such an environment. The anticipated incentives for labour market participation have to be questioned. A different but related question concerns how the different risks groups in society may be covered, for instance whether the uninsured will seek a minimum pension guarantee in the first place if a long career is unavailable to them. Whatever the outcome of the current pension reforms, changes in the social model are inevitable because of the need to decrease the costs and change the link with the labour market. With the establishment of an atypical labour market if social protection is to be wide the link between labour market and welfare needs to be redefined. A particular difficulty faced by all reformers is the need to introduce reforms for future needs whilst having to use arguments derived from the past – a particular challenge for transitional economies like that of Poland.

It was generally agreed that there was a need for more systematic comparative research into the interplay between labour markets and welfare systems in the context of rapid economic restructuring.

4. GROUPS AT RISK

Drawing on the earlier phases of analysis, each partner in the LAW project, from a national perspective, provided a list of 'groups at risk', i.e. groups with an above-average potential for incurring socio-economic disadvantages deriving from societal changes associated with the transition to a knowledge-based society. The criteria used in drawing up these lists took into account a number of different aspects, many of which were significant in several countries:

4.1 Demographic aspects

Demographic aspects of risk include difficulties in life in general, and in particular in access to gainful continuation of working career may occur especially:

for young adults, who have not yet been integrated sufficiently into regular employment,

for older workers having difficulties to go ahead with technological change,

for women, especially when trying to reconcile working career with family life,

for disabled persons, who require specific support measures to be included in working process,

for migrants, whose employability may be restricted by level of education and vocational formation, language problems, cultural differences and so on,

for low-skilled persons / with lower level of education.

4.2 Working situation

In a narrower focus, the situation of individuals within the labour market depends on their contractual status and, linked with this, on various conditions of social protection. Risk factors here may concern:

part-time workers, whose entitlements to social protection may be insufficient. In specific cases, a certain degree of part-time work ('marginal' or 'insignificant part-time') is not covered by social protection (e.g. 'mini-jobs' in Germany)

workers with limited contracts, subjected to frequently changing working conditions, higher risks of unemployment, discontinuous working careers and correspondingly incomplete entitlements to social protection

self-employed workers, who often are not covered by (employment-based) social protection schemes, and who are not protected in case of unemployment, illness or invalidity; specific risks concern 'pseudo self-employed' (among them homeworkers), who in general have lower than average earnings, with lower or no social protection coverage, or specific groups like farmers, artists, small traders etc.

the unemployed, with discontinuous working careers and incomplete entitlements to social protection.

4.3 Living conditions

In a wider perspective, other risk factors may come into play in addition to employment-related ones, especially those related to the social context and socio-economic living conditions. Here, at-risk groups include:

families with low incomes, recipients of social assistance or similar minimal income systems, and those whose incomes hardly exceed those ceilings

lone parents (mostly women), with problems in reconciling a working career with family life, caring for children without a partner's support

homeless persons, living in the streets, without social networks

asylum-seekers and refugees, whose social rights are often lower than those of other citizens, and who have difficulties in social inclusion and access to labour markets

members of minority (ethnic) groups who are at risk of discrimination.

Most of the problems described and the resulting demographic, labour market and social risks can be seen in all the countries studied. Others are more country-specific.

4.4 How national welfare systems address these risk

In general, in the countries under examination, the current welfare schemes provide some protection for these groups against labour market and social risks:

For young adults, especially if they are low-skilled (no attainment of a formal degree or professional education), access to labour market and regular employment can prove to be rather difficult. This implies that social protection, insofar as this is based on employment, may be given to an incomplete extent. Even for young employees who have managed to get integrated into employment, specific risks result from waiting periods and minimum contributory years, especially with regard to employment injuries and the risk of invalidity.

For older workers, especially in combination with lower skills, there may be difficulties in adapting to technological changes. This implies a high risk of falling out of employment. If the contributory time periods and the contribution amounts paid during working life are low, entitlements to old age pensions accrue at a low level, too. Apart from this, social security schemes for older people seem to be rather complete in all countries.

For women, no difference from men are present regarding social protection, as long as they do not have children. But if they do, the reconciliation of a working career with family life may be rather difficult. For most employed women, maternity leave is granted, including continuation of salaries paid by the employer for a certain period, afterwards continued by health or maternity insurance at a lower level. But in some countries some groups of women are excluded from these entitlements, e.g. the self-employed, the unemployed, recipients of minimal income, and some kinds of migrants. Entitlements to child care allowance and benefits in kind, such as free kindergarten places, could help to improve the chances of gainful reconciliation, but those provisions are still weakly developed in most countries. Particularly at risk in relation to these problems are *lone parents* and families with *low incomes*.

For disabled persons, in general social protection is developed at a high level. However access to the labour market is precarious for this group, and specific support measures are required to facilitate this. In the field of

'invalidity', the tables below show that there exists a wide spectrum of rehabilitation measures in most countries.

For migrants, there are no significant differences from original residents with regard to social protection, if they possess a residence permit. But with regard to integration in the labour market, their employability may be restricted by their level of education and vocational formation, by language problems, by cultural differences and by prejudice. Much more debilitated is the situation of those migrants who, like asylum-seekers and refugees, are entitled only to a lower level of social protection. This may extend to health care, benefits in case of invalidity, maternity, and even in social assistance, that, e.g. in Germany, is granted to this group only at a restricted level.

5. THE CHALLENGES FACING WELFARE SYSTEMS IN THE TRANSITION TO A KNOWLEDGE-BASED ECONOMY

5.1 The challenges

A comparative analysis of the welfare systems of France, Germany, Italy, Poland, the UK and Sweden concluded that, despite their very different structures and traditions, it is clear that Europe's welfare systems are facing many similar challenges.

Due to a combination of demographic factors and economic restructuring (some but not all of which can be attributed to the development of a knowledge-based economy) each Member State is faced with increasing demands for its services on the one hand, combined with a shortage of funds on the other.

Among the common problems are:

- An ageing population placing ever greater strains on the old-age pension system rendering traditional pay-as-you-go schemes too expensive to be feasible
- A growing proportion of the workforce in flexible or 'atypical' forms of employment leading to discontinuities in employment and hence a failure to accumulate continuous contributions records that guarantee adequate social security and/or pensions entitlements in the future
- An intractable pool of long-term unemployed who lack the skills to be employable in the new economy
- Increasing demands on health services (associated with demographic trends)

Albeit with differing emphases, each national government is faced with similar challenges: how to combine a commitment to economic progress and the development of a knowledge-based economy with the development of a sustainable and efficient social welfare system with ensuring that the more vulnerable members of society are not excluded.

In practice, this leads to a series of interlocking policy objectives relating both to the labour market itself and to the supply and the demand for welfare services:

- Reducing unemployment by encouraging the upgrading of skills in the existing workforce and providing the skills for employability to those who are currently unemployed or economically inactive
- Improving the efficiency of job matching mechanisms and encouraging flexibility in the labour market, including its responsiveness to change on both the supply and demand side
- Reducing the cost of delivery of benefits
- Improving the efficiency of the administration of welfare systems
- Improving public access to information about welfare benefits and creating more responsive and customer-sensitive services

5.2 How can ICTs help?

Although they cannot provide a complete solution in isolation, the evidence from the LAW country studies is that ICTs can make a positive contribution to the achievement of each of these goals.

5.2.1 Skills and elearning

A large number of schemes have been developed to provide training in ICT skills both for the unemployed and for those in employment who need to be able to adapt to technological and organisational change. In many cases these have been developed within the context of life-long learning policies or e-learning initiatives. They cover a broad spectrum from, at one extreme, basic introductory courses for those who have no domestic access to ICTs to fully online courses for those who already have advanced skills combined with continuous high-bandwidth access to the internet and sophisticated software packages.

