



European  
Commission

# Sokolov East: Local Development and Employment Creation

## Karlovy Vary, CZ

Initiative for Coal Regions in Transition

*Secretariat Technical Assistance for Regions in Transition  
(START), June 2021*



# Agenda

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# Purpose and overview of the presentation pack

This pack aims to:

- Provide **relevant examples** of potential local development and job creation approaches and options for the micro-region
- **Motivate local and regional organisations** to consider and agree on priorities for local development to sustain and create employment in the micro-region
- Encourage co-ordinated **local and regional planning and application of funding** (EU and CZ) to deliver these priorities

The pack is based on interviews from June 2021, START analysis undertaken during 2020 and 2021, and a review of existing documentation e.g. the Strategy for the Development of the Sokolov-East Micro-region, 2018-2025

It is to be presented and discussed at a workshop (autumn 2021) and then finalised

## 02 Socio-Economic context of the micro-region

START produced a report on the socio-economic context for development and job creation in the micro-region to accompany this pack. Below are some of the headlines:

### Lagging indicators

- Long-term demographic decline
- Notably high levels of unemployment, especially by national standards
- High levels of economic inactivity
- Concentrations of social deprivation

### Leading indicators

- Accelerating demographic decline in urban centres and ageing population
- Low educational attainment and high drop-out rates (many young people not in education or employment)
- Low number of job vacancies
- Notably increased numbers of new registered companies in recent years

SWOT analysis provokes consideration of the micro-region's future (see also START context report)

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"><li>• Proximity to Germany (Zwickau 80km)</li><li>• Proximity to Karlovy Vary, Cheb and Pilsen</li><li>• Land availability</li><li>• Anchor firm (SUAS)</li><li>• BMW investment</li><li>• Expanding rural settlements</li></ul>	<ul style="list-style-type: none"><li>• Demographic decline, especially in urban centres</li><li>• Unemployment and economic inactivity</li><li>• Low educational achievement</li><li>• Lack of businesses with higher added value</li><li>• Social deprivation</li><li>• Infrastructure (inter-regional / international)</li></ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"><li>• Business start-ups and expansion</li><li>• German investment / networking with German companies / marketing and awareness</li><li>• Greening of landscape and economy</li><li>• Renewable energy / energy transition</li><li>• New remote / ICT models of working</li><li>• Radical new narrative for sub-region</li></ul>	<ul style="list-style-type: none"><li>• Social exclusion</li><li>• Future of urban centres</li><li>• Increasingly uncompetitive labour force</li><li>• Limited opportunities for young, ambitious or qualified persons</li><li>• Insufficient public and private action / investment / co-ordination</li></ul>

## Approaches to local development and employment creation

### Connecting local strengths to external and/or internal opportunities

Linking local strengths and assets to **external opportunities** via, for example:

- attracting external investment
- technology transfer
- redeployment of public service employment

## Approaches to local development and employment creation

### Connecting local strengths to external and/or internal opportunities

Linking local strengths and assets to **internal opportunities** via, for example:

- entrepreneurship
- expansion & diversification of existing businesses (including anchor companies)
- social economy

*N.B. local development is a phased journey of change that should be planned for in the short and longer terms*

