



# PILLARS – Pathways to Inclusive Labour Markets: The case study of the Pays de la Loire region

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# 1 Introduction

Pays de la Loire is in the North-West of France. The region had 3,85 million inhabitants in 2021 and can be described as a medium urbanized region, given its population density of 118 people per square km in 2019 (slightly higher than the French and EU average). The region's capital is Nantes, which is France's 6<sup>th</sup> largest city with 315,000 inhabitants and a metropolitan area of 1 million. The city chairs the governing bodies of the region, being home to the regional council of the Pays de la Loire (Conseil Régional du Pays de la Loire).

The median age of population in Pays de la Loire is 42.1, lower than the EU median (44.1), whereas the region's old age dependency ratio of 35.4% is above the EU average (33%). Pays de la Loire has been expanding its population (4% between 2014 and 2020), mainly due to the influx of migrants: net migration is persistently positive and has been growing over the past years. Despite the number of migrants is still low (0.6% of the total regional population), the steady increase in net migration reveals a growing attraction to the region.

In Pays de la Loire, 40% of the working age population has tertiary education. This is slightly below the country average, 41.6%, in 2022. Qualification levels in the region are in line with the country average, both high: 70.6% of the 15-24 population is enrolled in tertiary education (21.50 percentage points of which are enrolled in vocational education).

Pays de la Loire is an industrial region and ranks first in the list of French regions with highest manufacturing employment share.<sup>1</sup> The region is a reputable fashion and furniture manufacturer, and some other key industries of the region are agri-food, metallurgy, machine manufacturing, aircraft construction, ship building, wood industry and oil refinery.

There are 9 industry clusters in the region that stimulate overall economic development and innovation. These clusters have important knowledge and economic spillovers, contributing to regional economy's resilience. These are the clusters and their sectors of specialization:<sup>2</sup>

- Atlanpôle Biothérapies (Nantes): cellular therapy and gene therapy, immunology/immunotherapy;
- Elastopôle (Nantes): materials, environment;
- EMC2 (Nantes): metal assemblies, complex composites;
- iD4CAR (Nantes): vehicle materials and architecture, on-board systems intelligence;
- Images et réseaux: digital innovation at the crossroads of technology and use;

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<sup>1</sup> <https://www.pole-emploi.org/regions/pays-de-la-loire/actualites/juillet2022/le-marche-du-travail-en-pays-de-la-loire.html?type=article>

<sup>2</sup> [https://eures.ec.europa.eu/living-and-working/labour-market-information/labour-market-information-france\\_en](https://eures.ec.europa.eu/living-and-working/labour-market-information/labour-market-information-france_en)

- Mer Bretagne Atlantique (Grand Ouest): maritime safety and security, ships and boating, energy resources and marine mining (deep offshore and renewable marine energy) etc;
- Valorial (Grand Ouest): milk and derived products, egg products and derived products, meat and derived products etc;
- Végépolys (Angers): varietal innovation, plant protection, plant and health, horticulture and urban landscape;
- S2E2 (Nantes): electronic components, communicating and intelligent systems.

Total population in 2021	Population density (persons per square km) <sup>1</sup> , 2021	Average crude rate of net migration plus statistical adjustment (2013-2020)	GDP per inhabitant in PPS (% of EU-27 avg. from 2020 average) in 2021	Tertiary education attainment (ages of 30-34), 2021 <sup>2</sup>
3,818,421	118.3	4.1%	93%	49.7%

## 2 Overview of the labour market in Pays de la Loire

### Labour market trends and key skills in demand

In 2021, Pays de la Loire had a historically low unemployment rate of 6%. The region has a very attractive labour market with a lot of young people entering its labour force, and a high degree of female labour compared to the national level. The number of employees in the region has increased 12.7% of the past 10 years.<sup>3</sup>

The region experiences a high demand for both low- and high-skilled workers, especially in creative and healthcare industries. The concentration of labour demand in very high skilled occupations and low skilled occupation shows evidence of labour market polarisation, which has been attributed to technological transformation. Some sectors encounter difficulties in recruiting labour, due to a lack of available skills needed to perform specific occupations (such as health related occupations) and a lack of jobseekers in some sectors (e.g., in the hospitality, tourism, and construction sectors). The combination of historically low unemployment rates

<sup>1</sup> The EU average population density in 2021 was 109

<sup>2</sup> The EU average of tertiary education attainment in 2021 was 41.5%

<sup>3</sup> [https://eures.ec.europa.eu/living-and-working/labour-market-information/labour-market-information-france\\_en](https://eures.ec.europa.eu/living-and-working/labour-market-information/labour-market-information-france_en)

and skill mismatches turns labour shortages jobseekers the principal challenge in the region. Recruitment has become more difficult since 2016, increasing the requirement for reskilling and upskilling the current labour force.