5.2.2 Labour market efficiency and flexibility

The use of ICTs has revolutionised job search mechanisms, making it possible to assemble large amounts of information both about job vacancies and about job seekers in ways that can be easily searched and quickly updated. This has not just brought about quantitative but also qualitative improvements in efficiency, making it possible to introduce entirely new services that would have been inconceivable before the advent of ICTs and removing many of the geographical barriers that traditionally impeded the job search process.

5.2.3 Reducing cost and improving efficiency

ICTs do not just create efficiencies by automating tasks that were previously carried out manually and eliminating cumbersome paper-based processes. They also short-circuit many complex bureaucratic communication processes through the merging of databases and the sharing of information between multiple administrative systems. Not only does this make for much more streamlined and transparent interdepartmental collaboration (which, incidentally, also has the welcome side-effect of reducing corruption); it also makes it possible for government departments to collaborate with external agencies, including voluntary organisations and private service providers.

5.2.4 A changed customer experience

The ability to merge data from different sources does not just produce efficiencies for service providers; it also creates the potential to radically alter the means of accessing these services by their users. Once the data are digitised and the administrative systems brought into alignment with each other, it becomes possible for services to re-engineered to create ‘one-stop-shops’ for consumers with a ‘customer-centric’ organisational logic replacing the previous department-based division of services. As well as bringing together a large range of data in a form that can be accessed from a single entry point in a user-centred way, ICTs can also extend the availability of services, in principle making it possible to deliver them round the clock seven days a week.

5.3 National differences

It is clear that there are many national differences in the structure of labour markets and the nature of welfare systems as well as in progress towards an information society.

The development of on-line delivery of welfare services, for instance, depends not only on the administrative structures of the welfare systems and the characteristics of the recipient groups but also on the degree of technological development in the society. On the one hand, it is necessary to have administrative structures in which previously paper-based systems are already digitised, databases are harmonised, and protocols and procedures have been developed for interdepartmental co-operation. On the other hand, it is necessary to have widespread technological infrastructure (e.g. nationwide broadband diffusion) and a population withaccess to the relevant technological tools (e.g high domestic penetration of PCs and telecommunications) and skills (digital literacy and knowledge of the relevant software programmes).

The development of an inclusive information society therefore requires simultaneous progress on several fronts. In some Member States, for instance Sweden, this progress is already far advanced; in others, such as Poland, there is still a long way to go. Countries which occupy intermediate positions along this spectrum, such as Italy, have demonstrated that an imaginative use of intermediaries, such as the Patronati, can go along way towards bridging the gap between welfare providers and vulnerable and excluded groups.

It would, however, be a mistake to consider the development of a knowledge-based society as a unlinear path following an inevitable trajectory. The country studies in this report make it very clear that there are many different ways forward.

European diversity is particularly clear in relation to such issues as the involvment of private and voluntary sector partners in welfare policy, the degree of local and regional devolution of services and the involvement of users and user groups in the development of social policy.

5.4 The way forward – what can be done at a European level?

Because welfare systems remain the legal responsibility of Member States, there are limits to what can be done at a European level to encourage progress towards more user-friendly and efficient welfare systems which contribute towards addressing the key EU policy goals of encouraging the modernisation of labour markets whilst avoiding social exclusion. However there remain a number of areas where a positive contribution can be made. These include:

- Commissioning further research on new ICT applications and systems in the field of welfare
- Commissioning research on the social impacts of labour market and welfare restructuring with a particular emphasis on the long-term and lifetime outcomes (ie using a longitudinal/biographical approach)
- Commissioning evaluations of innovative schemes and research on good practice in the use of ICTs in welfare system
- Providing resources for experimental and pilot projects in the field of ICTs and welfare and social inclusion
- Disseminating information about good practice to enable sharing of lessons learned and benchmarking
- Encouraging a public dialogue on the future of welfare systems in Europe in the context of the development of a knowledge-based economy

6. eGOVERNMENT

The next phase of the project's work moved beyond the overall analysis of the impact of ICTs on labour markets and welfare systems at a national level to focus in depth on case studies of good practice. This phase of the work was broken down into three sub-tasks: case studies of eGovernment, with a particular focus on examples designed to enhance labour market inclusion and access to welfare benefits; case studies of eLearning initiatives designed to promote social inclusion and the development of skills for participation in a knowledge-based society; and initiatiatives designed to tackle the digital divide in New Member States.

This chapter summarises the results of the first of these tasks – case studies of eGovernment initiatives. In all, twelve in-depth case studies were carried out, as summarised in Table 6.1.

6.1 National eGovernment Policies

Each of the Member States under study has made significant strides towards the development of a national eGovernment strategy. Whilst developments have taken different specific forms in each national context, certain common features can be identified, albeit with different emphases.

6.1.1 eGovernment as a tool of cost reduction

As the largest single area of government spending in each Member State (accounting respectively, for 26.1%, 27.6%, 30.5% and 30.6% of GDP in Italy, the UK, Germany and France) social expenditure is an obvious prime candidate for the savings eGovernment can bring in each of the case study countries. In France, eGovernment is seen as powerful means of reducing the cost of back-office services in order to devote more resources to front-line customer-facing services where human presence is essential. This motive also plays an important part in Germany, Italy and the UK

6.1.2 eGovernment as a tool for joining up different government departments and levels

The goal of creating 'joined-up government' is particularly important in the UK, but also plays a strong role elsewhere. In Germany, this poses special challenges because of the strong tradition of devolution of government functions to the 16 Länder and, in many cases, to lower levels of government – the 300 regions and 13,000 communes that go to make up the totality of government administration. Here, as is also the case in France and Italy, there is a need for horizontal integration of the databases of different government ministries as well as vertical integration between different hierarchical levels of government.

The process of 'joining up' can only take place where certain conditions have already been met.

The first of these conditions is that the functions are already digitised. Here, joining-up can be regarded as a second step in a process which begins with the standardisation and digitisation of previously paper-based processes.

The second condition is that the systems are compatible. Here, ironically, it may be easier to introduce 'joining up' in situations where digitisation has been less advanced in the past, since it is possible to design in compatibility to new ICT-based systems. Where there is a substantial legacy of incompatible systems developed in isolation in different government

departments and at different regional levels (as in Germany) linkages present major and costly challenges.

A third condition is that adequate data protection is in existence. All case study countries, like other EU Member States, have national systems in place to protect the confidentiality of sensitive personal data. However there remain some technical obstacles to the full adoption of digital signatures which act as a brake on the progress towards full integration of services.

Table 6.1: Summary of eGovernment case studies

Country	Name of scheme	Welfare field	Details	Benefits
France	Vitale card	Health	Smart card	Reduced cost, reduction in medical error and duplicate examinations, speedier processing, improved information.
France	CEDRE	Pensions	Online simulator	Improved access to information leading to ability to make informed decisions about labour market participation.
Germany	Virtual labour market	Labour market	Online job search tool	Enhanced matching of applicants to posts
Germany	Electronic health card	Health	Smart card	Too early to tell – but likely to be important stepping stone in development of integrated health service.
Germany	Pilot project care	Health	Speech recognition tool for data capture by care workers	Improved efficiency of care work.
Germany	Voluntary agency services	Voluntary social work	Online placement tool	Improved involvement of citizens in voluntary work; better matching of volunteers to placements
Italy	National Continuous labour exchange	Labour market	Online job search tool and support services	Improved matching of job-seekers with vacancies, reduction in long-term employment; improved information leading to enhanced employability.
Italy	National services card	Social security	Smart card	Too early for conclusive evaluation but appears to improve access to benefits. Possibility of extension to health field.
Italy	INPS online services	Social security and pensions	Integrated online information system	Reduction in administrative costs, reduction in error, increased speed of processing, possibility for intermediaries to provide information to claimants.
Italy	INCA	Benefit information	Intermediary services for excluded groups	Savings in costs to administrative bodies, improved information and decision-making for claimants, increased uptake of benefits.
UK	National eBenefits project	Online benefit information	Locally-based online access to benefit information	Savings in costs to administrative bodies, increased speed and accuracy of calculation and settling claims, increased uptake of benefits.
UK	Citizens Advice Bureau	Benefit information	Advice and information services for excluded groups	Savings in costs to administrative bodies, improved information and decision-making for claimants, increased uptake of benefits.