### Attracting external investment

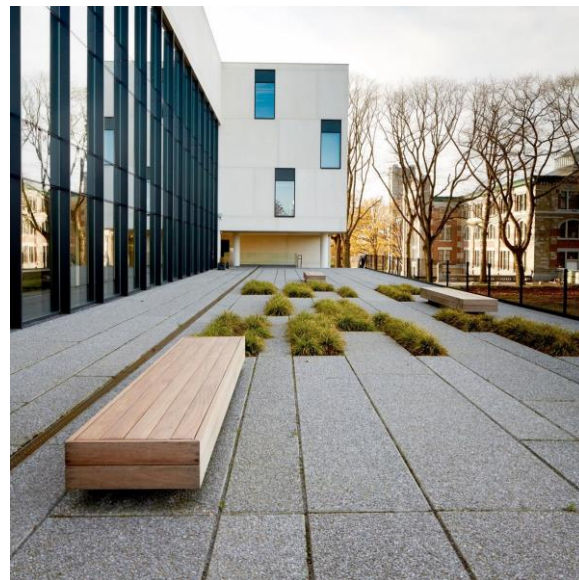
#### Terhills Tourism

##### Limburg, Belgium

Terhills is located on the former Eisden mining site and covers an area of approximately 365 hectares, on the edge of Belgium's only National Park. Once known as a industrial mining and gravel quarrying site, Terhills NV, a subsidiary of the Limburg Investment Company LRM, made a EUR 75 million investment to transform the area and started reconverting the mining site into a tourism hotspot. It hosts the Terhills resort and holiday park, including a cablepark, the Terhills Hotel and the Elaisa Energetic Wellness complex. The area also has a Center Parcs investment. The resort itself now employs 230 people.

<https://www.lrm.be/en/lrm-group/mining-sites/terhills>; <https://terhills.be/en/>;  
<https://www.lrm.be/en/nieuws/center-parcs-zet-terhills-resort-als-premium-park-in-de-markt>

<https://terhills.be/en/terhills-resort/>





### Attracting external investment

#### Fantanele-Cogealac Wind Farm

##### Dobruja, Romania (and other locations)

The ČEZ Group is one of the ten largest energy companies in Europe. Operating in various sources of energy generation, the company has made a EUR 1.1 billion investment into what is currently the largest onshore wind farm in Europe, the Fantanele-Cogealac Wind Farm with an installed capacity of 600MW. Construction started in 2008 and creates 7% of Romania's energy production. The wind farm has also created employment opportunities for redundant coal mine workers from the Jiu Valley and became a major employer of graduates from the recently established and close by RESS (Renewable Energy School of Skills). Meanwhile, ČEZ remains the owner of 13 other wind farms in Germany, the Czech Republic, Poland and France.

<https://balkangreenenergynews.com/cez-agrees-to-sell-romanian-assets-to-australias-mira/>;

<https://www.cez.cz/en/energy-generation/wind-power-plant/>;

<https://windeurope.org/newsroom/news/coal-miners-visit-europes-largest-onshore-wind-farm-in-romania/>



### Technology transfer

#### Dinopol packaging

Wielkopolskie, Poland

Supported through EU funds, the packaging manufacturer Dinopol SP ZO.O recently created new products based on advanced production technology imported from China. The company purchased and installed a new processing line to make pulp-based packaging for foods and medicine, an investment that helped the company expand into international markets. The technology enhances the processing and treatment of raw materials (old newspapers, magazines and cardboard) and accelerated the production flow, shortening the manufacturing cycle and increasing the productivity and competitiveness of the company. The investment is set to create up to 15 new jobs.

[https://ec.europa.eu/regional\\_policy/en/projects/Poland/new-processing-line-helps-polish-packaging-company-break-into-new-markets](https://ec.europa.eu/regional_policy/en/projects/Poland/new-processing-line-helps-polish-packaging-company-break-into-new-markets), <http://dinopol.pl/>



### Technology transfer

#### O'clock

Île-de-France, France

O'clock was founded in 2016 and aimed at transporting technological know-how and web development techniques from the Île-de-France region to the rest of the country. The training provider developed a training platform called “Deviens Dev” and digital training tools and started offering five-month development courses to students. The aim is to provide expertise about web development through digital means and help young people find the right career path, also through the provision of job vacancies that match the participants’ skill set and location through the platform. So far the online school has trained 590 students (from 2016-2019), of which around 70% of participants found work. In the future, O'clock aims to educate and train 1,000 people every year.

