



Integrated approaches to active welfare and employment policies

Italy

Acknowledgements
Introduction
Income Support Measures in the context of the Welfare System
Activation Policies
Co-ordination in Activation Policies, the Institutional Perspective
Co-ordination in Practice: the Case Studies
Conclusions and recommendations
Bibliography
Appendix
List of Informants
List of Abbreviations

Yuri Kazepov & Stefania Sabatinelli, ELABORANDO

This report is available in electronic format only and has not been subjected to the standard Foundation editorial procedures.

Acknowledgements

The research findings presented in the following pages are based on a somewhat vast and diverse range of materials, to which a number of people have contributed. The case studies were conducted by a group of researchers with whom the materials produced were discussed at several meetings. Paola Tuè conducted the case study on Cologno Monzese, Stefania Sabatinelli the one on Milan and part of the one on Naples; Stefano Laffi and the research company Synergia were responsible for the one on Bolzano. I am particularly grateful to them for the commitment and motivation they demonstrated during the various phases of the research and for the patience with which they responded to my demands. I should also like to thank the informants, who enabled us to gain access to unpublished sources of information, showing a lively interest in the theme of the project and seizing it as an opportunity to reflect on their own operations. Interaction with them also stimulated my own thinking. Considerable stimulation came from some of the interviews, in particular those with Ota de Leonardis, Maria Luisa Mirabile and Nicola Negri, who highlighted some less obvious implications of the transformations underway. I am extremely grateful to them. Other informants shed light on complex reform processes with repercussions on the administrative structure of beneficiaries' rights, revealing the missing link between welfare policies and employment policies, in particular Paola Piva, Rita Gallina and Mariella Fracasso, to whom I am greatly indebted.

Yuri Kazepov
Project Co-ordinator

Introduction

Studying co-ordination in Italy is not an easy task, for many reasons. Firstly, there is no tradition of studies with this as their main focus of attention. But for a few rare exceptions, therefore, we are exploring unusual and uncharted waters. There is a good deal of talk in Italy of partnerships, concertation and networking: all activities involving a high degree of co-ordination but never making it an explicit theme, despite the increasingly common rhetoric using the term. Many of our informants were taken aback by our questions, but did acknowledge that co-ordination is one of the activities they very often perform without devoting any thought to it. Secondly, since the 1990s the policies with which we are dealing – welfare and employment policies - have been undergoing continuous regulatory change at various levels, from organisational to institutional. The structures of existing services are being altered, new professions are arising and new services being introduced, on the one hand creating a need for co-ordination, but on the other raising issues about the professional identity of the actors involved in the transformation process. This can sometimes stimulate reflection and renewal; at other times it can trigger corporate defence mechanisms and rigidities which are a barrier to change. These consequences also have an impact on co-ordinating activity. Some actors may boycott common decision-making processes, exchanges of information, etc. Thirdly, the extreme fragmentation of these policies - which would in themselves merit greater co-ordination – also makes it difficult to gain an overview and to pick up on those elements enabling social policy-makers themselves to analyse their own sphere of action so as to intervene more effectively.

This report tackles all of these aspects in an attempt to show how, from an institutional point of view, a *twofold trend* is underway, influencing *from the outset* co-ordinating activity and all that it entails in relation to welfare and employment policies. This *twofold trend* refers on the one hand to developments in relation to income support measures for persons lacking an income, developments revealing a real political will to overcome the fragmentation and discretionary powers which have characterised this social policy sector in Italy over the past 20 years (and still does), through an affirmation of definite and homogeneous criteria throughout the country. Two clear examples are the pilot of the RMI (*Reddito Minimo di Inserimento* – Minimum Insertion Income) (cf. Chaps. 1 & 4) and the proposed root-and-branch reform of social assistance by means of a framework law which is at an advanced stage of debate and approval in Parliament. On the other hand, the *twofold trend* refers to employment policies which, having formerly been regulated in a centralised, very corporatist and relatively passive manner, mainly geared to protecting key sectors of industry (the legacy of the 1970s and 1980s), are now becoming more active and universal but also more differentiated from one locality to another. Whereas formerly the Ministry of Employment played a major role in formulating policy even at local level, nowadays the institutional fragmentation of regulations governing activation policies locally is striking (cf. Chap. 2). Therefore we are seeing welfare policies converging towards

regulatory uniformity and employment policies fragmenting into the institutional design of services and delivery at local level.

In addition to exploring the implications of this twofold trend and the institutional changes it entails, it is necessary to present some further elements of context in order to elucidate the role and purpose of co-ordination. Two dimensions would seem particularly relevant:

- a) socio-demographic
- b) socio-economic¹.

These two dimensions have in fact long shown a fairly high degree of coherence, both in terms of the institutional design of the measures covered by our study (degree of coverage, generosity and selectivity of the needs of particular population groups) and in terms of the form taken by hardship and poverty. This coherence, which prevailed from the end of World War Two until the 1970s, enabled Italy to keep within certain bounds of social acceptability the pronounced inequalities existing in the country, by off-loading onto families a sizeable burden of responsibility for the social integration of persons in need. That equilibrium now however seems to be ever more in jeopardy, since over and above the institutional changes which we shall analyse in depth in this report, socio-demographic changes are also serving to undermine the family's protective capabilities, thus increasing vulnerability and the spread of economic disadvantage and poverty.

a) Socio-demographic trends. Italy, like most other industrialised countries, is going through what has been defined as the *second demographic transition* (Laesthege, 1991; Micheli, 1999) which is characterised by the overlapping of three processes: 1) population ageing; 2) declining fertility rates; 3) increased family breakdown. These transformations are having a very significant impact on the rise in social vulnerability and on welfare policies. Italy is in fact the only European Union country to have more citizens aged over 65 (17.4%) than aged under 20. This phenomenon is due both to the rise in life expectancy over the past few decades (75 years for men and 83 for women in 1997) and to the lowest fertility rates in the world (together with Spain): 1.2 children per woman (Istat, 1999). This is because most couples (45.2% in 1998) have only one child, a fact largely determined by changes of mentality and socio-economic factors, coupled with the lack of social policies in support of the family. Extremely limited tax relief, inadequate public services and costly private services (Bimbi, 1996; Saraceno, 1998a) make the decision to have a second child particularly difficult for low-income families. Furthermore, the average age at marriage – or in any event on beginning to live independently – has risen sharply, so much so that in 1996 58.5% of young people aged between 18 and 34 were still living with their parents. Since Italy has one of the highest youth unemployment rates

¹ Socio-economic aspects concerning the functioning of the labour market will be described and analysed in the first section of Chapter 2; here we focus on profiles of poverty and the territorial distribution of economic hardship, which constitute the potential target of the policies we shall examine.

in Europe and a lack of targeted social policies, the family – which constituted and still constitutes the principal source of protection for these individuals during the lengthy phase of labour market integration - is made more vulnerable because of the increased instances of need in its midst. Other elements conspire to augment social vulnerability. As in other southern European countries, for example, the numbers of children born out of wedlock (6.9% in 1991) and of single-parent families (10.8% of all domestic units in 1998) are on the increase, albeit still very low. These figures are rising above all because of the increase in separations: 100% in the course of a decade (Maggioni, 1999)². Added to this, domestic units consisting of a single person are rising throughout Italy (21.7% in 1998). Most are elderly people, concentrated in the north, often elderly women who live purely on social allowances, not having acquired the right to an adequate old-age pension owing to their own or their spouse's insecure, irregular working life. Yet vulnerability deriving from the casualisation of the labour market likewise affects large families, concentrated in the south, where the percentage of domestic units with five or more components totalled 14.1% in 1995, whereas it was only 5.4% in the north.

b) Economic hardship and poverty in Italy. The distribution of vulnerability among family typologies which emerges from the socio-demographic context is confirmed and accentuated in its territorial make-up by the distribution of economic hardship and poverty. Indeed, in 1999 relative poverty³ affected 11.9% of families resident in Italy; of these, 67% live in the south and islands, where only 33% of the population is to be found. By contrast, only 19.9% of poor families are to be found in the north, where 47.7% of the resident population lives. The family typologies particularly over-represented among poor households (cf. Table 1) are, in the south, large ones (five members or more) and those with one or two dependent children. In the north they are primarily those consisting of single people aged over 65. Furthermore, the risk of poverty is greater among households where the reference person is a woman, a jobseeker (617,000 households, 507,000 of them residing in the south) or a retired person. Single-parent families are also at greater risk of poverty, especially in the south (28.5% as against 14.2% for Italy as a whole), where their numbers are nevertheless extremely small (Commissione di Indagine sull'Esclusione Sociale, 2000).

² Of all one-parent families, lone mothers with children account for 74%. Nevertheless, in 1991 68.6% of these were widows.

³ Poverty is defined by the *International Standard of Poverty Line (ISPL)* as a family of two whose consumption is lower than or equal to average per capita consumption. In 1999 this threshold was around 1,492,000 lire (€ 770.5) per month in Italy.

Table 1 Distribution of relative poverty by geographical area and family characteristics, 1997-1999, %												
	North			Centre			South			Italy		
	97	98	99	97	98	99	97	98	99	97	98	99
Size of family												
1 member	7.0	5.8	5.3	5.7	6.8	6.3	23.1	20.1	21.9	11.2	10.0	10.1
2 members	5.9	6.4	5.0	5.9	7.4	10.4	24.0	23.1	24.5	11.0	11.1	11.4
3 members	5.3	4.4	4.3	5.2	6.7	7.3	20.8	20.3	18.7	9.9	9.7	9.2
4 members	5.7	5.4	5.0	5.0	7.5	9.1	23.8	23.2	25.0	12.9	13.6	14.1
5 or more	5.9	8.3	7.3	15.5	13.1	14.1	32.8	34.0	32.7	22.3	22.7	22.9
Families with dependent children												
1 dependent child	5.1	4.4	3.8	4.8	6.1	7.5	21.4	20.1	21.3	11.0	10.3	10.8
2 dependent children	6.2	5.6	5.8	7.1	11.3	8.6	27.1	26.3	27.1	15.9	16.8	16.4
Families with elderly people												
1 elderly person	9.5	7.5	7.2	7.8	10.2	11.2	27.3	24.8	29.3	14.7	13.4	14.9
Family typology												
Single person =65 years	11.6	8.5	8.4	*	*	*	28.8	25.7	29.9	16.3	14.1	15.4
Couple, r.p. = 65 years	9.1	9.2	7.8	8.5	10.5	15.3	30.7	29.9	28.8	15.8	15.6	16.1
Couple with one child	4.6	4.3	3.8	4.3	6.4	7.0	20.1	20.1	17.7	9.1	9.5	8.5
Lone parent	7.2	6.5	6.4	5.7	6.6	10.0	23.6	22.2	28.5	12.1	11.7	14.2
Source: Istat, Indagine sui Consumi delle Famiglie, 1997-99.												
(*) data not significant. r.p. = reference person												

The gulf existing between northern and southern regions – in terms of the spread of economic hardship and vulnerability – is such that the impact and purpose of local or national social policies is very different in terms of efficiency and effectiveness. This differential impact is further exacerbated and enhanced by the *twofold trend* illustrated above, since it multiplies instances of vulnerability and topples that equilibrium established in the post-war period (partly thanks to strong economic growth at that time). One hypothesis we would put forward as an interpretation of this crisis lies in the lack of synchronisation of the *twofold trend*, i.e. a lack of co-ordination. The inertia of obsolete social policies and the persisting lack of an institutionalised minimum protection safety-net goes hand in hand with an acceleration of reforms of labour market regulatory mechanisms. Both render more vulnerable (institutionally) the position of those members of society (primarily male, employed, heads of families) who used to – and still do – constitute the main source of access to family welfare benefits, and who used to pool market resources and caring resources (a role overwhelmingly played by women) within his domestic unit. The unfortunate timing of social assistance reforms, taking place just as budgets are increasingly being squeezed and free-market ideologies are gaining ground, makes it difficult to announce innovative public policies. The rhetoric of efficiency tends to view the only linkage between welfare policies and employment policies as the need to help able-bodied persons to find jobs. But is unemployment *necessarily* their fault? Establishing a link between welfare policies and labour market integration policies masks ambiguities in relation to the entitlement of claimants to fail-safe protection measures which transcend the discretionary powers of individual officials. Should something be expected of people in return for benefits? Will society take responsibility for denying assistance to those failing to fulfil the “insertion contract”? The answers to these questions cannot be

taken for granted in Italy, where the right to protection in the case of economic hardship has never really existed. The transformations now underway will undoubtedly necessitate formal or informal types of co-ordination to combat policy contradictions and fragmentation, as well as the twofold trend of reform and change in regulatory mechanisms, which is placing large swaths of the population in a position of mounting vulnerability.

1. Income Support Measures in the context of the Welfare System

1.1. The Italian welfare system: a panorama

The typologies of need illustrated in the preceding paragraphs result from the pre-structuring (Kazepov, 1999) of social policies which have bedded down over a long period. In Italy, as in most other countries, the first welfare measures were corporatist ones, i.e. providing benefits related strictly to the recipients' position on the labour market. This imprint has remained, despite numerous attempts at reforms up until today⁴. Even now Italy still has many characteristics of corporatist welfare systems, in which the position on the labour market regulates access to benefits for an individual and his/her family. This means that often the best protected persons are those least at risk, i.e. subjects with a stable foothold in the labour market, with a full-time permanent contract, generally adult males and their families. This situation has generated an ever-more pressing need for corrective mechanisms, above all else the introduction of welfare policies for persons not fulfilling such characteristics. At present Italy lacks an income support mechanism which is universal, national and provides a living wage. The only universal income support measure in existence applies to elderly persons aged over 65 who are suffering economic hardship (the "social allowance", formerly social pension), whereas economic assistance to citizens not fitting into this or other protected categories is entrusted to local policies which are highly fragmented in both their access criteria and implementation (Negri and Saraceno, 1996; Kazepov, 1996). The fact that in 1977 the State transferred responsibility for public charity to the regions and municipalities (DPR 616), without passing a framework law laying down common national criteria guaranteeing minimum social rights, is what caused the social assistance system to develop in such an incoherent fashion. Many (but not all) regions⁵ have passed laws reorganising their social welfare services, in a legislative vacuum and without any co-ordination among them, often identifying beneficiaries and access threshold in a very generic manner. This

⁴⁴ Let us recall at this point two traditional classifications of welfare systems: that of Titmuss and that of Esping-Andersen. The former identifies three typologies: *meritocratic* (the position of the head of household on the labour market is an institutional filter regulating access to benefits and services funded mainly through contributions); *universalist-redistributive* (services and benefits are a right of citizenship, funded mainly through taxation); *residual* (the State intervenes, with minimum benefits, only when the family and the market fail in their redistributive function) (Titmuss, 1958). The three-way breakdown suggested by Esping-Andersen goes along similar lines to that of Titmuss, defining welfare systems as: *conservative* (their action reproduces existing inequalities, allowing for very little social mobility); *social-democratic* (striving to guarantee substantial freedoms and equal opportunities, with greater scope for social mobility); *liberal* (guaranteeing formal freedoms, civil and economic rights, the enjoyment of which takes precedence over social mobility) (Esping-Andersen, 1990). Typical examples of these ideals can be found among western countries: the *meritocratic-conservative* typology in southern European countries, France and Germany; the *universalist-social-democratic* one in the Scandinavian countries; the *residual-liberal* one in the United States.

⁵ Of the 15 regions with ordinary status, no reorganisation laws have been adopted in Abruzzo (which has however launched a Regional Social Plan for 1998-2000), Molise, Puglia or Campania (which has grouped together all the spheres transferred into a single expenditure fund (LR 47/85) and is now preparing to apply the MV (Living Wage) on the basis of LR 285/98, yet in the absence of a regional reorganisation law).

widespread generic approach has led municipalities, for their part, to lay down their own standards, once again without any co-ordination among them. Over the past 20 years this dynamic has led to the consolidation of a system of social citizenship with formal differences from one part of Italy to another, meaning that citizens in different areas enjoy very different *packages of rights*, depending not on neediness itself but on the location in which it arises (Kazepov, 1996).

Despite big differences in access criteria and methods of delivery, many municipalities have adopted a *Minimo Vitale* (MV – Living Wage) scheme, i.e. an economic subsidy equivalent to the difference between the income of disadvantaged households or individuals and a threshold, usually corresponding to the INPS minimum pension, which is updated in accordance with cost of living increases. But not everyone beneath the threshold is automatically entitled to the income supplement: social workers have certain discretionary powers, varying according to the context; some categories of claimants receive more protection than others (e.g. the disabled) and generally receive the supplement on an ongoing basis. Budget constraints have a major impact on the number of beneficiaries and the duration of delivery (Kazepov, 1996), thereby increasing the impact of selectivity.

These are common characteristics in southern European countries, although – for example in Portugal – reforms have brought about the adoption of a minimum wage scheme similar to that in France. One of the main consequences is that families are overwhelmed with responsibilities in such a context, since assistance from the State is residual or even kicks in only once the market and the family have *failed* in their role of redistributing resources and providing assistance. Yet families faced with this burden are not the focus of any targeted support policies, except perhaps very limited ones. Furthermore, these countries have suffered historically from a “*deficit of governmentalism*” (Ferrera, 1993), deriving from the incapacity of the political and economic elites to form strategic alliances in supporting the government and the nation’s development. This has impaired (and is still impairing) the capacity to introduce homogeneous policies - instead promoting individualism and localism – and proper professionalism in the public administration, with deleterious effects on the quality of public services (Mingione, 1998).

<i>Table 2 Scales of equivalence used in certain Italian cities to determine the family income thresholds and the MV (Living Wage) supplement granted in relation to household size</i>					
Municipality	1 person	2 persons	3 persons	4 persons	5 persons
Turin*	100	70	40	40	40
Bergamo	100	65	35	35	35
Milan*	100	65	47	41	42
Cologno Monzese (pre RMI)	100	72	72	72	71
Bolzano	100	70	40	40	30
Trento	100	75	50	50	20
Udine	100	79	68	62	57
Genoa	100	75	45	20	10
Piacenza*	100	70	50	50	50
Rovigo	100	50	30	30	30
Bologna*	100	89	82	82	
Massa	100	30	20	20	20
Florence*	100	59	46	37	37
Pesaro*	100	50	33	24	24
Ancona*	100	50	33	24	24
Sassari	100	43	43	43	35
Oristano	100	43	43	43	35
Caserta	100	25	25	25	25
Naples (RMI)	100	57	47	42	39
Cosenza	100	66	41	40	40
Reggio Calabria	100	66	56	50	46
Catania*	75	25	35	15	
RMI	100	57	47	42	39
CIPE**	100	66	56	50	46
* The threshold corresponds to the INPS minimum pension: 685,000 lire (€354). N.B: 1 €= 1,936.27 lire. In the other cities the threshold varies from 200,000 lire (€103) in Caserta to 698,000 lire (€360) in Rovigo. The RMI threshold is 520,000 lire (€269) for the year 2000.					
** The scale of equivalence used by the Poverty Commission takes as its baseline (=100) the average per capita consumption of a two-person family; to compare it with others, the proportions have been recalculated with =100 as the MV threshold for one person.					
Source: Kazepov (1996), CIPE (1995) and our calculations based on municipal decisions.					

Table 2 shows for some municipalities, by way of example, the variations in the scales of equivalence relating to the income thresholds below which – in principle but not necessarily in practice – access to some form of subsidy is ensured.

As we have seen, the degree of protection varies independently of economic hardship which, in itself, is not a sufficient condition for access to social assistance schemes. It has to be coupled with a series of other conditions, such as the presence of family members who are not self-sufficient (minors, elderly dependants, disabled persons, etc.) or other specific problems (household members who are in prison, addicts, etc.). This is an arrangement which reflects meritocratic values and attributes more extensive rights to those “who did not bring their own hardship upon themselves”, without considering that unemployment has long since become a structural phenomenon.

From this point of view it is not surprising that employees are the best protected, followed by potential former employees, the elderly. Indeed, those of them who find themselves in straitened economic circumstances have the advantage of Italy's only universal income support scheme, even if it does amount to around 200,000 lire less than the poverty line laid down by the Social Exclusion Investigation Commission (*Commissione di Indagine sull'Esclusione Sociale*). What is more, elderly people have access to a supplement to the minimum pension, plus family allowances and attendance allowances in the case of invalidity and disability. Invalids too are well covered thanks to invalidity and disability pensions and allowances, as well as attendance allowances. Family policies are linked to employment and subject for the most part to a contributory requirement. They cannot therefore be viewed as an anti-poverty measure for working families, but do nevertheless play an important role in looking after the families of workers who are between jobs, laid off or doing LSU (Socially Useful Jobs), who receive these same benefits. Family allowances and tax relief for dependants, although meagre, have recently been raised. But two recently introduced measures – maternity allowance and allowances for households with three dependent children – are welfare measures in the stricter sense of the term (cf. § 1.1.1 and Table 6).

Whereas unemployment benefit cannot be described as an anti-poverty measure, in that it is based on contributions paid, it does nevertheless protect those having access to it from the serious risk of social exclusion. As we shall see in Chapter 2, despite repeated reforms, the income support system for the unemployed is also highly fragmented, and access depends not on the degree of need but on the type of employment previously held (small or large firm, public or private sector, sphere of production, reason for dismissal). In particular, only persons who have worked and paid contributions for a certain number of days or years before becoming unemployed are entitled to the various unemployment subsidies. All that exist for non-working people *tout court* are local, category-based and discretionary income support measures. Yet the increase in unemployment and in its duration in the 1990s gave rise to fresh problems; reforms in the 1990s extended access to unemployment cover, but shortened its duration. If workers have not found another job by the time their benefit runs out, they can turn only to local welfare services, access to which cannot be taken for granted. Transition from one scheme to another is not automatic, and the employment services needed to improve the employability of jobless persons have until now been extremely weak (just in the past six months the job placement system has undergone a reform, with powers being handed from the State to the regions, and with the introduction of greater responsibilities for matching demand with supply; cf. § 3.2.2).

Figure 1 illustrates the trajectory of a manual worker on average earnings. Having lost his/her job, he/she may be entitled to a mobility allowance or CIG support or merely ordinary unemployment benefit, depending on the former employer (size and sector of company); later on there may also be access to local income support, subject to the characteristics of that person's family unit and the discretion of social workers. Clearly the vast discretionary area makes it necessary to erect a social

Features/measures	Milan	Cosenza	RMI
Name of measure	MV (Living Wage) and MA (Basic Subsistence).	Economic assistance.	RMI (Minimum Insertion income).
Legislative reference	Regional law LR 1/86 and local decisions.	Regional law LR 5/87 and local decisions.	DL 237, 18/06/98.
Discretionary or automatic entitlement?	Entitlement, but implemented with reasonable discretion in Milan, very considerable discretion in Cosenza.		Entitlement.
Role of client/social worker negotiation	Individual negotiation relatively important. No obligation.	Individual negotiation and mediation by local politicians relatively important. No obligation.	Individual negotiation somewhat less important. No obligation.
Institutional level responsible	Municipality. Social services organised by category: families with minors (SSdF & province); adults (UAD); the elderly (ex-CADA).	Municipality & province, depending on category.	Municipality. An RMI Office has been set up in the pilot municipalities.
Funding	Regional fund administered independently by municipality.		National fund, participation of municipalities.
Target	Family units (with income below threshold) depending on category.		Individuals and households with income below threshold.
Eligibility criteria, apart from income threshold	Categories, in theory the same for all, change from service to service in practice. Proven need &/or availability for work. Residency in the municipality.	<i>Province</i> : under twos, first child of single mother; young children of separated couples. <i>Municipality</i> : families with young children (below 18 no direct application possible).	One year's residency in the municipality (three for non-EU citizens). Participation in activation programmes.
Does income threshold vary in certain cases?	It corresponds to basic monthly figure; depends on category.	<i>Municipality</i> : 9,500,000 lire (€4,906) per year for an individual; <i>Province</i> : No income threshold.	It corresponds to basic monthly figure. Higher ranking for persons not self-sufficient or with particular difficulties.
Who checks income?	Social workers.		Social workers; agreements with municipal police & other authorities.
Basic individual monthly figure	MV: 685,000 lire* (€354) depending on category. MA: 520,000 lire (€269).	<i>Municipality</i> : 300,000 lire (€155) per year per two-person household. <i>Province</i> : 549,000 lire (€284) per year for single mothers.	500,000 lire (€258) in 1998, 510,000 lire (€263) in 1999, 520,000 lire (€269) in 2000.
Increase in basic figure in case of special needs (single-parent families, rent, heating)	Housing costs taken into account to determine MV threshold. Coverage of other costs is at social worker's discretion.	<i>Municipality</i> : housing costs & special needs taken into account to determine access, not amount.	Housing costs taken into account to determine threshold. Coverage of other costs is subject to local decisions.
Waiting period from claim to first receipt	40-60 days.	Not significant.	30 days.
Duration	Depends on category: for adults generally 3-6 months/1 year; for families with young children ca. 6 months/1 year.	<i>Municipality</i> : claim may be resubmitted every year. <i>Province</i> : 12-18 months, depending on the case.	Ongoing and renewable for as long as need exists.
Monitoring system	Partly electronic, partly paper; not very efficient.	None.	Electronic, with a specific database, but not all municipalities use it.
* Corresponds to the INPS minimum pension. N.B: €1 = 1,936.27 lire.			
Source: Our calculations based on (Saraceno, 1998b), DL 237/98 and data from the Observatory on Urban Poverty (University of Milan-Bicocca and Bignaschi Foundation).			

As can be observed from Table 3, the differences between Milan and Cosenza (exemplifying the differences between Italian municipalities in general, and between north and south in particular) relate to every field, from the name of the measure to its duration, to access criteria and to monitoring systems. Obviously, then, the same state of need receives a different response in Milan and in Cosenza. Differences attributable to local circumstances can likewise be found in the municipalities piloting the RMI, but these fall within a regulatory framework which is supposed to be uniform across the country, ensuring that the same entitlement will be enjoyed irrespective of where the need arises.

<i>Table 4</i> Municipalities with 20,000 inhabitants or more delivering social welfare services, by geographical area, user typology and services provided (for 100 municipalities in the same area); 1997						
User typology	Geographical area					
Services provided	North west	North east	Centre	South	Italy	
Children						
School meals	91.3	92.7	94.1	80.2	88.1	
School transport	82.6	87.3	88.2	74.8	81.8	
Foster-care	95.6	85.5	84.3	64.1	79.2	
Kindergarten	95.6	83.6	78.4	63.4	77.6	
School help	79.6	70.9	70.6	56.5	67.3	
Recreation service (summer or other)	87.0	87.3	80.4	38.2	65.7	
Economic assistance to illegitimate minors	69.6	72.7	72.5	51.9	63.7	
<i>Informagiovani</i> guidance service	63.9	76.4	60.8	46.6	58.7	
Boarding-school	24.6	18.2	21.6	59.5	38.3	
Day centres (social/educational)	42.1	45.5	37.3	26.7	35.6	
The elderly						
Home/residential help	97.1	98.2	90.2	79.4	89.4	
Trip to spa/resort	72.6	85.5	62.7	65.6	71.0	
Residential homes	59.4	58.2	54.9	62.6	60.4	
Social centres	72.3	54.5	64.7	49.6	58.7	
The disabled						
School support/help	70.9	61.8	92.2	60.3	69.0	
School transport	65.1	47.3	68.6	65.6	63.4	
Home help service	84.0	70.9	88.2	31.3	60.4	
Day centres (social/educational)	76.7	63.6	60.8	24.4	49.8	
Dedicated transport service	76.6	49.1	49.0	29.8	47.5	
Labour market integration	85.3	60.0	56.9	7.6	43.2	
Recreation service (summer or other)	44.9	38.2	58.8	25.2	38.0	
Other user categories						
Social secretariat	89.8	81.8	70.6	56.5	71.6	
MV allowance	85.5	87.3	58.8	42.7	63.7	
Social emergency assistance	45.0	54.5	68.6	32.8	45.9	
Telephone help-line	65.4	83.6	29.4	13.7	40.9	
Help for prisoners & ex-convicts	32.1	58.2	35.3	53.4	46.9	
Assistance for immigrants	39.4	69.1	51.0	26.0	41.3	
Free prescriptions for the needy	62.1	36.4	41.2	26.0	38.9	
Drug/alcoholism prevention service	33.4	36.4	37.3	35.1	35.6	
Provision of meals for needy adults	52.3	72.7	35.3	8.4	34.7	

Source: Indagine sui servizi socio-assistenziali dei comuni, Istat Report 1998.

The diversity in local service provision typical of the situation in Italy is highlighted by Table 4, which emphasises the gulf between north and south. It compares the percentage of municipalities with over

20,000 inhabitants which provide certain types of service. The divergences between the south and north of the country are significant under certain headings, for example those referring to the provision of meals for needy adults (72.7% in the north-east, and only 8.4% in the south) and labour market integration services for the disabled (85.3% in the north-east, and only 7.6% in the south). These figures once again illustrate the gap which has widened over the decades.

1.1.1. Responses to the crisis

In response to the crisis affecting welfare systems over the past few years – in terms of financial coverage, effectiveness, efficiency and equity – the European Union countries have recently undertaken reforms in order a) to redress the balance in social security expenditure, following the rise in life expectancy and improved health in old age; b) to separate social assistance and social security, identifying more clearly the sources of funding (tax or contributory) for measures; c) to introduce more businesslike management into the social and health services, so as to boost efficiency and reduce wastage; d) to provide services at an institutional level which is closer to the people, from a perspective of federalism and subsidiarity. Such reforms are more difficult to implement in southern European countries. Firstly, they are more costly because investment has been rather low in the past. Secondly, the political centre supposedly carrying them out has limited legitimacy due to the government's lack of stability, as evidenced by the corruption scandals affecting Italy's mainstream parties since 1992 (the so-called *Tangentopoli* bribes scandal). Finally, because of the well-established balance which has formed over time between solidarity systems within the family and welfare benefits, which it is difficult to alter without creating a social imbalance (Mingione, 1998). One need only think, for example, of the difficulty of juggling the volume of resources intended for the elderly population (especially pensions) and the young (training, employment services to ease them into their first job, work experience, etc.) and the very young (services for infants and adolescents, but also economic resources for families with underage children). In the case of a family in which the reference person has retired from work, with unemployed youngsters to be looked after, any reform heading in the direction outlined above could produce perverse effects unless it took account of all possible implications.

The most significant innovations of the past five years in Italy have been:

- the 1995 reform of the pensions system, with its phased raising of the retirement age and increase in the requisite contributory years, moving from an earnings-related to a contributions-based system, with an attempt to standardise social security schemes. This latest reform would still seem to require various adjustments so as to “thin out the contributory jungle” (Ferrera, 1993 and 1998);

- the 1993 reform of the *Servizio Sanitario Nazionale* (SSN – National Health Service), giving the USLs (now ASLs, *Azienda Sanitaria Locale* – Local Health Authorities) and hospitals autonomy over their own organisation, administration and assets, so as to introduce cost-savings and efficiency into the management of the health system (Persiani, 1997);
- the introduction of administrative federalism, decentralising many administrative functions to the local authorities (provinces and municipalities), and a reduction in red-tape, introducing the possibility of largely replacing administrative certificates with self-certification. It also instituted the concept of “silence/assent”, whereby a request not receiving a negative reply within a certain period of time is deemed to be accepted, and brought in criteria for transparency and accountability in public administration. It is estimated that, during the three years of application of the *Bassanini Act*, the number of certificates issued annually by public servants has fallen from 75 million to around 25 million, making real – but still inadequate – inroads into Italy’s age-old problem of red-tape;
- rules governing atypical, flexible forms of employment, and the introduction of new instruments and incentives in the framework of active labour market policies (*Treu Package*, cf. Chap. 2). By allowing on the one hand for more flexible contracts while, on the other, combining training and employment incentives, this reform aims to better tailor employment policies to the present configuration of the labour market;
- the piloting of innovative anti-poverty measures, in particular the RMI (Minimum Insertion Income), the first ever income support scheme of final resort applying throughout the entire country and closely integrated with social/labour market reintegration programmes; the RMI is currently being piloted in 39 Italian municipalities (cf. § 1.3.);
- the drawing-up of a framework law, currently before the Senate for approval, to reorganise the social assistance system, with the aim of rationalising the country’s current extreme fragmentation, which creates inequalities in access to services and benefits for citizens in different localities (cf. § 1.2.).

All the pillars of the welfare, assistance, social security and health systems are therefore undergoing a process of modernisation and streamlining. Even so, some other important measures have been introduced pending the adoption of the framework law and full roll-out of the RMI.

First of all, the *Allowance for Families with at least three dependent children*, introduced in 1999, intended for domestic units of Italian citizens with three or more young children. It is granted for 12 months with the possibility of renewal; the maximum sum is 200,000 lire per month, the actual amount depending on the family’s composition and income. Its delivery is subject to means-testing according to the indicators and scale of equivalence of the ISE (*Indicatore della situazione economica* – Indicator of the Economic Situation). This scheme is geared to the type of family at greatest risk of poverty in Italy, especially in the south (cf. Introduction). The limitation of this instrument is that it

overlaps with Family Allowance (cf. Table 5), for which only employed workers are eligible (i.e. it is a social security measure, not a welfare measure). The two programmes need to be rationalised to prevent their combined application from causing horizontal inequities.

Another scheme introduced in 1999 was *Maternity Allowance*, paid out for five months to Italian mothers lacking maternity benefits under the social security system. The maximum sum is 300,000 lire per month. Disbursement is subject to means-testing according to the ISE indicators and scale of equivalence. The ISE, introduced experimentally for the three years 1999-2001, constitutes the new yardstick for assessing families' economic conditions to determine their access to – and extent of financial backing from – local service provision (kindergartens, free meals, home helps, etc.), as well as the amount of maternity allowance and allowances to families with three dependent children⁶.

The funding required for these two schemes, estimated at around 800 billion lire, is modest, but at least in the case of allowances for families with three dependent children, the selectivity implied by the very low income threshold serves to ensure that it is targeted at people in real poverty, offering them continued protection.

Another important innovation is the *National Fund to support access to rented housing*, for low-income families, created in 1999 by the Ministry of Public Works. The fund totals 600 billion lire for the three years 1999-2001; the resources go to the regions and autonomous provinces which then distribute them to municipalities.

Table 5 summarises Italy's main income support measures, taking account of the recent innovations described above.

The following few paragraphs will analyse the reforms connected with the framework law on social assistance, which will help us better understand the role of co-ordination in the overall design of measures and in the linkage between monetary pay-outs and activation measures.

⁶ The ISE is made up of a combination of income and assets, with deductions for rental costs and an exemption for home ownership. A scale of equivalence is applied to the number of family members. This new calculation method should improve the equity of benefits and free prescriptions. However, social pensions and social allowances, minimum pension supplements and civil invalidity payments are all excluded. Whether the ISE is extended to other measures will depend on the outcome of the pilot.

<i>Table 5 Summary of direct income support measures</i>				
Measure	Legislative Ref.	Beneficiaries	Awarded by	Benefit
<i>Social security measures</i>				
Family Allowance	LN 153/88; LN 451/94; LN 449/97*; DM 27/5/98*.	Employees; unemployed persons on benefit; workers in receipt of CIG, LSU or mobility allowance; pensioners formerly in employment; self-employed workers*.	INPS	Amount varies according to family's composition and income.
Minimum Pension Supplement	DL 503/92.	Pensioners whose contributory pensions fall below a minimum sum. Excludes persons who began working after 1/1/96.	INPS	Maximum 9,224,150 lire / year.
Disability Pension	RD 1272/39; LN 160/75; LN 222/84.	Workers affected by physical or mental infirmity, unable to take any form of employment.	INPS	704,000 lire / month.
<i>Welfare measures</i>				
Civil Invalidity Pension	LN 118/71; DL 112/98.	Civilians aged 18-65 who are total invalids (100%), with income requirements.	Ministry of the Interior until 1998, then INPS	395,060 lire / month.
Assistance Allowance	LN 118/71; DL 112/98.	Persons who are 74% invalid, with income requirements.	Ministry of the Interior until 1998, then INPS	395,060 lire / month.
Attendance Allowance	LN 118/71; DL 112/98.	Civilians who are total invalids (100%).	Ministry of the Interior until 1998, then INPS	795,060 lire / month.
Social Pension	LN 153/69; LN 335/95.	Persons aged over 65, with income requirements.	INPS	Maximum 6,557,200 lire / year.
Social Allowance	LN 335/95.	Replaced the Social Pension on 31/12/95. Persons aged over 65, with income requirements.	INPS	Maximum 8,005,400 lire / year.
Allowance for Families with at least three dependent children	LN 448/98; DM 306/99.	Italian families with three or more dependent children and income below 36 million lire per year.	INPS	Basic monthly rate 200,000 lire.
Maternity Allowance	LN 448/98; DM 306/99.	Italian mothers not in receipt of maternity benefit.	INPS	Basic monthly rate 300,000 lire.
MV (Living Wage)	Regional laws, local decisions.	Depends on context.	Local authorities	Depends on context.
Family Subsidies	Regional laws, local decisions.	Depends on context.	Local authorities	Depends on context.
<i>RMI (Minimum Insertion Income)</i>	<i>DL 237/98.</i>	<i>Citizens & families with incomes below threshold.</i>	<i>Local authorities, but State-funded.</i>	<i>Basic monthly rate 520,000 lire for the year 2000.</i>
Sources: Negri and Saraceno (1996); Benassi (1999).				

1.2. Framework law on social assistance

The need for a framework law on social assistance has been unfulfilled ever since 1977. Proposals and suggestions along these lines have succeeded one another over the years (cf. *Commissione Gorrieri*, 1995). Such is the urgency of the reform that a committee specifically established to this end by the Social Affairs Commission recently drew up a single document incorporating other relevant draft legislation which had already come before Parliament during this legislature (<http://www.camera.it>). The bill was approved at first reading by the Chamber of Deputies on 31 May 2000 and is currently before the Senate. The purpose of the framework law is to create a high degree of social policy co-ordination at national level, filling the legislative void which has typified social assistance (cf. § 1.1.) and generated sharp disparities between local systems in terms of benefits and access conditions, namely:

- the persistence of category-based regulations, implying different responses to similar needs;
- a huge imbalance in the system, with economic transfers taking precedence over virtually non-existent services in some geographical areas;
- the fragmentation and unreliability of institutional powers, leading to wastage and inefficiency;
- the inadequacy of social initiatives in the face of continually changing and ever more fragmented needs, not least in relation to demographic trends and the transformation and proliferation of family typologies. Indeed, one need only think of the importance of caring activities in a society in which a pronounced ageing of the population – with all the associated social and health requirements - coexists with an extremely low birth rate, due not least to the growing gap between procreative desires and decisions, originating in the difficulty of reconciling childcare with work outside the home, especially for women.