The number of executives is also rapidly increasing in the region, due to the presence of large company headquarters and the strong growth in digital technology, particularly in Nantes metropolitan area.<sup>1</sup>

### **Major job sectors/industries**

In 2021, Pays de la Loire's manufacturing sector employed 272,577 people, turning the sector into the largest employer in the regions (15.8 of all jobs). The largest industrial sector in the region is the agri-food industry, which accounts for 25% of the industrial activity in the region.<sup>2</sup> Consistently, the agricultural sector is also one of the most important sectors in the region. The sector employs roughly 30,000 people at a fulltime basis.

Registered jobseekers in this sector are mostly seniors and people having suffered long-term unemployment.<sup>3</sup> Both the agricultural sector and the agri-food industrial sector, together with the tourism industry (which employs over 45,000 people), heavily rely on seasonal trends. In fact, 28.8% of job postings placed at the regional job centre (Pôle Emploi) concern seasonal positions. Although this number is decreasing slowly, seasonality and precarious contracts are still very relevant, and an obstacle to quality employment.<sup>4</sup>

Another important sector of the economy of Pays de la Loire is the ICT sector. The sector has grown at an impressive rate over the past years and has been increasingly employing more people. Higher wages and permanent contracts have contributed to making the sector highly attractive, while many other sectors severely struggle with labour shortages. However, the ICT sector has also encountered difficulties in hiring workers for specific occupations, which may aggravate as other sectors improve their job offers.<sup>5</sup>

### **Key challenges on the labour market and vulnerable groups**

As mentioned above, the biggest challenge on the labour market in the region relates to recruitment difficulties. In fact, according to Pole Emploi, 64.3% of all vacancies currently

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<sup>1</sup> [https://eures.ec.europa.eu/living-and-working/labour-market-information/labour-market-information-france\\_en](https://eures.ec.europa.eu/living-and-working/labour-market-information/labour-market-information-france_en)

<sup>2</sup> <https://www.observatoire-emploi-paysdelaloire.fr/portraits-sectoriels/industrie-agro-alimentaire>

<sup>3</sup> <https://www.observatoire-emploi-paysdelaloire.fr/portraits-sectoriels/agriculture>

<sup>4</sup> <https://www.observatoire-emploi-paysdelaloire.fr/portraits-sectoriels/numerique>

<sup>5</sup> <https://www.observatoire-emploi-paysdelaloire.fr/portraits-sectoriels/numerique>

opened may be difficult to fill in, especially in low-skilled sectors where the demand for labour is highest and employment often has a seasonal character (thus, being less attractive).

Pays de la Loire also struggles with the uneven distribution of high-quality jobs across the territory. Seasonal work is more prevalent in some subregions, depending on the type of economic activity they perform, creating geographic unbalances. As expected, regions with a higher incidence of seasonal jobs are often rural areas. In these, over 50% of vacancies are seasonal, whereas in the more urbanized regions the figure drops to 15%. Vendée subregion, for instance, is home of extensive agriculture, especially vineyard cultures, and employs many winegrowers, an occupation which consists of 95.7% of seasonal positions.<sup>1,2</sup> Hence, workers in rural areas are more exposed to seasonal work and limited job opportunities.

As the unemployment rate among young people reaches the two digits (12.6%), regional policymakers have considered this a high priority. Programmes to increase young workers' engagement have been put in place in response. Other vulnerable groups on the labour market include individuals with low educational attainment, seniors (aged 50 and over) facing long-term unemployment, especially in the construction and tourism sector.<sup>3</sup> Lastly, migrant populations that arrive to the region to work also struggle to access quality jobs, so as access to housing and skill development opportunities. The high inflation rate registered since 2022 has aggravated living conditions, especially among demographic groups with more difficulties in accessing high-quality jobs.