Source: Analytica, 2005

6.1.3 Use of regional pilots

Another common trend across all four case study countries was the development of pilot projects which could then be rolled out nationally as a way of economising resources and avoiding 'reinventing the wheel'.

In France, this policy is summarised in the words 'if it has been done once, don't do it again; do everything possible jointly; make sure that what has already been paid for by public money can be reused at no additional cost'. In Germany, under the Media@komm initiative, local government agencies are encouraged to tender for innovative local eGovernment pilot projects, with best practice then being transferred to other communes and regions. In the UK, a similar approach underlies the concept of 'national projects' in which local authorities, either individually or in small consortia, take a lead role in developing innovative eGovernment projects which, once developed, can then be offered 'off the shelf' to other municipalities and regions. The Italian 'eGovernment action plan' embodies similar principles.

6.1.4 Use of multiple channels to reach citizens

Any eGovernment initiatives relies for its effectiveness on citizens' access to the appropriate technologies and skills to communicate effectively with the service provider. A lack of access to these technologies and skills can therefore serve to exclude citizens from the broader knowledge-based society. Meeting the twin goals of inclusiveness and providing digital access to services is therefore a challenge to all government agencies. This challenge is particularly important in the case of social services since the groups most likely to be in receipt of these services (the elderly, the sick, the long-term unemployed, women, newly arrived immigrants etc.) are precisely those who are least likely to have access to the technology and – even when public access is available – least likely to possess the language and technical competences to use it effectively.

In different ways all the case study countries have addressed this challenge in a variety of ways. The UK has developed a number of initiatives to provide access to public services through media such as digital TV and mobile telephony whose use is more widespread than the use of PCs with Internet access. Another approach is to make use of intermediaries to ensure that even the most disadvantaged groups have access to information and services. Here, the Italian institution of *Patronati* and the UK's Citizens Advice Bureau provide particularly striking examples of good practice that extend help to citizens whilst simultaneously reducing the costs for public administrations who no longer have to devote extensive resources to dealing with enquiries from the public and mistakenly filled-in forms.

6.1.5 Public debates about the cost of eGovernment

In a somewhat more negative, vein, each nation studied had also seen extensive public debate about the cost of eGovernment. Given the scale of expenditure on health and social services in each Member State and the huge size of the administrative systems required to deliver them, attempts to modernise them have inevitably involved very large contracts with external suppliers which have in many cases attracted considerable attention in the national press and in political debates. In some cases, specific schemes have proved controversial and generated a sense that eGovernment initiatives do not represent value for money for the taxpayer, even when it seems apparent that a longer-term evaluation would reveal clear benefits.

It can therefore be concluded that there is a need to develop clear indicators, both quantitative and qualitative to enable eGovernment projects to be monitored effectively over time so that cost-benefit analyses can be undertaken that reflect these longer term benefits.

6.1.6 eGovernment as a means of improving the customer experience

In addition to introducing eGovernment as a means of streamlining administrative processes and reducing costs, all the case study countries had also used the potential of ICTs to improve customers' experience in accessing existing services and in some cases to develop entirely new services. The adoption of a 'customer-centric' approach to service delivery is normally only possible as the final stage of a process that begins with digitisation of processes and is then followed by a joining up of different databases, in turn followed by a reorganisation of the newly joined-up service.

Some good practices relating to social inclusion, labour market participation and access to welfare are summarised below.

6.2 Good practice in eGovernment initiatives relating to labour markets and welfare

Case study evidence from the LAW eGovernment report showed that considerable steps are currently being taken in all four countries under review to develop effective systems of eGovernment and that many of these are likely to lead to improvements in citizens' access to labour market participation, information and welfare. There is considerable variety in these schemes; we focus here on some common features.

6.2.1 Innovative use of ICTs to improve job matching on the labour market

In various ways, each country studied has seized on the opportunities offered by ICTs to improve job matching on the labour market. Examples of this can be found in the Italian 'national continuous labour exchange' and the German 'virtual labour market' concept. Both of these have produced significant benefits both for job-seekers and for employers, as well as for the employment agencies involved. Critical success factors include;

clear user-friendly interfaces

search functions that strike an appropriate balance between the over-general and the over-specific

taking account of 'soft skills'

providing complementary face-to-face human assistance

6.2.2 Innovative use of smart cards in the health field

The administration of health services is a prime target for eGovernment in most Member States for several reasons. First, it is by definition enormous in scale, involving the holding of individual records on every citizen from cradle to grave. Second, it involves highly sensitive personal data, presenting particularly strong data security challenges. And third, it may involve co-ordination between a large number of different actors including family doctors, specialist consultants, hospitals, pharmacies and in some cases (where health affects labour market participation) also national insurance agencies, benefit agencies and employers. The individual patient, and in some cases his or her parent or carer, are also, of course, included as stakeholders. Health administration, like other areas of government, is of course undergoing a continuous process of modernisation and adaptation. However this unique combination of characteristics makes it a prime candidate for the introduction of smart cards.

The LAW case studies included an examination of the French *Vitale* card and its planned update, the about-to-be-launched German electronic health card and the Italian *Carta Nazionale dei Servizi* (National Services Card) which is being experimentally extended to cover health information. Whilst it is too early to evaluate the success of the German or Italian examples, or the next stage of development of the French card (which is currently undergoing a major upgrading) it is clear from the first phase of the *Vitale* initiative that the use of smart cards in the health field produces clear benefits, including a speed-up of payments, improvements in cash flow for poor recipients (who no longer have to pay a percentage of their health costs in advance and wait for reimbursements), avoidance of duplicate examinations, avoidance of medical errors due to lack of information (e.g. about previous diagnoses or drugs taken) and savings in administrative costs.

6.2.3 Innovative use of ICT to provide on-line access to welfare information

The case studies also revealed a variety of innovative uses of ICTs to improve access to information about welfare benefits and make this often highly complex information easily comprehensible to citizens who may have limited education, poor language skills or disabilities that affect their communication abilities.

The *Patronati* in Italy and the Citizens Advice Bureaux in the UK provide examples of the use of intermediaries to ensure that advice and information reaches citizens in disadvantaged groups. In France, the CEDRE simulator provides citizens with easy-to-understand information about the pension they can expect to receive, which enables them to make informed decisions about when to retire. Several cases also involve the provision of kiosks in public places, sometimes with human helpers on-hand to give advice on how to use them, to enable direct access to online information.

A side-effect of all these schemes is that the more they are used, the greater is the reduction in administrative costs for public administrations.

6.3 Recommendations

It would of course be presumptuous of the LAW project to give general advice to Member States on their overall eGovernment strategies. However it does fall within the project remit to draw attention to those particular aspects which are particularly relevant for the improvement of labour markets and the avoidance of social inclusion.

Here, there are some clear lessons to be learned from the case studies that could usefully be built on.