The aims of the reform are many and varied, and can be outlined as follows:

- To increase the share of GDP devoted to welfare expenditure, which currently lies below the European average, and to reorganise and improve its composition so as to upgrade personal services and the balance between geographical areas.
- To incorporate the total budget allocation of the Social Policy Fund into the Finance Bill, topping up resources annually according to requirements, without having to resort to specific sectoral laws (as from 2001).
- To put the municipalities in charge of reorganising the social protection system and make the State responsible for setting minimum benefit standards, since there should be equal opportunities to claim social entitlements throughout the country, without encroaching on the

organisational autonomy of local areas and without adversely affecting higher-level benefits where these exist.

- To confirm the planning role of the regions, for reasons of cost-saving and efficiency. Three important levels of co-ordination are singled out: local, with regard to the operation and implementation of measures and services; regional, with regard to planning in accordance with specific local circumstances; and national, in identifying quantitative and qualitative levels of social assistance. These different levels also need to co-ordinate among themselves, in order that local decisions fit into the overall national framework.
- To invest more heavily in personal services, both to respond better to ever more pressing social needs and to promote the development of new forms of social entrepreneurship, creating vital job opportunities especially in areas with higher incidences of unemployment. This strategy entails the involvement of a number of bodies in the non-profit sector (co-operatives, voluntary organisations) and in the world of work (commercial firms in the social welfare sector). Thus there is a need for co-ordination between the relevant local authorities and these bodies, which must agree on the content of services and benefits and on the method of delivery, as well as on shared objectives and joint projects (cf. § 3.2.6).
- To involve and motivate other actors in the field of solidarity, in addition to the public authorities, such as Third Sector bodies and community groups: co-operation and partnership are regarded as fundamental in building up the social protection system. Co-ordination is crucial here too, in order for consultations among the various parties to bring about improvements in the administration of the welfare system both nationally and locally.
- To strongly develop family policies, currently weak and inadequate, recognising the role of families in caring for individuals who are not self-sufficient, and in accommodating persons suffering social disadvantage, in the form of foster-care. Specific economic incentives are envisaged to this end, to offset the onerous burden on families (increases in family allowances and tax relief; loans both to help young couples purchase a home and to help single-parent families and expectant mothers overcome temporary difficulties; rent supplements and study allowances for low-income families; introduction of maternity allowances for mothers not covered by any insurance-type protection - LN 448/98), and services to help reconcile patterns of work, caring and family life (development of various services for children aged under three - LN 285/97: reform of maternal and paternal leave - LN 53/2000). The integration and co-ordination of the various social policies makes initiatives more rounded and effective, and allows the various problems to be tackled at one and the same time where disadvantage has a number of causes, as well as extending policies to encompass preventive measures too.
- To test out universal forms of income support, standardised across the whole country, and in particular the RMI (Minimum Insertion income) (cf. § 1.3), which sets out measures for social/labour market integration and assistance; its implementation involves various bodies

(local authorities, public institutions, voluntary sector organisations, commercial firms) and therefore calls for as yet unprecedented forms of co-ordination (cf. § 4.2 and 4.3).

- To recast economic transfers in line with the principle of separating out social assistance from social security, whilst safeguarding acquired rights. In particular, the different welfare pay-outs for invalidity will be reconciled into three measures: a minimum income for total disability; a minimum income for partial disability; an independent living and communications allowance.
- To shake out the IPABs (*Istituzioni Pubbliche di Assistenza e Beneficenza* – Public Welfare and Charitable Institutions), a major feature of Italy's social assistance landscape in historical and quantitative terms, 4,200 of which are registered with the Ministry for Social Solidarity, with overall assets estimated at 37,000 billion lire; they manage a third of all bed-places in residential homes for the elderly. Parliament has given the government the green light to rationalise these institutions, placing them squarely in either the public or the private domain, whereas they have until now been located in a sort of *grey area*; in some cases these changes may force them to close down. Hence there is enormous interest in what will happen to the assets of IPABs; a whole host of voluntary sector bodies would moreover like to take over their agreements with the public administration for the delivery of public services, all of which leads to a good deal of competition among them.
- To introduce a Social Services Charter and establish an Office for Social Protection, with the task of upholding the rights already acquired by citizens to information and transparency, and to introduce new rights concerning the adoption of service quality standards, their publicisation and the public authorities' obligation to verify these (De Ambrogio, 1999).
- To earmark resources for continuing training of social services officials, partly with help from the European Social Fund (but with no additional burden on the State).
- To establish a social services information system at national, regional and municipal level; until now the absence of any such system has prevented administrations from devoting enough thought to the policies implemented, with inevitable effects on evaluation and planning activities, and to conducting comparisons not only between different Italian localities but also between Italy and other European countries, given that methods of data collation and analysis are extremely fragmented and diverse, not only from one municipality to another but even from one department to another.
- To develop cascading planning, as is done in the health sector: three-year national, regional and area social plans will be drawn up. The priorities for the forthcoming three-year period are:

- a. Extending essential benefits in areas of the country where these are particularly poor;
- b. Concentrating resources on benefits and services which are particularly inadequate and/or for which demand has grown most sharply;
- c. Promoting policies in support of family responsibility.

The framework law is therefore in tune with the European Union's social inclusion policies, as drawn up by the Lisbon Council in March 2000.

1.3. The RMI (Minimum Insertion Income)

1998 saw the introduction of the first ever income support scheme with nationally uniform rules, albeit specifically tailored to local contexts. Legislative Decree (DL) no. 237 of 18/06/98 instituted the RMI (*Reddito Minimo di Inserimento* – Minimum Insertion Income) to run as a pilot in 39 municipalities distributed throughout the country over a two-year period⁷. The decree lays down baseline criteria in terms of the scales of equivalence, the sum awarded, the identification of recipients and priorities, and the need to couple income support with social and labour market integration programmes for recipients. With due respect for these criteria, each local administration may choose its own specific means of implementation and may arrange waivers and clarifications, for instance with regard to property ownership. The need for and advisability of introducing such a measure had already been highlighted by the Committee of Inquiry on Poverty and Marginalisation in 1995 and taken up in 1997 by the Committee for the Analysis of the Macroeconomic Compatibility of Social Expenditure (*Onofri Commission*), in the context of a proposed overall reform of the welfare system (*Commissione di Indagine sull'Esclusione Sociale*, 2000).

The fundamental innovation of this measure is that it casts aside the category-based discrimination (cf. § 1.1.) which gives the *deserving poor* (those unable to work for reasons of age or disability) precedence over the *able-bodied poor*. The RMI is geared to all families whose income lies below a certain threshold, calculated according to the family's composition, in line with a uniform scale of equivalence for the entire country (cf. Table 2), which takes into account the presence of family members who are not self-sufficient (underage children, disabled and elderly persons) or who have additional difficulties (drug addicts, immigrants, etc.), assigning a higher ranking to them. The sum

⁷ The municipalities included in the pilot were selected according to a number of factors: diversity of economic, demographic and social conditions; an appropriate distribution throughout the country; variety of forms of assistance already up and running; acceptance by municipalities (DL 237/98, Art. 4). The 39 municipalities were picked from an initial selection of 22 provincial groupings: 5 in the north, 11 in the centre and 22 in the south, of which 13 have fewer than 10,000 inhabitants and 13 are provincial capitals. In five of the latter (Genoa, Foggia, Reggio Calabria, Catania and Sassari) the pilot involves only certain districts. The population of the areas concerned is estimated, on the basis of 1991 census data, to be around 850,000 inhabitants, belonging to some 280,000 family units (Istat, 1999).

awarded corresponds to the difference between their actual income and the threshold. The supplement is paid out monthly, beginning with the entire month during which the claim is received.

Earnings from employment are calculated at 75% so as not to discourage people from seeking a properly paid job; such earnings may be lowered further where rental and ancillary costs are excessively onerous; existing arrears may also be divided into instalments. Deductions may be made where someone is repaying loans in excess of their financial capabilities, and for health and welfare costs not covered by the SSN. Recipients must have been resident in the municipality concerned for at least 12 months on the date of the public announcement if they are EU citizens, and for at least three years if they are not from the EU or are stateless; the actual place of residence is what counts, as long as it is well-established, even if it does not correspond to the officially registered address.

Another key feature of the RMI is the emphasis placed on activation measures for recipients. An agreement tailored to his/her personal circumstances is signed with every recipient concerning a pathway for their social and/or labour market reintegration; this is similar to what happens in France under the *RMI* there, but is something entirely new for Italy. Programmes may range from a return to compulsory schooling, to vocational training, to labour market integration, to LSU (Socially Useful Jobs), to psychological support or healthcare. Subjects of working age who are unemployed and fit for work are expected to be available to attend vocational training courses and to accept any suitable job opportunities offered to them.

The combination of economic support and labour market integration under this scheme presupposes on the one hand the availability of adequate funding nationally, and, on the other, the existence of a network of local actors – public, private and non-profit making – who will co-operate in the various phases of social and employment projects. First the RMI pilot and thereafter its full roll-out will therefore provide opportunities to consolidate existing networks and to create new ones where none exist or they are very fragile. The RMI should in all cases act as a catalyst and multiplier of partnerships, policy agreements and local conventions. Co-ordinated activity is indispensable to the enforcement of this reform, both during the experimental phase and – all the more so – once it is institutionalised. The design and development of RMI-related projects are important stages in planning ahead for local development, especially but not only with regard to social policies (indeed, one need only think of the employment effects linked to offering recipients guidance and training, and of the potential for emergence from the illegal economy). Local discussions will both develop within existing co-ordination contexts and be fuelled by fresh thinking, channelled in innovative directions according to local requirements. It would seem important in this regard to envisage methods whereby higher-level bodies, particularly regional and national ones, can give technical back-up to co-ordination, as has happened for projects funded under Law 285/97 (cf. § 3.2.3).

The Department of Social Affairs (DAS) has set up a working group on the RMI, comprising experts and representatives from the ANCI (*Associazione Nazionale Comuni Italiani* – National Association of Italian Municipalities). The municipalities involved in the pilot have a direct line to the Ministry to resolve the numerous questions raised by the new scheme. Training courses have been held in Rome for local officials in charge of implementation, albeit very belatedly, since they only began once the pilot was half way through. This undoubtedly caused problems, limiting the competence of staff and officials at the crucial time of the pilot's launch. Better-timed training would probably have obviated many of the mistakes made in the initial stages, and would have allowed the delivery and implementation mechanisms to be designed in a more functional manner.

The municipalities have moreover begun to exchange information and consult one another in unprecedented ways, even across large distances, for example Foggia and Cologno Monzese. Municipalities in the same province (Viterbo and Enna) or region (Sardinia) have attempted to launch *virtual consortia* to administer the pilot, but such efforts have not had the desired effects. The political approach of the respective administrations in the province of Viterbo has made co-ordination among four of the seven municipalities participating in the pilot impossible; in the province of Enna, two of the six municipalities involved have experienced major political crises which put paid to any co-ordination; the two municipalities concerned in Sardinia explicitly asked the region to take on an active co-ordinating role, but the regional administration refused, following its failure to influence the selection of municipalities included, and this attempt at co-ordination likewise failed. Paradoxically, channels of information and co-operation between physically distant and socio-economically diverse municipalities seem to have functioned better than those between more homogeneous localities. Be that as it may, once the measure is extended to the entire country it will be crucial to offer adequate technical support for local co-ordination among neighbouring municipalities, especially small ones which, by joining forces, will have greater scope to offer social and labour market integration initiatives otherwise beyond their means.

1.3.1. RMI recipients

25,609 families have so far been included in the pilot, the overwhelming majority of them (88.7%) in the south of the country, totalling 90,315 persons. RMI domestic units are larger than average Italian households (3.2 members as against 2.8) and have more young children (34.2% rather than 17.9%). 6.9% of families in receipt of the RMI have at least one disabled member. The over-representation of large families with children and disabled members reflects the characteristics of poverty in Italy (cf. Introduction), but is also a consequence of the criteria laid down by the decree. Elderly people, by contrast, are under-represented since the RMI income threshold is lower than the social allowance, which was in fact increased by 100,000 lire in the 1998 finance bill. 7,407 social integration projects

have so far been launched, involving 37,444 persons in total, primarily in respect of vocational training and remedial compulsory schooling. The average monthly sum disbursed to families is 815,000 lire. The resources devoted to the pilot amount to some 476 billion lire (cf. Table 6; Commissione di Indagine sull'Esclusione Sociale, 2000).

Table 6 Data on the RMI pilot: number of recipients and projects mounted, volume of resources disbursed

Municipality	Inhabitants (I)	Recipients (R)	Families (F)	Projects (P)	R in P (RP)	% R/I	% RP/R	Resources disbursed
Nichelino	45,609	860	351	451	458	1.9	53	3,978,000,000
Limbate	32,469	349	117	89	335	1.0	96	2,041,000,000
Cologno Monzese	49,790	453	174	164	204	0.9	45	3,138,000,000
Rovigo	50,925	324	150	150	202	0.6	62	2,700,426,000
Genova (Volti/Pra)	39,000	1,396	501	596	479	3.6	34	4,630,000,000
Massa	67,999	1,991	828	772	1,800	2.9	90	10,753,457,000
Civita Castellana	15,992	368	150	20	151	2.3	41	2,328,894,000
Corchiano	3,319	53	15	27	28	1.6	53	276,997,000
Monterosi	2,232	43	15	10	8	1.9	19	245,744,000
Onano	1,211	33	13	3	17	2.7	51	190,064,000
Gallese	2,798	55	26	6	32	2.0	58	287,914,000
Fabrica di Roma	6,296	120	32	31	35	1.9	29	1,015,149,000
Canepina	3,072	65	23	25	28	2.1	3	268,761,000
Pontecorvo	13,345	711	233	5	220	5.3	31	3,779,764,000
Alatri	26,848	950	288	172	234	3.5	25	4,081,181,000
Caserta	73,797	5,030	1,589	17	278	6.8	6	22,746,032,000
Orta di Atella	12,154	4,854	1,593	12	724	39.9	15	26,036,813,000
Naples	1,035,835	17,283	3,629	3,589	17,123	1.7	99	92,736,955,000
L'Aquila	69,516	437	260	19	437	0.6	100	9,446,907,000
Isernia	21,007	693	218	7	218	3.3	31	3,222,000,000
Foggia	155,785	9,983	2,869	30	2,703	6.4	27	39,441,110,000
Andria	93,446	6,197	1,696		1,100	6.6	18	20,347,437,000
Bernalda	12,266	802	252	6	229	6.5	28	4,115,703,000
Grassano	5,929	390	161	3	161	6.6	41	2,497,519,000
Isola Capo Rizzuto	12,721	4,520	1,520	13	760	35.5	50	33,477,149,000
Cutro	9,866	2,822	1,106	3	571	28.6	20	20,104,346,000
San Giovanni in Fiore	18,821	2,758	882	4	376	14.7	14	17,627,048,000
Reggio Calabria	180,158	5,351	1,313	12	2,958	3.0	55	23,599,626,000
Nardo di Pace	1,532	290	78	65	189	18.9	65	1,177,000,000
Enna	28,532	2,025	694	3	506	7.1	25	11,957,854,000
Barrafranca	13,466	2,306	692	21	866	17.1	37	13,947,853,000
Leonforte	14,407	2,052	650	11	400	14.2	19	15,383,544,000
Catananuova	5,031	531	182	6	132	10.6	25	4,028,697,000
Agira	8,941	796	261	2	200	8.9	25	5,040,000,000
Centuripe	6,239	431	158	6	174	6.9	40	4,439,832,000
Catania (VII-IX-X)	64,379	8,400	1,600	300	1,200	13.0	14	32,077,542,000
Sassari	121,038	2,970	728	700	1,456	2.5	49	25,683,020,000
San Nicolò d'Arcidano	2,945	167	40	40	40	5.7	24	1,386,379,000
Oristano	33,066	1,456	522	17	412	4.4	28	6,003,068,000
Total	2,361,782	90,315	25,609	7,407	37,444	3.8	42	476,238,785,000

Source: Irs, Cles, Zancan, *Rapporto di valutazione sulla sperimentazione del RMI*, cited in: Commissione di indagine sull'esclusione sociale, 2000.

1.3.2. Unresolved issues concerning the pilot

As was only to be expected, the pilot has thrown up a number of questions and problems which will have to be tackled before the RMI can be institutionalised and extended to the entire country. These relate to 1) funding; 2) how to rank recipients; 3) significance of the contractual nature of the scheme; 4) income and asset checks; 5) whether to count sources of income in full or in part.

1) *Funding of the scheme.* While the provision of economic support remains subject to budget constraints its scope will be severely restricted, and not every family falling below the threshold set will be able to receive an income supplement; rather, it will always be necessary to establish a rank order and to finance only some of the qualified claimants. In effect, the RMI has been administered in two contrasting ways in the 39 municipalities, depending on their circumstances. In certain municipalities, such as Cologno (cf. § 4.2), it has proved possible to fully satisfy the demand: financial resources have been sufficient to cover all requests, and every claim lodged during the pilot period has been assessed and, where appropriate, financed (as long as the statutory requirements were met)⁸. In other municipalities such as Naples (cf. § 4.3), resources fell well short of the requests received, and delivery had to be based on a ranking of successful claims, only some of which were subsequently financed. It therefore proved necessary to close the call for applications, and to leave open a secondary access channel for official referrals by social workers. It was impossible to accept, assess and where appropriate finance, every claim presented at any time during the pilot (interview no. 63), raising the obvious danger of jeopardising the equity of enforcement: families having a higher score than some of those funded may be excluded from the scheme, either because the information did not reach them in time (before applications closed), or because they are not identified by social workers as cases serious enough to merit automatic referral, or because not all official referrals can be funded owing to the limited budget (interviews 54, 63 and 66). Account will have to be taken of these two different patterns of management when evaluating the pilot and planning for full roll-out. Indeed, if this mismatch between available resources and cases actually accepted is to persist, the scheme's objectivity and guarantee of equal treatment throughout the entire country will be cancelled out; these points were fundamental in the introduction of the RMI. According to estimates carried out for the Ministry, delivery of the RMI throughout Italy will incur expenditure of around 4,000 billion lire per year.

⁸ It should however be noted that even some municipalities possessing adequate resources decided to accept no further claims during the final months of the pilot, in that there would not have been enough time to activate proper labour market integration projects. Thus, these municipalities created an obligatory linkage between income supplements and activation initiatives, as intended by the spirit of the reform.

The pilot municipalities were asked to provide co-funding amounting to a maximum of 10%. This has meant a sizeable commitment for large municipalities such as Naples, and has restricted the possibility of adapting staffing and structures to the huge impact of the pilot. As we shall see in section 4.3., the social work department of the municipality of Naples, already severely understaffed, was obliged to mount the pilot with minimal internal reorganisation and no full-time workers, entrusting all the social and labour market integration initiatives to appropriately selected Third Sector bodies; this generated a huge need for co-ordination among these bodies and between them and the municipality itself. Regular meetings in fact became necessary between representatives of the various organisations and social services staff, so as to draw up joint guidelines for initiatives and methods of contacting recipients, evaluating projects underway and correcting errors (interviews 41, 50 and 54). Co-financing by municipalities was introduced as a means of making local authorities share responsibility for delivery. It should however reflect their actual capacities, since otherwise authorities will continually be forced to divert resources from other budget headings and/or will never have the wherewithal to improve their staffing levels, training and infrastructure. This would limit the likelihood that the reform will promote innovation and modernisation of management systems. In particular, it is important that the RMI should have a dedicated office, in which at least some of the staff deal exclusively with this measure, especially given the fact that once it is fully up and running it is scheduled gradually to replace some of the present income support schemes (e.g. the social pension, civil invalidity pension and minimum pension supplement), with a view to streamlining the welfare system (Negri and Saraceno, 1996). It has been proposed, not least to avoid these limitations, that the regional authorities – hitherto not involved at all – might be given a role during the start-up phase. Thus the government would provide a more reduced basic proportion of the subsidy, while the regions, which are authorised to levy taxes (perhaps necessary in order to accumulate resources), would top this up according to the means available to them and in line with specific local requirements, for example by attaching greater importance to housing costs in areas where these are particularly high (interview no. 69). This would require the creation of a new channel of vertical co-ordination among the regions and the municipalities on their territory, on the one hand, and between the regions and the Ministry on the other, in order to ensure that planning is properly co-ordinated between all the various levels involved, above all in terms of cash-flow; otherwise the implementation of the RMI scheme and the associated programmes would suffer, and the results would be seriously jeopardised.

2) *How to rank recipients.* Some municipalities have adopted differential short-lists according to family typologies, setting aside a percentage of places on the eligible list for each category singled out, in order that the over-representation of certain typologies does not impede access by other needy families. Other municipalities, by contrast, have confined themselves to applying the scoring system stipulated in the decree and then drawing up a single ranking. The municipality of Naples, for example, has created separate short-lists for single-parent families, young couples, nomadic families,

families with no fixed abode and immigrant families. At least 80% of the claims accepted from these categories ought to receive funding. Furthermore, in addition to the higher score envisaged by the decree in the case of dependent children who are minors or disabled, the municipality of Naples has awarded extra points for families in rented housing, families with disabled members – even with different degrees of kinship – and for social disadvantage (imprisonment, alcoholism and drug addiction). Whereas on the one hand this decision risks reproducing aspects of the category-based benefits so very prevalent in local social services departments, on the other it appears vital in order to attach due importance to circumstances where several problems overlap. To ignore varying degrees of disadvantage would in fact be a source of inequity.

3) *What significance should be attached to the contractual nature of the scheme?* The pilot is in fact revealing local differences in this field too. Once the RMI is fully rolled-out, however, these differences will have to be minimised, not least because of the underlying philosophy. Basically there are two main approaches to income support measures: the first emphasises the right/duty to work, drawing the conclusion that someone who is not prepared to co-operate actively in their own (re)integration is not entitled to the supplement; the second has to do with consumers' rights, the fact that all citizens have a right to be protected from indigence and to remain free from it for as long as their state of need persists (Negri, 2000). The former view, which could be defined as “contractualist”, can in turn be read in two ways: firstly, in keeping with the French thinking behind the *RMI*, the State and the citizen are engaged together in a rehabilitation process, which may allow for intermediate stages, partial failures or interruptions; the citizen has a guaranteed right to assistance and may take legal action against the State if adequate insertion mechanisms are not made available. Under the second interpretation, the social worker has greater discretionary powers in assessing whether the subject's failed reintegration is due to that person's lack of personal commitment, and the subsidy comes close to being used as a sanction (positive if disbursed; negative if reduced or suspended) for the “willingness” shown by the client (interview no. 29).

These two approaches could in fact co-exist, if they applied to two distinct types of client. There is manifestly an area of disadvantage from which active recovery is extremely difficult due to an accumulation of serious, chronic problems and a long history of dependence on services, or at least a lack of self-reliance. Such clients require prolonged income support with a view to damage limitation, or else assistance with healthcare, with improving personal and environmental hygiene in their homes, etc. (interview no. 63). Then there is a second type of client, whose material, psychological and emotional resources and relationships are not so badly compromised as to rule out a recovery programme. For these clients, access to the RMI could be portrayed as temporary support geared to reviving their personal self-reliance and that of their family, where there is one, by means of appropriate activation pathways and instruments. This would allow for a greater turnover of clients,

thereby making the scheme more equitable in that access can be ensured for a larger number of entitled persons, and potentially all of them (interview no. 41).

4) *Arrangements for verifying income and assets*, which will have to involve bodies such as the Excise Department, Land Registry Offices, INPS, etc. at ministerial level. There has in fact been little response to local requests for co-operation (e.g. in the case of Naples): institutional endorsement is needed. Social workers, who are responsible for operations on the ground and for building a relationship of trust with clients, cannot be expected to carry out such checks single-handedly. On the other hand, if checks are non-existent or inadequate, the door is opened wide to inequity.

5) *More precise guidelines on sources of income*: which to count in full, which to calculate as a percentage; to which sources individual municipalities may or may not apply waivers. Here too there have been substantial differences from one pilot municipality to another (interview no. 63). In some, for example, possession of a bank or post office current account has resulted in automatic exclusion; in others it has been tolerated. It does however appear indispensable – as stipulated in the decree – to calculate earned income at 75%, in order to avoid any disincentives to looking for paid employment, the so-called *unemployment trap* whereby it is not in the interests of beneficiaries to accept a job, since the subsidy lost will exceed the pay earned (Boeri and Pellizzari, 1999).

Assuming that the social assistance reform receives the green light from the Senate, the transition from the experimental phase to full institutionalisation will be complex and delicate. The Minister for Social Solidarity is to report to Parliament in January 2001 on the outcome of the pilot. It is imperative that the scheme, either within the framework law or as a separate item, should be definitively approved by spring of the same year, when the legislature ends, otherwise its passage through Parliament will come to nothing. All the social actors involved are very concerned about the future prospects: a social assistance and support mechanism has been created which the municipalities alone are not in a position to finance, yet whose termination would produce severe imbalances in the local communities concerned.

Italy's welfare system is undergoing a period of major changes and reforms: these are required in order to make it sustainable and better able to respond to the social needs of present-day society. The social assistance pillar in particular is being subjected to a thorough and long-overdue reorganisation, which should render the Italian system more equitable, more capable of preventing serious social exclusion, and more in line with the systems of other European countries. It is however too early to say whether these policy changes will be followed through in practice, and whether or not the result will be a more homogeneous and less fragmented system.

2. Activation Policies

2.1. Socio-economic context

We have seen that one of the principal characteristics in Italy is the pronounced disparity between north and south. This disparity is reflected in the nature of the Italian production system in terms of economic development, income and employment (Pugliese and Rebeggiani, 1996); it has distant origins, and was already present before Italian unification (pre-1860). Industrialisation has not closed the gap during the last fifty years, while Italy has developed from being a rural under-developed country, from which many people emigrated to being one of the most industrialised and developed countries in the world (with net immigration during the last twenty years); rather, it has contributed to increasing the imbalance. During the years from 1950 to 1970 the economic boom of the Fordist period was concentrated in the so-called *Industrial Triangle* (Milan, Genoa, Turin) in the north-west of the country, where development occurred mainly in large-scale industry, which established itself as the prevailing model of industrial relations (Fordism). During that period the south was notable for high rates of emigration towards the regions of the north. Since the middle 1970s, on the other hand, with the spread of the economic recession caused by the oil crisis, the crisis in big firms and the decline of heavy industry, north-eastern and central Italy have spearheaded a fresh economic miracle, anticipating the production methods of flexible specialisation (post-Fordist), with networks of small and medium-sized firms able to produce short runs, often *ad hoc*. Such networks are rooted in local production and trading contexts with strong traditions (Bagnasco, 1977; Trigilia, 1992), which are increasingly oriented towards exporting. In this scenario the south, lagging behind in its economic development and faced with very limited private investment, has been for decades the recipient of *extraordinary* funding and emergency policies which, far from closing the gap with the centre-north of the country, have proved to be instruments for collecting votes and the object of political corruption and illicit finance. The gap between north and south caused all the structural economic problems and public administration difficulties to be concentrated in the south: low rates of activity, high unemployment (especially of young people and long-term), high rates of moonlighting, school truancy percentages above the national average, levels of public services far lower than in the rest of the country. Thus, no analysis of Italy's economic structure can ignore this split in the economic texture, which is also reflected in the labour market. The national unemployment rate is, therefore, a misleading figure given by the average of three completely different data sets (cf. Table 7). In the north it is near full employment (4.9% in April 2000), most notably in some areas and regarding men: the unemployment rate for males aged between 40 and 49 years was 1.6% in 1998 (OML, 1998), while the employment rate for males between 35 and 54 years old reached 90.9% in the north in 1999 (Istat, 2000). The figure for central Italy is near the European mean (8.8% in April 2000). Lastly, the data for the south are 21% in April 2000, with 16.2% for males and 30.5% for females (Istat, 2000).

<i>Table 7</i> Unemployment rates by sex, age and geographical area (% , 1994 - April 2000)							
	1994	1995	1996	1997	1998	1999	April 2000
Italy	11.1	12.2	12.2	12.4	12.2	11.7	10.8
Males	8.5	9.5	9.4	9.8	9.4	8.8	8.3
15-24	28.4	30.6	28.4	29.8	29.5	28.6	28.4
40-49	3.1	4.1	3.8	3.9	3.9	-	-
Females	15.6	16.8	16.8	16.8	16.8	16.3	14.9
15-24	36.8	39.1	39.1	39.3	39.2	38.3	35.3
40-49	7.0	7.7	7.4	7.2	8.4	-	-
North-west	7.2	7.6	7.2	7.7	7.1	6.2	5.5
Males	5.1	5.4	4.7	5.3	4.1	4.0	3.5
15-24	17.0	17.4	14.2	16.1	12.9	13.6	14.0
40-49	1.9	2.3	1.9	2.1	1.7	-	-
Females	10.5	11.0	11.0	11.3	11.4	9.5	8.5
15-24	24.8	25.6	25.6	26.4	26.6	22.4	20.4
40-49	4.7	5.0	4.8	4.8	5.7	-	-
North-east	6.7	6.6	6.0	6.2	5.7	4.8	4.2
Males	4.4	4.3	3.8	4.3	3.6	2.7	2.7
15-24	14.7	13.8	11.5	13.1	11.3	7.6	8.4
40-49	1.6	1.9	1.5	1.7	1.5	-	-
Females	10.2	10.0	9.2	9.0	8.6	7.7	6.3
15-24	24.1	23.3	21.4	21.1	20.1	15.9	12.0
40-49	4.6	4.6	4.1	3.9	4.3	-	-
Centre	9.3	10.4	10.5	10.6	10.0	10.0	8.8
Males	6.4	7.4	7.5	7.6	7.3	7.3	6.6
15-24	21.4	23.8	22.7	23.1	22.9	26.4	21.7
40-49	2.3	3.2	3.0	3.0	3.0	-	-
Females	14.3	15.2	15.2	15.2	14.1	14.1	12.0
15-24	33.7	35.4	35.4	35.6	32.9	37.4	33.1
40-49	6.4	7.0	7.0	6.5	7.1	-	-
South	19.3	21.6	22.3	21.8	22.9	21.9	21.0
Males	15.4	17.5	18.0	17.6	18.5	17.0	16.2
15-24	51.5	56.2	54.4	53.7	57.9	50.0	49.3
40-49	5.6	7.5	7.3	7.0	7.6	-	-
Females	27.9	30.6	31.5	30.5	31.9	31.6	30.5
15-24	65.7	71.1	73.2	71.2	74.5	65.6	62.0
40-49	12.5	14.0	13.9	13.1	12.5	-	-

Source: Istat, Rilevazioni sulle Forze di Lavoro, 2000.

Employment, as estimated by Istat in its survey of the labour force, increased on average by 1.3% in 1999 (from 20,435,000 to 20,690,000 persons). The increase has been concentrated in the regions of the centre-north. In the south, after the increase in 1998 (127,000 more people employed between October 1997 and October 1998) there was a stagnation, partly due to the structural decline in agricultural employment and the contraction in traditional distribution. Contract work and part-time work explain a great deal of the increase, not only compensating for a shrinkage in traditional types of employment, but also allowing the creation of jobs which would not have arisen in a more rigid regulatory system (Ministry of Employment, 2000).

The unemployment data are also misleading because of the relatively high quantities of undeclared work, both as the only source of income for persons who are officially unemployed and as a second unrecorded income for persons with a regular employment contract. It is estimated that in 1998 there were almost 5.5 million irregular jobs, equal to 15.1% of the total. Undeclared employment represents 29.1% of the total labour input in the agricultural sector, 17.0% in the service sector and 16.5% in construction (Ministry of Employment, 2000).

The problem of this *Italian model of unemployment* (Pugliese, 1993) is thus, on the one hand, the incapability of the economic system to create a sufficient number of secure jobs, and, on the other, the fact that unemployment is concentrated in the south of the country and particularly affects certain social groups, notably young people and women. Until the 1990s the difficulty of creating jobs was a consequence of the rigidity of the labour market, due to the high protection given to those in stable employment and the low incentives offered to those who were excluded from the labour market. Employment policies in Italy not only reflect this dualism in the labour market, but have long contributed to reproducing it and consolidating it. Unemployment benefit is a marginal measure limited to those who have had a stable job for a certain length of time, and lasts for only a few months. Workers who fall prey to major industrial crises and restructuring do have other systems of protection available to them, such as the Wages Guarantee Fund and the Mobility Allowance (cf. § 2.2). In other words, persons ensconced in the market of large and medium-sized industrial and commercial businesses (the sectors which were at the centre of the economy from the 1950s to the 1970s) have always had ample guarantees, while those in the secondary labour market, characterised by insecure, occasional, underpaid and often illegal jobs, have few opportunities to transfer into the world of more stable employment. This explains why women and young persons are over-represented among the unemployed. Women usually have less stable work histories than men, mainly because of interruptions due to child-bearing and child-care. If female workers leave their employment prior to having children, and start to seek work again only when their children reach school age (often because of a lack of services such as nursery schools and the scarcity of part-time jobs which allow a reconciliation of domestic and non-domestic activities), they have great difficulty in returning to the world of stable guaranteed employment. The same thing happens with young persons seeking their first job, since contacts between school and the working world are almost totally non-existent, as are measures for supervised employment and for labour market insertion: in most cases these are limited to tax concessions and reduced social contributions for firms. The inadequacy of employment policies for young persons derives from various causes. It was the high rate of emigration typical of Italy until twenty years ago that made such policies less essential - young people, in fact, were those most likely to leave, and so the priority became social protection for the adult males who remained to work in the country (Mingione and Pugliese, 1996). Added to this is the fact that the family was considered responsible for caring for children, in an atmosphere of negative dependence which does not allow for a transfer of public resources for the upkeep of young persons and families.

The other disturbing fact about the Italian model of unemployment is the length of time it lasts, for 63.2% of the unemployed have been without work for more than 24 months. When the crisis due to de-industrialisation took on considerable proportions, many income support systems connected with employment were extended to groups previously excluded, so as to increase the breadth of cover, but at the same time their duration was reduced. In the absence of adequate activation policies, this has meant that many redundant workers who found it difficult to obtain fresh jobs before their benefit ran out would have been able to count only on local income support measures, which were extremely varied and discretionary (cf. § 1.1.), had there not been repeated waivers to reforms (cf. § 2.2.).

2.2. Employment policies in Italy

In 1999 the resources dedicated to employment policies amounted to 29,000 billion lire (in line with the figure for 1998)⁹. 53% of the expenditure related to active employment policies, while 47% was for passive policies covering the economic cost of unemployment. According to these figures, Italy seems paradoxically to be at the forefront of the transition from passive to active employment policies. However, these data must primarily be considered in the light of the overall meagreness of these employment policies (1.4% of GNP in 1999). Secondly, 29.3% of the resources dedicated to employment policies consists of the shortfall in income from social contributions on combined contracts, that is to say reduced contributions applied to work/training contracts, and almost 9% is represented by the financing of LSU (*Lavori Socialmente Utili* - Socially Useful Work) and LPU (*Lavori di Pubblica Utilità* - Community Service Work), which, as we shall see below, could until recently be considered to be active employment policies only in theoretical terms, while they were in essence defensive instruments (Ministry of Employment, 2000). The percentage of resources destined for active policies, albeit with this qualification, certainly demonstrates a willingness to modify the system of employment policies, which are in fact extremely fragmentary in Italy, since they have been constructed in successive stages, in close connection with the economic climate, political events and the balance of power between social groups. Measures introduced provisionally (temporary or emergency ones), and only for certain categories of worker, have sometimes been extended to other categories and perpetuated in time, in the absence of any general plan for a system incorporating the individual provisions, which are in fact scarcely co-ordinated one with the other. This is quite different from other countries (e.g. Germany and Sweden), where a single all-embracing law governs active employment policies, income support and employment services (Gualmini, 1998).

Historically, the Italian model of employment policy was developed in the 1940s around three principal axes: compulsory insurance against total unemployment, wage supplements in return for

⁹ This figure does not take account of expenditure for the normal operations of the public employment service, which was over 900 billion lire in 1999 (Ministry of Employment, 2000).

reductions in working hours, and the public job placement system. From its inception the system included a difference of treatment between workers included in the labour market, who received generous wage supplements in cases of reduced working hours, and those excluded (unemployed and inactive), who received a derisory amount of unemployment benefit, equal to a figure regarded as the minimum needed for subsistence, and not in proportion to previous income.

It is evident that workers received different treatment not according to their needs but according to their previous employment situation. The evolution of the system of employment policies has proved to be extremely “path-dependent”: in spite of repeated attempts at reform, the old instruments protecting workers have never been completely substituted, but new measures have been superimposed on them and introduced in parallel with them. This, together with the separation of training and employment (cf. § 2.3.), is one of the reasons why it is so difficult to create a coherent and balanced system of defensive and active employment policies in Italy (Gualmini, 1998). Consequently the protection model created for a Keynesian economic system, which aimed at the full employment of male heads of families, through whom protection was also given to the family members they supported, proved insufficiently flexible and adaptable for the changed socio-economic conditions of the 1980s and 1990s. The wage supplement mechanism was developed at the expense of unemployment pay and public employment services, partly because of the growing strength of the trade unions, which became increasingly powerful in negotiating social rights for their own members, mainly employees of large industrial firms. In Italy the contrast between insider and outsider¹⁰ as regards the labour market has been particularly strongly marked (Reyneri, 1996; Ferrera, 1998).

¹⁰ By *outsider* we mean a person who has never worked in the *regular* labour market, that is to say in a full-time permanent job which permitted them to acquire social security rights.