[https://ec.europa.eu/regional\\_policy/en/projects/France/new-digital-tools-boost-business-for-french-web-development-training-provider](https://ec.europa.eu/regional_policy/en/projects/France/new-digital-tools-boost-business-for-french-web-development-training-provider), <https://oclock.io/>



### Redeployment of public service employment

#### Relocation of public sector broadcasting

##### Manchester, UK

The public sector British Broadcasting Company (BBC) moved from London to Salford, in the north of England, in 2011. The move created the MediaCityUK, a 200-acre mixed-use property development in a deprived urban / brownfield area. By 2016, 4,600 jobs were located in MediaCityUK. Out of those posts, 4,000 were in the media, including 2,000 appointments in the BBC's national operations, according to a 2017 evaluation by the thinktank Centre for Cities. The evaluation notes 1,200 of these jobs came from regional firms relocating to the area rather than new start-ups. Only 145 jobs were created in MediaCityUK by firms that moved all their operations from elsewhere in the UK. The public sector investment has also been a catalyst for wider regeneration, economic development and educational / skills in the region.

<https://www.centreforcities.org/wp-content/uploads/2017/08/17-08-10-Should-we-move-public-sector-jobs-out-of-London.pdf>



## Examples: using external opportunities for utilising local assets

### Redeployment of public service employment

#### The Crichton University Campus and business directory

##### Dumfries and Galloway, Scotland, UK

The town of Dumfries in the South of Scotland has a population of 50,000 people. Like many rural areas, there were limited higher and further educational opportunities for residents in the town and rural hinterland. On the grounds of the former Crichton Royal Hospital, the local council decided to create opportunities for education, training, business and knowledge exchange. The Crichton Trust, a registered charity and social enterprise, was entrusted to manage the property and development. Over a decade, a bustling academic campus was established housing facilities of five universities for over 6,000 students and a business park. Additionally, the Crichton employs 1,150 people in the food and drink sector, conference centre and other leisure facilities, giving an additional economic impetus to a rather rural local economy.



<http://www.crichton.ac.uk/>; <https://www.crichton.co.uk/>;

## Examples: using internal opportunities for utilising local assets

### Entrepreneurship

#### GrowBiz

##### Perthshire, Scotland

GrowBiz is a project that provides community-based support services for new and existing enterprises in a rural area, leading to increased employment, improved skills and a stronger local economy. Since 2007, it has supported new and existing start-up businesses with comprehensive support services (one to one support, peer support, mentoring, training and networking opportunities). Supported through the LEADER programme between 2016-2019, it helped over 1,000 rural companies in starting up or growing their businesses and social enterprises, resulting in almost 300 learning and networking events with 4,000 attendees. The added value of the 'relational' approach, which is based on long-term relationships with businesses and encouraging collaboration and knowledge-sharing, is the embedded network that it leaves behind.

<https://www.growbiz.co.uk/>, [https://enrd.ec.europa.eu/projects-practice/growbiz-enterprising-rural-perthshire\\_en](https://enrd.ec.europa.eu/projects-practice/growbiz-enterprising-rural-perthshire_en)



## Examples: using internal opportunities for utilising local assets

### Entrepreneurship

#### Coop cross-border business exchange

##### Estonia and Latvia

The Coop initiative aimed brings together farmers, handicraft sellers and other tradespeople from both sides of the border in regular network events and seminars. Study visits and exchanges establish strong connections between entrepreneurs and owners of small businesses that voluntarily exchange knowledge and best practices for sales and marketing. A total of 43 cross-border events have brought together 230 Estonian and Latvian businesses and 370 local entrepreneurs that increased their language and technology skills and built mutual trust. This enabled them to expand their businesses into new markets across the border, creating new jobs and making the local economies more sustainable. From 2017-2019, the project was supported through funds of the Estonian-Latvian EU cross-border programme.