Indicator	Data
Employment rate, 2021 <sup>4</sup>	69.9%
Employment in high-tech sectors, 2021 <sup>5</sup>	3.6%
Unemployment rate, 2021 <sup>6</sup>	6%
Youth unemployment rate, 2021 <sup>7</sup>	12.8%

<sup>1</sup> <https://www.pole-emploi.org/regions/pays-de-la-loire/actualites/juillet2022/le-marche-du-travail-en-pays-de-la-loire.html?type=article>

<sup>2</sup> <https://www.observatoire-emploi-paysdelaloire.fr/article/les-besoins-en-main-doeuvre-2023-pays-de-la-loire>

<sup>3</sup> <https://www.pole-emploi.org/regions/pays-de-la-loire/actualites/juillet2022/le-marche-du-travail-en-pays-de-la-loire.html?type=article>

<sup>4</sup> The EU average rate of employment in 2021 is 73.2%

<sup>5</sup> The EU average of employment in high-tech sectors in 2021 was 4%

<sup>6</sup> The EU average unemployment rate in 2021 was 7.2%

<sup>7</sup> The EU average youth unemployment rate in 2021 is 14.5%

Unemployment rate of males (15 years or over), 2021 <sup>1</sup>	6.0%
Unemployment rate of females (15 years or over), 2021 <sup>2</sup>	5.9%
Unemployment rate among individuals with less than primary, primary and lower secondary education (levels 0-2), 15 years or over, 2021 <sup>3</sup>	9.7%
Unemployment rate among individuals with upper secondary and post-secondary non-tertiary education (levels 3-4), 15 years or over, 2021 <sup>4</sup>	6.2%
Unemployment rate among individuals with tertiary education (levels 5-8), 15 years or over, 2021 <sup>5</sup>	4.6%
Labour market slack, 2021 <sup>6</sup>	13.2%

### 3 Technological transformation and policies/instruments to stimulate innovative and inclusive job creation

Pays de la Loire is considered a moderate innovator, based on the RIS data, meaning that its innovation performance is below the EU average. Overall, Pays de la Loire has been lagging on R&D expenditure compared to the national average (1.5% of regional GDP, as to 2.2% nationwide in 2019). However, in recent years, the regional policymakers have acknowledged the importance of innovation and promoted technological transformation in the industrial sector, assuming that it will stimulate productivity, competitiveness and future economic growth. As a result, the yearly R&D expenditure in the region has been increasing more rapidly than anywhere in France; for example, in 2022 the R&D expenditure increased by 28.1%. This increase is attributable to public policy aiming to increase the region's innovative capacity

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<sup>1</sup> The EU average unemployment rate among males (15 years or over) in 2021 was 7%

<sup>2</sup> The EU average unemployment rate among females (15 years or over) in 2021 was 8.1%

<sup>3</sup> The EU average unemployment rate among individuals with less than primary, primary and lower secondary education (levels 0-2), 15 years or over, in 2021 was 13.9%

<sup>4</sup> The EU average unemployment rate among individuals with less than primary, primary and lower secondary education (levels 3-4), 15 years or over, in 2021 was 7.6%

<sup>5</sup> The EU average unemployment rate among individuals with tertiary education (levels 5-8), 15 years or over, in 2021 was 5.4%

<sup>6</sup> The EU average labour market slack in 2021 was 14%

(public R&D expenditures increased by 36.5%), although the private sector also considerably increased their R&D expenditures (with 23.4%).<sup>1</sup>

In recent years, regional policymakers have acknowledged the importance of innovation and have been promoting technological transformation in the industrial sector to stimulate productivity, competitiveness and foster economic growth. As a result, yearly R&D expenditure in the region has been increasing more rapidly than anywhere in France, and in 2022, for instance, regional R&D expenditure increased by 28.1%, compared to the previous year. This increase is mainly attributed to public policy aiming to foster the region's innovative capacity, but also backed up by a rise in private R&D investments (23.4%).<sup>2</sup>

Investment in human capital has a central place in regional development. The Regional Strategy for Higher Education, Research and Innovation 2021-2027 is based on three ambitions that involve transformation of universities and research institutions in the region:<sup>3</sup>

- attractiveness of the university campuses (renovated, connected and open to the world),
- revelation of talents for the benefit of collective ambitions,
- development of the academic potential of the Loire region to support economic and societal transitions.