<i>Table 8</i> Passive employment policies: main income support measures				
Measure	Law Ref.	Conditions	Benefit	Duration
<i>TEMPORARY SUSPENSIONS AND REDUCTIONS IN WORKING HOURS</i>				
Wages Guarantee Fund (ordinary) (CIGo)	DL788/45 LN164/75 LN160/88 LN88/89 LN223/91 LN236/93 LN451/94	Workers temporarily suspended by industrial firms. Waivers, exceptions and extensions, mainly in areas with high unemployment, (especially in the south).	80% of the last wage for the first 6 months. Then a maximum of 1,403,503 lire (€725) in 1998.	12 months out of 24; 24 months out of 36 in areas with high unemployment.
Wages Guarantee Fund (special) (CIGs)	LN68 LN223/91 LN236/93 LN 56/94 LN549/95	Workers in industrial firms with more than 15 workers and commercial firms with more than 200, suspended due to crisis or restructuring. Waivers/exceptions. From 1993 depended on prospect of re-employment at end of crisis.	80% of the last wage. Maximum 1,403,503 lire (€725) in 1998.	12 months for company crisis, 48 months for restructuring or reorganisation.
Solidarity Contracts	LN236/93 LN451/94 DL 42/95	Workers in firms meeting requirements for the CIGs. There have been exceptions. Used to prevent redundancies.	Reduction in working hours and allowance equal to 50 or 75% of remuneration lost, according to date of contract.	24 months.
Part-time Work and Early Retirement	LN223/91	Workers with at least 15 years' contributions in firms which have been in the CIGs for more than 24 months.	Transformation from full-time to part-time work and combination with old-age pension to compensate for reduction in income.	Allowance terminates when workers retire or return to full-time working.
<i>REDUNDANCIES AND STAFF SURPLUSES</i>				
Mobility Allowance	LN223/91 LN236/93 LN 56/94 LN451/94	Surplus staff made redundant from industrial firms with over 15 workers, or commercial firms with over 200, or in the CIGs.	80% of the last wage.	12 months, renewable once for persons > 40 years, twice if over 50. In the south, in some sectors and for a limited number of workers, extended until retirement.
Ordinary Allowance	LN169/91 LN451/94	Workers made redundant from firms not qualified for Mobility Allowance. At least 2 years' insurance and 1 of contributions.	30% of the last wage.	6 months, renewable once.
Special Allowance	LN451/94	a) Agricultural workers b) Building workers.	a) 40 or 66% of the last wage, depending on days worked; b) 80% of the last wage.	a) maximum 3 months, then Ordinary; b) maximum 18 months (27 in the south).
Early Retirement	LN223/91	Surplus workers not easily reabsorbed, with at least 30 years' contributions.	Symbolic increase in contributions to long-service and old-age pensions.	n/a
Sources: Negri and Saraceno, 1996; de Caprariis, 1999. €1 (Euro) = 1,936.27 lire.				

<i>Table 9</i> Active employment policies: main labour market (re)integration measures				
Measure	Law Ref.	Recipients	Characteristics	Duration
Fixed-term Work/Training Contracts	DL462/93 LN451/94	a) Qualified young persons aged between 16 and 32. b) Young persons with little education aged between 16 and 32.	a) Acquisition of medium-high skills (120-140 hrs of training, plus 40 hrs practice. b) Basic working experience and minimum training (20 hrs) for entry into unskilled jobs.	a) 24 months. b) 12 months.
Fixed-term Contracts for workers between jobs	LN451/94 LN223/91	Workers between jobs (cf. Table 3).	Relief on social charges for employers. Can be transformed into open-ended contracts.	12 months.
Socially Useful Jobs (LSU)	LN236/93 LN451/94	Workers in CIG or between jobs; long-term unemployed; unemployed young persons.	Entry into jobs caring for the environment or artistic and cultural heritage. Hourly pay, for maximum 80 hrs month.	12 months.
Special Projects	LN236/93	Young unemployed aged between 19 and 32 yrs, or less than 35 years old if unemployed for more than 24 months and living in areas with high unemployment.	Remedial schooling, trade qualifications, training for skilled work, training courses. Hourly pay, max 80 hrs/month.	12 month.
Part-time Work	LN863/84 LN451/94	Newly employed or full-time workers whose contract is changed to part-time working.	Horizontal or vertical. Contribution rebates, greater than for full-time contracts.	Fixed-term or unlimited contracts.
Incentives for Permanent Recruitment	Ln223/91 LN236/93	Workers in CIGs, between jobs, long-term unemployed, or persons seeking first job.	Tax relief and tax credits for the employer, who also receives 50% of the worker's remuneration.	Varies from 9 to 36 months.
New Entrepreneurship	LR28/93 LR 23/94	Groups of new entrepreneurs partly made up of young persons, or undertaking socially useful work (preservation or improvement of cultural heritage, service activities, or caring for people).	Funded by the regions and by the Employment Fund: contributions to capital, subsidised credit, etc.	n/a
Co-operatives for Insertion into Employment.	LN381/91	a) Organise and provide social services, often by convention with public authorities. b) At least 30% of members have certified difficulties (disabilities, etc.).	Tax concessions and simplification of accounting.	n/a

Sources: Negri, N. and Saraceno, C. (1996), Persiani (1997).

Following the serious economic crisis in the second half of the 1970s, the *emergency legislation* of 1978-79 was passed, including the (timid) introduction of active employment policies with provisions for the employment of young persons (LN 285/77), procedures for transfers to different firms and for territorial mobility (LN 675/77), and the introduction of vocational training, entrusted to the regions (LN 845/78). In this way a separation was created in Italy (the only case in Europe) between employment policies, which remained the responsibility of the Ministry of Employment, and vocational training policies, which were delegated to the regions. In some regions the Department of Employment was even separated from that of Vocational Training (interview no. 25). This split gave rise to at least two of the many difficulties which have for decades been characteristic of employment policies and the fight against unemployment: on the one hand, the tenuous (if any) connection between schools and the world of work, always identified by many sources as one of the principal causes of youth unemployment, which is such a worrying phenomenon in Italy, especially in the south; on the other hand, the difficulty of combining passive employment policies (constraints on redundancies, subsidies of various kinds, early retirement) and active policies (training, guidance, vocational retraining).

The system of employment policies thus became more and more inadequate for the economic climate, which was changing very rapidly. In the 1980s the labour market underwent epoch-making changes, with a (relatively) notable increase in the participation of females, the development of service sectors as compared with industry, and the ever more significant emergence of forms of employment different from the traditional full-time permanent contract, and because of this known as *atypical* (part-time, fixed-term, contract work, etc.). Faced with these transformations, Italy had (and still has) an insufficiently developed system of protection, mainly because ordinary unemployment benefit was a derisory amount for a very limited period of time, and for a restricted category of workers. In fact it was the opposite of what it might seem to be from the theoretical breadth of coverage¹¹. Unemployment benefit on this scale cannot be seen as support which allows a person to seek a new position appropriate to their capabilities and needs, which would in addition also be efficient for society as a whole. Furthermore, overall expenditure on unemployment is very much lower than in other developed countries: 1.4% of GNP in 1999, compared with 2.3% in the OECD area in 1997 (Ministry of Employment, 2000).

¹¹ Ordinary unemployment benefit is actually payable only to employed workers (except those in the public administration, and apprentices) who have been insured for at least 2 years and have paid contributions for at least 52 weeks in the last 2 years (or at least 78 days in the last year). The benefit, equal to 30% of remuneration, is paid for 180 days in the first case (for a number of days equal to the days worked in the second) (Belli and Rossi, 1999). It is estimated that in the early 1990s only about a third of those seeking work had any right to this benefit (Franco and Sestito, 1999). The prevalence of unemployed persons seeking their first jobs leads to a low degree of coverage, especially in the south, where the lack of contributory requirements for access to various social cushioning measures is more marked. Even though the Mobility Allowance provides for longer-lasting pay-outs, the south remains under-represented among the beneficiaries of these cushioning schemes (Ministry of Employment, 2000).

The absence of adequate protection against unemployment has led to exploitation and heavy pressure being exerted in order that jobless persons, especially in the south, may obtain other means of income support. The most striking example is that of invalidity pensions, which the 1939 law made conditional on the *reduced earning capacity* of the individual, also taking into consideration social and economic causes. With the passage of time, the social and economic conditions which reduced potential earning capacity (high local rates of unemployment, insufficient economic development, etc.) were given more and more weight, and the invalidity pension degenerated into a substitute for unemployment benefit covering a very small number of persons without work. This phenomenon took on particularly large proportions in the south, where the number of invalidity pensions became so high as to vastly exceed the number of old-age pensions, and to be the subject, in the 1990s, of a far-reaching judicial investigation (Persiani, 1997).

To resolve the problems of equity, efficiency and controllability of the system of employment policies it would be necessary on the one hand to disconnect income support *tout court* from labour market participation, developing minimum income schemes - usually opposed in Italy because of the corporatist welfare culture - and on the other hand to strongly develop active employment policies, public employment services and all those measures which facilitate entry or re-entry into the labour market and the interplay between demand and supply¹² (Negri and Saraceno, 1996).

2.3. Active employment policies: recent innovations

The reforming drive within the sphere of active employment policies has followed an uncertain and wavering trend. Law no. 223 of 1991 took the CIG back to its original function of support for handling temporary staff surpluses, rather than unemployment pay at times of structural crisis in industry. The intention of rationalisation was, however, weakened by Law no. 336 of 1993, which went back to introducing wide elements of discretion and of welfare¹³. However, in the same year a protocol of understanding was signed between the Government and the social partners (principally the trade unions) on collective bargaining, incomes policy and the promotion of employment. These provisions were taken up in the *Employment Pact* between the Government and the social partners in September

¹² It nevertheless follows that active employment policies are not enough where the economic system is under-developed; they must be fitted into an organisational whole aimed at promoting entrepreneurship, local development and job creation (Negri and Saraceno, 1996). This clearly emerges from the case study of Naples (cf. § 4.3).

¹³ The scope of the CIG was in fact enlarged once more, so as to confront the employment crisis in some categories of small firms (Negri and Saraceno, 1996).

1996, and largely enshrined in legislation in the following year, in the so-called *Treu Package*¹⁴, “Rules applying to the promotion of employment” (LN 196/97).

Intended to overcome the clear separation between vocational training and employment policies (cf. § 2.2), the Treu Package redefines – in the absence of an overall regulatory framework - a series of schemes already in existence, such as traineeship, apprenticeship, on-the-job training. In essence, the hours of training provided for under these schemes were increased, and tax incentives were offered to employers who brought in external agencies to provide vocational training for their employees and apprentices. These measures were designed to close the gap separating Italy from other European countries, Germany in particular, where the ties between school and the working world are traditionally strong, and where it is not by chance that youth unemployment is less of a disturbing phenomenon than it is in Italy (Gualmini, 1998).

The reform brought about by the Treu Package appears very important and far reaching when one considers that it was implemented at the same time as the introduction of two further crucial reforms to the Italian institutional system. One of these was the overhaul of educational cycles¹⁵, which is also connected to the diversification of the university study options offered¹⁶, while the other was the decentralisation of employment services and the end of the public service monopoly over job placement, which we shall discuss more fully in Chapter 3, since such reforms are symbolic of reorganisation affecting co-ordination activity (cf. § 3.2.2.). These reforms have not yet been completely activated, but the processes of modernisation are nevertheless irreversible. In any event, greater attention is being paid at present to the regulation of atypical forms of employment, and not merely the introduction of temporary work¹⁷.

In Legislative Decrees 469/97 and 112/98, which set out the implementing rules for the transfer of jurisdiction over the labour market, the fundamental characteristics of that transformation, deriving from local experience (particularly innovative experiments, above all in northern Italy), are identified under three pillars:

¹⁴ Named after the then Minister of Employment, Tiziano Treu.

¹⁵ So far the reform of these cycles has been limited in practice to the raising of the school leaving age by one year (from 14 to 15 years), but the intention is to raise compulsory schooling gradually to 18 years, and to redesign the role and the structure of secondary vocational education, within which the apprenticeship scheme is destined to become a real contract for the entry of young people into the working world (cf. http://www.istruzione.it/mpi/ministro/cicli_270600.htm).

¹⁶ On 4 August 2000 the Cabinet approved a decree which revolutionises the organisation of university studies. Degree courses will have a duration of three years, and will be followed by two years of post-graduate specialisation only for those who decide to continue (*Corsera*, 5 August 2000, p. 43). This will allow Italian students to achieve a marketable university qualification at 21 years old, instead of 23/24 years which has been the earliest until now, except for some reduced-length courses, the so-called *short degrees*, introduced after 1993 (Istat, 1999).

¹⁷ Reference could be made here to the draft *Smuraglia Act* (from the name of the proposer), whose parliamentary passage is at present stuck at the Chamber of Deputies, which sets out to regulate contracts for freelance work to avoid their being used as convenient instruments to mask situations which in fact are tantamount to continuous regular employment. The possibility and the need to intervene by legislation in this matter have been raised by the introduction of a social security rule providing for the payment into an appropriate National Insurance fund of 12% of remuneration received.

- a) *assumption of a local outlook*;
- b) *integration of various types of intervention*;
- c) *promotional orientation* (Magatti, Lodigiani, Giaccardi, 1999).

a) *Assumption of a local outlook.* The policy of decentralisation arose from a largely European need: after Maastricht, employment became the new priority of the European Union countries, but with the recognition that *the* labour market did not exist any more, or at least that the rules which governed the labour market, the methods of analysing it and the services for regulating it did not function any more. Thus constraints were placed on national employment plans, which needed to contain active employment policy instruments; otherwise they could be rejected at European level. Pressure from Europe has favoured the development of a culture of employment services and the introduction of increasingly localised employment policies. Decentralisation, however, has not been seen in Italy as an opportunity; in some ways it is still perceived as a problematical threat to the *status quo*. For these reasons Italy is somewhat late in implementing decentralisation, although Legislative Decrees 469/97 and 112/98 close this gap and pave the way for the effective transfer of responsibilities (interview no. 25). These decrees precisely define the functions and duties for which responsibility passes from the State to the regions, including those relating to job placement (ordinary, compulsory, agriculture, show business, workers from outside the European Union, home-workers, domestic workers); those helping to reconcile demand and supply, and the planning and co-ordination of initiatives aimed at increasing employment, at re-employing workers who are between jobs and at the insertion of disadvantaged groups into the labour market.

The problems arise from the differences in timing of the reform's introduction and the uptake of the new responsibilities, since each region legislated independently, deciding what powers to keep and which to delegate to the provinces, which, in their turn, need a more or less lengthy time for their internal reorganisation (cf. § 3.2.2.). If some regions or provinces accumulate delays which are considerably longer than those of others, it will produce real differences in the provision of employment services, not due to any specific factor in the local labour markets, but simply to the state of implementation of the reform. This may exacerbate the differences already existing between north and south in terms of the dynamism of the labour market, local economic development and service delivery.

b) *Integration of various types of intervention.* It is envisaged that efforts will be made in various directions, such as incentives to firms for selected types of recruitment, greater market flexibility, services to strengthen the interface between demand and supply, information services, vocational guidance and training (Magatti, Lodigiani, Giaccardi, 1999). No strategy to boost employment can today be based solely or mainly on only one of the instruments mentioned. It is necessary not only to diversify interventions, but also to integrate them with one another for the effects to be visible. All this

assigns fundamental importance to the activity of co-ordinating the various measures, the different bodies involved (public institutions, firms, voluntary sector agencies) and the different institutional levels (local, regional, national and European). There are several levels of co-ordination following the decentralisation of powers:

- National level, which lays down the general guidelines;
- Regional level, which redistributes the resources, identifying priorities on the ground;
- Provincial level, which forms the operational linchpin of co-ordination, since it co-ordinates the activities of the Employment Centres distributed throughout the territory;
- Local level, where co-ordination and integration of the various measures really takes place: public employment services, training, and data gathering.

c) *Promotional orientation* is provided by “the progressive reduction of the policies for passive employment support (...) and by the renewed attention to active employment policies, reflected in an extension and diversification of intervention measures (and in) the importance attached in that context to vocational training and employment services, as indispensable pre-conditions for supporting the flexibility and efficiency of the labour market, as well as the mobility of workers within it” (Magatti, Lodigiani, Giaccardi, 1999).

These indications are strongly influenced by European Union policy. The Special European Council on employment, held in Luxembourg in November 1997, launched the so-called common and co-ordinated European strategy on employment. In December of the same year the first guidelines were adopted for the elaboration of the National Action Plans (NAPs) for 1998. The NAPs must be structured around four pillars, respectively intended to promote: 1) employability; 2) adaptability; 3) entrepreneurship; 4) equal opportunities.

The evaluation of the first NAPs of 1998 disclosed considerable improvements in terms both of process (all-round approach, multi-annual planning, wide-ranging consultations) and of content (active policies, local dimension, development of employment services, importance of social training). However, the plans were found to be biased in favour of the first two pillars, and further efforts were required, above all to forestall youth and long-term unemployment, to promote equal opportunities between the sexes and to develop a system of continuing training. In that evaluation Italy was grouped with the other Member States experiencing the greatest delay in implementing the measures, namely Belgium and Greece. The persistent disparity in development between the north and the south of the country, above all in terms of unemployment, was also remarked on. In spite of that, Italy also demonstrated cases of best practice (Incagli and Porcari, 1999).

The interconnection between European requirements and internal modernisation becomes more obvious if one considers that the Italian NAPs provide for initiatives already contained in the above-mentioned Treu Package, which introduces new rules as well as reforming, broadening and more

clearly specifying some already existing rules in the same direction as the European guidelines. Table 10 summarises the essential elements.

Faced with the introduction of these innovations, the employers' organisations reacted in two different ways. On the one hand they appreciated the training value attached to work experience, the enhanced possibilities of carrying out measures and the simplification of procedures; but on the other they stated that the advances made were not enough¹⁸, that the administrative procedures should be streamlined still further and that the public administration still showed an exaggerated distrust of the business world, and so did not offer it sufficient incentives. They particularly objected to extending to these new instruments the normal contractual guarantees covering maternity and sickness¹⁹. With regard to temporary employment, Confindustria contests the prohibition on applying it to unskilled work, which limits the job opportunities of a generally weak group on the labour market; it is particularly critical of the system of sanctions designed to protect temporary workers, according to which if the expiry date is not respected the temporary contract is automatically transformed into a permanent contract: in other words, this is an attempt to circumvent the time- and numerical limits, based on the percentage of the workforce which according to collective agreements may be reserved for temporary workers (cf. 4.1.3.). Similarly, with regard to the reform of apprenticeship, Confindustria complains that, since the age band to which the scheme applies has been varied (at present it refers to young persons of working age), it is no longer reasonable to keep some of the restrictions which were introduced to protect younger apprentices, regarding overtime, shift work, piece work, part-time work, assembly line work and night work. According to a survey by Unioncamere, only 4% of newly appointed workers would be eligible for apprenticeships because of these constraints (cited in Confindustria, 1999).

¹⁸ Recently the firm *Zanussi* of Treviso has tried to introduce in its factories a new and even more flexible type of employment contract, the "*on-call job*" (i.e. vertically cyclical part-time work), which provides for some of the employees, recruited permanently, to be used and paid only during certain periods of the year, for production peaks or replacements. The workers would be notified three days in advance of when the firm needed them, and would be able to refuse the call even on account of another work commitment. The firm intended to take on 12,000 employees on this type of contract, targeting principally housewives and students. This would be a sort of "exclusive" temporary work. However, a ballot of the workforce rejected it by a very large majority, refusing to off-load onto *outsiders* all the proprietors' requests for flexibility (exclusion from production bonuses and reduced social insurance guarantees).

¹⁹ These provisions may also have generated dangerous false hopes among the participating youngsters as to a possible formalisation of their contract (Isfol Report, 1999).

Table 10 Measures contained in the Treu Package (LN 196/97)	
Measure	Description
Temporary work	A contract is introduced whereby a firm “supplying” temporary labour puts workers in its employ “performing” temporary work at the disposal of a firm “using” their labour. It may be drawn up for the replacement of absent workers, in agriculture or construction, and in all cases provided for in the national collective agreements of the category, whereas it is prohibited for low-skilled categories, to replace workers on strike, at any production unit at which during the previous year there have been collective redundancies, suspensions or reductions in working hours, and for work which requires special medical supervision. Specific contributions are paid into a Fund under the Ministry of Employment to finance the training of temporary workers. The insertion in temporary employment of workers between jobs is encouraged. A temporary employee is considered as recruited permanently if the contract is not forthcoming or if its time-limits are exceeded.
Incentives to reduce and reshape working hours	Contribution rebates, greater in cases where the reduction in working hours allows an increase in the workforce by recruiting unemployed youngsters in protected areas or female workers re-entering the labour market after at least two years of inactivity, and for firms carrying out energy conservation programmes.
Work/training contracts	A tried and tested instrument for inserting youngsters into the labour market. To favour definitive recruitment, in cases where - on expiry - the training contract is converted into a permanent employment contract, the fiscal and contributory assistance to the company are extended for a further twelve months.
Apprenticeship	LN 25/55, passed in 1955, is renewed, extended to all economic sectors, and given a greater training slant (at least 120 hours of training outside the firm). It is limited to young persons between 16 and 24 years old (26 in protected areas) and can last from 18 months to 4 years. It is a further instrument for insertion into the working world. Experimentally, rebates on the contributions for workers occupied as tutors in training initiatives have been introduced.
Reorganisation of vocational training	Tax concessions to upgrade vocational training as an instrument to improve the quality of the labour supply, raise the competitiveness of the production system (especially in medium and small-sized craft businesses) and to increase the employment and professionalism of entrepreneurs, the self-employed and members of co-operatives.
Traineeships and guidance	Intended for subjects who have completed compulsory schooling, particularly in regions with high unemployment, “for the purpose of creating alternate spells of study and work, and to facilitate occupational choices through direct experience of the world of work”. These traineeships do not constitute an employment relationship. Their duration is fixed by law at 12 months (24 for disabled persons). Certificates of <i>Training Credits</i> are issued.
Socially Useful Jobs	Allocations of funding to ensure their continuance, and projects of the Ministry of Employment, co-financed by the European Social Fund to favour the re-employment of the workers concerned (<i>OFF project of Italia Lavoro</i>).
Provisions for work co-operatives	The provisions covering the Mobility Allowance and the special treatment of unemployment in the construction industry (cf. Table 8) are extended to the working members of work co-operatives operating in the production sectors falling within the scope of the rules governing the Mobility Allowance itself.
Provisions for unemployed young persons in southern Italy	Empowers the Government to define an emergency plan of Community Service Work and of Work Scholarships to be introduced by 31 December 1997 in the south and in provinces with an average unemployment rate higher than the national average, in favour of young persons between 21 and 32 years old, seeking their first job and enrolled for more than thirty months on the public employment service lists (cf. 2.4.1, 2.4.2).
Sources: <i>Gazzetta Ufficiale</i> 154, 1997, Ordinary Supplement 136; Laurenti, 1999; Confindustria, 1999.	

2.4. National activation policies

As we have observed, Italy lacks an overall system of employment policies, clearly divided into active and passive policies, without institutional gaps and with clear transitions from one measure to another. Active policies in particular have been extremely weak until recently, and the first reforms in this direction have been only partial, and have inevitably been superimposed on an already fragmentary and chaotic set of measures. The reforms introduced cannot structurally modify the system in the short term, especially in the absence of an overall reorganisation, because of the strong “path dependence” of the system itself. The instability characteristic of the Italian political system delays this modernisation process still further.

The activation measures launched at national level are for the benefit of two categories, the first being young persons unemployed for a long period (the weakest category of all in the labour market) and the second being workers expelled from the labour market, principally male heads of families whose position on the labour market determines not only the family’s standard of living but also its access to the welfare system. These measures are geared mainly to those areas with unemployment rates higher than the national average, and therefore mainly in southern regions. The first experiments of this kind (and particularly the LSU) are characterised by the lack of a precise strategy and an overall design. Their eligibility conditions have since undergone variations, as has in particular their duration, depending on the seriousness of the employment situation. In some cases it is even possible for the same beneficiary to receive more than one benefit, which confirms the lack of organisation in the entire system.

Furthermore, in spite of the legislator's claim to define these as active employment policies, they have, more than anything else, assumed the function of substituting adequate income support measures, which were accessible to only a restricted percentage of the unemployed. This initial contradiction lies behind a series of difficulties in handling the new schemes. They were, in fact, introduced on an emergency basis, but in view of the structural nature of the serious unemployment afflicting southern Italy, the legislator was forced to proceed with repeated extensions and waivers, partly following the arousal of the recipients' expectations and their indignant protests. Periodically thereafter there have been legislative attempts, always unsuccessful, to put an end to the LSU experiment. The mere elimination of the LSU scheme, however, will not have the desired effects unless it is transformed into, or substituted by, an adequate active employment policy instrument assisting unemployed persons to re-enter the labour market, by means of services for guidance, training, matching of demand and supply, work experience and recruitment incentives. Such a measure, however, should not be understood as a stop-gap provision, but as a stable and fundamental component in the new structure of employment policies.

The most recent reforms, as we shall see, aim to streamline matters but do not restructure the system as a whole.

The table below shows the distribution of recipients of active employment policies by sex, geographical area and age group. In general, male beneficiaries are always more numerous than female ones. Dual-purpose contracts (apprenticeships and work/training agreements) and training activities (ESF courses, PIPs, traineeships) are more widespread in the centre-north and among persons aged under 25. Employment incentives, on the other hand, and especially the subsidised recruitment of the unemployed, are more widespread in the south and among persons over 25, as is the case for LSU and LPU.

Table 11 also shows the distribution of financial resources among the measures considered to be active employment policies. Out of more than 15,000 billion lire spent in 1999, about 75% went to economic incentive schemes favouring employment. Since they are quantitatively insignificant, the extraordinary activities of the public employment services (such as rounds of interviews for the unemployed), job-sharing schemes (i.e. defensive solidarity contracts) and policies for integrating the disabled have not been shown (Ministry of Employment, 2000).

Policy	Sex		Geographical Area		Age		Total Absolute Values	Resources (billions of lire)
	Males	Females	Centre-North	South	< 25 years	> 25 years		
Apprenticeship & CFL	62.7	37.3	78.5	21.5	74.5	25.5	752,000	4,600
Training*	n/a	n/a	60.3	39.7	71.5	28.5	665,000	3,000
Recruitment incentives**	58.1	41.9	23.1	76.9	18.4	81.6	907,000	5,750
Direct job creation (LSU - LPU)	53.4	46.6	20.3	79.7	3.1	96.9	144,000	1,400

* Includes operations co-financed by the ESF, out of the funds under LN 236/93 and work experience (BL, PIP, traineeships). These are granted to young persons under 25 seeking their first job.
** Including the incentives for transforming CFLs and apprenticeships into permanent contracts, incentives to recruit the unemployed, workers in CIGs for over 24 months, young persons with BLs, persons between jobs; tax credits and fiscal concessions.
Source: Our calculations based on Ministry of Employment figures, 2000.

2.4.1. Socially Useful Jobs (LSU)

The LSU instrument - already introduced in the early 1980s - was the first example of *workfare* in Italy. It stipulated that some categories of unemployed persons should do community service work (employed, for example, in schools and museums, cleaning public offices, etc.) in exchange for the payment of a form of subsidy. However this instrument remained largely unused, because of the possibility of indefinitely perpetuating wage supplements, and due to the severe restrictions placed on collective redundancies. In fact, during the 1980s LSU was used mainly for young southerners seeking their first post, this initial job then being continued for more than six years. In the beginning, however,

LSU mainly had the function of justifying the disbursement of income support payments to the unemployed. Very little, if any, interest was shown in the results achieved from community service work or in the incorporation of that experience into a practically non-existent procedure of retraining and vocational guidance; this destroyed any possibility that the measure would have an effect on the occupational re-integration of the subjects involved. Furthermore the fact of having extended the measure to persons without any social security cover and of having continued projects for so long has distorted the aim of the measure and generated an uncontrolled increase in the cost²⁰; above all, it has fed enormous expectations in the persons concerned, who hoped that LSU experience would lead to employment with the public administration²¹ (Isfol Report, 1999).

Law no. 196/97 and Legislative Decree 468/97, as we have seen, modify the regulations regarding LSU; they are intended on the one hand to simplify the procedure (in line with the intentions of the *Bassanini Acts*), and on the other to create employment outlets for persons who complete the project. This last one was the more fundamental change, shifting LSU from the sphere of welfare policies to that of active employment policies. The types of intervention were many and varied:

- *Community Service Work* (LPU): carried out in labour-intensive production sectors (care of people, nature or the environment), covering services additional to those already under contract or licence (to ensure an increase in employment);
- *LSU for the upgrading of training projects*: has a specific training slant and lasts a maximum of 12 months;
- *LSU for projects with exceptional aims*: lasts 6 months, renewable for another 6 months;
- *Performance of socially useful activities by recipients of social security payments*: may even concern the ordinary activities of administrations, for the purpose of improving the quality and value of services, and is not connected with the establishment of specific projects.

LSU projects can be promoted by all public administrations, self-supporting public bodies, totally or predominantly publicly owned companies, social co-operatives and consortiums thereof. The following may be engaged on LSU:

- a. Persons who are inactive or officially registered unemployed for over two years, or on the jobseeking lists without an allowance;
- b. Recipients of mobility allowance, special unemployment payments and CIG (zero hours);
- c. Surplus workers identified in special agreements on the handling of company crises; prisoners allowed to work outside, and other specific categories of workers.

Beneficiaries not in receipt of any social security payments receive a monthly cheque²² of 800,000 lire from the INPS (in 1999 the cost for each beneficiary was 11.8 million lire). It does not imply the creation of an employment relationship (contrary to what occurs in other European countries with

²⁰ In 1998 as many as 170,000 people were involved in LSU projects (Isfol Report, 1999).

²¹ These unfulfilled hopes have also been the cause of violent protests in the south of the country.

²² The terminological change from subsidy to cheque underlines the work aspect of this instrument.

similar measures, as for example in Germany with the *AOM*), and the recipients remain enrolled on the jobseeking or job placement lists.

In 1997, following the 1996 Employment Pact, the Ministry of Employment jointly with the regions instituted *Italia Lavoro*, a share company with the prime objective of transferring “socially useful workers” to stable employment positions. The principal tool used by *Italia Lavoro* is to promote the establishment of co-operatives and joint companies²³ together with local administrations and private bodies to provide community service work, in which at least 40% of the workers are people coming from LSU, who perform the same or similar work to what they did in the LSU projects, or work connected with that (Isfol Report, 1999). The implicit necessity in these initiatives is that of supplying:

feasible proposals and hypotheses to overcome the *wait and see culture*. (...) Among the many problematical aspects there is (in fact) a resistance to foregoing the subsidy on the part of the subjects involved (who), aware of their own insecurity, ought in theory to be inclined to search for other solutions, alternatives to the subsidy; but in spite of this the established routine often leads them to wait for the moment when it is no longer possible to obtain a further extension. They nourish the hope that they will be taken on by the public administration and prefer to add to the insecurity of socially useful work some other irregular work. (...) the desire for a wage-earning job, which is already slightly less widespread among the younger generations, is still very strong among the middle age groups.

(Isfol Report, 1999).

The legislator has, at least partially, admitted the distortions of the past, by freezing the number of individuals doing LSU and strengthening the actions supporting the transition from LSU to regular work through incentives provided by the law. Furthermore, the regions and provinces are given responsibilities, and a diversification of interventions in favour of the long-term unemployed is envisaged, according to local requirements. These modifications aim to restore a precise legislative and operational configuration to the LSU instrument, so that it will not return in future to being the target of emergency prolongations and extensions, but can constitute an active employment policy tool for transition into the normal working world.

2.4.2 Work Scholarships (BL)

BLs (*Borse di Lavoro*) were introduced in 1998 to insert 100,000 young people into the working world, together with the LPU instrument (*Lavori di Pubblica Utilità* - Community Service Work)²⁴. In

²³ By June 1999, 28 companies and 35 co-operatives had been created, with a total of more than 2,800 employees already and a forecast of more than 7,100 employees eventually (Isfol Report, 1999).

²⁴ Article 26 of Law no. 196/97 included *Interventions in favour of jobless young persons in southern Italy* (cf. Table 10). Legislative Decree 280/97, implementing that law, specified that the subjects were young persons between 21 and 32 years old, unemployed for a long period (that is, registered for more than 30 months at the job placement office), resident in the south of Italy or in certain provinces in the centre with unemployment rates above the national average (Massa Carrara in Tuscany; Frosinone, Latina, Rome and Viterbo in Lazio).

1999 they came to an end without any waivers, confirming the extraordinary character of the measure, regarded as a stop-gap provision to confront an employment situation so extremely serious as to be on the verge of bringing about public disturbances. This scheme provided for a State subsidy²⁵ of 800,000 lire per month for a maximum of 12 months, without any obligation on the firm to grant regular employment, nor even to undertake to give any training to the persons inserted, even though that rendered approval of the insertion request more likely. Selection took place on the basis of a provincial short-list (Isfol Report, 1999).

While LSU and LPU can be considered examples of *workfare*, that is to say subsidies in exchange for work, and vocational traineeships can be classified as *work experience* - albeit unconnected with the establishment of an employment relationship - BL can be regarded as a hybrid between these two typologies, since real work is done but it is paid for by an allowance entirely at the expense of the State (Mocavini and Lattanzi, 2000).

Firms which at the end of BLs offered permanent jobs to the young persons involved enjoyed total exemption from their social security charges for three years. Given the simplicity of the procedures and the considerable incentives offered, many firms applied, and within four months over 100,000 BLs had been authorised in about 27,000 firms. However, a considerable number of the firms which made applications subsequently withdrew their offers, mainly companies which had asked for individuals with low qualifications, and consequently a new series of authorisations had to be launched.

62,827 persons were placed in 1998, mainly women with good educational backgrounds. The firms were mainly in the industrial sector. The role of the employment services in publicising and overseeing this initiative seems to have been fairly limited, and this may have had negative repercussions on the execution of the insertion projects. In spite of this, over 80% of the employers consider themselves satisfied with their experience and would repeat it even if they had to pay part of the expenses. 36.6% of the young persons engaged were still in work six months after the end of their BL, usually in the same firm and with a permanent contract. About 36% of the firms had young people dropping out, but mostly because they had found jobs in other firms. The occupational outcomes were better for those who had a higher educational level and for women. This leads one to suppose that if such an experiment were conducted within the service sector, it would be still more positive for unemployed women, who are notoriously over-represented in tertiary jobs.

²⁵ The subsidy, paid as unemployment benefit, was financed by the Employment Fund (LN 236/97). The contract did not imply the establishment of a normal employment relationship (Isfol Report, 1999).

It is possible to draw some conclusions in the light of the not inconsiderable results obtained. In the first place, at a time of major transformations in employment policies, it was extremely important that an innovative *workfare* instrument at national level²⁶ should be the object of real experimentation to test its functioning and evaluate its results, so as to be able to include it with full justification in the new employment policy blueprint. In this sense the BL experience has no chance of being built on because of its temporary but not experimental nature.

In addition, the large number of acceptances and the high success rate suggest that the rebates on contributions were, perhaps, even over-generous, and that lower incentives would have produced the same effect, allocating part of the resources thus saved to more complete monitoring and evaluation activities.

Lastly, some doubts have been raised about the rule which allowed employers to recruit their own relatives down to the third degree. BL would not, in fact, seem to be the instrument best suited to favouring the development or consolidation of family firms. For that purpose the measures encouraging new entrepreneurship, and using *debts of honour* and non-returnable loans are of greater use, as are bureaucratic and organisational assistance services. Therefore the BL scheme lent itself to nepotism and easy abuse - on the very edge of legality - and, in some cases, may have considerably limited the instrument's potential to improve the fluidity of the local labour market and the matching of demand and supply (Mocavini and Lattanzi, 2000).

2.4.3. Vocational Insertion Plans (PIP) and youth entrepreneurship

PIP (*Piani di Inserimento Professionale* - Vocational Insertion Plans) had already been introduced in 1994 (LN 451/94), but were implemented only in 1997 (Ministerial Circular 115/97) with a field of application limited both geographically and in time, originally to the year 1998, then extended until 2000 (LN 144/99). They differ from BLs by having a subsidy of only 600,000 lire, of which the State pays only half, the remaining half being paid by the firm using the recipient. This economic involvement has made firms feel more responsible and has increased the probability that the young persons, at the end of their experience, will actually be taken on permanently. In addition, inter-regional mobility is provided for, with a further subsidy of one million lire to cover the cost of board and lodging²⁷. The procedure is somewhat complicated, since a convention must be signed between the Employment Agency and the employers' associations. Firms must arrange projects in agreement with their associations, and requests for insertion must be presented both to the competent

²⁶ At local level the BL scheme has been tried out in various municipalities (see for example the Milan case study, cf. § 4.1), generally operated by the social services, which offer guidance, training and work experience to socially disadvantaged persons, through agreements with social co-operatives or profit-making firms; the subsidy in such cases being at the expense of the municipal administration.

²⁷ 80% paid for by the State, and the remaining 20% by the firm (Isfol Report, 1999).

Employment Agencies and to the INPS. This complicated procedure has probably delayed and discouraged activation of the project²⁸. As compared with BLs, PIPs have a greater training slant, the cost being borne by the National Employment Fund²⁹. Use of PIPs has allowed a part of the unofficial labour market to come out into the open. On the other hand, the overlapping of some requirements with those needed for vocational traineeships has in some cases been a way to pay personnel who otherwise would have received only the reimbursement of their expenses, wholly at the charge of the employer (Isfol Report, 1999).

The proposal to favour mobility between regions through a further allowance appears to be particularly appropriate, since one of the principal reasons why the unemployed in the south hesitate to move, despite a shortage of labour in many areas of the centre and north, is the meagreness of what they stand to gain. In fact, in such regions far away from their roots, not only is the cost of living higher but those workers who decide to transfer with their families can no longer rely on the primary solidarity network provided by the extended family, to keep certain costs within limits (one example is child-minding, which grandparents do free of charge, but which in a distant city must be delegated to expensive baby-sitting services or day nurseries). If on the other hand workers decide to move alone, without their family, they must take account of the multiplication of costs, first and foremost housing costs, which would have to be borne twice over, once for the family and once for the migrating worker. Often the difference between a medium-to-low wage and the extra costs to be confronted is not enough to make it worth while moving (cf. § 4.3.).

The need for mobility incentives has recently been addressed in a more direct way. Many temporary employment agencies are equipping themselves to be able to provide workers from the south with solutions for low-cost housing, deducted directly from their pay packets (*Sole 24 ore*, 3 August 2000, p. 13). This may be a promising approach, since a good percentage of temporary work experiences are later converted into permanent jobs. Specific facilities would however need to be made available for those who decide to transfer permanently with their whole family. Certain special incentives are provided for some professional sectors in which staff are particularly scarce in some areas. For example, some firms in the north-east offer a bonus of 10 million lire to nurses of either sex who are willing to transfer. However, the effectiveness of these schemes must be evaluated in relation to their capacity of really cutting down the costs of transfer, which vary with the variations in the local property market, public service provision, etc.

Another form of incentive for the employment of young persons is the stimulus to entrepreneurship (LN 44/86, LN 236/93, LN 135/97), providing on the one hand financial concessions (non-returnable

²⁸ For some firms it is also too costly to pay up front the share due from the State and then have it reimbursed by the INPS (Isfol Report, 1999).