Local and regional pilots are a good way to develop innovative good practice at minimal cost for subsequent national roll-out. It would be useful to investigate the extent to which this approach can be adopted at a European level, especially to facilitate a rapid catch-up in New Member States, without jeopardising distinctive national traditions and welfare models.

Many of the benefits of eGovernment schemes only accrue at the later stages of a project (once the initial processes of digitisation, 'joining up' and reorganisation have been carried out). It is therefore important that evaluation methods are developed that make it possible to set future benefits against immediate costs. This implies setting in place clear performance and indicators and reliable methods to record them from the outset.

The detailed qualitative research of some of the smaller pilot projects demonstrates the importance of paying attention to user needs and as well as the administrative priorities of the service supplier. This includes ensuring simple and user-friendly interfaces, ensuring that the location and surrounding

environment of the access point is accessible and appropriate and taking care of the training and familiarisation of staff. In particular, the presence of human helpers alongside technological resources greatly increases the chances of success where socially excluded groups are involved. Attention should be paid to such details in allocating resources to eGovernment projects. Here, there is a need for further research, in particular to evaluate the usability of eGovernment initiatives from the perspective of those social groups most vulnerable to exclusion as well as from the perspective of staff working in service delivery.

7. eLEARNING

The second group of case studies carried out by the LAW partners concerned eLearning initiatives, with a particular focus on initiatives designed to enhance the skills of workers and job-seekers to enable them to participate fully in a knowledge-based economy, and initiatives which seek more generally to provide ICT skills to the population, especially groups at risk of exclusion, to enable them to participate as citizens in the knowledge society.

The fourteen case studies carried out are summarised in Table 7.1.

7.1 National value of ICT learning programmes

In recent years the national governments and authorities of the EU have attached increasing value to the problem of the digital divide and to eLearning as an appropriate means to diminish ICT related qualification gaps. This be seen as a result from the European Commission's eEurope 2005 Action Plan, launched at the Seville European Council in June 2002 and various other related EC initiatives.

The UK provides a clear example of a case where there are fairly high budgeted governmental eLearning strategies and programmes, aiming to support ICT-related further education. For instance the Open University (OU) invested £30 million in their eLearning strategy. Furthermore the UK government backed the e-Universities (UKeU) initiative with £55 million funding. Even if there were critical voices raising the question whether that money has been spent well, it is nevertheless apparent that authorities throughout the European Communities are willing to strongly support the European Commission's eEurope initiative. This comprises, among others, strategies to overcome severe competence gaps concerning ICT skills and literacy.

Despite this, it must however be admitted that the financial support particularly for those projects and programmes aiming explicitly at reducing the digital divide by addressing marginal groups like immigrants, low qualified or otherwise deprived people, is currently being reduced or even abandoned altogether. As we have learned from the case studies undertaken, most of them are more or less fighting for financial survival.

Given the sustained shortage of the public budgets a general withdrawal from programmes fostering low privileged labour market participants is to be observed at the moment. Complaints about current or future financial insecurities to a greater or lesser extent were a continuing message from almost all the projects interviewed. This mirrors the current general pattern of adjusting both the European and the individual national employment strategies. Facing the persisting weakness of the European Communities' economies, political strategies in favour of supporting the 'winners' instead of the 'losers' of the labour market changes, seem presently to be considered more helpful.

This overarching political paradigm shift cannot be appraised within the scope of the LAW project's work. But it is necessary to refer to the fact that this public withdrawal from funding programmes as presented in this report, appears to be aggravating than lessening the concern for eInclusion' which undoubtedly is still an important strand in public policy, as has been pointed out by the already mentioned Netherlands' ICT strategy report ('Rethinking the European ICT Agenda, 2004). One clear finding from the analysis of the data and interviews carried out in this research was that if policy makers wish to continue with their endeavours to further reduce the digital divide it will be necessary to provide ongoing funding and support to programmes that are aiming directly at empowering people who are lagging back from competent ICT utilisation. These results support the conclusion (quoted below) reached by the high-level expert eInclusion advisory group that the exhaustive provision of infrastructure, such as broadband coverage, whilst an important precondition, does not of itself ensure progress in reducing the digital divide.

Table 7.1 summarises the main findings from the case studies conducted by the LAW partners. It condenses particularly the results of the several SWOT analyses and serves as starting point for the final conclusions.

Table 7.1: Summary of selected and researched eLearning case studies

France	1. Self-Training and e-Learning
Objective/ Contents	Autonomous learning of French, mathematics, basic technological skills (initiation to Internet).
Actor/ Organisation	APP (ateliers de pédagogie personnalisée).
Target Groups/ Addressed	No specific TG, but overrepresentation of unemployed, low skilled, 73% over 26 y., 70% women.
Approach/ Methods	Training course is specifically designed to meet the participants' expectations and competences.
Outcome/ Impact	Reduction of unemployment/ enhancement of employment and participation in advanced training, 69% passed examinations, 60% reached their objectives.

France	2. Bus 'Cyberanjou'
Objective/ Contents	Mobile training centre in rural regions, aimed at reaching marginal groups (in a regional and a social sense).
Actor/ Organisation	APP / Formactive 49
Target Groups/ Addressed	Marginal groups in rural regions, 95% unemployed.
Approach/ Methods	Going to / Individualized support for those who generally are not being reached by traditional training centres.
Outcome/ Impact	No evaluation up to now, because recently launched; by improving ICT-skills, participants also improve basic skills.

France	3. Qualifying outside the walls
Objective/ Contents	Social and vocational reintegration of disabled people by additional training supply, flexible and well adapted courses, partly based on e-learning, to avoid long-term stay in traditional rehabilitation centres far away from home.
Actor/ Organisation	Joint network between ADAPT, several groups working for integration of handicapped (GIPH), specialized and traditional training centres (CRP), and private companies.

Target Groups/ Addressed	Seriously handicapped, strongly dependent on their care network resp. on their family, 60% women, 12% heavily handicapped.
Approach/ Methods	Individualized training courses, 50% of the training course in the training centre, 50% consists in e-learning and periods of on-job training in several firms or at home (tele-working).
Outcome/ Impact	Since 2002, 216 qualifying training courses have been carried out in several cases leading to employment (figures not available); first step to a structural change of training system for disabled people.

France	**4. Surfing the Internet (NSI)**
Objective/ Contents	Short time introduction to internet (about 14 hours; 28 hours for people with special integration difficulties), aiming to develop computer and internet competence (NSI certificate).
Actor/ Organisation	Ministry of employment, labour and social cohesion / Interministerial council of information society (CISI) / APP / National Agency for Employment (ANPE).
Target Groups/ Addressed	Unemployed people; in 2004: 57% women; 23% aged under 26 y. 64% aged 26-49, 13% over 50 years; education level mostly (63%) below upper secondary school.
Approach/ Methods	The aim is not to develop personal skills, but the ability to use this new tool: each person should be able to surf, communicate and search on the internet.
Outcome/ Impact	More than 400,000 certificates since 2001 (even though less than the expected 1 million); evaluation study is being conducted by end of 2005.