[https://ec.europa.eu/regional\\_policy/en/projects/Estonia/coop-new-business-opportunities-for-estonian-and-latvian-entrepreneurs](https://ec.europa.eu/regional_policy/en/projects/Estonia/coop-new-business-opportunities-for-estonian-and-latvian-entrepreneurs), <https://estlat.eu/en/estlat-results/coop-local.html>

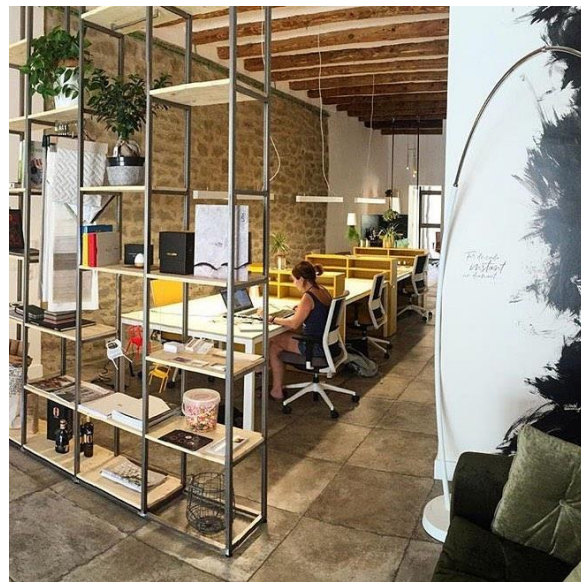




**Entrepreneurship****Cowocat\_Rural****Catalunia, Spain**

'Cowocat\_Rural' attracts young skilled professionals to rural areas to tackle outmigration. It champions coworking, supported by ICT, as a new way of working in rural areas. The aim is to boost the creation of employment and economic activity in remote areas and to promote the values of coworking and teleworking in the participating territories. Its concept is based on the need to promote entrepreneurship through the use of information and communication technologies. The activities include: designing a digital platform to encourage the networking of coworkers and rural coworking spaces; developing and promoting coworking among different groups, such as young people, women and professionals.

[https://enrd.ec.europa.eu/projects-practice/cowocatrural-network-coworking-spaces-rural-catalonia\\_en](https://enrd.ec.europa.eu/projects-practice/cowocatrural-network-coworking-spaces-rural-catalonia_en)





**Expansion and diversification of existing businesses (including anchor companies)****Zakład Wyrobów Metalowych Dojnikowscy (ZWM)**

Suwalki, Poland

ZWM realised that in order to maintain and increase its customer base, it needed to offer more than the production of metal goods (fabricated steel structures, pontoons etc). The firm decided that its customer base could be expanded and further engaged if the company offered a wider range of services relating to the manufacture of metal products - from initial design, delivery and installation, to repair and maintenance services after purchase. For example, ZWM firstly started to offer installation and delivery services as clients could not transport the goods themselves. ZWM then began to offer design and consulting services, over time increasing their scope and complexity. A differentiating detail is that all services offered by ZWM are also offered independently from the company's manufacturing offer.

<https://ec.europa.eu/growth/tools-databases/dem/watify/inspiring/watify-success-stories/zwm-integrating-metal-production-service-offering>