²⁹ Set up by Law no. 236/95 to guarantee financial resources for the campaign against unemployment.

loans, and *debts of honour*³⁰) for investment costs and initial running expenses, and on the other services to assist in business planning and training, technical support and counselling (Isfol Report, 1999). The purpose of these measures is wider than that of active employment policies in the narrow sense. The ultimate aim is, in fact, the launch of a process for starting up and developing businesses. These policies are addressed principally to areas where development is lagging behind, especially in southern Italy, and they are also aimed at bringing undeclared work out into the open. In total, the financial resources amounted to about 900 billion lire for 1999. The youth entrepreneurship scheme financed 114 projects for a total cost of 280 billion lire, mostly in southern Italy; the female enterprise scheme received an allocation of 130 billion lire in 1999.

³⁰ This instrument, set up in 1996, is not directed particularly towards young persons, but to finance the self-employment of persons who are in a weak position on the labour market. However it does seem that young persons derive great benefit from it (Isfol Report, 1999).

Table 12 Characteristics of principal labour market insertion measures (1999)			
Characteristics	Work Scholarships (BL)	Vocational Insertion Plans (PIP)	Vocational Training & Guidance
Objective	To promote work- and training experience in private firms.	To favour periods of training and work experience for professionally qualified persons.	To simplify choice of profession with direct experience of the working world, alternating periods of study and work.
Areas of application	Regions in the south; provinces of Rome, Latina, Frosinone, Viterbo and Massa.	Objectives 1 & 2, areas with significant employment imbalance.	The entire country.
Promoters	The users themselves.	Employers' associations, professional bodies and orders.	Regional & provincial employment agencies, universities, <i>Onlus</i> , structures for labour market insertion of disadvantaged persons.
Users	Manufacturing, commercial and transport firms, hotels; financial, information and research services.	Individual firms belonging to promoter categories.	Public and private employers without any limitations.
Persons to be employed	Young persons 21-32 years old, registered unemployed for more than 30 months.	Young persons 19-32 years old (35 if registered unemployed for at least 2 years).	Holders of at least the lower middle school leaving certificate.
Educational qualifications	School leavers	Vocational qualification, diploma, degree.	From upper secondary school leavers to the highest academic levels, including post-graduate.
Duration and timetable	10 to 12 months, according to educational qualifications and number of employees in firm. 80 hours per month.	Maximum 6 months. 960 hours per year, but always within the limits of national and/or company agreements.	4 to 24 months, according to schooling level and position of trainee in the labour market. Timetable fixed in the agreement.
Allowance	800,000 lire/month.	600,000 lire/month.	No obligation. Repayment of expenses by arrangement between the parties.
Recruitment aid	50% or 100% rebates on contributions (according to location of firm) for 3 years if recruitment is permanent.	CFL may be signed at end of PIP in the same occupational field.	None.
Financing	100% charged to State Employment Fund.	50% by the State, 50% by the user.	None.
Mobility	Inter-provincial. No allowance.	Interregional (south to north). Allowance of 1,000,000 lire/month.	Interregional (south to north). Allowance to be set by Ministerial Decree.

Source: Our calculations based on Isfol, 2000.

2.5. Specific measures for the labour market insertion of minimum income or MV recipients

As we have seen in the preceding paragraphs, the national active policy measures, above all LSU and LPU, but also BL, are mainly aimed at unemployed persons in southern Italy, where unemployment is largely concentrated and where the social services and local employment services are poorly developed. The emergency plans issued and consolidated over the years have been, and still are, thought necessary in southern Italy, since people without work and lacking the social security contributions to obtain benefits cannot even count on income support or on local labour market integration measures. On the contrary, programmes for social and labour market re-integration are much better developed in the centre-north, promoted by provinces and municipalities, which however can and/or must cope with only small numbers. Examples of this are Milan, with the Training and Employment Office (UFL) (cf. § 4.1.); Cologno Monzese, with BL and traineeships activated even ahead of the RMI pilot (cf. § 4.2.); and Bolzano, where paradoxically there is a situation of full employment and enormous resources dedicated to labour market insertion (cf. § 4.4.).

Apart from the RMI pilot which we discussed in Chapter 1, and of which we shall analyse two specific examples in Chapter 4, the activation policies associated with minimum income schemes in Italy relate essentially to initiatives by local bodies (cf. § 1.3.), their fragmentary nature rendering it very difficult to detect common features. In general it can however be asserted first and foremost that such programmes are not strictly limited to recipients of MV (*Minimo Vitale* - Living Wage). Usually it is the frontline social services which select from among their clients the persons to propose for labour market insertion programmes. Even when an advertisement is made, it is probable that those taking part will already be clients of the social services who hear the news through that means. There is always an income requirement, but in some cases the income support (MV) and the subsidy from labour market insertion can be combined, while in others they are alternatives. These different situations can be encountered even within a single municipality and depend on the discretionary powers of social workers. An interesting example of these local measures is CDL (*Cantieri di Lavoro* - Work Sites) in the municipality of Turin (LR 55/84).

The CDL scheme has a history of more than ten years. Every year an advertisement is published; the frontline social services advise their clients to participate. The principal criterion for eligibility is family income. A certain number of posts is reserved for workers seeking employment after losing their jobs, for the long-term unemployed, for foreign immigrants, and for physically and mentally disabled persons. For the year 1999 there were 600 places available, 520 full-time and 80 part-time. Almost 3,000 applications were received. The duties included were quite varied, from gardening and

urban waste collection, to positions in land registry offices, the university and the CNR (*Centro Nazionale Ricerca* - National Research Centre) for persons with an upper secondary school diploma or a vocational qualification. The subjects concerned receive an allowance and a meal voucher³¹, but no contract of employment is drawn up. Eligible families also receive their family allowances.

The function of these jobs is to escort certain categories of unemployed persons from situations of non-employment to ones of employment. Temporary employment in CDL ought therefore to constitute an opportunity for re-orientation, re-training and work supervision for weaker and extremely weak sections of the workforce. (...) the Turin CDLs have even had occasion to work with cases of concern to the social services. (Negri, 2000).

An evaluation of the CDL scheme reveals various problems. The usefulness of this experience to the subjects themselves (known as *cantieristi* - site workers) is doubtful, both as regards subsequent employment outlets and as regards the improvement and maintenance of their own occupational capabilities³². In 1995, only 50 *cantieristi* out of 260 had found work at the end of the insertion period: 32 with social co-operatives contracting with the municipality, and three with the Post Office or Railways. Only 15 had returned to the labour market: 10 in co-operatives without municipal contracts, and only five in private firms. It was also found that those individuals who had managed to obtain stable employment had received complex and diverse forms of supervision and guidance. In fact they were part of a group of persons who, not presenting any particular problems (alcoholism, drug addiction, manifest lack of collaboration), had been selected by the SAL (*Servizio di Accompagnamento al Lavoro* - Work Supervisory Service, operated by a co-operative) to follow targeted and personalised insertion pathways. Nevertheless, only about a third of those people found a stable job in the end. The greater part of the failures were due to people dropping out, either at the end of the project or even during the first few days of work.

Some of these failures can be attributed to the existence of a sort of hard core of clients who have “made a career of being a *cantierista*”, that is to say they alternate periods of public economic support and labour market insertion programmes with periods of undeclared work or inactivity, achieving a very low but sustainable standard of living. This, even though in the city of Turin there is no evidence of the perverse effects of long-term economic assistance, spoils the effectiveness of insertion programmes. To improve this element it would be necessary on the one hand to increase the constraints on continuous economic disbursements, and on the other to fine-tune the measures for supervision and vocational guidance (Negri 2000).

In any event it must be borne in mind that, what with CDL, LSU and LPU, more than 1,200 unemployed persons had work opportunities in 1999, thanks to the direct action of the Turin municipal administration; although this could be improved on, it is certainly a positive achievement.

³¹ Respectively 60,000 lire and 6,000 lire per day in 1997 (Negri, 2000).

³² At the end of CDL there is an increase in the proportion of persons who do not manage (or do not wish) to learn the simplest tasks, and who must be checked step by step. There is a decrease on the other hand in those who accept and spontaneously respect the rules of co-operation at work (Negri, 2000).

2.6. Conclusions

Analysis of Italy's employment policies reveals, first of all, the need to reorganise and streamline the system to make it more coherent and give it a better structure, carefully identifying the points of transition from one scheme to another, closing the existing institutional gaps, eliminating the overlap of several measures benefiting the same recipients and the wastage associated with over-generous incentives. Just at the moment when active employment policies and employment services are being decentralised (which process should be completed throughout the country by 2003), it becomes extremely necessary to put in place effective co-ordination at central level, which will harmonise local decisions and guarantee minimum common standards of quality and quantity for services and delivery throughout the entire country.

Furthermore, it is necessary to redefine properly the nature of existing measures, and to avoid considering as active policies certain schemes which are designed more for welfare or emergency purposes (such as LSU and LPU). Starting from a picture more closely resembling reality, on the one hand active policies must be strengthened, while on the other there must also be reinforcement of the passive policies affording protection in the event of unemployment, which at present cover only a tiny proportion of the unemployed, as we have observed.

In addition, this rationalisation effort must not be dissociated from the wider project of restructuring social assistance, covered by the draft Signorino Act (cf. Chap. 1).

Reorganisation of the system of employment policies cannot, moreover, be separated from an improvement in the capacity to monitor and evaluate measures, which are necessary activities if these are to be better planned. To this end, the development of the SIL (*Sistema Informativo Lavoro - Employment Information System*) is essential. The Ministry of Employment and Istat have set up a joint project, also in agreement with Eurostat, to ensure that a statistical overview of employment will always be available, and to oversee effectively the process of decentralising the public employment services. Better exploitation of the information which can be extracted from the INPS administrative archives is likewise in the pipeline (Ministry of Employment, 2000).

3. Co-ordination in Activation Policies, the Institutional Perspective

3.1. Analysis of co-ordination: conceptual map and contexts

Given the fragmented scenario of the social and employment policies illustrated in the previous chapters, co-ordination has become a recurring topic on the political agenda for welfare reform and in the analyses of field workers, researchers, observers and consultants. Co-ordination mainly means the act of “organising various elements in such a way as to make up an organic whole in keeping with the ultimate goal to be achieved”. Within the context of social policies, co-ordination is often the response to existing extreme fragmentation, whereby a social welfare system runs the risk of coming up against an organisational *impasse*, with a consequent negative impact on the quality of the services and benefits offered. The very term co-ordination evokes a number of analytical dimensions, each one of which is imbued with a different degree of abstraction. The following are the main factors which comprise co-ordination activities and which correspond to the analytical dimensions to be taken into account in the analysis:

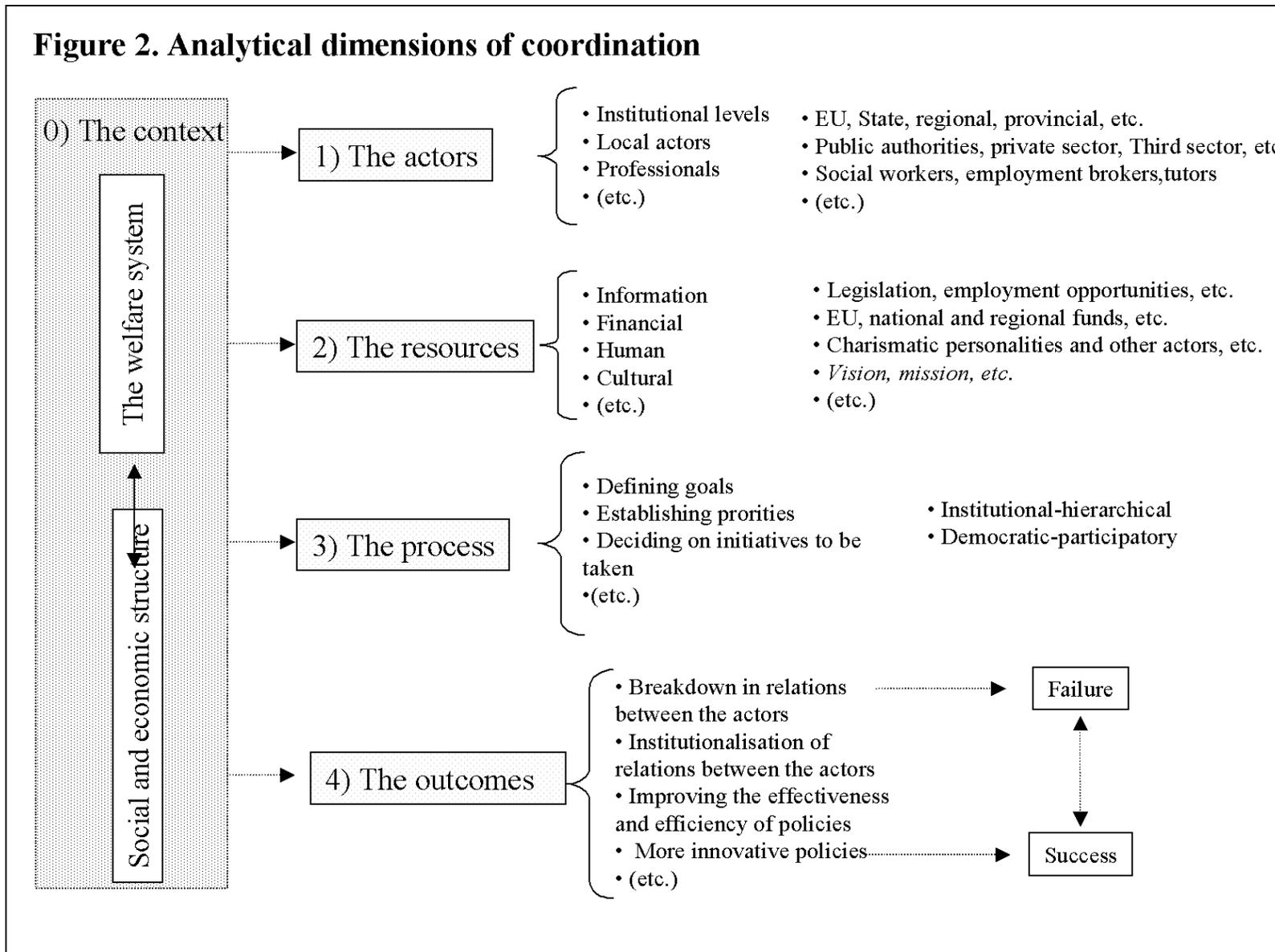
- 1) the actors;
- 2) the resources;
- 3) the process;
- 4) the outcomes.

1) There can be a number of *actors* (no. 1 in Figure 2) who may decide to co-ordinate their activities. First of all, there can be entities at different *institutional levels*: European Union, State, regional, provincial, down to and including the local levels closest to the citizens, municipality and neighbourhood. The scope of co-ordination may cover just one institutional level, and thus become *horizontal* (ranging from inter-organisational integration, such as the so-called “networking of services”, to various types of community partnerships struck among public and private bodies and voluntary organisations, such as, for example, local co-ordination in Naples, cf. § 4.3.5.); alternatively, the scope of co-ordination may cover various hierarchical levels, introducing a *vertical* element into the system (such as, for example, co-ordination within the ambit of projects under Law 285/97, which also involved provincial administrations, cf. § 3.2.3.). Institutional levels relate to all the *local actors*: not only public authorities but also the Third Sector, whose organisational scope covers all these levels, as we shall see in § 3.2.5., and private entities on the market as well, which are represented at all these levels (take employer organisations, for instance). Lastly, the term ‘actors’ includes all those professionals involved in co-ordination activities; referring specifically to the co-ordination of social programmes, most particularly social and labour market integration, the most important people are social workers, employment brokers, tutors working within the Third Sector (such as those managing the RMI in Naples, cf. § 4.3.2.) and company tutors. Of

course, clients too should be actors involved in co-ordination, though this rarely happens, since very often the beneficiary is the *object* of the insertion programme and, therefore, also of the co-ordination activities of the entities promoting it. Each actor has their own interests, own goals and own definitions of social reality. The key to co-ordination activities is indeed the coming together of various actors working jointly to enhance the interests they share as opposed to promoting the interests which divide them.

- 2) *The resources* (no. 2 in Figure 2) which the co-ordination actors may either pool or may discover together in order to achieve their common goals. Quite clearly, these would be first and foremost *financial* resources, ensuring that an adequate number of officials (the *human* resources) are paid for a suitable number of working hours (*time* resources). One of the most pressing problems is the scarcity of resources which can be allocated for initiatives in general, and for co-ordination activities in particular (cf. § 4.3.2.). Nonetheless, there are also *information* resources, i.e. the content of those communication flows which constitute the act of co-ordinating and which, in the case of social and labour market insertion, are particularly focused on specific laws, on employment opportunities and on the ways and means of accessing sources of funding. Furthermore, those *cultural* resources which are the hallmark of those participating in co-ordination activities are of great importance. We are referring in particular to the existence of a shared *vision*, that is, a common reading both of social reality and of the type of changes that should be made, and of a *mission*, i.e. an awareness of their role in the reality of society and of the goals to be achieved. Yet, cultural resources are not limited to the specific contents of social initiatives; rather, they relate to a real *partnership culture*, in the truest sense of the term, which implies an appreciation of different points of view, attempting to achieve a balance in the tug of war between feelings of identity and independence on the one hand and, on the other, belonging to a 'we' entity, something which is greater than the sum of its parts. If a culture of co-ordination is to become truly internalised by all parties involved, it is often necessary to have people with great *charisma*; these charismatic figures embody authority and are gifted communicators, and as such can mediate among individuals, even those whose views diverge widely, the outcome being a discovery of shared interests. The subjects of co-ordination arise and develop once public meeting – and discussion – arenas, local community social planning forums, are established. These public debate forums become the staging grounds for a collective re-thinking process; that is to say, the very ability to attribute meaning to social reality, the achievement of the specific technical expertise necessary for co-ordination, become a shared heritage and not a private one; they become systems and become future capital (de Leonardis, 1998; Floris, 1999).

Figure 2. Analytical dimensions of coordination



3) *The process* (no. 3 in Figure 2) of co-ordination is made up of activities aimed at defining goals shared by all the participating actors, the establishment of a set of priorities and deciding which initiatives must be taken in order to achieve the goals, once they are defined. There are two main types of co-ordination, depending on the ways in which the definitions are established. They are: a) *institutional-hierarchical*, wherein the hierarchical element prevails and, therefore, the superior levels are of greater importance in the decision-making process, though there might be across-the board consultations involving all the actors and a very dense bottom-up communication flow (feedback); b) *democratic-participatory*, wherein there is a high degree of democracy in interpersonal relations, each actor participates fully, usually on an equal footing, and the communication flows are mainly horizontal.

4) *The outcomes* (no. 4 in Figure 2) vary along a continuum ranging from failure to success of the co-ordination initiative, from a breakdown in the relations among the actors, to the institutionalisation of relations, by means of various forms of agreements, conventions and consortia, to the attainment of the goals: improving policies in terms of better effectiveness and efficiency (not only in terms of cost reductions, but also in terms of enhancing the quality of the initiative and the degree of attention paid to the client's viewpoint) and more innovative policies, by introducing the use of new instruments or new intervention methods.

These elements meld together in different ways, given different contexts (no. 0 in Figure 3); they give rise to different types of concrete interpersonal relationships, which rarely correspond to the main types which we have already mentioned (horizontal/vertical, institutional-hierarchical/democratic-participatory) but which are, rather, diverse and original groupings.

There are a number of regulatory contexts wherein the issue of co-ordination emerges either implicitly or explicitly:

- State laws: or rather the territorial pacts, area contracts and planning contracts (LN 662/96); the introduction of the *National Conference on Policies for the Handicapped* (LN 104/92), convened by the Minister for Social Solidarity, who invited the attendance of public, private and voluntary organisations working in the field of support for the disabled and ensuring their social integration; LN 68/99, which partially supplants and completes the previous law, specifying that finding jobs for the disabled must be carried out *in conjunction with* (i.e. co-ordinating with) the social, health, educational and training services of the community; LN 390/91 on drug addiction; and above all the introduction of LN 285/97 on the rights of children and adolescents, which for the very first time makes the allocation of funds for projects subordinate to the establishment of what are, to all intents and purposes, territorial pacts among the public, private and voluntary organisations of that community;
- draft legislation: in particular, the Signorino bill, which establishes a framework law governing social assistance (described in Chapter 1) and aims at promoting an integrated system of social assistance policies and services. All co-ordination, guidance, monitoring and

assessment of specific local circumstances should be carried out at the national level, though these should all be comprised within a common framework;

- ministerial projects: for example, the *Socialisation and Creativity in Young People* framework project financed by the European Social Fund, which stresses the need to integrate a number of departmental jurisdictions and to analyse the ensuing relationships, i.e. the network of actors working with young people. Indeed, all these projects have either produced or consolidated an exchange of experiences, synergy and networks of co-operation and support, plus the ability to work within the context of a network;
- voluntary organisation initiatives: in particular, the institutionalisation of bodies representing all those working within the multi-faceted world of the Third Sector (CNCA, the Forum of the Third Sector, etc.);
- contributions made by scientific analyses of current trends in the social policy and personal services sectors.

The concepts of *co-operation*, *integration*, *agreement* and, indeed, of *co-ordination* and *networking*, crop up over and over again in these contexts. In particular, the network as a metaphor can be readily used in analysing the underlying meanings of the terms we have just now listed. Indeed, it has been shown that the metaphor can be read in two entirely different, diametrically opposed, ways – one positive and one negative (Nappi, 1999; Leone, 1993). The first furnishes a key to reading the network as an innovation, as an enriching exchange of experiences, as an increase in knowledge and information, as a flexible structure capable of providing protection, solidarity, prosperity and development. Conversely, in the second case, using the network as a metaphor for co-ordination has a negative connotation: it is presumed to be a trap hampering the work of those participating in the network (the nodes of the network), limiting their autonomy and independence, weakening ties where they are strong, becoming a barrier to action and hindering development. Quite often, these two images are overlaid: the prospect of establishing co-ordination arouses at one and the same time hope and fear, enthusiasm and qualms. Often one can see signs of this twin reading in the responses of the various social actors (cf. Chap. 4). Indeed, co-ordination is, at one and the same time, an opportunity for growth and for improving services on the one hand, whilst at the same time it is a cost, a burdensome commitment in terms of economic and other resources (such as time, and personal and professional effort), on the other. The crux of an analysis/promotion/implementation of co-ordination lies in striking a balance between these two extremes.

In this chapter, we shall give some examples of co-ordination within public administration and the Third Sector, and shall describe the relationship between the two, whilst attempting to pinpoint those elements of analysis which are the main features of both the formal and the practical aspects.

3.2. National levels of co-ordination

3.2.1. Horizontal co-ordination of social protection and activation policies

As we have observed in previous chapters, social and employment activation policies were poorly developed in Italy for many years; above all, these policies were often delegated to the initiatives of local administrations and were, therefore, both fragmented and diverse across the country. Nonetheless, a few reforms have been adopted over the past few years which aimed at enabling this sector to develop more evenly throughout the country; these reforms explicitly provide for a national co-ordination policy guaranteeing a framework of incontrovertible regulations valid throughout the country, within which each community can specify its own set of priorities and the instruments necessary to achieve them. We hereby list the most important initiatives.

- a) The aforementioned *National Conference on Policies for the Handicapped*, which institutionalises the co-ordination of public, private and voluntary organisations dealing with policies concerning the disabled, including their insertion into society and into the world of work.
- b) The *Training and Employment Activation Policies* planning forum, which was set up in 1999 and is comprised of representatives of seven Ministries, co-ordinated by the Ministry of Employment, plus representatives of three Cabinet departments and of the social partners. The aim of this forum was to promote access to the labour market of people who are either excluded from it or are at risk of being excluded from it, by constituting integrated services, setting up local permanent networks, establishing new professional job descriptions, promoting entrepreneurship, using information technology and raising local awareness of the problems. Furthermore, the Forum aimed at enhancing the efficiency of all initiatives taken. By April-May of 1999, the project had ended; an interim report was drawn up and that report, together with those forthcoming from the other specific forums, was included in the *Development Plan for the South*. The Plan was examined by the European Commission; subsequently, it became part of the *Community Support Framework for Objective 1*. It is not always easy to understand the purview of each individual co-ordination body. In some cases, there are overlapping jurisdictions and duplicate functions, caused by the fragmentation of the overall system.
- c) The technical steering committee of the OIS (*Osservatorio Isfol¹⁰- Regioni sull'inclusione sociale* = Isfol/Regional Observatory on Social Inclusion), which was also set up in 1999. It is comprised of representatives of Isfol, the regions, five ministries and the Department for

¹⁰ Isfol (*Istituto per lo Sviluppo della Formazione Professionale dei Lavoratori* – Institute for the Development of Workers' Vocational Training) is a public research agency which works in conjunction with the Ministry of Employment, the regions, the social partners and other State agencies, the European Union and international organisations. It was established in 1973.

Social Affairs, as well as the social partners. Its task is to co-ordinate methods of planning initiatives and information and communication methodologies.

- d) The pilot of the RMI (*Minimum Insertion Income*) which, by its very nature, is to be considered an example of co-ordination at the national level. Indeed, it can be considered the very first social welfare measure applicable equally throughout the country, and which provides explicitly for co-ordination of income support measures and insertion programmes. This would imply a need to ensure co-ordination among local public authorities and private and voluntary agencies (such as co-operatives, companies and associations), in order to implement complex programmes. This pilot required central co-ordination and supervision of what was happening at the local level, in order to manage complex operations connected with the test phase.

3.2.2 Vertical co-ordination of social protection and activation policies: decentralising employment services

At the end of the 1990s, a number of important initiatives revealed the urgent need for reforms in employment policies. With the *Bassanini Act* (LN 59/97) began the reform of the public administration, in a spirit of decentralisation and subsidiarity¹¹, the intention being to ensure that public services be provided at a level as close as possible to the citizen. This reform has had an enormous impact on employment policies. Decentralising this sector coincided with sizeable changes in both the approach and philosophy of the Treu package (cf. Chapter 2), i.e. it coincided with an increased interest in activation policies, via the introduction of new private parties in the governance of the job market; this occurred due to the abandonment of a State monopoly on job placement and reform of the public job placement services¹². For a definition of the means of transferring jurisdiction over employment policy issues, the Bassanini Act referred to another implementing decree, the *Montecchi Decree*, no. 469/97, which specified that the jurisdiction conferred on the regions pertains to job placement and to active employment policies; furthermore, it introduced the requirement that a local system of employment services was to be set up¹³. Within the context of EU co-ordination of the

¹¹ From this point of view, the central government intervenes solely in order to supply those services which cannot be provided at local, decentralised levels.

¹² The existence of a public placement agency is absolutely necessary in order to guarantee that all citizens have free access to job placement throughout the country, in that private parties can turn specifically to certain market segments (persons with high skills, specialisations and usually already in a job); they tend to be concentrated in metropolitan areas and, above all, they consider information to be a private good, available for commercial use, and therefore confidential. A competitive system implies running the risk that even public services may become more and more customer-oriented, thus granting more priority to the needs of businesses than to those of clients.

¹³ Actually, on the basis of their own jurisdiction over vocational training, the regions had already taken a number of initiatives in the field of active employment policies, poorly addressed at the national level (cf. Chap. 2), by means of incentives to hire disadvantaged persons and to enact job creation projects (Marocco and Incagli, 2000).

Member States' employment policies (as provided for in the Treaty of Amsterdam of October 1997), the re-organisation of employment services was given top priority in the structural reform of labour market regulation and in the switch from a passive approach to an active approach in terms of employment policies (Marocco and Incagli, 2000). The Italian system for the regulation of job placement services under the auspices of the Ministry of Employment was - until the recent reforms were enacted - governed by a law dating back to 1949 (LN 264/49). The system had been set up in order to have an equal and fair distribution of job opportunities, but the system never managed to do its job; it never managed to facilitate the matching of job supply and demand. On the contrary, it was deemed to be a purely bureaucratic institution, useful merely to keep a log of enrolments and cancellations from the employment register and to manage the short-lists of unemployed workers, keeping them separated by category of need (unemployed, disabled, refugees, orphans and widow(er)s whose spouses died of work-related causes)¹⁴. These categories were predicated on three criteria: seniority in the rolls, the existence of dependants and personal income. The entire job placement system was predicated on a particular type of worker: a full-time worker with a long-term contract working for a major corporation, and that was the source of its inefficiency. This was the most common type of worker in Italy after the Second World War, though this profile has changed considerably over the past few years, and that was the reason why the *numerical sequence* system was chosen, according to which the workers assigned vacant jobs in companies which contacted the district offices were chosen on the basis of their place on the short-list. The only exceptions were for very small firms (up to 3 employees), for skilled or fiduciary jobs (such as, for example, sworn security guards) and for job switches from one company to another¹⁵. Nonetheless, over the course of time, the number of exceptions to the numerical sequence rule has risen sharply; thus, to all intents and purposes, the oversight exercised by the job placement services has become more formal than substantial. Notwithstanding that, the system has often been accused of causing the rigidities in the labour market and of hampering a rise in employment (Negri and Saraceno, 1996).

On the basis of the Montecchi Decree, all jurisdiction over job placement has been devolved to the regions; they in turn have adopted regional laws governing its transposition. Unlike what has transpired in most other European countries, Italy has not established a national Agency, one single nation-wide organisation with far-reaching decision-making and co-ordinating powers; rather, on the basis of the type of decentralisation laid down in the Bassanini Act, an original "proto-federal" model was chosen, whereby each region is entrusted with the task of organising its own system of employment services, within a (weak) pre-existing national framework. The remaining powers vested

¹⁴ When dealing with compulsory job placement, two separate short-lists were drawn up for each category of need (the disabled, refugees, orphans and widows). One was used for those who chose to embark on a career in the civil service and another for those who opted to work in private business.

¹⁵ Nonetheless, even in these cases, companies were obliged to communicate and/or request prior authorisation from the job placement services. Thus, the services did maintain formal oversight even over these switches (Negri and Saraceno, 1996). These options were often chosen in order to avoid being forced to respect the numerical sequence (cf. Chap. 2).

in the central government are those of providing guidance, support, assessment and co-ordination, including managing relations with the European Union. In the main, these tasks concern the establishment of minimal qualitative and quantitative standards applicable throughout the nation, and which pertain to the delivery, management and oversight of services. However, these functions are not specified down to the last detail, if for no other reason than the fact that no single reference institution has been established¹⁶. Those innovative functions allocated to the central government, i.e. to the Ministry of Employment, relate both to the establishment of an Employment Information Service, which is an essential element in terms of co-ordination, assessment and planning at the local level, and to the authorisation and supervision of private bodies allowed to act as brokers mediating between job supply and demand. Where regional criteria are commonly accepted also as national criteria is mainly in establishing which institutions should be part and parcel of regional employment systems, rather than their functions. Thus, it is possible that highly diverse models can be set up, whilst at the same time their *ex-ante* organisational structure remains uniform; this is because the distribution of responsibilities and functions can vary widely within each individual region. Even those structures designed to provide local services, and managed by provincial administrations, have already been decided on beforehand; they are called Employment Centres. With the exception of the region of Calabria, all 15 regions with an ordinary statute have passed a law allowing for transposition, albeit belatedly. Eight regions¹⁷ have opted to delegate to the provincial administrations the management of active employment policies, over and above delegating employment services, so that the same institutional level can be used in integrating the various measures. Other regions, however, have decided to maintain a number of powers, whilst delegating others to the provincial administrations. This is a choice which could perpetuate the as yet unbridged gap between employment services and vocational training policies (cf. Chap. 2). However, both Latium and Lombardy have decided to maintain oversight over all the competences and have, for example, adopted provincial plans for employment services (Marocco and Incagli, 2000). Nonetheless, it is by no means certain that the regions have quite grasped the extraordinary challenge offered them and which they have declined. Delegating wide powers of management to the provincial administrations (which in turn may decide to delegate responsibility to local authorities) does indeed hamper the achievement of system models capable of providing a regional imprint by establishing powerful specific initiatives; rather, it favours the establishment of a provincial imprint, with its subsequent serious local fragmentation of labour policies and employment services (interview no. 25). Not even *ex-post* checks can guarantee a sufficiently high degree of homogeneity where serious *ex-ante* regional planning is lacking. This being the case, the principle of subsidiarity, borne out by the Bassanini Act, which had originally been intended to offer broad opportunities for change, actually runs the risk of seriously discriminating

¹⁶ While the bill was being drawn up, the proposal had been put forward to designate the State-Regions Conference as the body responsible for national co-ordination, but no reference to this is made in the actual text of the law.

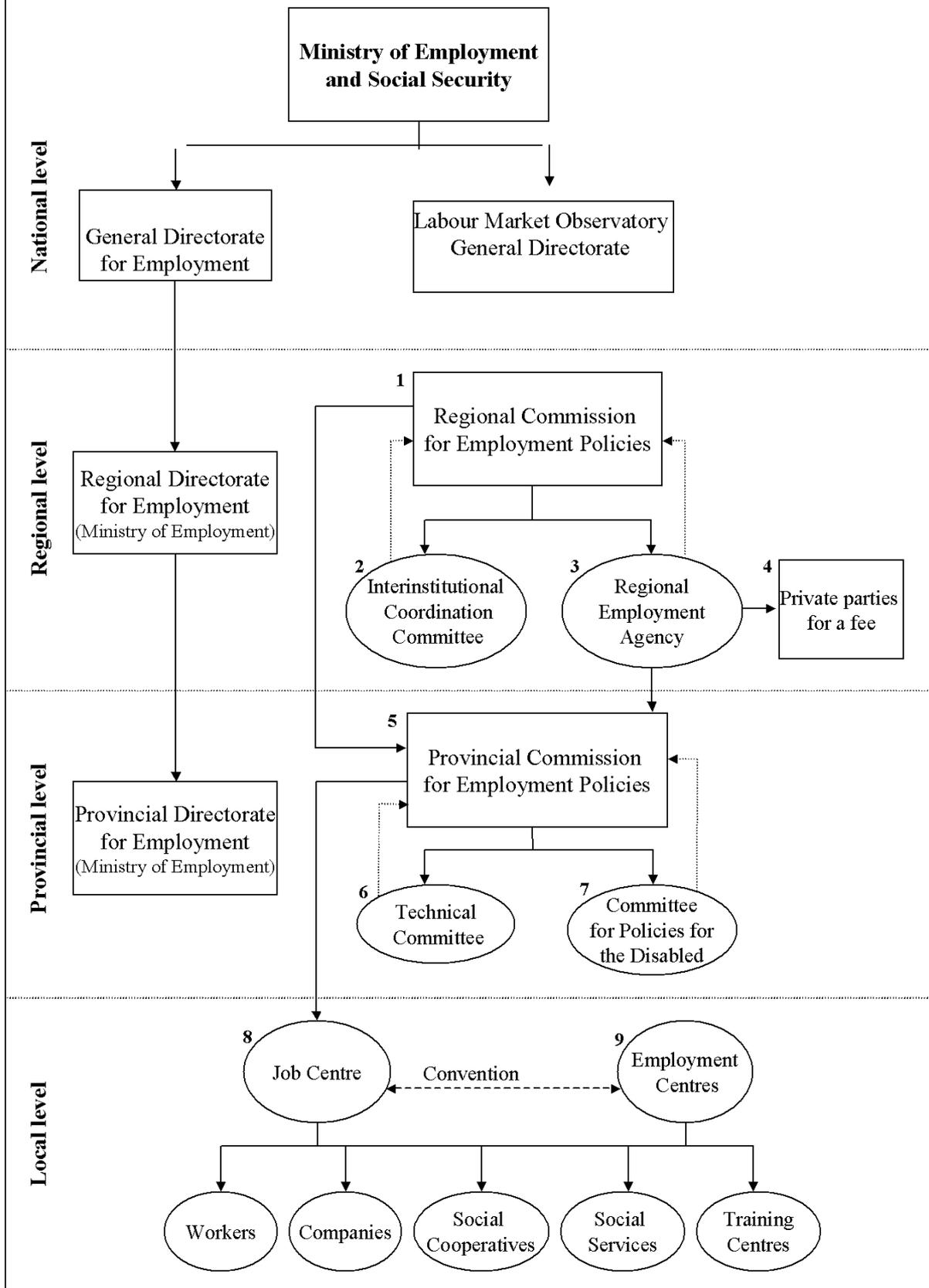
against the population. Citizens could be provided with a package of rights and services differing widely even within the same region, depending on the provincial reference system. Should this scenario actually occur, a two-fold movement would be created, i.e. there would be an almost paradoxical situation whereby, as far as welfare is concerned, changes can be made via amendments to the law and the piloting of new measures (RMI) in order to harmonise the enormous differences which exist at the local level, whereas as far as employment policy is concerned, the movement for reform goes in the opposite direction, distorting the regulatory mechanisms so badly that they fragment; this would be the end result of a failure to pursue organic growth. Indeed, it is not necessarily appropriate to try to pursue the same policy in highly different socio-economic contexts; a measure which is specifically aimed at combating youth unemployment is of great importance where youth unemployment represents 20% of overall joblessness, but has an entirely different impact where young people are not a preponderance of the unemployed population. Nonetheless, local specificities should not mean different levels of coverage, protection and services provided; this may actually occur, however, if regional administrations are not able to guarantee that there shall be quantitative and qualitative employment policy standards, if the development of employment services proceeds at a vastly different pace from one region to another and if, from one province to another, there are differences which could perpetuate or, worse, aggravate the situation of those lagging behind.

In concrete terms, these new rules introduce three new structures at the regional level. They are:

- The regional commission for employment policies, which establishes guidelines, draws up the annual budget and decides on allocation of resources province by province (no. 1 in Figure 3);
- The inter-institutional co-ordination committee, which co-ordinates all the provinces at the political level; members of the committee include the provincial councillors for employment and for vocational training, who put forward their needs and requirements (no. 2 in Figure 3);
- The regional employment agency; this is the technical body at the disposal of the region for the implementation of employment policies. Access to this body is available to the provincial administrations and, for some services (such as for example access to the databases of people willing to work) is available to private parties as well (companies, staff selection agencies, temping agencies) for a fee (nos. 3 and 4 in Figure 3).

¹⁷ Liguria, Emilia Romagna, Tuscany, the Marches, Umbria, Molise, Apulia and Basilicata.