Germany	**1. 'Citizen go online'**
Objective/ Contents	Promotion of digital integration, resting on three pillars: provision with citizen-PCs, including internet; support and qualification by volunteer mentors; offer of courses (linking of language and computer courses).
Actor/ Organisation	City of Esslingen. Project is part of comprehensive eGovernment pilot project 'MEDIA@komm'. In addition, more than 20 companies and organisations were integrated (Public Private Partnership).
Target Groups/ Addressed	Most users with no (48 %) or little experience (31 %) in using the internet. Major part is elder persons (aged 56-65 y.: 38%; aged 66-75 y.: 19%; aged 75 y. and more: 8%). Good half women (54%.). Locations especially pointing at migrants (e.g. certain schools and youth centres) showed high percentage of foreigners.
Approach/ Methods	Hands-on learning approach; solving real everyday life problems. Recipients are taken from consumers' role and regarded as subjects able to systematically use media. Creation of settings supporting self-directed learning processes. Support by voluntarily engaged citizens (mentoring approach). The combination of Citizen-PC and mentors' support made an 'open-door' offer possible.
Outcome/ Impact	From August 2001 to September 2003 8,900 visitors were registered. The number of visitors increased continuously from 50 persons at the beginning to lately 600 - 800 users per month. Decentralised distribution of locations proved efficient. Especially locations outside the city centre revealed high percentage of users from the respective district.

	Mentors from most various groups of persons and ages could be won. Unlike other 'socially' oriented volunteer projects several men of younger and middle age assigned as mentors.

Germany	**2. The Women's Computer Centre Berlin's 'SelfLearnCentre'**
Objective/ Contents	Countering gender driven disadvantages at the labour market by particularly developing and conducting ICT related qualification means at all qualification levels. Gender mainstreaming and reducing gender related digital divide are two essential focal points of their work.
Actor/ Organisation	FrauenComputerZentrum Berlin (FCZB) - Women's Computer Centre Berlin.
Target Groups/ Addressed	Target group specific IT offers for female migrants girls teachers seniors work returnees unemployed academics.
Approach/ Methods	Wide range of methods, basic principals are as follows: IT-training has to be possibly applied to work on concrete institutional tasks; IT-training has to possibly regard and incorporate individual preconditions and experiences; eLearning has to be embedded in 'blended learning' (personnel accompaniment and support is essential). Recent launch of a SelfLearnCentre, based on various elaborate multi media eLearning modules
Outcome/ Impact	In the 'initial' IT course "no fear of computer's" designed for women job returnees, started in 1984, about 700 women have participated. In the meanwhile about 1,200 to 1,500 female training participants attend the FCZB per year. High integration ratios as regards the IT qualification courses for unemployed academics, like 'knowledge management'

Germany	**3. ICT qualification means for unemployed**
Objective/ Contents	Development and conducting ICT related further education aiming at reintegrating unemployed into the labour market.
Actor/ Organisation	Job Promotion Centre Essen.
Target Groups/ Addressed	Unemployed and those threatened by it with former work experience (in particular people made redundant). Unemployed and work seeking persons not being in the labour market yet (in particular younger people).
Approach/ Methods	Regional integration and linking. Continuous acquisition of projects and vacancies from organisations Anticipating search for new labour market developments in the region Interactive approach: developed best within the trainee model'.
Outcome/ Impact	Especially the ICT qualification measures with extensive on-job-trainee-phases to be attended in involved companies perform successes in form of integration ratios (integration in regular labour market) ranking from 70% to 90%. These extraordinary results are being achieved particularly with the 'trainee model' concept.

Italy	**1. Giano Project**
Objective/	Improve workers' skills and knowledge in the English language, ICT tools

Contents	and using the internet; based on self-learning, on-line tutorship provided by experts, and cooperation and exchange among users.
Actor/ Organisation	Supported by the three main Italian labour unions, implemented by three associations specialised on training, performed in 33 firms.
Target Groups/ Addressed	Employees of small and medium enterprises (region of Lazio); 47 participants (22 in IT-course, 21 in English-course and 4 in both).
Approach/ Methods	E-learning module based on individualised analysis of needs / requirement of the employees as well as requirements of the firms (assessment-based); 35 hours, of which 30 done online and 5 in the classroom (blended learning).
Outcome/ Impact	Final evaluation: according to personal training documentation, 85% of participants achieved a positive evaluation; the remaining 15% dropped out. (Less firms participated than intended before; less employees participated than had been interested before.)

Italy	**2. IT Emancipation – A project directed towards women**
Objective/ Contents	Improve employability, the chances of equal opportunities and of a better quality of life: working and maintenance of hardware, use of software, IT as a job, IT and family.
Actor/ Organisation	Lazio Regional authorities.
Target Groups/ Addressed	Unemployed women and housewives; 20 participants.
Approach/ Methods	Embedded in a regional network (public administration, associations, civil society organisations), the 120 hours course is adapted to individual competences (basic assessment); tests halfway and at the end.
Outcome/ Impact	Improvement of employability and reconciliation of family and working needs. (It showed to be difficult to include housewives.)

Italy	**3. FADI - Long distance learning for enterprises regarding new telecommunication technologies**
Objective/ Contents	Improvement of ICT-skills, either to keep up with changes within the work organization, or to be able to find a different job, if unemployed.
Actor/ Organisation	Labour Ministry, SMILE project, regions of Lombardy and Abruzzo; common performance by employers and employees.
Target Groups/ Addressed	Employees of small and medium enterprises (SME), and unemployed; 207 workers in 37 enterprises.
Approach/ Methods	Assessment of employers' and employees' needs led to 9 types of personal training courses (4 ITC themes, office automation, internet, e-commerce, system security, and work place security); method of self learning, tests halfway and at the end.
Outcome/ Impact	Satisfactory results: 2,353 didactic hours completed; successful completion by 84%, drop-out 16% of participants; 57% satisfied; 68% appreciated the involvement in a new learning method, 69% found the contents of the programme interesting; 70% passed final examination on first attempt.

United Kingdom	1. Learndirect
Objective/ Contents	Learndirect's adviceline and network of Learndirect provision aims to improve individuals' employability and organisations' productivity and competitiveness by IT-courses.
Actor/ Organisation	University of Industry (established by the Ministry).
Target Groups/ Addressed	People who need help with basic skills, lone parents, minority ethnic groups, unemployed people, disabled, people over 60, SMEs; 1,770,000 Learndirect learners since April 2000, more likely to be older, female and less qualified than overall learning population.
Approach/ Methods	Courses on basic skills (e.g. national certificate in Adult Literacy & Numeracy), IT courses, business & development, languages, and advice on modern apprenticeships.
Outcome/ Impact	2000 Learndirect locations in England, Northern Ireland and Wales; 578 Learndirect courses available, 415 courses delivered exclusively online, 115.000 online tests since April 2003; Learndirect course up-takes since April 2000 approx 4.07m; 46 percent of evaluation respondents stated that they had experienced a job-related change.

United Kingdom	2. UK Online
Objective/ Contents	Provides computer access to people in various communities and thus helping them to acquire new skills.
Actor/ Organisation	Department for Skills and Education, University of Industry.
Target Groups/ Addressed	People who need help with basic skills, lone parents, minority ethnic groups, unemployed people, disabled, people over 60, SMEs.
Approach/ Methods	Centre provides access to computers and the Internet (free or low costs) to help people develop computer skills; trained staff and volunteers give advice and support.
Outcome/ Impact	6000 UK online centres located in libraries, community centres and schools; over 60% UK online centre users were from the target groups and 74% were 'digitally excluded'; 84% said that they learned new skills.

United Kingdom	3. Age Concern
Objective/ Contents	Provides a variety of services such as day care and information; computer access and IT training for elderly people.
Actor/ Organisation	Age Concern (charity).

Target Groups/ Addressed	People over 50 without access to ICT and ICT skills.
Approach/ Methods	Portable computer equipment (Mini-Explorer bus with 11 laptops and additional equipment) can be brought to day centres, residential care homes and sheltered housing.
Outcome/ Impact	Using 4 buses, it is planned to reach 1000 people a year in the South West region (but lack of evaluation).