<https://www.zwm DOJNIKOWSCY.PL/>



## Examples: using internal opportunities for utilising local assets

### Expansion and diversification of existing businesses (including anchor companies)

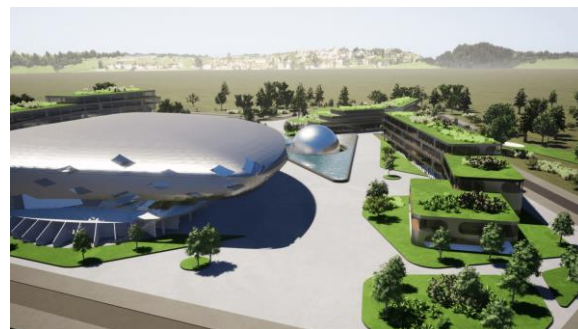
#### PISMO Business incubator

##### Sisak-Moslavina County, Croatia

The Sisak-Moslavina region is mostly known for its specialised metal industry. To diversify the economic base, the project Pismo Business incubator was set up in Novska to digitalise and modernise the metallurgy sector and also to enter a new niche market – the video game development industry. The incubator contributed to a new entrepreneurial environment in a predominantly rural area and created new jobs and start-ups, and also attracted and retained investment and young talent. As part of the project, two buildings were renovated creating 20 offices and coworking / meeting space, and equipment for the metallurgical and gaming industry was installed (motion capture studio, photogrammetric studio, video and music studio, CNC, microlevel, 3D printer, computers and VR equipment). Co-funded by the EU, the endeavour has had a direct impact on related value chains (PR companies, IT companies, consulting companies etc.).

<http://inkubator-pismo.eu/en/about-the-project/>,

[https://ec.europa.eu/regional\\_policy/en/projects/Croatia/pismo-croatias-sisak-moslavina-county-positions-itself-as-a-hub-of-gaming-expertise](https://ec.europa.eu/regional_policy/en/projects/Croatia/pismo-croatias-sisak-moslavina-county-positions-itself-as-a-hub-of-gaming-expertise)



## Examples: using internal opportunities for utilising local assets

### Expansion and diversification of existing businesses (including anchor companies)

#### Brown to Green programme

##### Midlands, Ireland

The Irish company Bord na Móna has been a major energy producer and employer in the rural Midlands region of Ireland. Starting with energy production from peat in the 1930s, the company has a long history of creating jobs and economic opportunities for the communities living in the Midlands. With climate change gaining importance, the company has increasingly invested into renewable energies (wind farms and biomass) as well as recycling, waste management, conservation, carbon sequestration technologies and high value food products. The company announced its shift to low-carbon activities with the publication of the “Brown to Green strategy” in 2019 that will guide the development of new and replacing employment opportunities.

[https://www.bordnamona.ie/bord-na-mona-reports-progress-on-brown-to-green-strategy-and-costs-of-decarbonisation-programme/;](https://www.bordnamona.ie/bord-na-mona-reports-progress-on-brown-to-green-strategy-and-costs-of-decarbonisation-programme/)



**Social economy****Ludgate Hub**

## Skibbereen, Ireland

The Ludgate Hub is a co-working space for both individual young professionals and larger enterprises. It is located in a rehabilitated bakery building in the periphery of Cork, which is one of the first Irish rural towns with high-speed internet connectivity and 100% fibre-to-the-building broadband network. Set up by a steering group made up of local entrepreneurs, digital ambassadors (volunteers) and local business owners / enterprises, the digital hub offers hot desk space for 75 workers, private offices and meeting rooms for incoming mobile workers. Together with the physical Ludgate hub office space, the opportunities for networking, mentoring and events have attracted 55 full-time members and created 146 jobs. Success has also led to the preparation of Ludgate 2.0, an expanded version of the initiative.

<https://www.ludgate.ie/ludgate/>, <https://www.techireland.org/hubs/ludgate-hub>



### Social economy

#### Across the country

##### Cserehát and Zala, Hungary

To support the disadvantaged communities in the towns of Cserehát and Zala, Hungary, two community centres - Resource Centres for Social Development - were created to tackle a lack of skills and competences, experiences and information regarding the creation and implementation of community-based productive activities. The competence centres were created as part of a larger UNDP-funded Cserehat Programme, involving partner organisations and consultations with the local community. Supported by LEADER, the centres provide support in terms of capacity building, competence development, and the development of viable business models. It has helped establish five social enterprises in the area that received advice and technical support in business planning and development.