**Figure 3. Bodies managing employment policies and employment services:
Province of Milan**



These are the three provincial level structures which have been introduced:

- The provincial commission for employment policies; this is the local concertation body which establishes employment policy actions at the provincial level. This is also where power is wielded. Given the above-mentioned local fragmentation, however, the commission may play a different role, depending on the province: in some provinces, it is to all intents and purposes the legislative body; in others it simply ratifies the policies decided on by the department (no. 5 in Figure 3):
- The committee for policies for the disabled; this body may be set up to deal with employment policies aimed at helping disabled citizens, though it is not a mandatory committee; it takes its cue from the work carried out by the provincial agency and its job is to make it easier to draw up bills dealing with these issues (no. 7 in Figure 3);
- The technical committee, established by legislators to carry out overall management of compulsory job placement, targeted at the disabled; it oversees the framing of insertion strategies and individual programmes (no. 6 in Figure 3). Nonetheless, it would seem almost impossible for this body actually to carry out this task, since it would be necessary to have sufficient office space and numerous officials available – hundreds of people would be needed in the larger provinces (though new hirings are planned). What is more likely is that this committee will become a technical body made up of several experts who lay down guidelines and provide advice with regard to the general methodology on how to manage individual cases (interview no. 58).

Employment policies are to be drawn up on the basis of Regional Plans, which shall provide a general framework of guidance and recommendations, and Provincial Plans which shall provide the intervention programmes. The new local structure set up to manage the placement system is the *Job Centre* (no. 8 in Figure 3), which takes the place of the district headquarters of the Placement Office (even the actual premises are more or less the same). Decentralisation also implies harmonising a number of administrative issues. For example, all the employees of the outlying offices of the Ministry of Employment had to choose whether they wanted to continue working for the Ministry itself, thus being seconded to other tasks, or whether they wanted to work within the provincial administration, which involves a change in contract and working hours and a change of official institutional employer. At any rate, some powers are still the purview of the decentralised offices of the Ministry; in particular inspections, pre-trial settlements and a few tasks pertaining to co-operation.

For example, in the province of Milan there are 16 Job Centres; currently, these centres deal primarily with red-tape, since the information system has glaring holes in it. Adding to the data bank is the very first step that must be taken in order to ensure a more efficient management of the employment services. *Employment Centres* (no. 9 in Figure 2) had been active in the province for four years, alongside provincial associations, municipal associations and the local social partners; they have set up

employment activation policies and may be considered the interlocutors of both companies and workers, acting as facilitators in matching supply and demand, assisting unemployed workers and ensuring activation. At the moment, the Employment Centres have a convention with the Job Centres to ensure that the skills and know-how acquired remain intact. Nonetheless, it is desirable, though by no means assured, that the two structures should merge into one single public body, working side by side with private and voluntary placement agencies, otherwise the entire system of employment services runs the risk of being chaotic and fragmented rather than useful and flexible.

There is a real change in paradigm with regard to the institutional reforms aimed at managing employment policies. Unemployed workers are no longer merely numbers waiting to make their way up the short-list, and the bodies managing the system are no longer mere offices but are increasingly becoming services (interview no. 58). Increasingly, decentralisation will make itself felt at the provincial level, which will have to become the arena where the general guidelines laid down by the regional administrations are actually applied in the field, and the regional administrations shall, in turn, concert with the local level of territorial services. In other words, it is the province¹⁸ which will be the linchpin both of horizontal co-ordination among the various social actors operating inside its catchment area and of vertical co-ordination, whereby the flow of funds and information will pass from the Ministry to the regions, from the regions to the provinces and from the provinces to local authorities. The crucial role played by the province becomes even more clear, given the rise of totally new and autonomous forms of co-ordination among the provinces. The process of decentralisation did suffer a few delays (which were quite inevitable, given the scale of the process) in terms of decentralising ministerial and regional decision-making; nonetheless, the response of the provinces was at times to mobilise directly; for example, the UPL (Unione delle Province Lombarde – Union of Lombard Provinces) in Lombardy set up technical groups tasked with implementing specific projects aimed at – among other things – the creation of provincial and regional information systems. This was necessary, given the enormous delay with which the regional administration acted in implementing the system as it was supposed to, under the provisions of regional law 1/99.

3.3. Horizontal co-ordination of social protection and activation policies at the local level: Law 285/97

The *National Fund for Children and Adolescents* (LN 285/97, *Provisions for the Promotion of Rights and Opportunities for Children and Adolescents*¹⁹, <http://www.affarisociali.it/normative/1285-97.htm>), set up in the second half of the 1990s, signalled a turning point in the overall reform of Italian social

¹⁸ The political and institutional role of the province as a governmental and planning body, once deemed to have purview merely over health and hospital care, the road network and the environment, began to be re-evaluated in 1990 on the basis of the new regulations governing local authorities (LN 142/90), particularly with regard to issues concerning regional planning and the environment (Martines, 1992).

policies. This Fund finances projects aimed at providing support for the parent-child relationship, at combating poverty and violence, at testing and innovating recreational, social and educational services, at providing economic support for families with disabled minors and at developing information, advisory and monitoring services. However, for the first time the law makes it compulsory, when drawing up the three-year intervention plans, to set up *programme agreements* among local authorities, the provincial education office, the local health authority, youth justice centres and non-profit organisations before deciding on the amount of funds to be allocated and then allocating them. This programme agreement is essentially the institutionalisation of a democratic-participatory type of co-ordination among the parties to the agreement. The underlying philosophy of the Bassanini Acts, which were responsible for devolving to local authorities a number of powers previously in the purview of the State, is, in Law 285, to make the local level (municipality, associations of municipalities, province, mountain communities) the appropriate forum for the discussion and definition of needs; that is, the level where initiatives are thought up and then planned, and where tasks and responsibilities are ultimately assigned. Nonetheless, the fact that the allocation of funds is made conditional on the signing of a programme agreement does not necessarily guarantee that, once the funds are received, project management is then carried out in a state of autarchy, with the local authority defining needs and the entities best positioned to satisfy those needs, who in turn merely provide the service and receive the funds. This in many cases vitiates the democratic participatory co-ordination which the law was adopted to promote. Furthermore, the law in question is very recent indeed²⁰. For this reason, one cannot say that there is a solid participatory framework in place; for that, there should have been a more broad-based involvement, particularly where there had previously been grievous shortfalls in co-operation among institutions, and between institutions and voluntary organisations (Focosi, 1999). Funding was granted in December 1998; thus, the law has been applied for only a year and a half, which is much too short a time span to be able to draw any firm conclusions. It will be possible to draw more conclusions once the intervention plans are submitted for the second three-year period, and it will then be possible to understand which programme agreements have been confirmed, extended or stepped up and, conversely, which agreements have not been renewed because they were deemed to be ultimately unsuccessful. It is nonetheless true that the efforts made by the various public, private and voluntary bodies in drafting programme agreements have worked as a stimulus to ensure that the concerted methodology of democratic participatory co-ordination continues to be employed during project implementation. Not only that – in many cases, good use has been made of experience gleaned during the course of acceding to the funds under Law 285, extending them to other areas of management where programme agreements are not legally compulsory, thus showing that the methodology was indeed fruitful for the

¹⁹ Known as the Turco Act after the Minister for Social Solidarity.

participants. It would not appear that the spur to engage in joint planning derives exclusively from the legal obligation to do so in order to be allocated funds, since the 285 projects admittedly have additional financial sources connected with them, but those resources are not so copious as to justify the enormous efforts involved in the organisation and consultations required in drawing up the pact (interview no. 33). The municipalities which have banded together to submit projects have appointed a common leader, usually the largest municipality; this leader has represented and worked on behalf of them all and therefore, to a certain extent, enacted co-ordination. It sometimes transpired that these lead municipalities became the implicit leaders in the entire process of planning and implementing programmes under Law 285.

Co-ordination is absolutely fundamental in implementing Law 285. One of the indirect benefits of this law is that everyone's attention has been drawn to the whole issue of co-ordination and to how crucial co-ordination is in activating the processes of negotiations, concertation and formalisation of shared decisions (Vernò, 1999).

Indeed, even within the same municipality, it is difficult to co-ordinate between the education sector and the social sector on projects which are clearly of a social and educational nature. These difficulties are multiplied in those cases where more than 20 municipalities sign the programme agreement. The law confers new responsibilities on the provincial administration. An interesting case in point is the province of Milan, where the overwhelming majority of municipalities (about 80%, covering 98% of the population) signed an agreement to manage projects financed under Law 285. The role of the provincial administration was to co-ordinate, guide and stimulate the catchment area, and to mediate between the region and the local authorities. In concrete terms, the province's responsibilities are to:

- supply the technical and administrative tools to set up agreements;
- relay information from the regions to the local authorities in a manner which offers vertical co-ordination but is non-hierarchical, given that the municipalities are not subordinate to the province;
- establish the criteria to be used as guidance for the projects, ensuring that they comply with the rules and regulations laid down in the regional circular, whilst at the same time catering for the specific needs of the Milanese province;
- set up and lead the local technical group representing all parties - municipalities, Third Sector, schools, Centre for Youth Justice; organise meetings on a regular basis, monitor the work and establish a schedule and deadlines for the municipalities and all the bodies involved. The Milanese province is a huge one and it is impossible to represent all the various players involved in the inclusion of children; given that, this group was convened by the provincial

²⁰ The law was adopted on 28 August 1997. Subsequently, all the regions approved a regional law to this effect; in the spring of 1998, the programme agreements were set out and the intervention projects were drawn up within a relatively brief span of time.

administration and was made up of a number of municipal representatives appointed by the Conference of Mayors, a representative of the provincial education office, a representative of the Youth Justice Centre and four representatives of the Third Sector – two for the *Forum of the Third Sector*²¹ and two for the *Federation of Oratories*²², respectively. At the time, these were those Third Sector organisations active in the field of activities for children which had been formally recognised. There is no doubt that these bodies were not very representative of all those involved in combating social exclusion, but they have nonetheless made their presence felt in local co-ordination forums;

- attend, as observers/participants, the so-called local service conferences in order to guide the choices and methods used. These conferences continue beyond the planning phase, though there were no set rules in the programme agreements governing how often they should meet and the nature of the co-ordination meetings. The provincial administration laid down hard and fast guidelines covering these aspects, to be applied to future programme agreements when drawing up the next three-year plans.

Thus, on this occasion the provincial administration took upon itself the task of improving the local co-ordination forums and making them more efficient, by providing support to the project co-ordinators, organising training sessions and group meetings to deal with specific issues in order to back these projects (interview no. 33).

One could, therefore, consider co-ordination as a multi-level, ongoing dialogue within the context of the implementation of Law 285/97 (interview no. 42):

1. co-ordinating the activities of those promoting the policies, i.e. the municipalities and the other bodies involved in drafting the programme agreement and the three-year intervention plan. This applies specifically to municipalities acting as group leaders;
2. operational co-ordination when starting up the plan comprising all the individual actions. Each programme agreement contains between 50 and 100 projects: these projects need to be co-ordinated among themselves: they need to work individually but they also need to function together as a whole. This is where the province plays an important role by promoting the local technical group;
3. service delivery, the ongoing dialogue between the citizenry and the services offered. The citizens partake of and drive the transformation: they are free to abandon one service and rush

²¹ The Lombardy Regional Forum of the Third Sector was established on 29 January 1998. Currently, about thirty social co-operation organisations, civic associations, environmental groups, volunteer organisations and ethical finance groups are members. Under this umbrella, a number of different organisations have experimented with carrying out shared initiatives, inter-sectoral and network projects, and have set up a strategic link with the research and advisory resources of the Universities and Research Centres in Lombardy. It belongs to the Standing National Forum of the Third Sector.

²² There are many Catholic oratories in Italy. They are attached to parish churches and are special places set aside for educational and recreational activities organised for youngsters.

to another; their behaviour can indirectly change the services offered, even though they do not participate in the concertation forums.

Thus, Law 285 has established the national parameters within which local bodies can draw up their own, highly diverse strategies. Here too, one can observe a significant gap between the north and the south of the country. Indeed, the 285 projects have had a greater impact in the south, in areas where, on the one hand, local networks and partnerships are few and far between, laying the groundwork for completely new forms of co-operation and where, on the other, there are insufficient social services available, particularly with regard to services aimed at promoting the well-being of children, adolescents and their families (crime prevention, socialisation, rehabilitation and insertion policies). Thus, in some cases, the opportunities afforded by Law 285 have been seized in order to set up schemes of fundamental importance which had until then been lacking. For example, in Naples, the funding available under Law 285 was responsible for the introduction of the MV (Living Wage), an economic subsidy providing income support for families with dependent children and suffering economic hardship. In many municipalities in the north, where the Living Wage already existed, the funds available under Law 285 have been used to help children and youngsters, via socialisation projects, crime prevention projects and projects aimed at overcoming disadvantage.

3.4. Managing social welfare services

What has been clearly emerging is that the supra-municipal dimension seems to be the one most suited to the management of services. This obviously holds true above all for the smaller municipalities, and a bit less so for the metropolitan areas, which are large enough to be able to administer themselves a wide array of services and functions. This does not mean, however, that they have no problems: whereas citizens consider the municipality to be the political reference point, with a political legitimacy all its own, in that the mayor and the city administration are directly elected by the voters, citizens do not necessarily feel that the supra-municipal level accurately reflects their needs, and its representatives are not democratically elected (interview no. 42). Thus, many actors feel that it is best to manage services in a way which is not purely political, but which is rather closer to a type of business management of an organisation, whereby the municipalities and citizens involved are the equivalent of shareholders in an enterprise. Italian law caters for this situation and offers various solutions, most of them contained in Law 142/90 and its amendments (cf. Table 13).

The criteria for selecting the best management method for a given locality must be based on a prior analysis of the contextual elements, most particularly any previous management experiences and their outcomes, whether or not there is a tradition of co-operation among various sectors and various players, what the policy goals are in terms of social and health matters and, lastly, how large the area is. Generally speaking, it can be said that in all those cases where management is kept separate from

planning, the management of resources seems to be more multi-faceted, flexible and efficient, though the system does become more complex and it becomes necessary to co-ordinate the activities of the various actors. Nonetheless, there are a few doubts as to whether the public sector can actually maintain responsibility for planning and guidance. Indeed, separately managed agencies (institutions and special agencies, cf. Table 13) are strongly independent; this entails the risk of an implicit delegation of powers from the public administration, or the risk that these agencies might start wanting to encroach on areas more properly the concern of the public administration. There is, furthermore, the additional factor that the public authorities find it difficult to monitor both the content and quality of the service, since an assessment is often based on the balance sheet and financial reports, which indeed do improve, but at the risk of making cost-cutting the major policy goal, including of social policy. All solutions which opt for creating a consortium of administrations do provide the benefits of an economy of scale and of enlarging the scope and quality of services. At any rate, choosing one management mode over another should never mean that the public administration in any way slackens its commitment to provide the best possible planning, guidance and assessment, but rather should redouble such efforts (Gori and Ranci Ortigosa, 1999).

The *Regional Social Plan* further stresses the need for each and every municipality to band together in order to share in the management of social services. Almost every region has a *Regional Social Plan*²³; it forces all the municipalities in the area to co-ordinate, to share resources and to establish an *Area Social Plan* which, once adopted by the regional administration, will receive funding (interview no. 42). This mechanism sets up brand new types of concertation processes covering somewhere between 30 and 50 municipalities. Normally speaking, the respective regional laws do not oblige them to share in the management of all local services; local administrators often wish to maintain ownership over a certain number of local services, particularly those which have a high profile in terms of popularity and visibility and, therefore, are very useful during election campaigns. Consequently, conflicts often arise, the move for autonomy clashing with the move for concertation. This, as we shall see later (cf. § 3.7.2.), jeopardises the strength and the success of co-ordination efforts.

²³ Even the Abruzzo region, although it has not yet adopted a regional law governing the reorganisation of social assistance, has adopted a 1998-2000 Regional Social Plan.

Type	Description	Advantages	Disadvantages	Notes
Consortium of municipalities	Requires a business entity, a director, a budget, premises made available by the owners, i.e. the consortium of municipalities.	Resources can be shared, considerable economies of scale achieved and the best use made of the professional resources available locally, by means of a new and more efficient organisational model.	It is harder to upgrade the quality of services available, since most efforts are focused on cost-cutting.	Best suited for smaller municipalities, as it makes available both the professionals and infrastructure necessary in order to broaden the range of services.
Institution	The fundamental body of the local authority responsible for providing social services without an entrepreneurial presence; has management autonomy (LN 142/90, Art. 23)	Guidance and planning are in the hands of the public authority and can be kept separate from management, entrusted to the director of the institution. This allows for a more flexible and efficient use of resources and greater accountability.	Makes it more complex to manage and increases the cost of co-ordination among the various actors. Makes it harder for the public authority to assess how the institution actually works. There is a risk of taking only cost-cutting into account.	Easier for citizens to equate the management structure with a specific identity and mission.
Special agency	An agency of the local authority, having a legal personality, management autonomy and a statute approved by the provincial or municipal council; may even manage several services of a sizeable scale and on a business basis (LN 142/90, Art. 22).	Quite similar to the institution, has greater autonomy and flexibility in the use of resources. Considerable improvement, including in accountability.	It is difficult for the public authority to provide oversight beyond financial controls. Increases the complexity of the system and the need to co-ordinate the various actors.	Sometimes, given the considerable independence with which it operates, the agency itself can assess the results achieved (the Mantua special agency introduced the innovative idea of a <i>social balance sheet</i>).
Consortium of municipalities and ASLs	Joint, public social/healthcare agency	Integration of social services and health services can be maintained or created, without having to delegate power. Considerable economies of scale; makes best use of local professional skills.	Risk of implicit delegation of planning powers by municipalities to members of consortium.	If unanimous vote rule is adopted, the decision-making process slows down considerably.
Direct management	Planning and management powers are centrally vested in the public authority, improving, at least theoretically, the connection between the two.	Makes the system simpler and above all ensures that the public administration can once again play a decisive role in providing guidance and direction.	Makes it harder to have flexibility in use of resources.	Advisable only for sizeable municipalities with sufficient resources (professional, financial, structural, data).

Source: Our calculations based on *Prospettive Sociali e Sanitarie*, 15-16/99.

National law LN 662/96 not only provides for agreements covering initiatives shared by different administrations, but also defines as “negotiated planning instruments” those initiatives where public actors work together with private ones. Specifically, the law lays down the following definitions for this category:

- *area contracts*: development projects in specific areas hit by structural crises, mainly located in the south;
- *programme contracts*: these call for the implementation of business projects having a sizeable impact on local businesses and on employment levels; they are open to large enterprises or consortia of small and medium-sized enterprises;
- *territorial pacts*: voluntary associations of municipalities where funding of development projects is available; business initiatives and infrastructure interventions are shared by the local authorities and by economic and social entities²⁴.

3.5. Third Sector bodies and the scope of co-ordination

Although there really is no specific and detailed definition of the term *Third Sector*, it is nonetheless widely used to indicate a very broad range of players and actions. Observers of its workings feel that the Third Sector is an expression of the emergence of social rationality before it becomes a good to be exchanged in the marketplace or an object to be politically regulated by the State (Donati, 1996). Indeed, the label *third* is used to differentiate this sector from the other two institutionally strong sectors in modern society, the State and the marketplace (Colozzi, 1998). The Third Sector is a system made up of various types of non profit-making actions among different entities; the actions range from pure gift-giving to reciprocity; from this point of view, these actions fit well into Polanyi’s theory of reciprocity as opposed to market trade and redistribution²⁵ (Polanyi, 1974). In Italy over the

²⁴ Overall, there are 61 territorial pacts where the funding has been approved: 12 in 1998 (the so-called first generation pacts); 9 at the end of 1998, via a special procedure involving the participation of the EU (Community Pacts); one multi-regional pact with national resources; 39 in 1999 (second generation pacts). More than 8,500 billion lire have been spent in terms of overall investment over several years, including business initiatives and infrastructure investments. The pacts cover a total of 1,491 municipalities, more than half of them in the south, with the participation of over 3,000 companies (Ministry of Employment, 2000).

²⁵ According to Polanyi, there are three forms of social and economic integration, achieved by coalescing individual behaviour around institutional pre-conditions and explaining why economic systems acquire unity and stability. The three forms of integration are reciprocity, redistribution and trade. *Reciprocity* occurs among groups or segments of society with equal and symmetrical status; economic transactions among these groups are reciprocal in nature. *Redistribution*, conversely, presupposes a society which is organised around a centre with the power to accumulate resources in order to then distribute them to peripheral groups; economic transactions thus are from the centre to the periphery and vice versa. *Trade*, however, implies a market-based system, whereby the ultimate goal of economic transactions is to achieve a profit. Complex societies have all three forms of integration simultaneously; it is, however, possible to detect which form is the dominant one (Polanyi, 1974).

course of the past 25 years, the Third Sector has mainly developed in the form of foundations, associations and, above all, voluntary organisations²⁶ and social co-operatives (Ruffolo, 1997).

Social co-operatives, in particular, are a cornerstone of the non-profit economy; among the various players of the Third Sector they are playing an increasingly important role. Social co-operation has very specific economic features and values, in that it:

Pursues the general interests of the community, supports human beings and their social integration by means of specific activities.

(LN 381/91, Art. 1).

Thus, social co-operatives are different from traditional co-operatives in that the interests pursued are not those of the members of the co-operative itself, but rather the interests of the community at large.

There are three types of social co-operative:

- type A: these carry out activities pertaining to the management of social, healthcare and educational services provided for disadvantaged persons (the elderly, minors, the disabled, the terminally ill, drug addicts, etc.);
- type B: these carry out productive activities aimed at helping disadvantaged persons (the disabled, ex-convicts, former drug addicts, etc.) to enter the labour market; such persons must comprise at least 30% of the membership;
- mixed: these carry out both activities.

The main source of orders for these social co-operatives is contracts with public administrations, which represent 88% of their turnover. This means that they must respect the rule of the lowest bid²⁷, which has a negative impact in terms of a just and regular recompense for the workers, whether members or not (since the public administration often delays its payments); this system hampers the workers' training and is an obstacle to investments in a whole series of network activities which are long-term by nature (activation of the interested party and of his/her primary network) (Alberani, 1999; Toniolo Piva, 1999).

Over the past few years these social actors have tended to band together in organisations for co-ordination and representation, with the aim of having appropriate forums wherein to meet and exchange information, making their voice heard and achieving greater bargaining power in their relationship with public institutions, which have always been, and continue to be, their most important customers. Often, co-ordination is carried out in what could be termed associations of associations (or co-operatives of co-operatives), i.e. secondary level associations (or consortia of co-operatives).

²⁶ LN 266/91, the *Framework law on voluntary organisations* defines volunteer work as a personal, spontaneous activity carried out without payment and on a non-profit basis, the aim being social solidarity. Voluntary organisations have the right to be listed in special regional registers, to benefit from a series of concessions and to sign conventions with the local authorities in their field of activities.

Of course, this banding together in associations does meet the workers' needs in terms of establishing a dialogue and an ethical exchange with regard to the interpretation of social reality and possible solutions; but it also plays a very important role in terms of coming up with survival and development strategies, in order to cope with the realities of voluntary organisations. In fact, participating in a public tender increasingly requires financial guarantees and proof of economic and financial soundness, which are often too stringent for individual players but which secondary level bodies can achieve. Proof of financial soundness is also required in order to have access to credit and banking services. When players who are specialised in various sectors band together as allies, this enriches and strengthens the agencies, which can then count on the aid of professional skills and experiences outside their ken, and allows them to apply jointly for permission to manage parts of services which are different but connected, offering added value thanks to their already existing and consolidated co-ordination.

Furthermore, representative bodies can act as lobbies. Presenting a unified front increases their credibility and bargaining power *vis-à-vis* institutions, enabling them to deal at the highest level with the public sector and also making them front-line interlocutors whenever reforms are debated. In fact, at a time when framework laws, the contents of which will have an impact on local policies, are being mapped out at the national level, it is crucial that the voice of Third Sector agencies be heard in this debate, which will of course inevitably have an impact on their ability to operate at the local level.

In order to have a better understanding of the tangible organisational ways in which bodies in the voluntary sector structure their activities, we shall analyse below four particularly pertinent examples. These are: a) consortia of co-operatives and the bodies representing them; b) *Caritas*, a historic example of the Catholic voluntary sector; c) the *National Co-ordination of the Community of Charities* (CNCA), one of the very first examples of co-ordination in the Third Sector in Italy; d) the *Standing Forum of the Third Sector*, a relatively recent creation, but which has already achieved a very high public and political profile.

a) *Secondary level co-operatives*. Increasingly, co-operatives are facing financial difficulties arising from their relationship with public institutions and the problems connected with their increasingly important role in planning, given European-level bids for tenders on the one hand and the growth of territorial pacts on the other; they are facing these difficulties by becoming larger, by providing a broader range of services and by increasing their turnover. Many co-operatives have grown to the size of companies; many others are following the path of setting up consortia²⁸, i.e. secondary level co-operatives capable of providing services to the member co-operatives (training, secretarial services,

²⁷ The rule of the *lowest bid* means that the main factor in choosing who shall participate in a public tender is the cost of the service. All participants, therefore, are urged to ask for the lowest possible payment in order to win the bid.

²⁸ The *Gino Mattarelli Consortium* (CGM) was set up in 1986. Its members are more than 40 social co-operative consortia, banding together over 600 co-operatives in 18 Italian regions (Ires, 1999).

planning). They can achieve economies of scale and above all they can be very effective interlocutors for public authorities (Franzoni, 1999). The creation of consortia also provides added value in terms of co-ordination; they have greater planning and administrative capabilities (in dealing with the public authorities) and can provide services to the first level co-operatives (Ronchi²⁹, 2000). These are crucial qualities, since the main problems facing co-operatives are, indeed, how to manage their relationship with the authorities, how to find financial resources and how to manage their daily relationships with the members, the volunteers and the clients.

Employment co-operatives and social co-operatives also have their own responsibilities at the regional and national level in terms of organisation and representation, and which are a reflection, however remote, of their political orientation in the broadest sense of the term³⁰. They are very important and authoritative players on the political stage and in the social and economic life both of their local area and nationally. Indeed, the co-operative organisations participate in the representative bodies of the Third Sector, such as the *Standing Forum* (see below), and have signed pacts for local development³¹ and protocols of understanding regarding methods and contents of bids for tender and conventions with the public authorities³². They are furthermore very closely linked to their respective trade unions.

b) *Caritas* is the most highly regarded Catholic body in the Third Sector. It is a vast organisation spread throughout the country at the parish level. Doubtless, the institution's co-ordination is mostly carried out in the dioceses, which usually correspond to the provinces. They are active at the regional and national level too, but mostly in terms of sectoral co-ordination; not all areas of intervention have the same organisational structure, nor even the same degree of organisation. At any rate, *Caritas*'s role in the dioceses is important, and it is very highly regarded as a voluntary organisation. Often, indeed, it is the Third Sector's only mouthpiece, invited to participate in social policy planning forums and often also promoting these initiatives (cf. § 4.1).

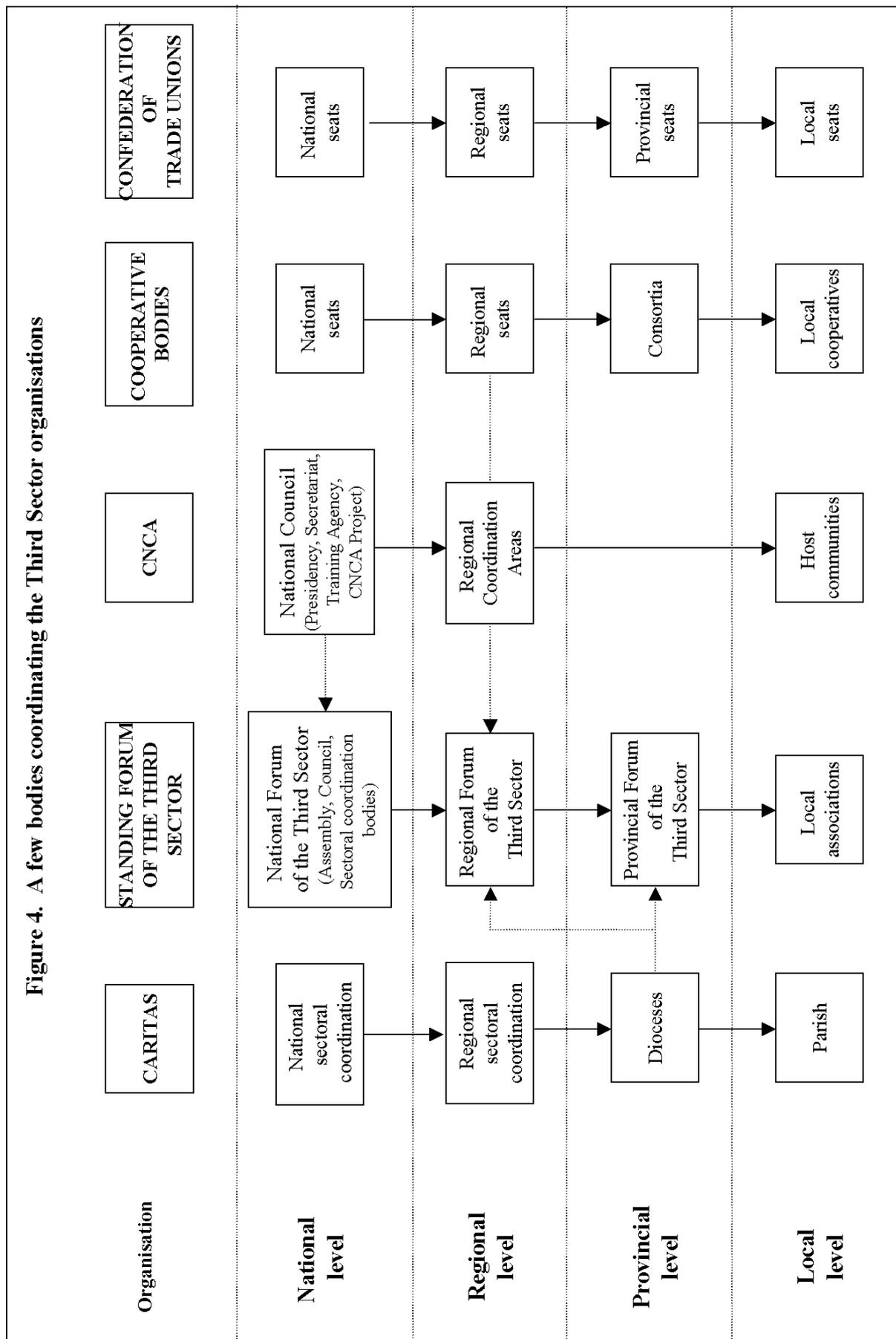
²⁹ Director of the Social Co-operation Bureau of the Lombardy region.

³⁰ The so-called red co-operatives, i.e. left-leaning ones, are organised in the *League of Co-operatives*, whereas Catholic-oriented co-operatives are organised around the *Confcooperative* and the *Compagnia delle Opere*.

³¹ The *League of Co-operatives* signed, with a few reservations, the Milanese Employment Pact (cf. § 4.1.3.) (<http://www.lombardia.legacoop.it>).

³² The *League of Co-operatives* and the *Confcooperative* signed a protocol of understanding with the Lombardy region and with other agencies on the need to abolish the exclusive or prevalent use of the lowest bidder rule by public authorities when contracting out a bid (<http://www.lombardia.legacoop.it>).

Figure 4. A few bodies coordinating the Third Sector organisations



c) The *National Co-ordination of the Community of Charities* (CNCA). This body was set up back in 1986 by groups from all over Italy who wished to establish a forum where they could exchange experiences gleaned at the local level; they also wished to present a united political and cultural front to deal with issues such as exclusion and disadvantaged youth. The CNCA has its own statute and its own organisation. Currently, it numbers about 300 groups as members, some of which have observer status. The central organisation consists of a president, who is responsible for institutional representation and general co-ordination, an executive secretariat, an administrative office, a training agency (dealing with projects pertaining to the acquisition of new professional skills and refresher courses for social work staff, as well as service quality and the work of the Third Sector) and the *CNCA Project*, which deals with planning, consultancy and management of regional, national and European bids (cf. Figure 4). The member groups are spread throughout Italy and are grouped into 13 Regional Areas. The Assembly meets at least once a year, usually two or three times a year to deal with specific issues. Further, special issue-oriented seminars are organised both nationally and regionally. The National Council is made up of the CNCA president, two vice-presidents and 18 directors (<http://www.cnca.it/chi.htm>).

d) The *Standing Forum of the Third Sector* is a secondary level association (that is, it is made up of other associations). It was founded in 1997 after two years of working together on the basis of a manifesto and a declaration of intent. Its aims are: to renew the welfare system by responding to new and broader social needs; to promote a new type of participatory democracy; to be a social and political player capable of representation and of becoming an interlocutor of the institutions; to reform the institutions; to create jobs. The Forum received a prestigious acknowledgement of its importance in 1998 when the government signed an agreement with it concerning the draft bill for a social pact, approved the Forum's participation in consultations on welfare reform and began drawing up a convention of solidarity. Any Third Sector organisation may join, as long as it exists in at least six Italian regions, is organised and has stable structures, at least 2,000 members or 50 first level organisations. Other associations may participate in the Forum with the status of observers.

Furthermore, regional and provincial forums can be set up on the basis of an association pact which is consistent with the national one (<http://www.univ.trieste.it/~f3sfvg/ilterzo.htm>).

The CNCA was one of the founding members of the *Standing Forum of the Third Sector*, though at the moment it has temporarily suspended its membership because, whereas it originally arose as a forum for consultations, it was gradually turning into a sort of trade union of players in the Third Sector, and representation and strategic alliances now seem to have crowded out planned exchanges of views. In fact, the two strongest bodies, at opposite ends of the political spectrum, the *League of Co-operatives* -

an expression of lay left-wing thinking - and the *Compagnia delle Opere* (Company of Works) - an outlet for right-wing Catholic co-operation - have begun an unusual new type of alliance, drafting an agreement for the creation of a common temporary employment agency (to be used in recruiting labour for the major distribution chains which are headed by these two players in Italy). The prospect of economic growth and having a share of the market would in some cases appear to be more important than a set of values. One can clearly see the inherent contradiction in this process: the whole issue of co-ordination of voluntary organisations, which the protagonists have dubbed an opportunity to exchange views on ethics, turns out in reality to be mainly economic agreements, paying lip-service to the notion of a social dimension, whereas the law requires this to be the very bedrock of these enterprises.

3.6. Relations between local authorities and Third Sector bodies

The law attributes a specific role to Non-Profit Socially Useful Organisations (Onlus - *Organizzazioni Non Lucrative di Utilità Sociale*)³³, which are already at the programme agreement stage; an analysis of Law 285/97 is interesting in that it sheds light on the types of relations between local authorities and Third Sector bodies. The framework provisions of the national law and of the respective regional laws have not simplified the variety and complexity of situations in the field, which often are the upshot of the local history of relationships between the administration and civic society. Just to give an example, each area in the province of Milan has behaved very differently: in some cases the Onlus contributed right from the start in establishing a philosophy and an analysis of the local situation and local needs, and in drawing up plans. This happened where there was a strong local tradition of co-operatives and/or voluntary associations, with players who can be considered direct interlocutors of councillors and civil servants, where there are well-structured working systems and a long-standing tradition of relations, conventions and contracts.

However, in other areas the Third Sector is completely absent. There are no clear, recognisable players. At times, if there are absolutely no local interlocutors, the local authorities have had to resort to a system of calls for tender from well-known and reputable companies, agencies and co-operatives from outside the area. In these cases, the Onlus are called in only once the project has been adopted and funds have been granted, and the time has come to start implementing the project with bids and conventions. Quite clearly, the two run in parallel, the availability of services stimulating the Third Sector and *vice versa*.

³³ The following are classified as Onlus: associations, committees, foundations, co-operatives and other private agencies, whether having a legal personality or not, whose statutes or by-laws expressly state that they shall carry out activities in the fields of social assistance, healthcare, social/healthcare, charitable work, educational assistance, training, amateur sports activities, protecting and improving the artistic, historical and environmental

Sometimes very weak local authorities simply delegate virtually all programming and planning to the Third Sector. This type of situation does not in any way make the Onlus responsible partners, but rather when this occurs it simply means that the local politicians have abdicated their responsibility for planning and guiding social policies, and that a dangerous lack of attention in a crucial sector might be endangering the well-being of the local population.

How contracts are drawn up is quite subjective: each administration has given its own interpretation to the various rules and legal requirements to be followed when putting in a bid or when privately negotiating contracts, and has chosen the method which seems best suited to the situation; one reason for this is that there is a broad range of types of projects, and funding levels vary widely. Of course, where a network of relationships and a tradition of co-ordination already exist, things become easier. Traditionally, the lead municipalities have always co-ordinated the management of Law 285, even though in those areas where there are strong Third Sector players capable of meeting social needs in a number of disadvantaged sectors (drug addiction, disability, etc.), the Third Sector *de facto* plays the dominant role.

There are three main forms of partnership between local authorities and Third Sector bodies:

1. The local authority delegates power to the Onlus to manage individual projects or services. This requires a low degree of co-responsibility and has little impact on the overall growth of a community;
2. Shared rules and regulations are created: the local authorities provide support to selected Onlus initiatives, for instance by promoting local development and collective learning. The public and private sectors share goals and results, and the degree of integration is crucial;
3. True integration: local authorities and Onlus have equal roles in designing and joint planning of services and policies. Co-operation is full and complete (Ires Cgil, 1999).

Cases one and two are very common throughout Italy; the last case is so far only in the planning stages for Third Sector entities, even though these deliver almost 90% of the services provided under a convention with the public authorities; that is, to all intents and purposes the public authorities' functions are outsourced, financed by the public authority and thus, inevitably, the Onlus are subordinate to it, even when they participate in the planning (interview no. 42). The Onlus, therefore, can make their voices heard and make suggestions, but only within the framework of a plan co-ordinated with the public sector.

From a technical point of view, the relationship which arises between the local authority and the Third Sector body generally follows one of two procedures:

heritage, promotion of art and culture, protection of civil rights and scientific research. The Onlus' aims are purely social, and if profits are made, they must be re-invested in the above-mentioned activities (DL 460/97).

- private bidding: direct negotiations between the public administration and the Third Sector body to award a service. This can be used only in the case of small sums of money and where the body has been identified as the only entity capable of offering the required service. Generally speaking, the public administration invites a few pre-selected Third Sector entities with the necessary characteristics to bid, and then chooses on the basis of the bids submitted.
- public tendering: the public administration publishes a call for bids and states the conditions for participating in the tender. The participants are then assessed by a special commission on the basis of criteria which rarely have anything to do with the quality of service provision (such as company soundness, the company's background and its importance in the local market) but rather have more to do with offering the lowest bid (cf. footnote 50). The work order is then awarded by means of a direct contract (i.e. a contract between the public administration and the winner of the bid); usually, the contract is renewed by a repeat of the tendering procedure once the contract has expired. Over time, contract renewals can become customary, firstly because the principals in the public administration and in the Onlus get to know each other personally and establish consolidated and flexible working methods, and secondly because the voluntary organisations delivering services and benefits increasingly obtain first-hand knowledge of the local situation and become ever more deeply rooted there, which of course makes them the best possible candidates for the next tender. Thirdly, the allocation of responsibility proceeds almost automatically, since the public authority finds it extremely difficult to make a clear assessment of the quality of services provided in the past, and because it is necessary to establish continuity from one management to the next, in terms of timing and also of method.