United Kingdom	**4. Lambeth e-Learning Foundation**
Objective/ Contents	Provides support to disadvantaged children's and adults' educational and vocational skills, confidence and quality of life through technology based projects.
Actor/ Organisation	Local authority (inner London district, population of around 260,000).
Target Groups/ Addressed	Hard-to-reach groups in the borough (elderly people, individuals with mental health problems, families from a refugee or asylum seekers background, etc).
Approach/ Methods	Deliver innovative ICT learning opportunities tailored to people's needs, providing a more flexible approach (e.g. by offering ICT access at people's homes or in the evening)
Outcome/ Impact	No systematic programme evaluation; computer facilities are always fully booked in the evenings, giving access to around 300 individuals a month (Programme admits difficulties to reach the right people; initiatives are most successful with young children and adults who are already familiar with computers).

7.2 Findings from LAW eLearning case studies

The general findings and conclusions from the 14 case studies examined by the LAW project may be summarised as follows:

7.2.1 eLearning is most effective if related to real matters and problems

One of the nearly universally reported experiences from the interviewed eLearning experts is, that 'plain' ICT training, like e.g. text processing, spreadsheets or databases courses, is much less successful as a training strategy than designing learning situations where ICT skills may be acquired on the basis of treating real-life problems or demands.

As regards broadening general ICT literacy and basic skills, apart from specific job qualifications, ICT training offers can be combined e.g. with language issues (e.g. for immigrants or business English, as the Italian Giano project shows), or it may be integrated in eGovernment-related training, as the German 'citizen go online' project shows. The Age Concern project reported from UK as well takes its starting point from helping the elderly to gain access to Internet information, precisely because the are rather cut off from access to other information sources and participation opportunities that younger and more mobile people can have.

As regards job-related ICT training it became obvious that the more these courses are integrated into dealing with real companies' internal issues, the more successful they are. Illustrative examples for this interrelation are the reported experiences from the Women's Computer Centre Berlin or the 'trainee model' developed by the Job Promotion Centre in Essen. A similar result can be observed in the Italian FADI project, where the long distance learning project started with a comprehensive initial phase, investigating the concrete training and qualification needs expressed by the companies within the region concerned.

7.2.2 Successful eLearning initiatives are adapted to regional particularities

Another striking finding from the studies was that almost all successful projects feature a specific regional, at least a decentralised approach. The UK Learndirect programme, for instance, has been organised on the basis of about 2,000 local learning centres. And the Lambeth eLearning foundation shows a kind of bottom-up community or street work approach, when they go to disadvantaged families in the Lambeth borough to motivate their children and provide them with ICT access and utilisation. The 'Cyberanjou' bus project also features a strong 'on the spot' approach, driving to remote rural or disadvantaged regions and trying to pick up and motivate in particular the unemployed or people otherwise fallen behind.

Above all, the quality and success of job related eLearning depend strongly on a regional or local embedding. Only if job related qualification offers exactly meet the actual work force demand emerging in the nearer region, are they able to support labour market integration. As the Job Promotion Centre in Essen has shown, this task requires continuous liaison with the local employers, in order to assess the current and, particularly, the region's future work force demand. As experience from labour market research shows, many unfortunate further education measures have demonstrated that providing qualifications on the basis of historical demand, even if this existed quite recently, does not necessarily meet the actual market demand in the present – even if these qualification measures were very successful in the past. For this reason, job related eLearning offers need to be designed in a very close contact to local companies, chambers of commerce etc. and flexible enough to respond rapidly to change in the local labour market.

As a lesson learned we can conclude that there is little demand for universally valid ICT qualification and skills, but rather for specially shaped ones.

7.2.3 eLearning must take account of and incorporate individuals' preconditions and competences

In the same way that ICT related qualification must be specifically shaped in order to meet the demands for skills, it is also necessary to take account of the supply side, that is, more precisely speaking, the experience, aptitudes and aspirations of the individual. Successful eLearning opportunities pay attention as much as possible to the specific experiences and competences the participants bring along. It has been reported repeatedly that disregarding the individuals' preconditions and particular (working) experiences leads, as a rule, to discouragement and waste of money. There are few exceptions only, when one-fits-all solution can be looked upon as appropriate and reasonable. Normally eLearning programmes should be designed on a modular basis, so that the individual precondition, interests and abilities can be taken account of and respected appropriately. This important finding on refers on the one hand to the design of the eLearning setting and on the other to an emphasis on the importance of individualised support, supervision and coaching, as described below

7.2.4 eLearning needs personnel assistance: it must be part of 'blended learning'

Reviewing all fourteen presented case studies it turns out that none of the eLearning initiatives could succeed without personnel assistance. Regardless of target group or training content all interviewed eLearning experts have emphasised the important role of - at least partial - personnel presence and advice. The essential keyword is 'blended learning', explicitly referred to by almost every interview partner.

Rather demanding ICT qualification courses, like the Italian Giano project, targeted among others at SME managers, as well as projects with lower technical aspirations, like the French 'Cyberanjou' bus project or the Learndirect programme from the UK have emphasised, either the crucial importance of the presence of personnel tutors, or the necessity of a well-balanced combination of classroom and online training. Most notably the recently launched Self Learn Centre of the Women's Computer Centre in Berlin, which is fundamentally based on elaborated, interactive modular designed 'high-tech' self-learning tools, has impressively proved the importance of 'blended learning'. Without the continuous alternation of self learning and tutorial phases, most of the Self Learning Centre's attendees would have given up their courses.

The latter point shows quite plainly that measures, programmes or courses aiming at reducing the digital divide, are dealing in the first instance with people that are not experienced in self learning. They are to a considerable extent not capable of getting along with computer-aided self-learning programmes on their own, although this may be the case for well skilled ICT experts, attending high level training courses. As already repeatedly quoted, successful, effective and efficient ICT training means addressing rather disadvantaged people and needs to consist of more than providing for the technical side, comprising hard and soft ware. The 'personnel side' concerning teaching, backing and motivating is decisive as well. If this report has contributed to underpin this aspect and put forward this idea to national and European decision-makers, being responsible for implementing eInclusion action plan and other initiatives alike, the LAW project's work on the eLearning issue would have been worthwhile.

7.3 eLearning strategies for groups at risk in the Information Society

The four concluding points discussed above present a summary of key conclusions from the LAW project's case study analysis in the area of life-long learning. These factors should be looked at as general *success factors* of effective eLearning initiatives, especially designed to support the unemployed and other disadvantaged groups at risk. Importantly, these conclusions represent basic quality-assurance criteria which can be drawn upon if, for example, decisions about the continuation of funding for eLearning initiatives have to be made.

These key points can be seen as useful recommendations for policy makers as they can help to assess whether, or to what extent, eLearning programmes have an impact on the reduction of levels of social exclusion. Reduction of social exclusion and thus reducing the digital divide via efficient eLearning initiatives is a relevant matter that concerns our welfare systems and sustainable solutions. For practitioners in the field of lifelong learning it is clear that there is a direct relationship between supporting such initiatives and the stability of welfare systems.

Table 7.2 Impact and importance of eLearning approaches (success factors) by risk groups

Groups at risk in Information Society	Success factors of inclusion-related eLearning			
	Real life reference	Regional embedding	Individually shaped	Blended learning (personal teaching and backing)
Low qualified	X		XX	XXX
Young adults	XXX	XX		XX
Older worker	X	XXX	XX	
Women with children		X	XXX	XX
Migrants	XX		X	XXX

XXX decisive importance
XX high importance
X still significant importance

In order to relate these success factors more directly to the particular risk groups which have been identified at the beginning of the LAW project's second phase (see D.2.1), the different impacts of these factors on these groups are summarised in Table 7.2. It should be noted however that assessing the impact of elearning on each of the identified risk groups can only be done in a limited sense because the advantages of different learning approaches do overlap and there is no point in repeating advantages for all groups at risk. In addition, figures on the eLearning initiatives that have been made available to us do not necessarily offer a breakdown of impact by specific group but commonly target their initiatives to a range of disadvantaged groups.