Over the period 2014-2019, the region has invested more than 17 million euros in scientific equipment and research collaboration. The new strategy has a strong focus on digital tools that will be supporting digital infrastructures (wifi, video-conference rooms, etc.), teaching techniques that utilise new digital tools for better learning outcomes. Furthermore, regional policymakers are committed to better interconnecting high-quality academic research and the industrial sector.

One of the most relevant policy instruments to promote a closer relation between academic research and the most relevant manufacturing sectors in the region is the establishment of technological research platforms dedicated to advanced manufacturing. These platforms are called Technocampuses.<sup>4,5</sup>

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<sup>1</sup> <https://www.paysdelaloire-eco.fr/ressources-analyses/innovation-recherche/depenses-recherches-developpement/>

<sup>2</sup> <https://www.paysdelaloire-eco.fr/ressources-analyses/innovation-recherche/depenses-recherches-developpement/>

<sup>3</sup> <https://www.paysdelaloire.fr/mon-conseil-regional/les-missions/developpement-economique/recherche-et-enseignement-superieur>

<sup>4</sup> <https://www.interregeurope.eu/good-practices/technocampus-ocean-tko>

<sup>5</sup> [https://data.teo-paysdelaloire.fr/explore/dataset/234400034-close\\_data-les-technocampus@paysdelaloire/table/](https://data.teo-paysdelaloire.fr/explore/dataset/234400034-close_data-les-technocampus@paysdelaloire/table/)

"Technocampus" are technological research platforms in Pays de la Loire, in France, dedicated to advanced manufacturing. They aim to gather industrial and academic players that work on advanced materials deployed in manufacturing strategic sectors, and stimulate closer collaboration between the stakeholders.<sup>1</sup>

In total, six Technocampuses have been set up:<sup>2,3</sup>

- Technocampus Océan - located in Bouguenais
- Technocampus Alimentation – located in Nantes
- Technocampus Electronique et l'Internet des Objets (Internet of Things – EoT) - located in Verrieres en Anjou
- Technocampus composites – located in Bouguenais
- Technocampus Smart Factory (specialized in industry 4.0) - located in Montoir de Bretagne (in the vicinity of Nantes)
- Technocampus Acoustique – located in de Le Mans

All Technocampuses are focused on different manufacturing sectors present in the region and contribute to the region's competitive edge. Technocampus Ocean (TKO), for example, is dedicated to marine structures and metallic materials. It encompasses industrial and academic stakeholders that work on developing innovative manufacturing technologies for shipbuilding and Manor Renewable Energy. TKO offers different resources, encourages interdisciplinary approach, collaborative R&D and technology transfer. Thus, it contributes to the excellence of Pays de la Loire in the maritime industry.

Technocampus have been effective in addressing the challenges of industrial competitiveness and technological transformation for the following reasons:

- The platforms focus on the development and innovation in industries that reflect the regional strengths/capabilities and are in line with smart specialisation;
- The platforms capitalise on synergies and competences/resources of all involved stakeholders and stimulates further collaboration within a local ecosystem;
- The platforms enable the creation of durable and inclusive employment. It does so for high-skilled occupations in the concerned sectors, attracting human capital; but also, for low-skilled occupations, as it provides a sense of belonging to the region, improving job satisfaction;

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<sup>1</sup> <https://www.technocampus.fr/en>

<sup>2</sup> <https://www.interregeurope.eu/good-practices/technocampus-ocean-tko>

<sup>3</sup> [https://data.teo-paysdelaloire.fr/explore/dataset/234400034-close\\_data-les-technocampus@paysdelaloire/table/](https://data.teo-paysdelaloire.fr/explore/dataset/234400034-close_data-les-technocampus@paysdelaloire/table/)



- One of the core objectives of the system is to provide infrastructure and publicly available spaces to stimulate collaboration and common research, better working conditions, increase of productivity and innovative output.

Regional policymakers also actively support innovative SMEs, by funding their expenditure in digital tools with high added value. The financial instrument is called *Plan Régional pour l'Economie Numérique* (PREN), which was launched in 2017. The adoption of new digital tools is expected to increase the participation of SMEs in global digital chains, raise their productivity, foster innovation activities and the value of produced products/services.<sup>1</sup>

Regional policymakers have also launched various programs and funds to leverage SMEs' potential and to increase the entrepreneurial activity in the region.<sup>2</sup> One of the key programmes is the "PDL Garantie" fund.