Of the two, the tendering method creates the most difficulties in terms of managing the services under the convention. Generally speaking, the local authorities do not have an abundance of resources to allocate to social programmes, and payment for work done often comes very late. This means that only large-scale Onlus, on a solid financial footing and with a good credit rating, can hope to survive on public work contracts alone. Furthermore, where the lowest bidder wins in a call for tender (cf. footnote 50), those working for the Onlus bear the brunt of this system, in that the Onlus often hire people on very unfavourable contracts, in terms both of job continuity and wage levels. Furthermore, the financial difficulties of Third Sector bodies can in turn have an impact on setting local priorities to deal with social needs, the upshot being that the initiatives chosen tend to be more useful in keeping service providers alive and in business than in promoting the welfare of the community. Finally, this practice also has a negative impact on the quality of services and benefits provided, due to a lack of resources to train workers and to plan initiatives properly (Ires, 1999).

Given these problems, the current debate on how to reform the method of outsourcing services covers three possible scenarios:

1. Signing a convention, i.e. keeping the current system of managing most services under a convention;
2. Accreditation. The end user would choose from a range of service providers accredited by the local authority (and selected by a special committee). The end user is given a voucher by the public administration, which covers all or part of the cost of the service;
3. A combined system. The public administration can choose between a convention or an accreditation system, depending on the type of service (Toniolo Piva, 1999).

Should the decision be made to opt for the system of conventions which, at the moment, seems to be the predominant one, all the administrative tools will have to be improved, greater weight will have to be given in tender procedures to quality as opposed to price (not more than 40%), joint planning will have to be promoted, a better system of oversight and assessment of the overall service will have to be developed and the costs of training and co-ordination will have to be included in the price. Some reforms, particularly at the regional level, already limit the impact of the price factor as opposed to qualitative criteria in bids for tender³⁴. Still, it is local authorities which have the power to decide which selection criteria should be used; regional legislation may not impose on them any obligations. Indeed, any attempts to improve matters via new rules have been basically ignored up until now (Alberani, 1999).

Managing an accreditation system, however, whether a pure or a combined system, requires that local administrations be able to carry out an efficient assessment - by means of a third party - of the performance of the various local agencies providing services. That means that the local public administration provides a guarantee to citizens as to the quality standards provided by the bodies it has accredited. Citizens become more than mere end users – they become clients capable of choosing which agency, of those accredited, they prefer (interview no. 42).

3.7. The rhetoric of co-ordination

As we have seen, co-ordination is an issue which cuts right across all social policies, at various institutional, political and administrative levels. It does not appear to be an institutionalised dimension, except in those cases mandated by law; rather, it is a delicate balance which must be found and maintained constantly, depending on the local situation, past history and the goals to be achieved. Some dimensions prove absolutely crucial in analysing existing co-ordination and, at the same time, are essential milestones in making it more effective and more flexible.

The political stamp of approval

³⁴ Regional law no. 6/97 of Emilia Romagna provides in Article 10 that any tenders organised by municipalities and local health authorities must give a weighting of no more than 50% to price as a factor in awarding the contract; Art. 14 states that the public administration must make monthly payments (Alberani, 1999).

If co-ordination is to work at any level, it requires the strong backing of the majority political parties governing the level where it is to be promoted. Only the political majority has the political and institutional authority required to convene the parties involved (interview no. 32). Still, in some cases, the political dimension becomes of overweening importance, so much so that political brokering of the process becomes the *sine qua non* for gaining access to the forum of co-ordination and for participating in planning, and hence in the distribution of resources (interview no. 45). There is no doubt that this practice is ultimately harmful to the interests of the citizens using the services and harmful to social policies, since the main priority becomes the needs of those providing the services (training centres, social co-operatives, Onlus, etc.) rather than how useful and how good those services are.

Ethics, values and a strategic vision

Partnerships are not necessarily good things in and of themselves (one need only think of organised crime). The law, by itself, is not enough to rule out speculation and a sharing of the spoils once funding is obtained; it cannot mandate a commitment to work for the development of the community as a whole and to ensure that the citizens' needs are satisfied. Achieving these goals depends largely on the human factor (interview no. 36). This holds true even when a charismatic leader is showing the way, whether that is an individual or a very strong group capable of holding together different types of people, whilst at the same time imbuing them with a vision of their social mission. Charismatic leaders, be they individuals or groups, somehow manage in an innovative way to inspire the social actors involved, so that they become capable of and committed to a discussion of ends and not just means (interview no. 45). A discussion of the goals to be achieved must precede the search for resources to fund the project. It is counter-productive to think of the goals as somehow subordinate to access to resources, or, once resources become available and accessible, for the players to co-ordinate in seeking out programmes for which the resources can be allocated. This means that, right from the start, a profound, original and useful discussion becomes impossible (interview no. 63).

Whenever co-ordination among various social actors becomes viable and has good chances of being successful, it is usually because these actors have shared a strategic vision of the local development plan that they wish to pursue (interviews 2 and 36). The reason why the need for co-ordination is currently felt so keenly is that each individual social actor has slowly and painfully acquired a realisation of their failure as individuals to understand social reality and respond to local problems; their hope is that, by pooling skills and experiences, by "seeing eye to eye", a new type of programme, new know-how and new resources can be acquired (interview no. 55). Co-ordination always arises from the initiative of one of the social actors, and develops wherever the players have a political approach to problems and not merely a technical one.

The nature of the contract and its evaluation

Clearly, the nature of the contract forming the basis of co-ordination will have an impact on its results.

The type of co-ordination carried out, its outcome, the establishing of alliances – all these factors will depend on whether it is a public or a private bid, whether the relationship is a one-off one or whether there is a history of collaboration, and whether there is an official type of consortium or merely a common declaration of intent. As we have seen, the prevailing tendency in Italy is to reconfirm already-existing relations, reproducing them over time, even in the absence of a proper assessment as to the quality of initiatives.

One can judge the degree to which co-operation has developed among the players involved by how important they deem the evaluation stage of common initiatives, by whether the evaluation stage is divided up into *ex-ante*, ongoing and *ex-post* studies, by the investment in human resources, in time and in funding which are dedicated to monitoring and to true evaluation activities. No great importance can be attributed to monitoring and evaluation if there is no agreement on how these are to be carried out, on when they are to be carried out and above all on how important these activities are. Indeed, if a number of players decide to stop co-operating, the evaluation as a whole is vitiated.

Volume of resources

The type of co-ordination to be established depends in large part on the volume of resources at stake (interview no. 39). This can vary widely, as we have observed. Co-ordination can run the gamut from small local partnerships with no access at all to public funds and predicated simply on voluntary work, to enormous economic entities strong enough to have a national and even a supra-national impact. Often, access to funds is the deciding factor in determining how relatively important the co-ordination player is within its own context (local, provincial, regional, national or Community-wide). The quality of the services provided and the possibility of offering ongoing training courses to the workers to improve their skills can be ruined if the resources are insufficient and if repayments to private and voluntary bodies come very late. This also has an impact on those activities which are not immediately productive, such as co-ordination activities, which are particularly time-consuming given all the meetings, get-togethers and negotiations involved.

3.7.1 Added value of co-ordination

There are three main areas where co-ordination can provide added value:

- 1) *Group learning*. Co-ordination presupposes continuous comparisons and exchanges of information, both at the ethical, theoretical level and at the practical, operational level. Staff with a broad range of specialisations come together. Each single individual and each single agency learns from the others, broadening their knowledge and experience. Knowledge and new practices can be gleaned not only from fieldwork, but also from the specific skills

pertaining to co-ordination itself. In other words, in the daily practice of co-ordination, people learn how to co-ordinate better. Organisational, managerial and motivational skills are needed for co-ordination; one need only think of what it takes to organise meetings, arouse the interest of speakers, make sure the meetings are well attended and remain focused on important issues, learn new things from the meetings and make use of the new knowledge acquired so that it does not remain a dead letter. Each individual person can learn from successful co-ordination; the community as a whole can likewise grow and learn; new skills and new know-how are circulated and are useful in trying to define goals and cope with problems; everyone shares in both the knowledge and in planning initiatives (interview no. 45). It is very difficult to locate the point of arrival, as it were: what this is is work in progress, undergoing constant change.

- 2) *Establishing priorities and providing guidance in using resources.* Co-ordination allows - indeed to some extent forces - participants to state their preferences. Stating ultimate goals does to a certain extent presuppose that, explicitly or implicitly, local priorities have been set. Effective, as opposed to formal, co-ordination should guarantee that when programmes are repeated or extended, the reason is that the priorities and goals have been met, or at least that a specific policy is being pursued, as opposed to simply working in the interests of keeping the service providers going (interview no. 33). That is why, as we have stated, co-ordination activities should lead to attaining shared goals which have been defined as necessary to the well-being of the end users, and not merely a plausible means of gaining access to available resources.
- 3) *The emergence of new social players.* Co-ordination should lead to the emergence of new social realities, arising from the interactions among various social groups participating in co-ordination; their mission should be to enlarge the scope of the reference area (local, regional, national or Community-wide) (interview no. 55). These new realities are not the mere sum of the players involved; rather, they represent precisely that added value which is the upshot of experience of co-ordination - the many relationships established, knowledge circulated, results achieved - but also of experience acquired from failures. When co-ordination takes place at the local level above all, these new players become the social face of concertation and planning, rising above individual programmes and establishing new consolidated forms of exchanges.

3.7.2 Barriers to co-ordination

Co-ordination overload

What elements undermine at its very foundation the possibility of integrating different institutions, different institutional levels and different sectors? It is not so much a question of institutional conflicts,

but rather the fact that what is happening is a shift in paradigm, from a paradigm of vertical affinities to one of horizontal loyalties, both of which are - by law - present (interview no. 42). Traditionally, employment services, healthcare, school and social services are all based on a vertical type of organisation: the ministry governs and carries on a dialogue with the specific department in the regions; each region carries on a dialogue with a specific department or a local special agency (cf. Table 13). Thus, there is a vertical hierarchical structure which is to some extent more or less decentralised. Subsequent to the reform turning local health authorities into agencies (ASLs) run on business principles, healthcare is financed out of a regional fund; resources are allocated according to a national plan. Similarly, schools have teaching autonomy, but the staff, the rules and the funds follow vertical mechanisms. Just to take an example, when schools and ASLs in a community work together on school insertion or to supply assistance for the disabled, as provided for in Law 104/92, whatever type of local horizontal co-ordination is established, it is established among workers who are paid their salaries by different organisations, who have a different hierarchy and chain of responsibility and whose career prospects in their sector are vertical. Whatever good will there might be, they all have twofold loyalties: to their community, i.e. to the project and goals (insertion of the disabled), and a vertical loyalty to the mission of the agency in whose employ they are. This is where vertical systems meet horizontal ones, both equally valid. At the moment, the vertical element is still far stronger than the horizontal one. If the horizontal level were to grow while the vertical one remained unchanged, then the likely consequence would be an overload of co-ordination rather than a conflict among institutions. As is the case for utilities such as water and gas, the social services, personal care services, employment services, healthcare and schools could in the future become services *of* the community, and would be institutionally accountable to only one link in the chain of accountability, i.e. the horizontal, community one. Indeed, the overall reform of the public administration is moving in precisely this direction. The ministry and the regions plan and allocate resources, but true co-ordination will be carried out at the provincial level, and at the district level where the personal services are actually delivered. However, the role of central co-ordination must not be underestimated. In order to prevent specific local conditions from causing institutional anarchy or clear-cut inequalities in access to benefits, they must be part of one single national standard and must follow the planning guidelines laid down not only at the national level but also at the European one. Indeed, the very strength and solidity of social federalism is predicated on the fact that it is backed up by national and European social institutions which are equally strong (Campedelli, 1999).

At any rate, whenever co-ordination is subjected to analysis, it is important also to assess its sustainability. Often, in many communities the problem is not so much how to increase co-ordination initiatives, but rather how to have the least possible amount of co-ordination consonant with effectiveness and efficiency (interview no. 42). Whenever there is a plethora of forums for exchanges, integration and sharing, there is also an overlap of functions and responsibilities; above all, resources

are wasted, particularly in terms of time, and there is a work overload for the staff. Co-ordination must not be a goal in and of itself. If it were, then the workers involved could spend all of their time co-ordinating, communicating and drawing up agreements rather than dedicating themselves to their jobs. On the contrary, co-ordination should be a way of achieving greater efficiency in problem-solving and of making the most rational use of resources. Quite clearly, there is no general law covering the degree of co-ordination necessary in each situation. A lack of co-ordination and communication should be identified and acted on solely on a case by case basis, rather than pursuing abstract campaigns for general integration.

Political differences

Sometimes, though not always, there are problems in promoting co-ordination due to the fact that not all administrations have the same political orientation. Indeed, one cannot take for granted that administrations with different political leanings will accept sitting down together in a concertation forum, or at least that significant agreements will be reached. As a matter of fact, in many election campaigns the spectre of a political stalemate is increasingly being raised by candidates when canvassing for votes; indeed stalemates do exist in many administrations when, for example, the political majority running the regional administration differs from the majority at the head of the provincial administration or municipality. Still, political homogeneity is no guarantee in and of itself that co-ordination will be more successful.

Autonomy vs. convergence

An even greater barrier to the development of co-ordination is the conflict between the trend towards convergence and the one towards management autonomy, particularly as concerns the relationship between the lead municipality and the others (under the provisions of Law 285, for example, or the joint management of social and healthcare services). As a matter of fact, the shared resources are managed by what in some cases is called the *municipal social services*, though physically they go through the budgets of the lead municipality; this sometimes creates a power hierarchy among the various administrations (interview no. 42). From an institutional point of view, it is not entirely clear which structure is actually appointed to manage the process; certainly, it need not necessarily be the largest municipality – it could even be a third party (cf. § 3.6.). The latter case would actually lessen tensions within the consortium of municipalities.

Case-oriented or project-oriented networking

To supporters of a combined public-private welfare system, networking is an absolutely indispensable instrument. One must, however, draw a distinction between case-oriented networking, which is closely tied to the individual worker and only loosely connected with the planning stage, and project-oriented networking, which requires costly initial investments in terms of training, planning and programming, but is the only means of laying the foundation for true, serious and lasting co-ordination. Much lip-

service is paid to co-ordination, though in a contradictory fashion: the importance of networking is indeed stressed, but the preconditions necessary for the latter type of networking to be set up and practised are not created. The upshot is an ongoing series of temporary partnerships which cannot be built on or turned into a system (interview no. 61). This is one more reason why analysing the practice of co-ordination shows that co-ordination is a habit, an operational practice, and not an institution (cf. Chap. 4).

It is true that many players fear that, were co-ordination to become institutionalised, networking could become a mere series of formal procedures, whereas case-oriented work is appreciated for its flexibility. Nonetheless, project-oriented co-ordination can be very useful and can offset the inherent weaknesses of case-oriented work whilst at the same time maintaining a certain degree of flexibility, in that the law does not specify *a priori* to what extent co-ordination is to take place; rather, it is agreed on case by case, taking into account the nature of the project, its goals, its requirements and its methodology for specific interventions without, however, relying on the initiatives of individual officials.

3.8. Some conclusions

Many new co-ordination initiatives arise, while many others wither away, not always simply because the goal has been reached. Sometimes, a breakdown in co-ordination is due to changes in the political majority governing the administration concerned. This happened recently in the province of Milan, where an interesting and innovative programme to combat the trafficking of women for prostitution purposes was not renewed. This programme brought together a wide range of institutional players and voluntary organisations, convened by the provincial administration; it was, however, a one-off experience owing to the installation of a new provincial council with a totally different political orientation.

At times, when initiatives drag on for years, the original fire and enthusiasm is lost; much less attention is paid to problems which initially had been considered true social emergencies. For example, in the municipality of Milan, a co-ordination forum on drug addiction, set up subsequent to Law 390/91, ran for about ten years. The forum comprised everyone in the city who was working on the issue and had been granted independent status by the municipal administration, though the administration itself played a very specific co-ordinating role as per the provisions of the law. The last major undertaking carried out by this forum was the drafting of the three-year plan of initiatives which is currently before the municipal council for adoption. However, the municipality has not played the central role it used to play for over a year now. Nonetheless, the new law on drug addiction (LN 45/99) does contain provisions promoting the establishment of concertation forums; only time will tell whether and how they eventually develop.

As has been seen, the legal provisions are an incentive to set up co-ordination, but they are not the prime cause of it. In other words, particularly as far as financial resources are concerned, legal provisions encourage the players to meet but partnerships cannot be created in a void; there must be a tradition of exchanges, the players must be receptive to the contributions of others and must be prepared to share in the planning.

Furthermore, if precepts are very rigid and unyielding, if the law provides for a top-down imposition of co-ordination, dictating the forms, procedures and ways in which it is to be carried out, the entire operational, planning and decision-making process can become cumbersome, thereby vitiating that spontaneous type of bottom-up co-ordination at the operational level (interview no. 7), which is also usually much more promising in terms of ethics and values and which the provisions of the law, cannot replace or artificially create.

There are many difficulties encountered along the way. Often, endless and exhausting discussions on the distribution of tasks leads to paralysis. One strategy to avoid this impasse is to adopt those types of organisational models (...) whose structure is loose enough to allow parts of the system to work smoothly and are, therefore, preferable to rigid, binding ties which can paralyse.
(Bramanti and Rossi, 1999).

Nonetheless, the law does not require co-ordination, nor are funds allocated with the stipulation that co-ordination take place; therefore, it is left to the spontaneous initiative of the social actors. This must not be misconstrued as a *sine qua non* for the establishment of more genuine and concrete relations than those already compulsory by law, since neither the player responsible for carrying out co-ordination nor the point where it is to take place are specified. Thus, it becomes very difficult for all the actors to participate actively and continuously, as happened among the Third Sector organisations involved in the RMI projects in Naples (cf. § 4.3.).

Each situation is different, and there must be an attempt to strike a balance between top-down State planning and the spontaneous self-organising co-ordination among social actors. It all depends on the structural conditions, on the local social, economic and institutional situation and on how successful the experience of partnerships has been in the past in that area. Perhaps the best legal strategy seems to be the establishment of a legislative framework making the approval of projects and allocation of resources dependent on the co-ordinating capacity of the entities involved. In this way, the partners would be spontaneously encouraged to organise in partnerships without however being forced to stick to rigid criteria concerning the form of the partnership, including methods and timing. Each community can then find the mix that suits its specific situation best, partly through a process of trial and error. What does appear to be very useful, however, is the setting up of a body tasked with supplying technical assistance to the partnerships and which supports them in their problem-solving activities. This would support the development of co-ordination and would avoid co-ordination attempts tripping up over red-tape or administrative difficulties, thus wasting the experience acquired

up until that moment. As we have observed, an instrument of this type was very useful in managing the projects under Law 285 in the province of Milan.

4. Co-ordination in Practice: the Case Studies

Social and labour market (re)integration measures have become an increasingly important aspect of social intervention in recent years, branching out from the area of disability – where they first arose and to which they were basically confined for a long while – into that of crime prevention and overcoming social disadvantage, and particularly forms of addiction, ultimately becoming a useful tool to combat the social exclusion of a new type of social service user which has emerged over the past 15 to 20 years. These are predominantly persons aged over 40 who have a normal, continuous working life behind them, often made redundant at times of crisis and industrial restructuring leading to over-staffing, or the closure of the company where they have worked for years. These new clients are men and women of average to low educational achievement and poor or obsolete occupational skills never updated through further training. Once their mobility allowance, CIG entitlement or ordinary unemployment benefit (cf. § 2.2) has been used up, and their life savings and liquid assets have come to an end without them having found a new job, they are unable to re-enter the labour market independently owing to:

- a) inadequate knowledge of contemporary jobsearch techniques and labour market regulations;
- b) low self-esteem and problems of depression, due to their long period out of work;
- c) limited awareness of their skills, abilities and aptitudes acquired over the years;
- d) unwillingness to seek out and undergo vocational retraining.

In a bid to tackle these causes and the new social needs connected with them, the social services have significantly altered their approach and organisational methods. New professions, in particular job mediation officials and insertion tutors, are taking on an increasingly crucial role in the social services environment. These are mostly young, highly qualified and/or multi-skilled staff whose horizons are not confined to the duties they perform: the academic background of such officials ranges from degrees in political science, law, philosophy and psychology to narrower diplomas as educators, youth workers or job advisers. Many staff attend training courses in the workplace, but above all they learn on the job, as clearly revealed by the Milan and Naples case studies.

The new post of job mediation official/tutor is very different from that of social worker. Social workers, with whom clients habitually come into contact when they first approach the social services, are fully-fledged employees of the municipality, embedded in a rather static administrative and bureaucratic structure, generally organised by district and by area of intervention. Mediation staff, by contrast, normally work for administrations as free-lance professionals (consultants, contract workers) and have atypical working hours. The weakness of their employment contracts contrasts with the high degree of motivation typical of them, reflected in their advanced professional skills and in their unusual working practices. Indeed, labour market insertion services generally engage in so-called “case-oriented networking”. Any mediation official wishing to tackle an individual case thoroughly must take pains to create and maintain contacts on the one hand with the agencies referring the client,

and on the other with representatives of companies or co-operatives, with occupational psychologists or other professionals, when their intervention is needed, and obviously with the client him/herself and, in some cases, the family. The successful outcome of a project depends crucially on obtaining as much information as possible about an individual case. At the same time, the official must constantly be up-to-date on all the initiatives which might contribute to a reintegration project, especially vocational training courses to which clients could usefully be directed either prior to any attempt at labour market insertion or subsequently, should problems become evident during an initial attempt. In other words, the mediation official becomes the linchpin in a co-ordinated network revolving around an individual case. This network will differ from one case to another, since both the client and the lead agency will vary (and hence the referring social worker); the possible outcome and hence the specific company tutor will differ, and so will the associated problems. In some cases, but not others, the psychologist may need to step in; if the person has problems of addiction it will be necessary to contact the SerT or the NOA, or else rehabilitation centres or self-help groups. The mediation official is not entirely irreplaceable, in that other members of the team can usually stand in during the absence of one individual. Nevertheless, this working method, which focuses on the operations of an individual, could be described as an implicit strategy, compensating for the weakness of their formal contracts of employment. What is more, case-oriented work is an excellent means of acquiring skills and information, and of building personal relations, which officials can draw on in various working environments. For instance, their relations with companies or social co-operatives will constitute a reservoir of personal acquaintances which officials will be able to resort to even if they move to another sphere of operations, given that there is generally nothing exclusive about labour market integration agreements.

Co-ordination takes on even greater importance once certain services are outsourced by the public authorities to Third Sector bodies and there is a proliferation of contacts between the public administration, voluntary sector organisations, host communities, social co-operatives and commercial companies (cf. Chap. 3).

With a view to analysing such co-ordination, the case studies selected focus on situations which vary in terms of geographical area, legislative and institutional background, levels of economic development and size of the area under consideration.

The Milan case study is of interest above all because it lends itself to an analysis of some crucial organisational and strategic changes in the co-ordinating activity revolving around a labour market integration service which has been operating for over a decade. Its provision has evolved in step with structural changes in the socio-economic environment in which it arose, namely the most dynamic economic area of Italy, which has altered substantially over the past ten years. The UFL (*Ufficio Formazione Lavoro* – Training and Labour Office), responsible for helping people into employment,

has become remarkably proactive, flexible and adaptable to specific individual situations, developing considerable capacity for case-oriented co-ordination.

Two cases, Cologno Monzese and Naples, are municipalities included in the RMI pilot (cf. § 1.3.). The combination under the new scheme of economic income support and social/labour market insertion calls for the development of new types of co-ordination among the various public services on the one hand, and between local authorities and the Third Sector on the other. The pilot is also throwing up contradictions between the rhetoric and the practice of co-ordination. The fact that different phases of one and the same social initiative are entrusted to different providers does not in itself mean that a form of democratic partnership exists between these bodies, above all in respect of planning.

Cologno Monzese was notable even prior to the pilot as a local area keen to ensure co-operation and joint planning. Labour market integration is not a recent innovation but has been carried out for years. Nevertheless, as the facts will show, the pilot has made it possible to further consolidate some existing relationships, to fine-tune procedures and to offer social work officials new tools.

Naples is the largest city in southern Italy and the largest municipality included in the RMI pilot. For these reasons it is an extremely interesting test-bed: no municipality has received a greater number of claims, and it has had to devise new management structures in order for the administration to cope with the incredibly onerous workload. What is of particular interest to our analysis of co-ordination is the decision to entrust the handling of insertion projects to the voluntary sector: this meant that the bodies had to be selected and provided with information and organisational tools; criteria and models of comparison, evaluation and monitoring had to be established.

Finally, by including the Bolzano case study in the research project we have been able on the one hand to compare with the other cases an entirely distinctive situation, given the autonomous status of the province and its very well-endowed local welfare system, and, on the other, to see how social/labour market exclusion is handled in an area with a highly developed economy, where the labour market is extremely dynamic and receptive, and the economic resources available to the social services are disproportionately large in relation to the number of clients needing help to find work. In Bolzano too, the agencies involved in employment insertion projects have undergone substantial organisational changes over the years, altering the nature and degree of co-ordination among the various social actors concerned.

4.1. Milan: UFL (Training and Employment Office) and UAD (Office for Adults in Difficulty)

4.1.1. Socio-economic context

Milan is Italy's economic capital, where the activities of strategic sectors of the economy are concentrated. The economic structure has undergone a profound transformation over the past 20 years: the secondary sector, formerly dominant, has given way to the development of services (growing steadily, above all in the fields of banking, insurance, commerce, services to firms, and public administration), helping to curb job losses, although the transition has not been painless. Some occupations no longer exist, many workers laid off from heavy industry have not managed to find new jobs, and full-time permanent contracts of employment are in many cases being replaced by new forms of flexible, atypical employment (cf. Chap. 2). Large companies have been replaced by small and medium-sized enterprises and by sole traders. In 1999 the province of Milan registered a mobility rate of around 7-8% for workers moving from one post to another, which demonstrates a certain dynamism in the local labour market. Educational levels have risen over the past 20 years, and almost 100% of young people now attend at least the first few years of high school. In 1991 the employment rate was 49.6%. The rate of female participation in the labour market is one of the highest in Italy (38.3%). Women are engaged above all in the service sector. Still in 1991, the unemployment rate was 9.5%; female unemployment was just 1.7% above that of men. Youth unemployment was more of a concern: in 1991, 70% of jobless persons were aged between 14 and 29. These figures have however declined in the past few years, thanks to an increase in employment incentives and the spread of new flexible contracts.

In 1997 Milan had 1,303,925 inhabitants. The city has experienced a profound demographic change: between 1971 and 1991 the population fell by 234,000, due to a collapse in the birth rate and an increase in the number of people moving out to the Milanese metropolitan area which, although it forms part of the urban fabric, lies beyond the administrative borders of the city. Milan's population is older than the national average. Family structures have changed radically: nuclear families composed of father, mother and one or more children fell by 6.6% in ten years (1981-1991). By contrast, there has been a rise in the number of families consisting of two members, and those consisting of just one person: the latter is at present the most widespread typology in the city (32%, as opposed to 14.8% in Naples). The majority of these are single elderly persons, which is the family typology most at risk of poverty, because of their high costs yet inadequate pensions. After Rome, Milan is the Italian city housing the most foreign immigrants: 79,968 in 1998 (7% of residents) of 150 different nationalities, especially Africans and Filipinos; apart from a few limited areas, there is no evidence of a spatial concentration of foreigners in the city.

Despite the population decline, there is a housing shortage, the property market is inflexible and prices are rising continually, except for a pause between 1993 and 1997. Some areas are looking very run-down. The public housing stock is not managed very shrewdly or efficiently; homes are allocated in a slow and discretionary manner³⁵. Rented apartments are declining in number, to the detriment of low-income families who cannot afford to buy.

It was estimated in 1986 that poor people accounted for some 5-6% of the population. There is no similar estimate for the 1990s, but the situation would seem fairly stable. The local authority is responsible for social assistance. Regional Law 1/86 defines neediness as a conjunction of various factors: a) insufficient family income; b) inability of the domestic unit to look after a partially or totally disabled member; c) other potential causes of marginalisation. There is an income threshold, equivalent to the INPS minimum pension for an employee (currently approximately 700,000 lire - € 361.5 - per month) in the case of an individual living alone, and a scale of equivalence to calculate the living wage for a family unit based on its number of members (Table 2). Economic assistance makes up the difference between the family income and the income threshold; disbursement is however limited by the budget constraints imposed by the municipal administration. Social assistance is delivered by various agencies depending on the client category to which a given family belongs: families with dependent children, adults without dependent children, elderly persons, the disabled, foreigners, (former) prisoners, drug addicts, the mentally ill, etc.

4.1.2 Description of insertion scheme

The case study focuses on the co-ordinating activity taking place between the bodies involved in implementing the labour market integration initiatives promoted by the municipality of Milan, and in particular between two municipal offices: the UFL (*Ufficio Formazione Lavoro* – Training and Employment Office) and the UAD (*Ufficio Adulti in Difficoltà* – Office for Adults in Difficulty).

The Training and Employment Office (UFL) is a second-level social service, or one to which clients have access only through referral by the frontline social services, and not directly. It helps people into work through various mechanisms: it receives referrals from the frontline social services applying on behalf of clients they consider suited to receive guidance, training and labour market integration. The UFL was originally created to help prevent disadvantage and juvenile delinquency, and its role has never been to take charge of people, but rather to ease them into the world of work.

The Office for Adults in Difficulty (UAD) deals with any individuals or family units without dependent children, who are aged between 18 and 60. Its activities include advisory work (around 1,200 users in 1997), economic support (511 in 1998), labour market integration through the UFL, and specific assistance for nomads, former drug addicts and ex-convicts.

³⁵ Social workers and Third Sector bodies who are the first port of call for persons suffering serious marginalisation have very little say in allocating homes (interviews 1 and 24).

The legislative background is Regional Law (LR) 1/86 on the reorganisation of social assistance services, Article 78 of which stipulates that municipalities must help disabled persons and those at risk of marginalisation to enter the labour market. A labour market integration service for the disabled had existed in Milan since 1982; in 1988, as a follow-up to LR 1/86, the labour market integration service for persons at risk of marginalisation was created. The classic users of the lead social services consist of adolescents from problem families (referred by the SSdF [*Servizio sociale della famiglia* - Family Social Service] and the Youth Crime Service), adults with dependent children who are unable to provide for the needs of their family (SSdF), adults without dependent children who are unable to provide for their own upkeep due to serious physical or psychiatric problems (UAD), drug addicts and former drug addicts (SerT and UAD), ex-convicts (Prison Service and UAD). A new type of client came on stream during the 1990s, comprising persons aged over 40 with a normal working life behind them but incapable of re-entering the labour market independently (cf. Introduction to Chap. 4). These are not only men: latterly, women have increasingly been turning to the UFL to seek help in finding employment. They come from a range of personal and family backgrounds: some are blue-collar workers made redundant; some are re-entering the labour market once their children have grown up and left home; others are widows, separated, divorced, or married to long-term unemployed men. Irrespective of these differences, they all share great strength and a determination to embark on insertion pathways; this enables them to put up with months of interviews and makes them more willing to put themselves to the test with update courses and retraining, as well as instruction in totally new subjects such as data processing. For these reasons, women embarking on an insertion trajectory have a greater likelihood of success on average, and many find jobs independently even before the end of the insertion scheme, thanks to the reactivation of their own resources (interviews nos. 7 and 24).

Following the client changes outlined, it proved necessary to expand employment services to include disadvantage among adults, and to scale down the welfare approach. In order to prepare for this new intervention strategy, it was decided that the operations of the UAD and UFL would be merged: these bodies are now part of the same department and headed by the same civil servant (interview no. 32). As to what the organisational configuration and the consequences of such changes will be, not even the staff themselves are certain, but it is evident that the co-operation between the two offices is closer and their procedures better integrated than is the case between the other frontline services and the UFL (interview nos. 6 and 24).

<i>Table 14</i> Labour market integration schemes available to the UFL				
Name of measure	Description	Duration	Payment	Recipients (1999)
Work Scholarship	Labour market integration with wages paid by municipality of Milan in the form of a subsidy.	3 months, renewable once to 6 months.	500,000 lire part-time, 800,000 lire full-time.	130
Preparatory Traineeship	Observation of “conduct” in the workplace, of capacity to keep time, turn up every day, and have smooth relations with employer & colleagues.	Variable, from a minimum of one month.	Daily allowance of 20,000 lire/day (by law a traineeship may not be remunerated).	63
Wage Supplement	Awarded where someone is recruited permanently, to cover social contributions in part plus training in first year of employment, only if firm proves the individual has been properly employed for 12 months.	-	Contribution to firm varying from 3 to 6 million, depending on type of contract concerned.	13
Vocational Training	Recently introduced (municipal decision of January 2000), specifically designed for unemployed persons aged over 40 and for non-EU foreigners without marketable skills.	From 1 to 6 months.	Reimbursement to company for training provided.	n/a
Occupational Courses	Various (re)training courses available locally.	Varies according to course.	Attendance allowance sometimes granted.	n/a
ESF Course <i>Back to Work</i>	Designed by the UFL in 1997, targeted at UAD clients or long-term unemployed persons aged over 40.	250 hours in the classroom & 550 hours placement in company, over ca. 6-7 months.	Attendance allowance of 4,500 lire per hour of instruction and placement, meal vouchers, public transport costs refunded.	13
Job Guidance	Designed for persons capable of seeking work independently. Comprises an individual interview and three group modules: 1) skills assessment; 2) how the labour market operates; 3) how to seek work. Followed by a period of independent, individual jobsearch, and finally return to classroom to monitor difficulties encountered & outcomes.	3 modules of 21 hours (3 hours for 7 days each).	No specific economic contribution; some of those participating may be in receipt of a subsidy.	n/a
NB: Work Scholarships and Traineeships are deemed to be forms of employment. Their remuneration is therefore subject to income tax, with the same deductions as for normal employment.				

Table 14 summarises the various tools available to the UFL for guidance, training and labour market integration activities locally. As is clear, during 1999 only 219 specific interventions were made by the UFL (excepting vocational training, introduced in 2000, and job guidance, for which no exact figures are available but which involved a few dozen people). One of the main reasons for this limited number can be ascribed to the Office's limited budget. Budget constraints³⁶ are considered by both social workers and informants from the world of work to hamper the actions of the social services: they limit the number and volume of subsidies granted, as well as restricting the number of workers integrated into the labour market and the completeness of initiatives. Towards the end of April, i.e. barely a third of the way through the budget year, UAD staff are asked to cut back on all "support" pay-outs³⁷, since the remaining resources are scarcely sufficient to cover the MV (Living Wage) and Basic Subsistence subsidies. As far as the UFL is concerned, support services and/or disbursements are left up to the lead agencies, not least because the recipients often belong to multi-problem households and are handled by several agencies at once³⁸.

The UFL has a staff of 12 job mediation officials. For the past 12 years the Office has had no permanent employees, but operates with professionals on the basis of contract work. Some staff work 20 hours per week, others 30. All the staff are graduates in humanities disciplines, in the main teaching, psychology and political science; others have attended university courses specifically in job guidance. Furthermore, staff training takes place from time to time within the Office. Of the 12 officials, nine deal solely with clients; there is in addition a *companies unit* comprising two officials, who deal both with clients and with companies, co-ordinated by a third, more experienced person who deals exclusively with company contacts. The reorganisation through which two officials came to deal both with clients and with companies derives from a conviction that those who track down companies must have a clear idea of clients' requirements and problems. The *companies unit* identifies a number of firms which might correspond to the skills of clients and contacts them by introductory letter. Mailings are sent out monthly or bimonthly and also serve to raise awareness of the Office. Between 250 and 500 introductory letters are sent out every month explaining the schemes, aims, procedures and advantages for companies as well as their obligations. Around 10% of the companies contacted

³⁶ The budget allocated by the municipal authorities for the UFL's activities in 1999 was 280,000,000 lire (€ 661,065), 43.8% of which was devoted to management costs (salaries, mailings, etc.), and 56.2%, or 720,000,000 lire (€371,849) to the economic benefits connected with labour market integration. This last figure is subdivided as follows between the individual measures: a) Work Scholarship: 61.4%; b) Traineeship: 20.8%; c) Wage Supplement: 9.3%; d) Contributions to Companies: 8.5%. ESF funding for the two courses held in 1999 was 420,000,000 lire (€216,912) altogether. The annual budget of the UAD on the other hand is 1 billion 400 million lire (€723,039.7).

³⁷ Support pay-outs are exceptional contributions intended to cover expenses without which it is impossible to become self-reliant. No employer would accept on a Work Scholarship someone who is not dressed to a minimum standard of decorum, who has no means of washing and has an extremely neglected appearance. Social workers demand a say in these situations, although some may accuse them of having a welfare-type mentality (interviews 5, 6 and 24).

³⁸ For instance, childcare to enable parents to follow a labour market integration pathway is not the responsibility of the UFL but a problem to be solved in conjunction with the lead agency, typically the SSdF (this example does not apply to the UAD, which does not handle families with dependent children).

telephone to find out more; this may result in a company visit by a member of staff to explain the case to the person in charge and to agree on the arrangements for an insertion initiative. Sometimes the profile requested by the company is too specific for the UFL to meet (interviews 5 and 7). Companies for placements in conjunction with the *Back to Work* course are however sought out by the course tutors themselves (interview no. 28). The course is staffed by one co-ordinator, 3 tutors (graduates in clinical psychology, employment psychology and law respectively) and five lecturers, operating likewise on a contractual basis as consultants³⁹.

The social workers and psychologists, conversely, are full staff members of each frontline social service department which refers clients.