7.3.1 The low qualified

As we have learned from the examples of UK LearnDirect, the Women's Computer Centre Berlin, the Italian Giano project and the AAP (ateliers de pédagogie personalisée) in France, a combination of individually shaped eLearning settings and a well balanced blend of personal and computer based learning surroundings are the best preconditions for successful and effective eLearning for low qualified participants. Particularly because low qualified persons are not often used to self -learning, the supportive and coaching role of tutors and teachers are predominantly important here. Almost equally important is individualised design. Low qualified persons normally bring negative experiences from previous learning. Thus eLearning must be tailored to their individual skills, abilities and experiences in order to avoid frustration or a repetition of negative experiences. This is confirmed by the commonly high dropout rates from the standard qualification and training courses (e.g. standard basic PC courses), which are usually offered to the low qualified unemployed.

eLearning for low qualified persons normally aims at providing basic ICT skills in order to enable them to use computer and the Internet, thus the demands of regional labour market are not very important in this context. Since training ICT specialists and skilled experts do not play a role in these initiatives, taking account of the specific regional workforce demand can be considered as secondary.

7.3.2 Young adults

Young adults, as one of the most important groups at risk, often have negative experiences with schooling or other training. Therefore the most important feature of promising learning and training opportunities to youngsters with fragmented learning biographies needs to take a different form creating a non-academic, ' standard' learning environment. Thus the more eLearning initiatives succeed in creating non-school, effective learning environments, the more they are able to give early school leavers and other dropouts an opportunity to cope with their impending social exclusion. Naturally, the earlier in life exclusion is experienced, the more harmful and irreversible it is, which in turn has a negative impact on welfare systems.

Successful eLearning for young adults does not aim at providing purely official academic qualifications but concentrates more on the acquisition of specific job-related skills and qualifications. Here, the close observation of the regional labour demand is essential, too. Initiatives offering young people job-related training and qualification should be required to give high importance to the development of training concepts that are directly relevant to the local labour market.

7.3.3 Older workers

A couple of things have to be said regarding occupational training and further education addressed in particular to older workers who have been made redundant in relation to the demands of regional labour markets. Older workers', in particular, must be given qualifications that meet the current and future needs of local businesses. This is because of older workers' low regional mobility (caused by potential obligations to family). Additionally, employers are often not interested in employing older workers. For these reasons older workers do have greater chance of entering new employment if their qualifications and skills exactly fit into the local businesses' labour demand. Suitable work experiences from former job(s) often constitute a further advantage for older job seeking people. These need to be built on and, if necessary, adapted to the requirements of new employers.

In relation to eLearning, this means that successful ICT training for older workers requires training concepts which address individual job experiences and link them with the actual labour force demand. This has been demonstrated by the Job Promotion Centre Essen with its trainee concept.

Individually tailored teaching solutions, including references to real life situations (for motivational reasons) are of great importance. Older worker seeking new work normally do not require specific personal support. They are experienced, willing and able to learn. Furthermore learning approaches should include custom-tailored qualification, related to local companies' demands and a praxis-related hands-on approach.

7.3.4 Women with children

With regard to the eLearning requirements of women with children it is important to note that they are not by any means a homogenous group. The greatest area of similarity between them is that they normally need a high degree of flexibility. A training concept providing flexibility is probably the most important feature of successful eLearning opportunities for women with children. Thus this is a target group where eLearning can reveal all its advantages by offering much more flexibility than many other more traditional approaches.

For women job returners it has been shown that the provision of a convenient, non-stressful learning atmosphere is of great importance.

For immigrant women or those from other disadvantaging backgrounds personal assistance and support becomes more important. This was another important conclusion from the German Women's Computer Centre in Berlin.

Job experiences and skills of women with children, in particular those of job returners, are often a little bit out of date. Here it is important to design ICT training that meets the current demands of the local labour market. The local aspect is of great importance because women with children are almost completely geographically immobile.

7.3.5 Migrants

elearning solutions for migrants require consideration of language barriers and the design of products in different languages. Thus very intensive, personal teaching and support, ideally bilingual, is of most importance for this target group. This group of course includes people who are disadvantaged at different levels (e.g. asylum-seekers or refugees). Thus the learning solutions offered to them must encompass social and motivational support. For these reasons eLearning targeted at specific migrants' needs essentially need to be highly blended with a supportive approach. We found that the most appropriate and successful eLearning settings for migrants are those combining ICT training with language courses.

8. COMBATTING THE DIGITAL DIVIDE IN NEW MEMBER STATES – THE CASE OF POLAND

The third study carried out in the final phase of the LAW project focused on tackling the Digital Divide in New Member States, with a particular emphasis on labour markets and welfare systems.

To have carried out a detailed study in each of the ten New Member States would have been far beyond the resources of the project, given the enormous diversity of these states in terms of their economic, social, political and cultural histories, institutional legacies and industrial and demographic structures. It was decided therefore to use a two stage approach.

In the first stage, existing survey results and other data sources were analysed in order to produce a comparative picture of progress towards a knowledge-based society. This comparison was a double one, in which the New Member States in Central and Eastern Europe were compared both with the 'old' member states and with each other. This was essentially a quantitative exercise and no attempt was made at deeper qualitative analysis.

In a second stage, a much deeper analysis, including a qualitative dimension, was carried out in Poland, which was taken as a representative case. Of course, given the diversity of the New Member States, no individual country can be said to be 'typical' in any general sense. However it was felt that Poland illustrated a broader range of both the challenges and the opportunities faced by all the Member States more completely than other case would have done. This is for several reasons:

Poland has by far the largest population of all the New Member States. This means that it faces a 'challenge of scale' in all the economic and social problems that it is confronted with. Problems that exist to some extent in all New Member States may be so limited in some countries, because of their small size, that they are difficult to identify from the statistics and may be susceptible to relatively informal or one-off solutions. In Poland, the scale of each problem is likely to be such that it needs to be formally addressed by policy-makers.

One particularly important dimension of this challenge of scale is the very large rural population, with a high risk of economic and social marginalisation (as well as exclusion from access to infrastructure) during a period of economic restructuring. Other New Member States also have a problem of rural economic exclusion too. It could, however, be argued that Poland presents the most intractable problem here. It follows from this that solutions that work in Poland are likely to be exportable elsewhere.

The 'problem of scale' is also particularly evident in relation to Poland's huge unemployment problem. High unemployment is unfortunately typical of most New Member States however it is strongly magnified in Poland by the size of the population affected.

Poland was historically significantly in advance of most other Member States in its progress towards economic liberalisation and the development of a market economy. It thus presents a more developed range of institutional and policy approaches than other New Member States whose modernisation is more recent.

In the modernisation of its pension system, Poland has developed a state-of-the-art eGovernment solution which is more advanced than those in most 'old' member states as well as those of other New Member States. It therefore represents an extreme in terms of good practice, as well as an extreme in terms of some of the challenges it is faced with.

Finally, it was Poland that took the lead among the New Member States in developing the eEurope plus action plan and other initiatives aimed at developing a knowledge-based economy. It can therefore be seen as more likely to have 'home-grown' information society policies, rather than taking them 'off the shelf' from elsewhere for local adaptation. This makes it a particularly fruitful subject for analysis in the context of the LAW project's goals.