PDL Garantie fund seeks to financially assist SMEs and very small enterprises (VSEs). The financial support under PDL Garantie aims to increase capital availability to expand business activities, invest in R&D, purchase new technologies, and foster international cooperation.<sup>3</sup> It consists of a financial guarantee, facilitating 70-80% of the loan, in which 35% is provided by the region and the other 35% is provided by the French Public Investment Bank (Bpifrance).

The fund allows the company to reduce risks when contracting a loan, by (i) facilitating access to financial resources and (ii) providing advice on financial management. The fund is managed regionally through partnerships between the French Public Investment Bank and entrepreneurs.<sup>4</sup>

PDL Garantie has contributed to regional development, to the creation of new jobs, as well as, to maintenance of existing jobs. Success factors of the PDL Garantie include:

- The loans have 0% interest rate, making it attractive for companies to finance their expansion;
- The loans are re-injected into the business environment after they are repaid – because of this the program is sustainable;

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<sup>1</sup> <https://www.paysdelaloire.fr/les-aides/pays-de-la-loire-investissement-numerique>

<sup>2</sup> <https://www.solutions-pro-tourisme-paysdelaloire.fr/solutions/innover/le-dispositif-pays-de-la-loire-initiative-innovation/>

<sup>3</sup> <https://www.interregeurope.eu/good-practices/pays-de-la-loire-garantie>

<sup>4</sup> <https://www.cea.fr/presse/Pages/actualites-communiqués/institutionnel/systeme-regional-innovation-performant-region-Pays-de-la-Loire-CEA-inaugurent-trois-plates-formes-technologiques.aspx>

- The loans are taken up by approximately 40-50 companies a year, and in 2022 summed €27 million.

The high investments in innovation and growth of the industrial sector are expected to deliver 548,000 new jobs until 2030. These new jobs will account for 35% of the current jobs in the region, which is considerably above the average job creation rate across France.<sup>1</sup>

## 4 Policies/instruments to prevent and mitigate job displacement

Unskilled workers are more likely to face job displacement, as a result of technological transformation. Based on recent estimates, at least 2% of all jobs may disappear until 2030, due to the gradual adoption of labour replacing automation technologies across industries.<sup>2</sup> However, regional experts are, in general, very positive regarding the potential job-displacement effects of automation technologies, given that the job creation effect is much larger. There are expectations that employment will, in fact, increase, particularly in low-skilled occupations. Labour demand in occupations such as farmers, breeders, foresters, and lumberjacks, is expected to rise 17% by 2030.

Therefore, the key concern is not job displacement, but the lack of labour force. Some experts suggest that only by increasing the number of migrants, boosting labour productivity through trainings, extending working hours or introducing a pension reform the region will achieve its potential. However, some of these solutions are considered very controversial and may be hard to implement.

As these labour shortages coexist with a 6%-unemployment rate, one may assume that there is a potential mismatch between the stock of skills owned by jobseekers and the skills that businesses are demanding. Moreover, people in vulnerable groups encounter obstacles in (re)entering the labour market. All in all, active labour market policies remain essential to prevent/mitigate unemployment, and to promote swift transitions towards better jobs.

In view of the above, Pays de la Loire set four priorities in 2022:

- To increase accessibility of upper-secondary education and promote social awareness with regards to people with disabilities;

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<sup>1</sup> [https://actu.fr/pays-de-la-loire/nantes\\_44109/emploi-en-pays-de-la-loire-548-000-postes-seraient-a-pourvoir-dici-2030\\_58779890.html](https://actu.fr/pays-de-la-loire/nantes_44109/emploi-en-pays-de-la-loire-548-000-postes-seraient-a-pourvoir-dici-2030_58779890.html)

<sup>2</sup> <https://www.strategie.gouv.fr/publications/metiers-2030-region-pays-de-loire>

- To remove barriers to entry on the labour market for people with disabilities;
- To work towards universal accessibility of (public) mobility;
- To lead by example, the regional council invests in the accessibility to employment within public institutions in the region.<sup>1</sup>

Quality employer-employee matches are a top priority of regional labour market policymakers, and career guidance and specific trainings have been strategic mechanisms to that end. Furthermore, regional public employment services subsidise organisations/companies hiring unemployed people who find more difficulties in re-entering the labour market.