[https://enrd.ec.europa.eu/sites/default/files/gp\\_hu\\_acrosscountry\\_web.pdf](https://enrd.ec.europa.eu/sites/default/files/gp_hu_acrosscountry_web.pdf),  
<https://localdevelopmentforinclusion.org/assets/13-cserehat-case-study.pdf>



**Social economy****Oksigen Lab**

## Brussels, Belgium

Oksigen Lab is a Belgium-based support ecosystem that has provided business coaching, consultancy and funding for social enterprises since 2013. It runs a programme which provides services to over 200 social enterprises: ranging from start-up phase to scaling of impact, as well as dedicated services to public actors in the form of training and capacity-building. Oksigen also operates a crowdfunding platform for social organisations and enterprises that want to raise funds to implement their business ideas. One of its instruments, Oksigen accelerator, serves as an insurance fund for the coaching support, lowering the upfront cost paid by entrepreneurs and working on a success fee principle, whereby both the coach and the entrepreneur are correctly incentivised to achieve concrete results.

<https://www.oksigenlab.eu/>

<https://www.oecd.org/cfe/leed/Czech%20Republic%20Report%20%2006.03.17-FINAL.pdf>



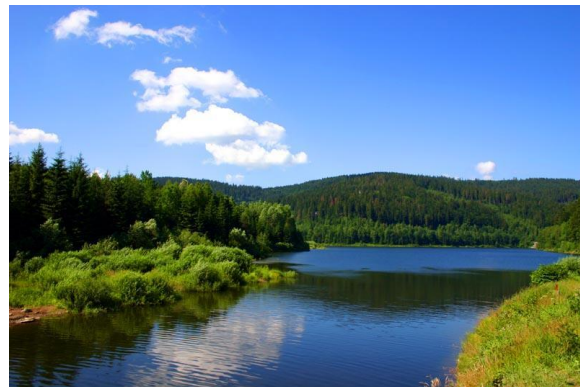
### Involving citizens in planning and development

#### Creating the Vistula valley cultural and culinary brand

##### Kujawsko-Pomorkie, Poland

The Vistula valley in the Kujawsko-Pomorkie region, Poland, is a region of rich cultural and culinary heritage. The EAFRD funded project aimed at promoting food and cultural attractions in the area. More than 100 people attended workshops related to this project and 14 municipalities in the Vistula Valley participated. The project has resulted in the creation of the first tourism network for the valley engaging diverse private, public and social stakeholders and developing a tourist proposition. The accuracy of the analysis and assessment of the tourism potential of the regions was pivotal to carrying out the action and identifying a clear local brand. Other important factors were developing a sense of belonging/identification with the region and building a local brand identifying complementary areas in terms of culinary heritage and tourism potential.

[www.tlok.pl](http://www.tlok.pl)





### Involving citizens in planning and development

#### You have the energy, you have the power. From passive citizens to involved prosumers

##### Catalunia, Spain

The process of defining and shaping the energy transition of the economic model in Catalonia actively involves civil society. The project is run by the Catalan Institute for Energy (ICAEN), in collaboration with Palau Macaya of "La Caixa", Two open sessions (the inaugural and the final session) and three thematic sessions: "Photovoltaic self-consumption and solar communities", "Electric vehicle and energy storage opportunities" and "Digitization of energy ". The dialogue between authorities and citizens aims to capture the main interests and specific concerns of the civil society and experts in relation with energy transition. A total of 71 project proposals were received from participatory sessions, on three topics: digitalisation, PV self consumption and electric mobility. ICAEN is in the process of evaluating them.

<http://icaen.gencat.cat/es/participacio/cicle-de-reflexio-tu-tens-lenergia-tu-tens-el-poder-de-ciudadans-passius-a-prosumidors-implicats-00001/>





## Other considerations

### Skills, local expenditure, profile

**Skills and training** – it is vital to address skills gaps and shortages in the current workforce and prepare the young for future opportunities

[https://ec.europa.eu/energy/topics/oil-gas-and-coal/EU-coal-regions/resources/sustainable-employment-and-welfare-support-toolkit\\_en](https://ec.europa.eu/energy/topics/oil-gas-and-coal/EU-coal-regions/resources/sustainable-employment-and-welfare-support-toolkit_en)

**Keeping money in the community** – there are approaches to ensure that local public, private and residential expenditures are used to optimise local employment e.g. Community Wealth Building