In many ways, therefore, Poland represents in microcosm a broad spectrum of both the challenges and the solutions facing New Member States in the transition to a knowledge-based society in line with the Lisbon goals of combining economic efficiency and competitiveness with employment creation and social inclusion.

8.1 Conclusions

Since the beginning of 2000, the Accession countries have taken measures to meet the requirements posed by the Lisbon Strategy in the area of building a knowledge-based economy. The growth engine of this process is supposed to be the building of an ICT-based Information Society.

The benchmark studies carried out in the group of accession countries (currently also partially – New Member States) showed that the level of development of Information Society varied from one country to another, which was evidenced by various technical access indicators and the way of using ICT technologies including the Internet (both on the supply and demand side).

Poland, although in the lead in terms of economic reforms, general liberalisation and economy privatisation, does not occupy a high position in terms of Information Society development when compared with the other New Member States, and even less so in comparison with the old Member States. This is in part a result of its demographic difference from other New Member States, with a much larger population, much of it dispersed in rural areas.

One could say that the Digital Divide between Poland and the rest of EU states is deeper than in the case of many other New Member States. Additionally in Poland there are international divisions in various sections making the development of Information Society more diversified.

The existing Digital Divide between the European Union and Poland and inside Poland already today has negative impacts. In the first dimension Poland in accordance with its economic and social capacity is not able to a full extent to become an operational part of the overall economic system of the European Union.

In the second dimension the social categories in an inferior situation – often the social categories at risk (mainly the jobless or people threatened with unemployment) - may not enjoy the benefits that would be needed by them to curtail the risk of unemployment and poverty.

In Poland the central government and many other are aware of the need to undertake urgent actions in favour of supporting the development of an Information Society, to a large extent, in relation to the EU requirements under the Lisbon Strategy.

A decisive factor for Digital Divide reduction will be the raising of awareness and undertaking actions listed in the government documents quoted above. The Digital Divide reduction will allow for better utilisation of e-administration including social security. In the Polish context is of special importance to use ICT to improve the situation in the labour market.

The role of ICT within welfare systems in Poland is foreseen but not yet fully realised. There are some programs partly in use in the field of social assistance and various benefits for unemployment. At this stage these programs rather deliver information to the institutions allowing them to control expenditures and to identify the beneficiaries.

For obvious reason in a country with high unemployment the focus of many institutions is on helping people to find a suitable job. There is much effort in this direction. These efforts are not as effective as expected due to institutional problems at various level of government and technical barriers still existing in Poland in access to the Internet. Also the society, especially the groups in unemployment or in danger of unemployment, do not necessarily have the knowledge of using the Internet as a means to improve their position on the labour market.

Nevertheless, there is much hope for the improvement of the labour market situation in the future.

The existing Digital Divide results in a divide to access and information on social security systems. Not all of social security systems are accessible by the Internet. The Social Insurance Institution provides wide information for their customers and the possibility to apply for benefits via the Internet is foreseen in the near future. It is also envisaged that e-health services will develop.

The Social Insurance Institution (ZUS) has introduced ICT extensively. It is argued that this has contributed to building the Information Society since all employers had, as a result of social insurance reform, to use ICT for contribution payment. In a way then the social insurance reform can be said to have contributed to lessening the existing Digital Divide at least at the level of business entities.

In many ways, therefore, Poland represents in microcosm a broad spectrum of both the challenges and the solutions facing New Member States in the transition to a knowledge-based society in line with the Lisbon goals of combining economic efficiency and competitiveness with employment creation and social inclusion.

On the one hand, with its large rural population and institutional legacies from the past, Poland typifies the major 'catch-up' challenge that all New Member States face in their differing ways in bringing their levels of infrastructure, public access, education and employment practices and economic development up to a standard that matches that of the more advanced states.

On the other hand, the award-winning[1] modernisation of the Polish pension system (in a major transition from a traditional socialist model to a completely individualised one) demonstrates that it is possible to develop large-scale state-of-the-art eGovernment solutions for welfare services that are considerably in advance of those of most other Member States.

It is possible to conclude, therefore, that the lack of a more recent legacy of incompatible systems and deeply embedded institutional structures and practices may constitute an advantage as well as a challenge, making it possible to learn from the mistakes of others and leapfrog directly to the sorts of advanced solutions that are appropriate for an inclusive knowledge-based society.

[1] This scheme won an EU award for eGovernment Best Practice in Manchester in November, 2005

9. ICTS, SOCIAL INCLUSION AND WELFARE IN EUROPE – GOOD PRACTICE AND POLICY RECOMMENDATIONS

The final conference of the LAW Project was entitled *Social Inclusion and Welfare in Europe: Showcasing Good Practice*, held at the Centro Congressi Cavour in Rome on November 4-5, 2005.

The aims of the conference included:

- dissemination of research findings from the LAW project
- Showcasing innovative good practice solutions from across the EU
- Taking the policy debate forward

The conference was well attended with some presentations reported the results of the project's research and summarising developments in the restructuring of labour markets and welfare systems in the transition to a European knowledge society, whilst others highlighted good practice examples in the fields of eLearning, eGovernment and combating the digital divide in European Member States. It concluded with a round table discussion involving a range of stakeholders.

Full proceedings of the conference, together with all the other results from the LAW project can be found on the project website www.law-project.org

In addition to presenting the results of the project's research (summarised in the preceding chapters of this report) the conference also heard several expert presentations discussed a number of case studies of good practice in the use of Information Society Technologies to develop initiatives to enhance the functioning of labour markets and welfare systems and promote social inclusion. These included:

An analysis of ICT and labour market changes and the resulting social risks from the perspective of labour law, drawing on examples from Italy

An analysis of the restructuring of welfare systems and the implications of social equality, drawing on examples from Germany

The Digital Opportunities Project, an ambitious eLearning initiative designed to promote social inclusion in Germany

The Celine Project, putting sickness certificates online in Italy

The CEDRE Project, an online pension simulator in France

The eBenefits Project, providing online access to benefit entitlement in the UK

An analysis of ICT, Social capital and the quality of live in Europe, from the SOCQUIT project

An overview of eGovernment policy in the UK

Research on success factors in social inclusion of ethnic minorities in Germany.

A trade union perspective on welfare reform in the EU

The strengths and weaknesses of on-line recruitment – a perspective from a national employment agency in Italy

The challenges posed to employment law by labour market restructuring and technological change

Policy responses to the new labour market and welfare challenges from the perspective of a New Member State.

9.1 Conclusions

Some of the main conclusions that can be drawn from the conference include:

There are large variations in progress towards a knowledge-based economy in different member states – hence a need for a more differentiated analysis

There is a need for policies that address employment status – especially the issue of labour subordination – in order to ensure equity and avoid exclusion in a flexible networked-base labour market

There is a need for some new thinking 'outside the box' on the future of pensions and welfare systems in the EU

There is a need for more research and debate at the EU level about the interactions between labour market changes and welfare systems

Skills are of crucial importance in a knowledge-based-economy; a lack of skills carries with it a serious risk of long-term unemployment

To avoid social exclusion, investment in people (especially helpers and intermediaries) is more important than investment in technology

Learning should be individually tailored

Learning should be rooted in real-life experiences

Learning should be tailored to the needs of local stakeholders

There is a need to make a convincing case that long-term savings will result from short-term investment in the case of many eGovernment schemes

This implies a strong need for careful evaluation of pilot projects – including a need for research in advance to ensure that appropriate indicators are identified and relevant information collected from the outset

The strategy of regional pilots for eGovernment schemes seems to work well. Possibilities for international extension should be investigated

There is a need to disseminate information about good practice.