These schemes complement the set of unemployment benefits ensured by the French government, which apart from the unemployment benefit, include:

- Financial assistance for transport or getting a driver's licence;
- Financial assistance in the form of child care and the activity bonus which is a benefit that supplements the income of low-income workers.<sup>2</sup>

The Pays de la Loire's authorities are considered highly responsive to exogenous shocks affecting the regional economy in order to prevent mass job displacements. The region has then provided financial support to companies in need to strengthen the local business environment, avoid closures, and keep high levels of employment. Policymakers' response during the COVID-crisis is an example. One of the tools employed by the region is called PDL Redéploiement.

The PDL Redéploiement seeks to facilitate businesses access to credit. The financial programme aims to loan money to industrial firms that need liquidity or wish to expand their activity in times of less favourable economic periods (e.g. economic crises, inflation or sudden drop in revenue). It does so through flexible loans that are often not provided through conventional means because of not meeting relevant preconditions.

Since 2016, the project has provided 190 loans, varying between €50k to €2million, and summing up to €39million. This is proof of its large range – as it assists SMEs and larger companies when needed.

Some of the advantages for companies applying for the loans through this program are:

- Rapid and integral deposit;
- Non-taxable;

<sup>1</sup> <https://www.paysdelaloire.fr/mon-conseil-regional/les-missions-regionales/les-grands-projets/la-region-sengage-pour-le-handicap/2022-7-engagements-20-mesures>

<sup>2</sup> <https://www.mes-allocs.fr/guides/aides-sociales/aide-financiere-pole-emploi/>

- Relatively high amount of loanable amount;
- Can be used for more risky projects than conventional loans;
- The region is a patient financier.

This financial mechanism is turned loans' repaying into new loans, re-injecting these funds into the regional economy. This constant flow allows to limit the regional expenditure associated with the mechanism.

One of the key properties making this a good practice is the fact that the region puts the interests of local companies at the heart of the project, instead of direct financial gain through interests.

## 5 Policies/instruments to support employers and employees during job transformation

Due to labour shortages, organisations/companies in the region have accustomed to investing in trainings of current and future employees. These trainings enable a smooth (re)entry on the labour market and have proven to drastically reduce the duration of unemployment.<sup>1</sup>

Vocational training in Pays de la Loire benefits from high prestige, since it is perceived to be of high quality and it is popular among the labour force. In fact, Pays de la Loire has the highest number of people engaged in VET among all French regions: for every 100 individuals between 16 and 25, 6.6 are registered in VET (while the average in France is 6.3%).<sup>2</sup> Furthermore, the region is also actively engaged in adult education and professional mobility. It does so through partnerships with local, regional, national, and European institutions that seek to enable professionals to be flexible in their employment paths. The most important stakeholders are the local and regional labour offices from Pôle Emploi, as they own regional training institutes and competence institutes, and supply tailored programmes to jobseekers. The programmes are aligned with the national and EU guidelines, and, more importantly, with the regional smart specialisation strategy.

By adjusting vocational training to the regional labour market demand, employment offices can re-integrate workers more quickly, and achieve better employer-employee matches. These programmes target not only unemployed individuals, but also employees who seek to

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<sup>1</sup> <https://www.pole-emploi.fr/actualites/le-dossier/les-metiers-de-demain/85-des-emplois-de-2030-nexistent.html>

<sup>2</sup> <https://pro.choisirmonmetier-paysdelaloire.fr/metier/Publications/Onglet/Evaluation-de-politiques-publiques/L-apprentissage-en-Pays-de-la-Loire>

grow within an organisation or within their industry.<sup>1</sup> They also support employers and employees during job transformation by facilitating their transition to a new job and/or by upskilling/reskilling.

Among these partnership programmes, two have been praised as good practices: “Access to labour” programme and “CPRDFOP”.

“Access to labour” programme is the policy instrument in Pays de la Loire, tackling limited accessibility to the labour market. It constitutes the third pillar of the region’s approach to labour market integration of both the unemployed and employed workers seeking job transition. Together with the local labour market office (Pôle Emploi), the programme co-finances 400 to 800 hours of training for individuals that require up-skilling or re-skilling.