<https://cles.org.uk/community-wealth-building/what-is-community-wealth-building/>

**Profile and perception** – many localities have reinvented how they are perceived externally

<https://www.lausitzerseenland.de/>

<https://www.bbc.co.uk/news/uk-scotland-tayside-central-41761399>

## Limburg's Coal Transition (Belgium)

### A long journey of several steps

- 1987-1993** A top-down approach to job creation linked to inward investment
- 1994-2000** Socio-economic planning linking job creation wider development objectives
- 2000-2019** Local development linked to harnessing national and international trends
- 2019 >** Top-down and bottom-up governance and partnerships for development

## Planning and action

There is **rarely a single quick solution** for creating jobs and boosting economic development

There are a **range of mutually self-reinforcing approaches** for stimulating job creation and development

Activities need to be **shaped by a locality's unique** assets and circumstances, and focused on current and emergent opportunities (there is no pre-existing strategy or plan to import)

Weaknesses, such as no university or college, can be **overcome with innovative policies**

**Action needs to address the short and long-terms** - change is a long journey and there is a need for ongoing adaptation – but residents need early evidence of policy intent and outcomes to have confidence and hope in the process, and stay engaged

## Lessons for the micro-region

### Partnership, learning and capacity

The process **involves many actors**: public, private (SMEs, anchor companies, inward investors etc.) civil society organisations, residents

Different **scales of government and business** (local, regional, national and international) need to be engaged in the process

Creating **internal and external linkages** and networks is vital – a local economy is not an island

**Policy and practice innovation** is important – failures as well as successes will occur, learn from them

A locality needs **local capacity** for local development

## Local capacity for local development

Capacity is the ability to convert sentiment into action, requiring expertise and finance to facilitate:

- knowledge and foresight to comprehend the present and the future
- development of strategy and / or engagement with strategy development processes
- partnership and networking across diverse actors and across scales
- communications, consensus, transparency, legitimacy and trust
- accessing and co-ordinating resources (local, regional, national and EU)
- project identification, development and implementation
- engagement and co-creation with external expertise and public and private assistance

Below are some relevant links on capacity:

[https://ec.europa.eu/regional\\_policy/en/information/publications/guides/2020/roadmaps-for-administrative-capacity-building-practical-toolkit](https://ec.europa.eu/regional_policy/en/information/publications/guides/2020/roadmaps-for-administrative-capacity-building-practical-toolkit)

<https://www.espon.eu/sites/default/files/attachments/ESPON%20Policy%20Brief%20on%20Shrinking%20Rural%20Regions.pdf>

## Lessons for the micro-region

There is local capacity (e.g. MSA Sokolovsko). However it needs enhanced to:

- implement strategy
- address both urban and rural areas
- optimise co-ordination, partnership working and networking
- ensure funding (e.g. tenders) and development opportunities are captured and optimised

There is a need for co-ordinated and shared resources for development across the communities of the micro-region. Below are some examples of organisations collaborating and pooling resources to create jobs and development at the local level:

<http://fmcloughlinhealy.ie/wp-content/uploads/2020/10/Item-35-MRTT-JTF-background-info.pdf>

<https://www.midlandsireland.ie/>

<https://www.dundeecity.gov.uk/dundee-partnership>

## Potential actions for the Micro-region for employment creation

**Mobilise the capacity** for planning and delivery

**Develop collective understanding and acceptance** of challenges and opportunities (build on SWOT)

**Develop a unifying vision** (Is the vision in the Strategy for the Development of the Micro-region 2018-2025, p 77, fit for purpose?)

**Develop a related action plan**, prioritising potential projects / initiatives at local level in the short and longer terms

**Develop a related stakeholder engagement** plan to engage, influence and lobby key actors at local, regional, national and international levels

**Deliver "early wins"**

→ To be discussed and elaborated at the proposed workshop

# Thank you

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[DG Energy's YouTube channels](#)