4.1.3 Organisational changes and future prospects

The UFL came into being to tackle new social needs (cf. 4.1.2), and is evolving as these develop. One example of how environmental changes have been taken on board by the UAD and UFL is the establishment of the ESF course *Back to Work* in 1997. In the mid 1990s, the staff and directors of the two Offices, who had for a long while been striving to scale down their welfare-based approach in favour of paying greater attention to labour market integration policies, realised that the nature of their clients was changing rapidly: they were dealing more and more often with people who were not merely seeking social assistance but who wanted to find employment. The UAD's habitual intervention mechanisms were not suited to this new type of demand. The social workers began to wonder what alternatives might be offered to these clients, and their uncertainties were picked up on by more senior civil servants. At the same time, training and retraining courses funded by the EU through the ESF and run by the regions were becoming regular practice. One co-ordinator proposed using these funding channels to find new responses for new social needs, and the course outline was drawn up. Social workers were involved so as to identify the principal requirements of this specific type of client. In view of the UFL's tradition of intervening primarily on the employment side, when the course outline was unveiled it reversed the quantities of theoretical training and practical training in the workplace, attaching clear priority to the latter. The outline was resubmitted and approved in the following three years. After the initial experimental phase, changes and innovations were carried out on the basis of evaluations of the previous version. Social workers are no longer involved in official evaluation and planning of the course. The tutors and lecturers were recruited, on a free-lance basis, once the project was already up and running. The lecturers have total freedom in delivering their modules, as long as they abide by the agreed course content. It has proved difficult to organise meetings for joint discussion of how the course is progressing, since every lecturer and tutor works

³⁹ The tutors work for a total of around 400 hours over a period of 6-7 months. The lecturers cover various modules, some personalised.

different, individualised hours, often in the evenings, and has other professional commitments at other times of the day; thus, meetings hardly ever take place.

Some fundamental changes are currently underway within the UFL.

First of all, the CeLav (*Centro per la mediazione al lavoro* – Job Brokering Centre) project will radically reorganise the Office. This project, initiated in 1997 and scheduled to last 30 months, will come to an end in September 2000. It is co-financed by the European Union. It arose out of the requirement to provide employment and job assistance services to an ever broader swath of the population, as opposed to clients filtered by the frontline social services (whose prospects of successful labour market integration are generally meagre). New premises, open to the public, were created to this end. Labour market integration for disadvantaged individuals will be accompanied by a wider activity of job guidance, intended for persons who can bring their own resources to bear in seeking employment, but who need information, documentation and pointers as to how to look for employment in a better and more focused manner. The Celav will not be a database to match job requests and offers, but will be networked with bodies performing this function, and will therefore be a point of access for the public seeking information from these bodies.

Secondly, the UFL-CeLav is likely to be merging with *Area H*, the Milan municipality's agency for the handicapped. This will vastly increase the number of clients, not least because of recent amendments to the rules on compulsory recruitment (LN 68/00)⁴⁰: it is estimated that this will help around 6,000 disabled people per year to enter the labour market in Milan. For the time being, however, such powers remain in the hands of the province (cf. § 3.2.2). There are plans for the UFL-CeLav and the province of Milan to sign an agreement whereby the CeLav will in future become one of the Job Centres appointed to manage, *inter alia*, the databases relating to targeted recruitment of disabled persons. The province has already earmarked a contribution of 200 million lire to the municipality of Milan in order that UFL-CeLav may utilise the database management software used by provincial Job Centres (*software match*). The CeLav is therefore a focus for the co-ordination of several initiatives and powers relating to labour market integration.

Finally, new prospects are opened up by the *Employment Pact* promoted by the municipality of Milan for the labour market integration of disadvantaged groups (non-EU citizens, unemployed persons aged over 40, and individuals with psychological, physical and social difficulties). The municipality has signed an undertaking with the province, the region and almost all social groups (employers' organisations, co-operatives, trade unions and Third Sector associations⁴¹). Only the CGIL (General Confederation of Italian Workers, traditionally close to the Communist movement and subsequently to the parliamentary left) caused a stir by breaking the unity of the trade unions and not signing the Pact,

⁴⁰ All companies with more than 15 employees are obliged to recruit one disabled person. Previously this obligation applied only to companies with more than 36 employees.

⁴¹ Even Caritas, the most authoritative Catholic voluntary organisation, is involved.

denouncing it as an attempt to distort the body of law, bargaining structures and relations pertaining to trade unions⁴² (interview no. 51). The Pact in fact provides for waivers to national laws and collective agreements, relating to the time limits, wage levels and eligibility conditions for certain atypical contracts. Fixed-term contracts and regular contract work are applicable in accordance with objective criteria laid down by collective bargaining and defined by legislation: a certain percentage of company employees, peaks in production, replacement for maternity leave, seasonal work. Under the Pact, these conditions apply in accordance with criteria which the CGIL describes as subjective (nationality, age, psychological, physical or social disadvantage) (interview no. 51). Companies may, in other words, recruit anyone who meets the Pact's requirements on age, nationality or disadvantage with fewer guarantees and lower remuneration, dispensing with the filter mechanism performed by the social services, for instance in respect of UFL projects. It is true that the Pact establishes a Project Evaluation and Monitoring Committee, and a one-stop shop, *Milano Lavoro*, aimed at furthering guidance, assistance and training programmes. It is here that the CeLav's services could assume a co-ordinating role. Whereas on the one hand the interest in expanding the employment opportunities of socially disadvantaged persons may be viewed as a positive sign, on the other it would seem unreasonable to accept the demand put forward by the employers' organisations – and endorsed in this case by the institutions and by some trade unions – for the introduction of more and more elements of flexibility and insecurity to solve the problem of unemployment and the difficulties of helping people to join the labour market. Flexible contractual arrangements do already exist: temporary and part-time work, contract work. These could usefully serve as a route (back) into the world of work both for young people and non-EU citizens seeking their first job, and also for over-40 year-olds who have been made redundant. It is not clear why Italian companies resort to waivers and amendments to the regulations on permanent employment, when temporary work is another option. It is a dangerous move to pursue and uphold the idea that (even) more limited packages of rights and (even) lower pay are needed in order for certain categories of workers *as such* to enter the labour market, uncoupling these lesser guarantees from an assisted programme, administered and guaranteed by the social services (as is intended for UFL programmes): this could legitimise the existence of a principal labour market and a secondary one. For this reason, the prerogative over guidance and training which the Pact ascribes to the Committee would seem to be insufficiently well developed; in other words, the waivers to national laws and collective agreements do not seem to be strictly subordinate to the guarantee and the reliability of employment assistance schemes.

⁴² When the protocol of intent preceding the Pact was being drafted, the CGIL emphasised instead the need for action to remedy the defective infrastructure suffered by the Milan area: roads, motorways and in particular links with airports. The *League of Co-operatives*, despite having signed the Pact, suspended its endorsement of projects following concerns along similar lines (<http://www.legacoop.lombardia.it>).

4.1.4 Functional pathway of recipients

As we have seen, the functions of the UAD and UFL have been integrated, allowing for closer co-ordination and smoother procedures. The pathway to labour market integration has been redesigned by the UFL mediation workers and the UAD psychologist, replacing some of the previous procedures. The first contacts of potential clients are frontline social services workers. If the social worker considers that the client⁴³, new or existing, has the right characteristics for access to a labour market integration pathway, the first step is to explain in detail the procedure, its duration (no shorter than a few months), the commitments involved, especially in terms of availability for interviews, the various intervention mechanisms and the prospects. If the client shows interest, the social worker interviews him/her about past experience, interests and expectations, and fills in the person's relevant details on a referral form which is then sent to the UFL.

The next stage is an operational meeting attended by the social worker, the UAD psychologist and the UFL mediator, bringing together three different professionals, each of whom is responsible for one particular aspect of the client's situation. It is, in other words, a network woven around an individual case by three different skill-centres. The fact that this procedure is specific to the working relations between the UFL and UAD is very indicative of the greater degree of co-ordination existing between these two Offices, as compared to that between the UFL and other lead agencies. The social worker presents the case and a collective decision is taken as to whether the minimum conditions exist for moving forward (e.g. not if the person has a lawsuit pending). If all is well, the social worker asks the client to make and attend a separate appointment with the psychologist. Thereafter another three-party meeting is held, at which the psychologist offers an analysis of the problems preventing the individual from finding employment single-handedly, and it is decided whether or not the client should be taken on by the UFL, depending on his/her potential for a labour market insertion initiative. If the answer is in the affirmative, a draft project is formulated; the social worker informs the client of the outcome and asks him/her to make an independent appointment with the mediation official and to begin consultations. This series of meetings is designed to reconstruct the person's work history, to assess skills and identify expectations, scaling down unrealistic ones and guiding the individual towards achievable ones. Together with the person concerned, it is decided whether or not a training course is required prior to labour market insertion⁴⁴. Once the client's profile has been drawn up, the mediation official takes the case to the UFL team meeting, attended by all the mediators. Each official presents his/her own cases, while the *companies unit* presents the new firms with which provisional co-operation agreements have been reached. Officials put forward their own clients for the job deemed

⁴³ Clients may or may not be in receipt of the MV (Living Wage) subsidy.

⁴⁴ Clients who show interest in retraining, or who lack a minimum of marketable skills, are guided into a number of training courses offered locally. These vary in subject matter, duration and type of qualifications (interview no. 5). In the case of adolescents in particular, efforts are made to build on their schooling – often abandoned prematurely following frustrating, negative experiences (interview no. 9).

most suitable among those on offer, but the team decides collectively which clients to send to which companies⁴⁵ (cf. Figure 5).

The official visits the company chosen for a given client and meets the person in charge. He/she then reports back to the client and judges whether or not the person is able to turn up alone to the first appointment or needs to be accompanied⁴⁶. The official then telephones the employer, sees the client, and decides on the basis of the impressions gained whether or not to launch the integration initiative, when and through what instrument. The social worker, who takes a back-seat once the client has been taken on by the UFL, continues to speak to (or see) the subject every now and then, and confers with the mediation official monthly, since the lead agency has to follow that individual throughout the entire pathway⁴⁷. A proper contract is drawn up and signed by all three parties – municipality, employer and client – setting out the duration of the insertion programme and the number of hours per week, whereas the working hours are agreed informally⁴⁸.

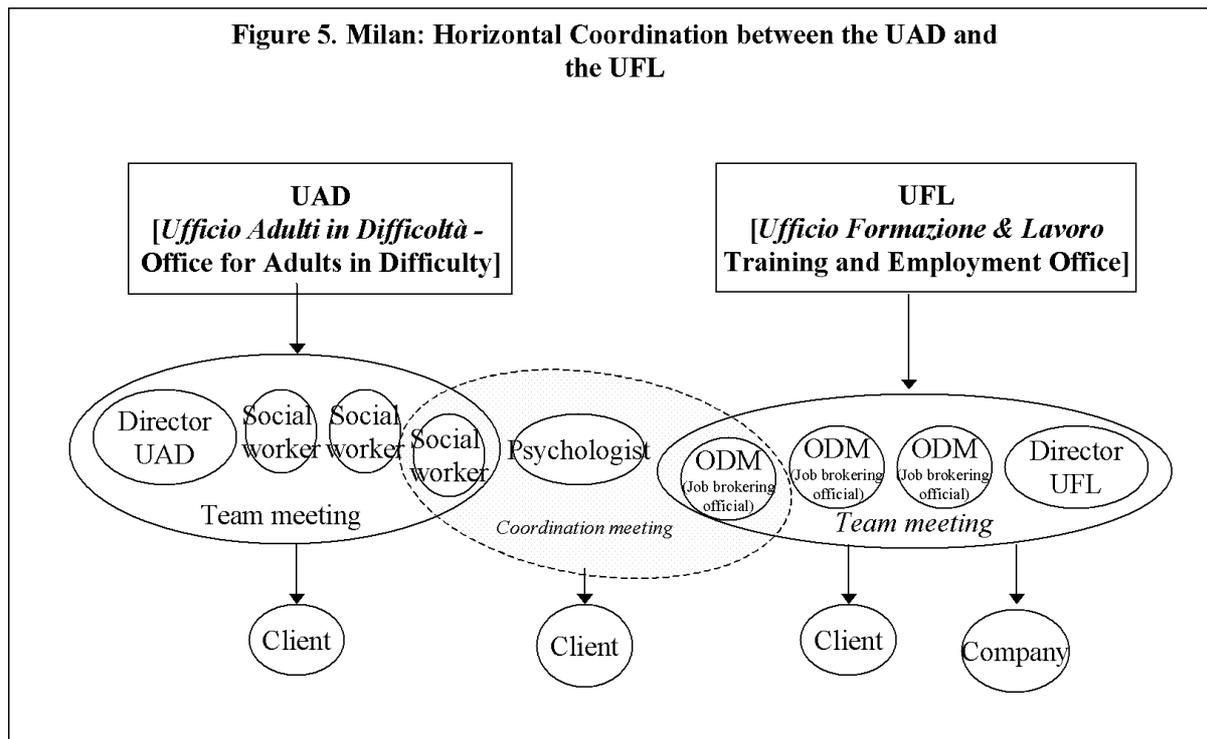
⁴⁵ Companies are not offered a range of candidates, as happens with staff selection bureaux, but are sent just one client at a time.

⁴⁶ This happens with subjects who are in an extremely weak state, ones who are guided towards job placements rather than towards Work Scholarships with the prospect of recruitment, because in the latter case accompaniment could have a negative impression on the employer and hence be counter-productive.

⁴⁷ Even in the case of adolescents (referred by the SSdF and by the Youth Crime Service), there is very close co-operation between the UFL official and the social worker from the lead agency. Officials never meet the family, so as to create an environment where the youngsters can feel autonomous and safe, but the social workers keep the family informed of how matters are progressing and attempt to help them value the experience. Indeed, if staff stress the positive aspects of the procedure, whereas the family is unsupportive or even hostile, such a mismatch can create confusion and tension in an adolescent who already has problems, thereby jeopardising the success of the project and damaging the personal relationship of trust with the official (interview no. 9).

⁴⁸ If the contract is full-time, the person works 35 hours per week. The company cannot demand any overtime of the worker, nor any Saturday or Sunday work, in that there is no insurance coverage. Insertion costs the company nothing: it pays neither the wage nor the social charges. The municipality pays the individual a subsidy at three-monthly intervals, but in practice the company usually advances the sum monthly on the date when normal employees are paid, and is subsequently reimbursed by the municipality. A flat-rate sum of around 500,000 lire is granted for training input and for the hours of work devoted by company tutors to counselling the individual (interviews 5, 7 and 17).

Figure 5. Milan: Horizontal Coordination between the UAD and the UFL



The tasks to be performed, agreed by all three parties, may be put in writing in the case of disorganised individuals for whom very rigid arrangements are deemed necessary for training purposes, but these do not form part of the contract⁴⁹. The contract may be rescinded at any time by any of the parties (e.g. if the client, having regained confidence and self-reliance, finds a job independently). A company tutor is not always identified. The person to whom the client is answerable may be the actual employer, the head of section or an experienced worker. Clients are not obliged to explain their circumstances to colleagues: they are generally presented by employers as temporary employees on atypical contracts, but this can sometimes lead to misunderstandings⁵⁰.

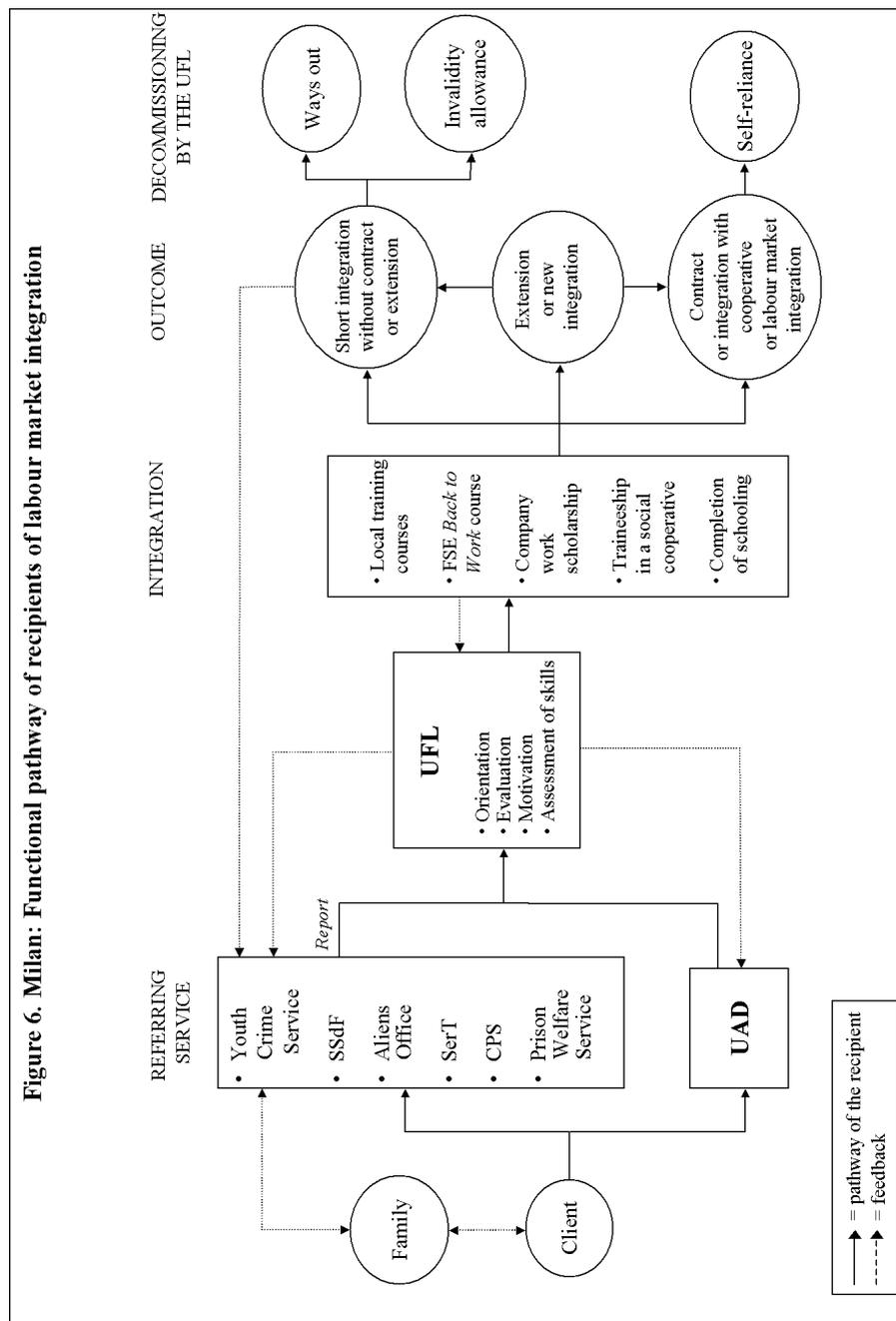
The aim of labour market integration is not recruitment, but the achievement, recovery or enhancement of personal self-reliance. For this reason it is not only if clients are recruited by the company at the end of the insertion period that the project is deemed a success. An individual project with its own intermediate as well as final goals is drawn up for each client.

Problems often arise at certain critical moments, such as the appointment with the psychologist or the mediation official, the interview with the potential employer or the first day at work. There can be a stigma attached to these meetings, problematical above all for clients who have had a normal working life in the past. Having overcome this obstacle, such clients have every likelihood of being recruited at the end of the day, since they are highly motivated and aware of their inability to achieve employment

⁴⁹ However, if the company significantly alters the type of work demanded of the person during the insertion period, this may trigger a dispute and may cause the contract to be broken off.

⁵⁰ Because of their reduced working hours and the greater amount of attention paid to them by their superiors, clients are sometimes seen as privileged workers by colleagues who are ignorant of their occupational circumstances and above all of the fact that their pay is far lower (interview no. 26).

on their own. By contrast, clients who have had an extremely irregular working life, consisting of occasional casual jobs, may have difficulty in getting beyond the preliminary interviews, but they have trouble above all in coping with the daily work routine: relations with colleagues and employer, discipline, time-keeping and enduring an entire day in the workplace. The task of the mediation official is to help overcome tension between the worker, employer and colleagues: this is a central co-ordinating role in the implementation of the insertion scheme. The official keeps in touch with all the other parties involved, from social workers to clients to employers/company tutors, procures their opinions and impressions and, by means of visits and reports, oversees the various phases of the insertion project.



The course of events from the initial proposal/request for labour market insertion lasts four months on average. Not all clients reach the end. Some opt out of their own accord (no reliable data are available here), for at least three reasons: a) their application for employment served solely to justify their application for a financial subsidy; b) the person was merely seeking work and expected procedures akin to those of a temporary employment agency, not a pathway for the recovery of personal self-reliance; c) the individual's resources have been seriously compromised by a long period of inactivity, to such an extent that he/she is unable to stay the course, from a physical or psychological point of view or in terms of personal self-reliance (interviews 6 and 7). The accounts of all our informants (social workers, mediation officials, recipients, company representatives) concur here (cf. Figure 6).

The duration and possible renewal of the contract are discussed by the mediation staff, social workers and employers; account is also taken of the subjects' own views. Should the insertion scheme prove unsuccessful, for whatever reason, another may be undertaken in a different company; of course, no individual is allowed to proceed for years on end with one Work Scholarship after another, but neither is there a standard procedure stipulating that after a given number of failures the client is abandoned by the agency. Rather, staff evaluate every individual case on its own merits, based largely on their experience and intuition: after all, every client represents a separate case, with specific factors determining the circumstances. If success proves impossible, the client is referred back to the lead agency. Moreover, nor is there any penalty whereby a client who refuses to pursue a labour market insertion pathway will automatically have the subsidy refused or suspended: informants were unanimous in emphasising that an employment trajectory should exist in a supportive, not a punitive, framework. It should however be borne in mind that the subsidy is paid only to persons whose unemployment is compounded by personal circumstances preventing them from emerging from it thanks to their own efforts. In the evaluation of this combination of factors a major role is played by the discretionary powers of the social worker, who has the last word in deciding whether or not to grant the allowance. The subsidy is not automatically suspended if subjects fail to commit themselves sufficiently to the pathway embarked on, but the social worker uses such information in his/her overall assessment of the case (and budgetary constraints heavily influence such decisions). Sometimes, however, it may emerge that a client is unfit for work, and that person is then given help in coping with the red-tape surrounding the award of an invalidity pension.

Recipients perceive themselves to be in the hands of a well-organised and co-ordinated system run by competent and well-motivated staff. The various stages along the pathway are clear to them; they understand the need for and purpose of these, and do not regard themselves as being shunted needlessly from one agency to another. Even those who most forcefully express a desire to obtain a fully-fledged contract of employment, and who consequently consider the procedure to be too lengthy and cumbersome, seem to realise that the pathway is unavoidable, given their own starting conditions (a criminal record or charges, problems of addiction, long-term inactivity, mature age). None of them have shown intolerance at the questions asked by staff from the lead agencies or the UFL. They

remain in touch with the lead social worker or with the mediation official even after the end of the insertion initiative. It is important for them to maintain these contacts so as not to feel abandoned, and to realise that the support does not finish on completion of the first attempt at insertion, however it may end, but that it continues, if possible until they become individually self-reliant. Their statements give a clear picture of the steps undertaken towards relearning the value of work, on the one hand, and towards regaining confidence in their own abilities on the other. They make suggestions about the composition of groups attending courses, which would be more efficient if groups were more homogeneous; they express a preference for the Work Scholarship scheme as opposed to traineeships, which are deemed to verge on exploitation; and they highlight the importance of instruction not only in technical functions but also in the meaning of work, especially in the case of younger clients (interviews 11, 19 and 26).

4.1.5 Co-ordination: practice and perceptions

Vertical co-ordination

Vertical co-ordination merely follows the hierarchical patterns inherent in a local public institution. There is a head of section who takes decisions and supervises. Through a series of hierarchical steps one reaches the departmental director, whose is responsible for operational organisation, i.e. to make the staff work (together). There is no real participation in decision-making, although the higher levels do take account of feedback coming from those who have more contact with the practical, daily reality of the services concerned. One example is the imminent unification of Area H with the UFL, namely the two agencies in Milan dealing with training and employment. This seems in fact to have been a personal proposal from the director of the UFL, but such decisions derive above all from political opportunism and the need to cut costs (two factors which often overlap). The Office staff were not involved in taking the decision, but will be involved in its outcome once it has been rubber-stamped (interview no. 5). The principal role of the departmental director seems to be gathering information, impressions and proposals from his staff, and forwarding them to higher levels, after having revised them in line with his own opinions and convictions (interview no. 9). In other words, attention is paid to proposals coming up from below: these are reworked at intermediate levels, forwarded to higher levels and often implemented. However, as concerns decisions taken at superior levels of the hierarchy, staff are involved only at the implementation stage. In a vertical direction, therefore, it is more a matter of an information flow and hierarchical decision-making, and less one of fully-fledged co-ordination consisting of explicit channels of communication and feedback, or consultations between senior administrators and grass-roots officials. None of the informants complained about this state of affairs, which they see as meeting the functional requirements of the department and achieving

its aims, and which does appear to allow scope for changing and developing internal organisation and implementation methods.

Co-ordination between the UFL and the administrative offices of the municipality of Milan does not appear very fluid or efficient. For instance, on the last occasion that the ESF course *Back to Work* ran, a lack of co-ordination caused a problem: participants receive a meal voucher for every six hours of tuition and traineeship, yet these were hard to spend because the municipality had long since let its conventions with the relevant outlets lapse. When the course participants protested strongly and demanded a remedy, it took the municipality several months to rectify the situation. This created real hardship, discredited the institution in the eyes of clients and almost undermined the relationship of trust established by the tutors.

Horizontal co-ordination between the UFL and other public bodies

Its role as a second-level social service makes the UFL a natural linchpin in the co-ordination needed when activating labour market insertion projects. The UFL receives referrals from all the frontline services, and it is the UFL staff who set up a network involving staff from the lead agency in the pathway embarked on by the client and who gather as much information as possible on individual cases, useful in drawing up individual projects. Two types of co-ordination exist between UFL staff and those in other agencies. The first is official and to a certain extent formal, dictated by institutionalised procedures of intervention, according to which the official in the lead agency writes a written referral to put a client forward for an insertion scheme, sends it to the UFL (usually by fax) and waits to hear whether the person will be considered. If the reply is in the affirmative, the official provides the mediation worker with the information requested and, once the process is underway, awaits periodical feedback on how it is going. There are, however, no instructions as to the scale and frequency of exchanges of information; these depend on the *modus operandi* of individual staff members both in the UFL and in the lead agencies, as well as on how conscientious and sensitive they are. For this reason there is a second type of co-ordination, closer but also more informal, which ensures that exchanges of information between staff in different agencies are not confined to the bare minimum. Yet this happens only at operational level, on individual cases. In other words, UFL staff do not meet with representatives of all the lead agencies to take stock of the situation, assess what has been done, screen new proposals and plan future activities. The lead agencies' impressions, suggestions and criticisms are garnered by UFL officials during contacts pertaining to individual cases.

Even between the UFL and UAD which, as we have observed, have become more closely integrated and now belong to the same department, information is transmitted exclusively in conjunction with individual cases. Similarly, it flows through the departmental director who, being in charge of both Offices, attends the team meetings of both UAD staff and UFL staff, and thus has a broader overview of the work done by both and the co-operation between them. UAD officials in fact have an imprecise

knowledge of UFL procedures. For example, the social workers do not know whether the UFL fills in a form about the client, his/her experience, skills and aspirations. They know that a skills assessment is carried out, but not how it is done. And they have only vague ideas about the “bank” of companies held by the UFL, which is administered exclusively by the UFL (interviews 6 and 24).

Even purely logistical questions, such as the physical distance separating the various departmental offices can lead to a lack of mutual awareness and a lack of co-ordination. For instance, the headquarters of the FSE course *Back to Work* are located in a different district of Milan from the UFL’s headquarters, and it is difficult even for staff themselves to perceive the two as part of the same department. The course tutors hold team meetings with the co-ordinator once a week, and twice a year they organise a meeting with the agencies referring course participants. These are held in the presence of the UFL director and attended by the individual officials who are monitoring the individual participants. The meeting allows for a general update on how the course is progressing, but then focuses narrowly on individual cases, so much so that it can be held in subgroups according to which tutor is responsible for clients during the course. Here again, therefore, consultations are confined to the operational level (interview no. 28).

Nevertheless, the innovations currently underway – the CeLav project and the merger with Area H – can be read as signs of both a political and an administrative desire to boost the integration and hence co-ordination among agencies offering similar types of intervention, even if the client typology may vary. It is too early to say how far these initiatives will go, but the fact that they are on the agenda at all is indicative of growing attention to co-ordinated initiatives which, even if dictated by cost-saving requirements, will inevitably impact likewise on efficiency and on the joint management of interventions.

However, once one looks beyond the municipal social services, albeit remaining in the public domain, the difficulties are magnified. For instance, no conventions exist between the UAD and the ASL (Local Health Authority): there is no fast-track access for clients referred by this service, which would be useful when “support” measures are put in place (e.g. financing the medical expenditure needed for labour market insertion, such as eye tests, orthopaedic examinations and dental inspections). The same applies to the ALER, the institute which manages the public housing stock: it took a whole year to respond to an urgent request from a social worker relating to extremely inadequate accommodation, despite the fact that many vacant apartments were available (albeit in appalling conditions), and this inevitably had a knock-on effect on the outcome of labour market insertion (interview no. 24). All of this limits the completeness and effectiveness of social intervention. One priority, not only at local level but also regionally and nationally, is to develop channels of co-ordination both among the various social services and among the various public institutions. This would in fact boost the efficiency of initiatives and improve their preventive effects, with a positive impact on the social well-being of the community. For example, if an individual living in very poor housing - subject to an urgent referral by the social worker – can obtain social housing within a reasonable space of time,

his/her impoverishment will be halted or slowed, and there will be less likelihood of losing his/her job because of not being able to turn up at the workplace regularly, on time, neat, tidy and well rested. Because that individual's personal situation does not take a drastic turn for the worse, social intervention is rendered less complicated and more likely to succeed.

Horizontal co-ordination of bodies in the public, private and voluntary sectors

Within this second area of horizontal co-ordination two further distinctions are required.

As we have seen, contacts with companies are maintained solely by the UFL *companies unit*, and only on an individual basis. The commercial firms concerned do not know one another; there is no forum to which they can send representatives to discuss strategy, evaluation or planning with the UFL. Sometimes they do not even seem clear about the distinction between the UFL and the lead agencies. Yet they do not express a need for more formal channels of communication with the municipality.

A dozen or so type B social co-operatives⁵¹ have signed an undertaking with the municipality which compels them always to keep two posts vacant in order to provide insertion places for observers and trainees; thus these co-operatives have an ongoing partnership arrangement with the UFL. The undertaking is distinct from the legislation on social co-operatives, and the persons placed within them may have one of a number of disadvantages. This is one of the tools most heavily used by mediation officials, and it is striking that the head of section cannot recall its terms, revealing a gulf between strategic management and operations on the ground (interviews 7 and 32). Furthermore, through their own representative structures⁵², co-operatives have internal forms of co-ordination which enable them to communicate and collaborate with the public authorities.

There is nevertheless an obvious need to improve such co-ordination, in order to devise formal arrangements for more detailed, less theoretical evaluation and planning with the public administration than can happen at the periodical case conferences (interview no. 22). Even the director of the two Offices admits that co-ordination with the voluntary sector is neither formal nor stable. The UFL has put out feelers, not least because certain projects, such as the CeLav project, are co-financed by the EU which always insists on the activation of a service support network. This, then, is an example of a co-ordinating initiative imposed from above, by the Community level, which is bearing fruit. One of the most useful contacts is that with the Youth Justice Centre, concerning the prevention and overcoming of juvenile delinquency by helping youngsters into employment and completing their schooling.

Looking beyond the labour market integration carried out jointly by the UAD and UFL, the municipality and the province have difficulty in co-ordinating spheres which, while dealing with the same area of intervention, differ widely. For integrated methods to be adopted, each party would have to relinquish some of its individual autonomy, and this is not easy to achieve (interview no. 5). Within

⁵¹ Type B social co-operatives deal by law with social and labour market integration for disadvantaged persons, who must constitute at least 30% of the membership of such co-operatives.

the municipality, the mayor and councillors are best placed to convene specific meetings of the various local actors; such initiatives have taken place in the past, and also more recently. But often the municipality consults just a few very authoritative bodies in the Third Sector (frequently the only body invited is Caritas, which then passes on information to the organisations with which it is in touch, but which cannot invite along those other bodies to meetings arranged by the municipality). Co-ordination to combat social exclusion cannot be said to form part of regular practice in the municipality of Milan, partly because these preliminary consultations are not usually followed by a phase of joint planning and co-management, but rather by financial allocations with partial tasks delegated or subcontracted piecemeal, and with little attention to relevant skills, as recently happened with the so-called “Christmas forum” on the homeless and serious marginalisation. In other words, co-ordination forums are convened not in order to hold consultations aiming for shared, broad-brush planning, but rather they seek operational solutions for one-off emergencies, in the absence of any overarching design. Legislative instruments do exist, first and foremost Council meetings. Yet the output from these sessions all too often remains a dead letter (interview no. 1).

Informants’ perceptions

Our informants do not appear to see co-ordination as a major issue or problem: its presence and its importance are almost taken for granted. Yet they all consider it necessary to the successful outcome of insertion projects since, when channels of co-ordination are lacking, information does not arrive where it is needed, or arrives more slowly or in a more fragmented, arbitrary fashion and the effectiveness of the measure is reduced. Areas of co-ordination identified by the informants include, on the one hand, the case-oriented networking created by the mediation official around a specific case, which encompasses the three-party meeting between the mediation official, social worker and psychologist; on the other, the team meetings at which crucial decisions are taken collectively regarding the activation, continuation and interruption of programmes. They are basically satisfied with the degree and methods of co-ordination involved. They reject the notion of having instructions imposed from above concerning such activities, since they believe that would merely rigidify their operational arrangements. Most believe in spontaneous co-ordinating activity, in the conviction that what makes a difference is the attitude of the individual, and not procedures dictated from on high. The fact that the director of the two Offices canvasses their opinions and transmits them up through the hierarchy is sufficient, according to officials. They perceive themselves as only sometimes being involved in planning debates (as happened, for example, to the UAD social workers when the ESF course *Back to Work* was instituted), but they also feel that this derives from an appropriate division of labour (“everyone should do their own job”, interview no. 24).

⁵² Such as the SIS (*Sistema di Impresa Sociale* – Social Enterprise System), grouping together around 50 social co-operatives in the province of Milan (interview no. 22).

In vertical terms, therefore, it is inappropriate to speak of co-ordination; it is more a case of a bureaucratic decision-making hierarchy. Horizontally, within the two Offices and between these and the other social services, co-ordination functions reasonably well in strictly operational terms, but is absolutely embryonic in respect of evaluation and planning; at horizontal level, with reference to other external institutions (ASL, ALER, etc.), co-ordination appears to be completely lacking. The establishment of consolidated relations with such bodies cannot be left up to the personal initiative of officials seeking solutions on behalf of their clients, but really has to be the subject of protocols of understanding and policy agreements concluded at managerial level between the municipality and the other authorities. Even with a view to the extension of a scheme like the RMI (minimum wage), which expressly envisages the integration of various types of intervention, whatever channels of co-ordination can be activated or strengthened will contribute to making social intervention more complete, effective and efficient.

4.2. Cologno Monzese: the RMI pilot in a northern town

4.2.1. Socio-economic context

In 1998 Cologno had 50,697 inhabitants, mostly comprising migrants who came during the economic boom period (1950-70); for this reason Cologno has weak community structures and a good deal of social tension. The age distribution reveals a clear ageing process, with almost twice as many people aged over 65 as aged under 6 (Istat, 1998). During the 1990s, following the huge post-war expansion, the population contracted, but the number of households is growing constantly, above all domestic units comprising a single member (increasingly often an elderly person) and single-parent families (where generally the parent is the mother). The foreign population is also rising steadily, attracted by a labour market offering ample opportunities: the number of resident foreigners, around 400 in 1991, has almost tripled to 1,095.

Despite the massive de-industrialisation process of the 1980s and 1990s, Cologno remains a mainly industrial municipality: the 1991 census data indicated that 56.2% of workers were still employed in industry, as opposed to 18.6% in commerce, 8.4% in the public administration and 16.8% in the tertiary sector (Piano Regolatore, 1997). Thus the manufacturing sector is not so much extinct as transformed: large industries have obviously had to adapt, downsizing and spawning smaller businesses in order to confront industrial decline, which has been particularly extensive in this area to the north-east of Milan. The capacity of the industrial sector has been mirrored by the pattern of employed labour, occupying 45.2% of workers (33.7% of them managerial or white-collar employees) (ibid.). This phenomenon of downsizing has, however, triggered a casualisation of labour, and consequently an increasing and often surprisingly large amount of self-employment.

The unemployment rate, which in 1991 was 5.1%, has risen sharply (reaching around 8% in 1997). Significant shifts have taken place within the categories of unemployed: whereas in 1991 the majority were persons seeking their first job, in 1997 these people accounted for only 24.0%, while those who had lost their job exceeded 75% of the total. This clearly indicates the difficulty of rejoining the labour market after having been ejected from it, by adapting one's occupational skills and aptitudes. The average age of jobseekers has also been rising: in the early 1990s almost 70% of the unemployed were aged under 25, compared with only 33% of them in 1997. Increasingly, the average jobseeker is male, a skilled or even white-collar worker; the number of unemployed women is falling, though they still account for more than half of the total.

The disordered growth of the town of Cologno during the years of more substantial immigration, coupled with de-industrialisation and the merging of residential districts and production complexes, has given rise to an unco-ordinated, fragmented pattern of urban development. The employment and economic crisis, and the end of the *fair rents* system⁵³, have caused a proliferation of problematic family circumstances, bringing about an evident emergency in terms of housing. Very high rents, housing costs and shared overheads have put many people into arrears and led to eviction proceedings.

4.2.2. Description of insertion scheme⁵⁴

As in most of the municipalities involved in the RMI (Minimum Insertion Income) pilot, Istat predictions proved in the case of Cologno to be overestimates: recipients represent only 25% of the total anticipated. Thus it proved necessary to cast the RMI net wider, not least because the pilot excludes some situations known to the social services as being problematical (interview no. 8). For this reason the regulations were amended twice over, in November 1999 and in January 2000, above all so as to give greater weight to the local housing emergency. Indeed, the deduction made for rent was raised, incorporating shared overhead costs in the calculation, and it was decided that recipients may own property, provided that it did not take their income above certain thresholds and was used for residential purposes. They are also now able to hold bank deposit accounts, provided that these are fixed-term accounts and in the name of a child, or – in the case of single-income families – a minimum current account balance. To ensure greater fairness, the minimum income is to be calculated on the basis of not only bank accounts but also post-office accounts.