The programme has been popular among the population in the region, and it has been considered successful due to the following factors:

- The regional council has partnered up with relevant local actors, such as the local unemployment organisations consisting of Pôle Emploi offices and smaller more local organisations;
- Individualised training programmes, to both unemployed and employed people, are aligned with the needs of a company that will eventually employ the person;
- The programme focuses on *why* a person has been unemployed or *why* he/she wants to receive a specific training, instead on *how* to re-integrate individuals in the labour market. Such differentiated approach turns reemployment policies tailormade to the individual and requires involvement of a person in the construction of a long-term employment plan. As emphasized by all interviewees, long-term and inclusive employment is a result of close collaboration between an unemployed person and the local labour office, as the latter enhances the sense of meaning and belonging, increasing the odds of reemployment.

CPRPFOP is the French national program aiming to help regions implementing ALMPs and re- and up-skilling regional labour force. However, this programme hasn’t been very successful in addressing new demand for skills. To correct for this insufficiency, Pays de la Loire implemented a reform, and created CREFOP, a regional committee for employment, training and professional orientation. Such reform attracted attention of national policymakers overseeing the original program. Success factors of the program are:

- Increasing the quality of matches on the labour market;

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<sup>1</sup> [https://www.paysdelaloire.fr/les-aides?type\[\]=143&sous\\_thematique=All](https://www.paysdelaloire.fr/les-aides?type[]=143&sous_thematique=All)

- Reinforcing durable competencies of the region, aligned with the actual needs of the labour market;
- Its main rationale is not to invest in trainings and up-skilling as a goal but rather as a means to achieve inclusive employment and guaranteed integration on the labour market.<sup>1</sup>

## 6 Lessons learned

**Stimulation of innovative and inclusive job creation**, powered by automation technologies:

- The region has managed to increase the R&D expenditure rapidly, due to two factors. First, the large industrial sector has had private resources to invest in R&D; second, policymakers have provided expertise and additional funding through the Technocampus platforms to support organisations willing to innovate.
- Innovation hubs/platforms (such as Technocampuses) can be effective innovation drivers if they are built on effective partnerships between regional authorities, academia and the industry, if they are properly funded, and if they are aligned with the smart specialisation strategy that capitalises on existing industrial capabilities. These hubs seek to increase the region's competitiveness and also to attract talent to the region. Thus, these hubs become world-renowned centres of excellence, acting as a pioneer in their respective field.
- To stimulate entrepreneurial activity and innovation in SMEs, the public funding, partnerships with local stakeholders should be fostered. SMEs can be the driver of innovation in a region/country, however, due to limited resources and high risks of bankruptcy they should be supported. Overall, entrepreneurial activity is essential for industrial and economic development.
- The development of the ICT sector can lead to higher productivity and competitiveness across all industries and economic sectors, given their transformative potential of industries/sectors.

**Prevention and mitigation of job displacement**, following adoption of automation technologies:

- Innovative job creation may outweigh job displacement if industries are expanding due to technological transformation and provide plenty of diverse job opportunities, including for low/middle-skilled individuals.

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<sup>1</sup> <https://www.paysdelaloire.fr/sites/default/files/2020-01/defp-2018-strategie-formation-professionnelle.pdf>

- The biggest challenge of the region is to reach full employment, attempting to resolve the tensions on the labour market that employers are facing in light of a lack of qualified workers. Up and re-skilling are therefore one of the priorities. A personal approach is made use of throughout the different ALMPs to optimize the outcome.
- Digitisation of the education sector is critical for facilitating access to education and for improving its quality. However, it is essential to ensure that teachers/training receive high-quality training to learn how to utilise adopted technologies/tool in education/training.
- Local experts believe that current evolutions on the labour market and within key industries in the region will reduce geographic inequalities on the region's territory. The main reason as to why this is believed is the increasing skill level of the lower-income population and the simultaneous growth and increase in innovativeness of industries located in more peripheral areas of the region. However, a few experts have also warned of an over-qualification of the region's population.

**Supporting employers and employees during job transformation**, following adoption of automation technologies:

- Investments in the education sector and professional development to support labour mobility are essential to address technological-driven labour market challenges. In view of limited public resources, Pays de la Loire has only subsidised training on key regional industries.
- Regions that have a strong industrial sector can capitalise on linkages between industries and education providers, thereby improving the quality of VET education.
- The regional approach to support employers and employees during job transformation, based on individual career guidance, counselling and tailormade training, has been a case of success. Steering away as much as possible of a "one size fits all" policy, the region tries to optimize every individual's participation on the labour market, aiming to reach full employment and employer-employee matches.