From 1 January 1998 to March 2000, a total of 298 claims were lodged, 174 of which were accepted⁵⁵. Generally speaking, these are families temporarily in need of a supplement to their income, their need

⁵³ The "fair rents" (*equo canone*) system ensured reduced, pegged rental values. It was replaced by so-called *patti in deroga* (derogation pacts), which continued the favourable conditions for a few years but are themselves now coming to an end.

⁵⁴ In this chapter we shall not describe the scheme in detail, so as to avoid repeating the information already provided in section 1.5, referring to the formal criteria for access to the RMI.

arising at the time when the head of household or another family member loses their job. In the case of individuals aged over 45-50, reintegration into the world of work becomes very problematical, partly because they are not keen to pursue training courses. Then there are clients with particular pathologies or problems, such as drug addicts, ex-convicts and the mentally ill. Apart from claims which are pending due to incomplete documentation or ongoing checks (21), and claims withdrawn by applicants during the evaluation phase (15), 165 projects have already been firmed up. In just one case the RMI contribution was refused because, as is manifest, it was too small (6,600 lire, just over €3). The most usual grounds for interrupting disbursement are that at the end of the project the subjects fail to attend the debriefing session (23 cases), or that – either at the debriefing stage or during the process itself – the family’s income requirements, assets or place of residence change (15 cases: from a pension rise to a new job, from the arrival of invalidity pension arrears to a change of residence).

Table 15 Families in receipt of RMI, by household size

Number of members	Number of families
1	59
2	32
3	32
More than 3	51
Total	174

Table 16 Gender composition of families in receipt of RMI (%)

Gender of family members	% of members
Males	47
Females	53
Total	100

⁵⁵ Among the families in receipt of the RMI, 79 have dependent children (almost 50%), and 14 are single-parent families with young children. These families include 423 persons in all, 32% of them minors.

The actors participating in the RMI pilot are: the municipality's director of social services, who is responsible for the scheme and co-ordinates the technical and administrative staff; two administrative heads of sections; the administrator in charge of the RMI pilot⁵⁶, who also maintains the database and keeps in touch with the Observatory on Social Needs⁵⁷; eight social workers⁵⁸, who deal in addition with all the other types of intervention (with an average workload of some 80-100 cases per year, depending on their sphere of operation); the psychologist who is responsible for labour market integration (a contract-worker); a consultant (sociologist) who is the link with the companies where insertion takes place (a contract-worker); and a tutor who supervises the placed worker in the company. No new staff have been recruited for the pilot, and no-one deals exclusively with the RMI. The municipality has set up an RMI planning team, comprising the director, the section head, the administrator and two social workers. The staff meet up every 15-20 days to take stock and discuss the most awkward and uncertain cases. It was in this context that the amendments to the regulations were fleshed out. This is a crucial co-ordination forum when it comes to organising work on the pilot, as well as internal relations and relations with the outside bodies involved in it (co-operatives, companies, training centres). Relations with companies, and how to find suitable ones, are not really defined at procedural level, but are reliant principally on the knowledge and skill of the psychologist and the mediator. Contacts with companies are not handled directly by the municipality.

When Cologno was selected for the pilot, all the social workers were involved in the initial meetings, so as to discuss the aims and procedures of the RMI. A pattern of group-work, to compare notes and share ideas, has likewise been consolidated especially among the social workers. It should nevertheless be stressed that this participation relates above all to the day-to-day management of work and problems, rather than to planning and design aspects. The social workers keep in touch with outside authorities and voluntary bodies; one in particular is the link-person for labour market integration in co-operatives. They can all approach the municipal advisors, or send their clients to them, subject to prior arrangement. The social workers meet once a week in the office of the social work secretariat.

⁵⁶ Her working relationship with the municipality of Cologno is unusual: she is in fact an employee of Caritas, and is under contract to the municipality.

⁵⁷ The municipality has established an Observatory on Emerging Needs and Available Resources (*Osservatorio sui bisogni emergenti e sulle risorse disponibili*), operated by Caritas with the Catholic University of Milan, which, *inter alia*, will also monitor the RMI pilot. The agreement with Caritas was signed in March 1999, although the research and co-operation began earlier: the municipality's first contribution for the establishment of the Observatory dates back to the end of 1997. The agreement sanctions a new type of relationship with the voluntary sector, aimed at improving awareness of occurrences of urban deprivation.

⁵⁸ Divided up by spheres: 1 for the disabled, 1 for the elderly, 1 for the elderly and adults, 1 for adults, 3 for minors, 1 for adults and minors.

<i>Table 17</i> Typology of the RMI insertion projects envisaged in Cologno	
Type of insertion	Description
<i>Help project</i>	Labour market integration in a company, for disabled persons and beneficiaries identified by social workers as best suited for work.
Labour market integration in social co-operatives	Physically, mentally and sensorially disabled persons, minors of working age subject to a court order, ex-drug addicts, prisoners serving non-custodial sentences (LN 381/91). Fixed-term contracts (1 year), or Work Scholarships (BL, 3-6 months) if the person's conduct in a complex environment needs to be assessed; someone on BL receives no remuneration but has their expenses reimbursed by the municipality.
Training insertion	Italian courses for foreigners and remedial compulsory schooling under the municipality's auspices; courses at external training centres (Clerici Foundation, CIFAP, etc.). Clients are often guided towards ASA (auxiliary social work) courses, because a retirement home for the elderly is shortly to open in Cologno.
Health rehabilitation	The frequency of the relevant service (ASL, SerT, NOA, CPS, ADA) is arranged together with the person concerned, and contacts are made with non-profit sector bodies (drug addiction centres, voluntary organisations). The client agrees to the different agencies conferring about his/her case.
Caring and education	Assistance with educational and caring duties in respect of children, the elderly, the disabled and invalids; the municipality relies on external partners, such as youth centres (<i>Creare Primavera</i>) and crime prevention centres (<i>DETA, SIRIO</i>).

Disbursement of the RMI is always linked with individualised projects, whose typology is summarised in Table 17. The various types of insertion are not mutually exclusive and may be combined when the project is negotiated with the person concerned, putting together various measures centred around the particular case. The activation of this co-ordination depends on the social worker responsible for the client. As far as jobseeking is concerned, clients may also be directed to the *Centro Lavoro Nord Milano* (North Milan Job Centre) or to the SILH (*Servizio Inserimento Lavorativo Handicap* – Labour Market Integration Service for the Handicapped).

4.2.3 Organisational changes and future prospects

With respect to future changes, there is a clearly emerging need to reinforce the tools for evaluating the scheme, considered by all actors to be crucial to the implementation of the RMI. But the problem is how this should be done. Some indicative guidelines are being drawn up and their appropriateness tested (interview no. 18). Furthermore, it is very difficult to define evaluation methods for a scheme with no precedents. The criteria to be adopted will include, among others: a) how many projects reached a successful conclusion; b) how many people were lifted out of poverty; c) how long individuals remained with the agency; d) a comparison with neighbouring (socio-economically

homogeneous) municipalities. The only kind of evaluation conducted so far has therefore been assessments of individual projects carried out by social workers.

The co-operatives also see a need for evaluation, initially sought in the form of relations and co-ordination with the lead agency. Perfect, fluid communication of information between lead agencies and co-operatives is in fact a key indirect means of evaluating the process, discovering bottlenecks and tackling problems; it is the main factor of success in insertion and in reducing the drop-out risk. The need to co-ordinate with the agencies is also a matter of coherent communication. It is important that subjects should receive from all the institutions with which they are in contact the same interpretation and assessment of their situation: contradictory or discordant communications could initially cause clients to have a less favourable view of one agency than another, and could subsequently undermine the confidence required for the contract to succeed. This harmony of information content proffered by the various actors to clients presupposes common intentions, a shared reading of the social problems and a far-reaching agreement on the intervention methods, not always guaranteed by a greater degree of officialdom in the arrangements for co-ordination. When the lead agency is not the municipality but a specialist local agency which has a less formal and bureaucratic, more direct, participatory and educational relationship with the client, failure appears less likely, even though some people do drop out, leaving all concerned feeling extremely frustrated. Then there is an evaluation form, which analyses and assesses the occupational skills acquired, behaviour in the workplace, personal care and relationships. It may be filled in by both the tutors and the subjects themselves; it is issued several times during the insertion period, and is always fed back to the lead agency.

The actors engaged in the RMI pilot regard it as an instrument to remove the greatest possible number of people from welfare dependency. It will however take more than one experimental year before the scheme's success or failure can be properly assessed. In addition, success cannot be measured solely according to the number of persons who have become independent of social assistance, and hence have left behind their state of indigence, of whom there are very few; rather, partial changes in the subjects, in line with the goals set out in the contract, must be taken into account. These evaluation methods are formally laid down in the project but happen in a fairly informal fashion: it is the social worker who decides, and cases are rarely discussed as a team. The assessment is often positive: apart from *notorious* cases, the social workers state that they have noted somewhat less of a welfare-dependent mentality among clients (interview no. 10). The Cologno social workers had for a long while been attempting to link economic hand-outs to some kind of project, but everything was rather informal and above all random; officials were not able to make social assistance negotiable. The powers of officials have changed, and they can now legitimately ask clients for something in return, demand a commitment, enquire about intentions, envisage changes and above all conduct specific, detailed reviews. Whereas this cannot be done with clients who have become "chronic" cases, it can with families who are on the verge of marginalisation but willing to buckle down to overcome the emergency. This is the user group on whom the effectiveness of the RMI instrument depends. The

contractual aspect of the RMI is a very sensitive matter, and can be interpreted more or less narrowly by local staff (cf. 1.3.2.). Indeed, if this aspect is taken to extreme lengths, the right to the economic supplement supposedly guaranteed for income needs will to an extent be forfeited. By contrast, if a policy of almost automatically paying out the economic supplement were to emerge, the importance of labour market integration programmes would be diminished. A balance must therefore be struck between the two dimensions of the new measure, both of them unprecedented in the panorama of Italian social assistance: guaranteed economic support on the one hand; help for the (re)activation of personal resources, through specific (re)insertion programmes, on the other. The most likely risk would seem to be the excessive discretionary powers of social work staff who, in the absence of uniform criteria, can behave very differently – for example when faced with a client who fails to fulfil a commitment to work or training – depending on the local context (or even on the individual case), thereby invalidating the standardisation of entitlement throughout the country. The social workers emphasise the rigidity of the access criteria, which prevent many families, albeit known to the social services as problem cases, from obtaining the RMI (especially foreigners, due to residence requirements); conversely, they complain about the persistence of excessive permissiveness *vis-à-vis* recipients (interview no. 12). It is from this point of view that the contractual nature of the measure appears to be too pronounced.

The recipients have perhaps developed excessive expectations: most of them understand labour market insertion to mean an immediate job. Yet they do not express any particular criticisms: some complain that the subsidy they receive is inadequate to solve their economic problems, or that they have not found employment, but the overall verdict is positive because clients feel they are in good hands; they see that staff take an interest in their problems and establish with them a relationship of mutual trust which they find somewhat reassuring. The idea of the contract and project has been understood and accepted.

All the social actors involved are concerned about the future of the scheme. An extension in the 39 municipalities, once the pilot comes to an end, would be unconstitutional. Thus they are all hoping that it will gradually be extended to all 8,000 Italian municipalities.

The entire political milieu (the government majority is currently centre-left) has apparently failed to grasp the import of the RMI measure: even though politicians gave the pilot almost unlimited support, their assessment of it is fairly negative because of what is described as an inefficient usage of the available funding⁵⁹. Basically, they could not accept that the resources earmarked for Cologno were scaled down in keeping with the applications actually received and expenditure really incurred. Their attention, in other words, is focused on the volume of resources rather than on their use.

⁵⁹ The DAS (Department of Social Affairs) had allocated to the municipality of Cologno funding of 14 billion lire, thereafter reduced to 9 once the Istat estimates concerning applications submitted were revised downwards. Management costs are borne by municipalities participating in the project to the tune of 4% (360,000,000 lire). In 1999 the municipality spent only 507,970,000 lire; it therefore refrained from requesting further transfers after receiving the first *tranche*.

4.2.4 Functional pathway of recipients

The pathway is set out in detail in the procedures: the applicant usually approaches the office of the social secretariat, a “one-stop shop” staffed in turn by all the social workers; that is where the initial assessment of the case takes place and the initial guidance is given. If the request includes an economic contribution, the claimant is sent to the RMI office (to which he/she may alternatively go direct, if they have heard of it or read public advertisements about it), where all the information is supplied; the person returns there with the necessary documentation and is helped to fill in the claim form. If this is accepted, an initial interview with the social worker in the relevant sphere is arranged. Following familiarisation interviews and home visits, the social worker sketches out a project which is discussed and negotiated with the client. Once it has been signed by both actors, the project becomes a fully-fledged contract, albeit still open and flexible: it determines *inter alia* the periodical reviews at which the contract may be adjusted to the requirements of the contracting parties. The subject and his/her family are supervised throughout the duration of the project, which may last one year or much less than that, depending on the case. The claim is normally resubmitted on expiry; be that as it may, the department is usually keen to continue monitoring cases even after the RMI relationship has ended. The project stipulates in detail the stages to be jointly reviewed, which may relate to any of the intervention strands envisaged under the RMI scheme (cf. Table 17). If labour market integration is one of these, two possible routes exist: a) insertion in a company; b) insertion in a co-operative.

a) As concerns the former alternative, interviews with the psychologist and counsellors are scheduled (aptitude tests, skills assessments) both in groups and individually. The mediator and the psychologist report back periodically to the social workers and person concerned. Recipients are put in touch with companies by the mediator and are accompanied to the initial interview in the company, where usually the first step is a preliminary training placement (part-time, generally 3 hours 3 times a week; the number of hours then rises gradually). A three-way contract is signed, whereby the subject undertakes to comply with the assignment and to keep up the necessary contacts with the municipality, the company undertakes to respect the terms of the contract and to accept the municipality’s involvement in that particular case, and the municipality - through the mediator - undertakes to ensure that the contract is properly fulfilled and to supervise the subject throughout the duration of the project. The process is co-ordinated by the social worker whose task it is, where necessary, to adjust the project if any new elements crop up along the way.

The duties performed by recipients are generally low-status ones: the sectors offering most opportunities are the restaurant, cleaning and mechanical engineering sectors. Subjects have a certain degree of freedom as to whether to accept or reject a job; work contacts are always assessed with them. It is also true to say that such opportunities are rarely declined. Nevertheless, refusals have occasionally occurred, and when a refusal is not justified, and above all not reported or substantiated to the social worker, sanctions are normally triggered; these range from a mere reprimand to an

interruption of payments. It means in fact that the relationship of mutual trust underpinning the RMI is undermined (interview no. 1).

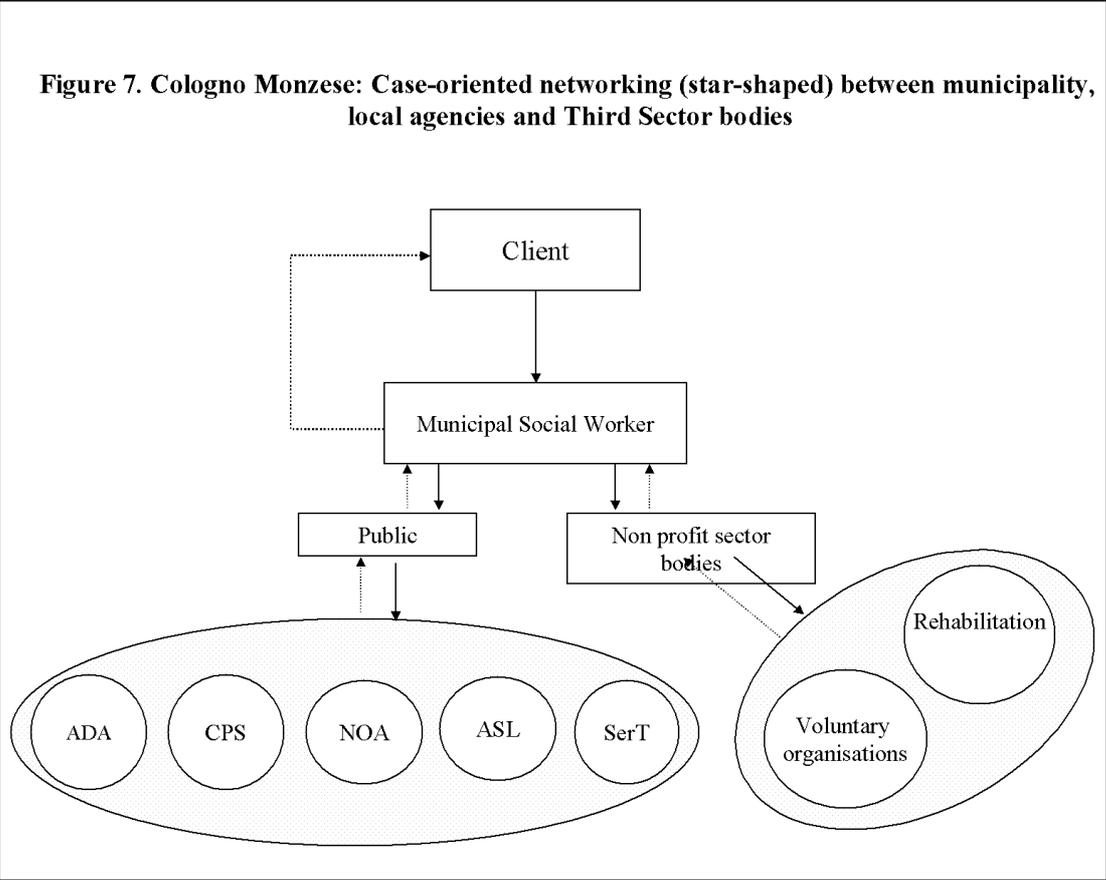
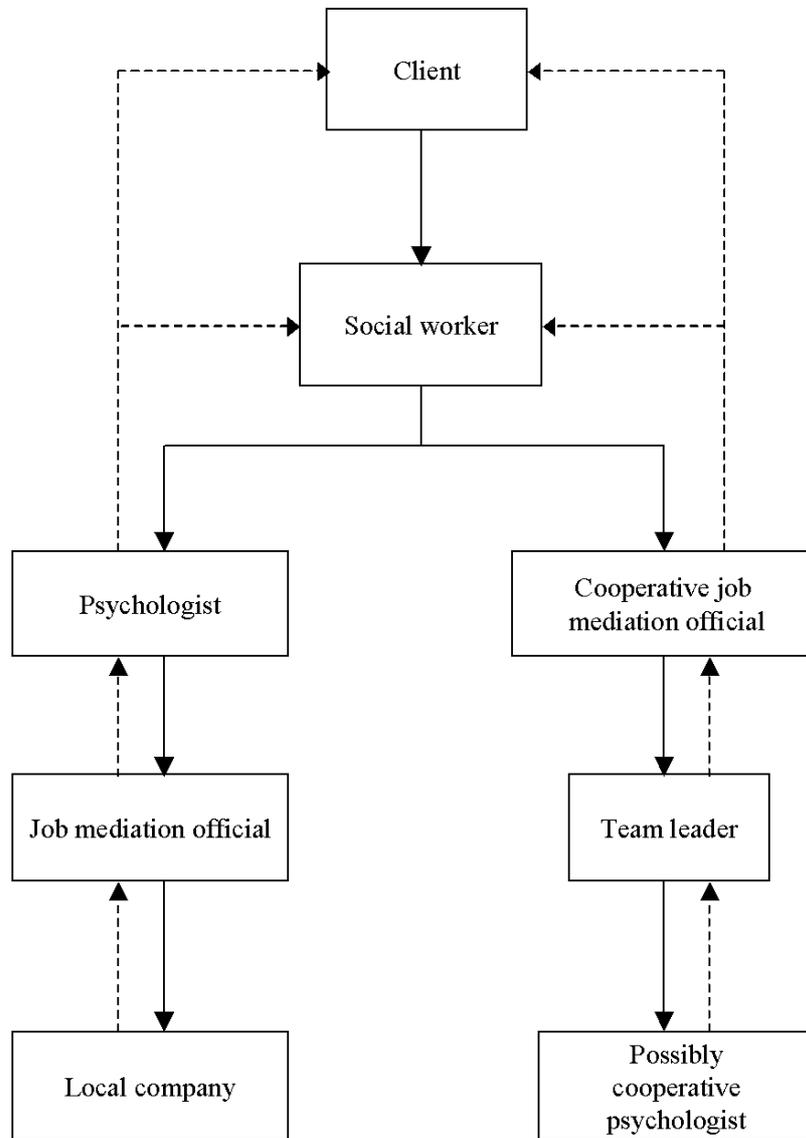


Figure 8. Cologno Monzese: Functional pathway of recipients of labour market integration



—> = pathway of the recipient
- - -> = feedback

b) In the second case - insertion in a co-operative - the social workers approach *Lavorint*, a consortium of type B social enterprises with which the municipality of Cologno has drawn up a formal convention. Although this convention was signed on 27/01/99, the RMI was not its prime purpose. *Lavorint* is a consortium of three social co-operatives⁶⁰, which offer gardening services and do small-scale cleaning work. The convention also includes the province of Milan. It lasts one year and may be extended for another two years; the budget allocation is 300 million lire, and according to the regional guidelines this sum should correspond to three labour market insertion projects. Recruitment is always for a fixed term and lasts for the duration of the convention between the consortium and the municipality. What is generally agreed is a part-time schedule, the hours increasing gradually over time, especially so as to enable certain categories of subjects – such as those with psychiatric disorders or drug addicts – to maintain a certain relationship with the lead agency. The *Lavorint* convention also entails an undertaking to participate in running traineeships (interview no. 21). This year the municipality has selected 10 persons for interviews with the co-operative mediator; of these, three proved suitable (2 mentally ill and 1 drug addict). The subjects are placed into work teams. The team leaders, as well as having occupational skills in the relevant sphere of activity, also have interpersonal and psychological skills; they regularly receive training updates, since their duties are very sensitive ones. They exercise an important co-ordinating role within their own work team, where they have to create a group dynamic, recognising everyone's diversities and particularities whilst at the same time ensuring a degree of unity and coherence; thus they have to mediate between the various subjects, and between them and management, should any disagreements, shortcomings or misunderstandings arise. The team leader, although hierarchically superior, is in direct contact with the workers, for whom he/she becomes a point of reference. He/she reports back periodically to the mediation official, crucially channelling the necessary information and feedback to the other professionals, who are not in daily contact with the workers in their actual working activities. Co-ordination of these two different roles is essential to the coherent development of projects.

The co-operatives themselves also organise their own technical training.

⁶⁰ The largest co-operative in the consortium is *I sommozzatori della terra*, based in Cormano, whose turnover in 1999 was around 4.5 billion lire; it has a staff of some 90 persons, 45% of whom have a certified disadvantage (the law demands 30%). The insertions (fixed-term) on contracts or work scholarships numbered 32 in 1997, 27 in 1998 and 42 in 1999.

Often, some time after the completion of an insertion project, if the lead agency manages to keep in touch with an individual, it may once again approach the co-operative if that person proves to be weak and unable to cope on the labour market. In this case a second contract with the social co-operative may be drawn up, usually no longer providing for a Work Scholarship (considered degrading for persons who have already held down contracts in the outside world) but a proper contract, albeit a fixed-term one. Even though the co-operative endeavours to recreate the most “business-like” conditions possible, it still remains a sheltered environment, tough but tolerant, understanding and receptive to diversity. There would seem to be an institutional void surrounding the exit stage, which hampers the planning of programmes within co-operatives. Even once an insertion project in a co-operative is complete, clients are often not in a position to enter the unprotected labour market and operate there with full autonomy. What is lacking is a supervised transitional phase from experience in the co-operative to fully-fledged employment in a commercial environment. Moreover, some maintain that the skills acquired in a co-operative are often unsuited to enhancing the resourcefulness of subjects, especially young ones: gardening work or a carpentry traineeship will not of course suit everyone (meeting no. 1). Despite these obvious limitations, the convention is a positive thing: it establishes a relationship of equals between the municipality and the co-operative, creating a new means of assessing the well-being of the community: no longer in purely budgetary terms but in terms of striking a socio-economic balance, offering job prospects to weaker citizens and saving on collective social expenditure, quite apart from guaranteeing proper contracts and overseeing the health and safety of employees. Therefore the convention can be regarded as an institutionalised, official form of local co-ordination between the public authorities and Third Sector bodies, aimed at promoting joint social planning which, although it has not yet bedded down fully, is nevertheless a sound prospect for the future.

4.2.5 Co-ordination: practice and perceptions

Co-ordination is not something that is referred to explicitly, but its importance is taken for granted by all the actors. It is deemed indispensable in attaining objectives, especially in terms of social and social/labour market intervention, where all the different competences are considered vital to improving social action, and it is hoped that these can be used in an integrated, not a fragmented, fashion. Yet matters are still at an embryonic, informal, tacit stage, often relying on the charisma of a certain official or operator. No specific human or economic resources are earmarked for co-ordination, since it has not yet been formally built into any precise pathways or routes for the transmission of information which would be rigorously evaluated and monitored at regular intervals. Notwithstanding this, within the municipality there are isolated happy areas where co-ordination is already routine, without being consciously perceived as such, for instance among the social workers and between the

social workers and their direct superiors; it does not however extend to the designing and planning of future interventions. Co-ordination is in fact very much geared to individual case management, in particular that of unusual or problematical cases which are discussed as a team.

Vertical co-ordination

Vertical, hierarchical co-ordination is not well developed, especially between different institutional levels. Indeed, it has proved virtually impossible to involve the province or region in co-ordinating a pilot which affects only two municipalities in the entire region. There has been and still is a degree of involvement, but more in terms of exchanging information or partnership in joint projects: the social workers, but also the psychologist and the mediator, often approach the provincial and regional headquarters seeking information and contacts about, for example, ESF training courses and other European Union, regional or national initiatives which may be of interest to clients. The province did however become more directly and formally involved in respect of the convention with the consortium of social co-operatives, *Lavorint*, signed by both the municipality of Cologno and the province of Milan. The development of such relations is undoubtedly an important item on the future agenda, and will presumably be easier to activate once Cologno and Limbiate cease to be the only two municipalities in the province and the region involved in the pilot.

Relations with ministries have been more positive and substantive: there have been difficulties and delays, but every time the municipality has sought information a satisfactory reply has been received. The reference framework has not always been clearly defined, but the pilot does allow for this margin of uncertainty. Broad guidelines have been given, within which there has been an opportunity to experiment, above all in view of unique and specific local circumstances. There has nevertheless been an intensive, ongoing, mutual exchange of information, although this has not taken the form of real and proper co-ordination aimed at jointly planning and evaluating the pilot.

Where vertical co-ordination seems to have functioned best, although in a rather informal manner, is within the municipal staff dealing with the RMI: relations between superiors, administrators and operators have been cultivated and strengthened; it is no accident that team work involves all levels of personnel concerned, i.e. management, the administrative office and the social workers in the social secretariat. However, the participation of technical and administrative staff has not always been requested, especially with regard to general planning, but was confined to the very first phases of the pilot; thereafter, these tasks have been performed mainly by managers and section heads, even though there has been a constant exchange of information and opinions. For instance, the amendments to the RMI regulations arose during group discussions, as did the idea of launching the *Help* project for the labour market integration of disadvantaged but able-bodied subjects. In other words, on a day-to-day basis discussions and consultations between social workers and their superiors focuses on their individual case-load. Nevertheless, from an analysis of daily duties there sometimes emerge wider,

more far-reaching assessments and proposals, which may subsequently have repercussions on the intervention system as a whole.

Horizontal co-ordination

Horizontal co-ordination, by contrast, appears to be much more firmly established, precisely because this is a working method which had already proved its worth in the years preceding the RMI pilot, albeit not in a very well codified manner. The social workers in particular have developed a working method whereby they are all involved from time to time in discussing and comparing specific cases; although their work in separate spheres of competence leads to specialisation, they work as a team. And the creation of a social secretariat (a “one-stop shop”), where the social workers take turns in receiving clients and directing them to the most appropriate colleague, has undoubtedly encouraged this trend, which has however never been codified into strict, prearranged rules. At team meetings the social workers exchange information on individual aspects of their case-load, compare notes and jointly take decisions on the more doubtful cases. The RMI scheme has therefore served as a stimulus or support to the further development of this way of working. This is evident to both managers and social workers: the networking model of co-ordination envisaged for the RMI has thus fallen on fertile ground in Cologno, and even if the pilot were to be discontinued the model “*is certainly an exportable model which can be adopted for purposes other than the RMI*” (interview no. 10). There is also a good, yet somewhat patchy, knowledge of everyone’s tasks and roles: some external consultants appear not to be well acquainted with those responsible for RMI management.

Horizontal networking (implicit and informal) takes place above all with other local public or private bodies. The social workers maintain reasonably tight links with them, in the knowledge that their ability to hand out economic payments is not all it takes to combat social exclusion and welfare dependency (interview no. 10). Relations with some of these bodies are well-established: this is the case for Caritas, which has contractual links with the municipality, the *Lavorint* consortium, certain co-operatives (*Età Viva, Età Insieme*) providing home helps for the elderly, and certain youth centres (*Creare Primavera*). With other bodies, however, contacts are more informal and random, such as vocational training centres, centres organising the “150 hours” study programme and companies, with which formal agreements are signed only when an individual insertion project is finalised. Thus, with a limited group of bodies there is a more structured “traditional” relationship, but with many others contacts have remained more embryonic, much looser, and not even the RMI pilot appears – as yet – to have greatly stimulated their development.

There is in addition a protocol of understanding with the *Centro Lavoro Nord Milano* (North Milan Job Centre), signed in September 1999 and closely connected with the pilot, granting RMI recipients privileged access to the service, in that the staff are notified in advance about the subjects and give them an appointment to attend the Centre. Here they meet once or twice with the person at the Centre

who is in charge of guidance and motivation. There is constant feedback between the Job Centre and the lead social workers. Moreover, the municipality co-operates with other agencies, such as *Informagiovani* and *Etabeta*, engaged in offering training and occupational guidance to young people.

Then there are ongoing contacts with the other local specialised agencies: SerT, CPS, NOA, ASL and DETA. This is important for the success of projects, in that it broadens the range of information available to individual officials and allows for conferral prior to the taking of sometimes controversial decisions. In Cologno it is the social worker who maintains relations with the agencies referring RMI recipients and who stands out as the linchpin in the co-ordinating network geared to handling individual cases. These relations seem to have improved under the pilot, which has encouraged communication and co-ordination among the different agencies dealing with the same client; this is important not least in order to step up the monitoring of clients, a necessary activity when it comes to assessing the progress made, the continued state of need and the client's commitment to his/her own pathway (interview no. 10).

The structure of horizontal co-ordination therefore takes the form of a star, with the municipality of Cologno at its centre, surrounded by the different agencies and voluntary bodies (the various points) which, however, are not always in communication with one another; this is a weakness (cf. Figure 7). The director of social services is intending to foster closer co-ordination, not least with employers' associations and other municipalities, since resources cannot be properly pooled without joint planning. Such co-operation is extremely cumbersome, however, since each party brings its own interests to bear.

It is not easy to gauge the recipients' perceptions of co-ordination: it is as though they had never given the matter any thought. But one does glean from their accounts the impression of administrative machinery and a welfare system which seems to function and to be well-organised and close-knit, albeit perhaps rather too bureaucratic at times (because of the voluminous documentation to be presented and the attention needing to be paid to this). Satisfaction is furthermore expressed with the treatment received: interest is constantly shown in clients and their requests are always well received, at every stage of the route from compulsory training to insertion in the workplace. The pilot has without doubt provided the municipality with a new tool to reach out to more clients and to satisfy their needs. Relations between clients and the social services have, in general, thereby been improved.

4.3. Naples: the RMI pilot in the capital of the south

4.3.1. Socio-economic context

Naples is the biggest city in the south. According to the 1991 census data there were 312,376 resident families, with a total of 1,035,835 inhabitants. Between 1981 and 1991 the city lost about 14% of its population to its own hinterland. The city has a young population, with 47.1% of the population

concentrated in the age band between 0 and 29 years, and only 12% aged over 65 (against 17.4% in the figures for Italy). There are numerous large families and families sharing their home, especially in some neighbourhoods. The average family has 3.2 members, and 23.7% of domestic units have 5 or more (compared with only 4.1% in Milan); only 14.8% are single individuals (against 32% in Milan). At the last census there were 16,990 resident foreigners; plus over 30,000 foreigners not officially registered, mainly Asians and Africans and mostly women employed in domestic work in private homes. This phenomenon is not matched by adequate reception measures, which are almost completely left to volunteers.

In many quarters the unemployment rate exceeds 40%, with peaks of 60%⁸⁴. This phenomenon principally affects young persons (72.6% of the active population aged between 14 and 29 years was unemployed in 1991) and in particular young women (77.5%). In families the balance between members employed and members being supported is not such as to produce an adequate standard of living. Long-term unemployment is an extremely worrying phenomenon: 70% of persons registered at the employment exchange have been seeking work for more than 12 months. The existence of a widespread informal and illegal economy should not be regarded as a choice (which would distort the official unemployment figures), but rather as the consequence of the existence of a fragmentary and dualistic labour market. Field research has demonstrated that the illegal economy does not provide stable and adequate earnings, does not allow any professionalisation and does not permit a transition to regular work (Cotugno *et al.*, 1990; Pugliese and Rebggiani, 1997; Cavalli and Lillo, 1993).

A high proportion of the dwellings in the city are rented, and much of the housing stock is old and dilapidated. 60% of the families who rent occupy homes belonging to the IACP (*Istituto Autonomo Case Popolari* - Independent Institute for Social Housing), which are concentrated in the most run-down areas, while ownership is spreading in quarters less at risk. Although construction is a dynamic sector, the quality remains low. Naples has multi-dimensional poverty, concentrated particularly in certain quarters. Many officials however report the spread fresh concentrations of poverty into neighbourhoods with typically middle class inhabitants. In 1991 3.4% of family units were low-income ones. 4 - 6% of pupils failed to obtain middle-school leaving certificates (according to estimates in 1997). Criminality is strongly rooted in the area: in 1997 124 cases of wilful murder were registered, 31 of which had to do with the *Camorra*⁸⁵, 2,328 robberies with violence, 15,339 thefts and almost 3,500 bag-snatchings. This helps to make Naples a peculiar city with crucial problems to be resolved. Faced with such serious and complex problems, the local social welfare services are very fragmentary and not sufficiently developed, above all owing to the lack of a regional law on social welfare (Amaturo *et al.*, 1999; Benassi, 1999). This fragmentation makes it difficult to verify the number and quality of interventions; until a few years ago it was the Mayor in person who had

⁸⁴ 73,000 persons receive the Mobility Allowance; 5,400 are in LSU (cf. § 2.4.1).

discretion over the sums of money disbursed. The municipal administration declared itself to be in financial trouble in April 1993. Until the resolution of that crisis in 1997, only a limited number of services and subsidies could be provided for serious cases of social exclusion. Most initiatives related to families with dependent children⁸⁶; most of the initiatives in favour of the latter were to provide school meals (3,125 cases in 1997), although there is growing provision of local youth centres which tend to act more on the side of crime prevention, partly thanks to funds provided under LN 285/97, which promoted networking of public and voluntary bodies providing services for infants and adolescents. The funds from Law 285 have been used by the Naples administration to set up, among other things, a form of MV (*Minimo Vitale* - Living Wage), which had until then been missing from the local social welfare provision. In conformity with the spirit of the Law, the MV economic supplement is limited to families with dependent children in situations of economic hardship (cf. 3.2.3).

Thus there are noticeable signs of change and streamlining in the local welfare system (Kazepov, 1996; Incostante and Attademo, 1998; Amaturò *et al*, 1999; Saraceno, 1998). The RMI pilot raises many hopes about the possibility of achieving less fragmentary forms of intervention, with greater coordination among new and different social actors.

4.3.2. Description of insertion scheme⁸⁷

The crucial factor which must be taken into account in analysing the RMI pilot in Naples is the number of claims submitted. By 21 April 1999, the closing date for registration, 17,665 applications had in fact been presented. The closure was necessary so as to be able to confront the incredible amount of bureaucratic work which such a large number of applications required. Acceptance has however still remained open for officially forwarded claims, a sort of secondary access channel which could be activated only via an official act from a social worker, to allow those families who had not been informed early enough, but who were nonetheless in an obvious state of need, to present a claim. At first it was intended to limit the pilot to only a few neighbourhoods, as happened in other municipalities (Genoa and Catania, cf. § 1.3), but this rule was considered unfair, and the pilot has been extended to cover the entire territory of the municipality, despite the realisation of the enormous workload this would entail (interview no. 63).

⁸⁵ The *Camorra* is the *mafioso* type of organised crime rooted in the region of Campania. Unlike Sicily's *Cosa Nostra*, with its rigid vertical, hierarchical organisation, the *Camorra* has always had a very widely extended horizontal structure, and its presence is therefore felt all over the locality.

⁸⁶ In the south, 28.1% of persons younger than 18 are poor, compared with 5.2% in the north (Commissione d'indagine sull'esclusione sociale, 2000).

⁸⁷ In this chapter we shall not give an extensive description of the scheme, in order not to repeat the information already given in section 1.5, where we set out the formal criteria for access to the RMI.

The access criteria correspond substantially to those stated in the Decree. It is interesting to note that on the claim form for RMI there is a space for *private assistance*, where it was possible to enter the recipient's income from undeclared employment. The majority of claimants have in fact effectively stated their irregular earnings, to justify the expense sustained for rent and consumables. If in fact the income declared was less than twelve times the amount declared as monthly rent, the claimant was immediately excluded from the scheme (interview no. 63). This stratagem, also adopted in other municipalities, is particularly necessary in the south of the country, where undeclared employment is more frequent, to avoid evident inequalities in the handling of incomes. Naturally it is not possible to verify the declarations made in this sense. All that is possible is to establish a minimum figure based on standard of living, which can at least be partially verified by visits to the home. At present this responsibility is delegated almost exclusively to social workers and to the personal tutors from Third Sector bodies who carry out those visits, but it is becoming obvious that checks should be carried out by a more authoritative figure, such as for example the municipal police or the excise office (interview no. 63; cf. § 4.4.5).

A virtual RMI Office has been created in the municipal Department of Dignity, but in reality no officials are occupied exclusively with the new scheme; this seems to be a real disadvantage, especially in view of the considerable impact which the scheme has had on the organisation. The administrative personnel dedicated to the pilot consists of just one administrator and three office staff. Claims could be received by administrative staff, by social workers (about 160, in 21 local Social Centres, many of whom are, however, part-time), and by tutors in the contracting organisations, who were requested to make a contribution to publicising the initiative and to give unpaid help to the population in compiling the forms (which presented considerable difficulties). A larger social secretariat and more training on the specific initiative would perhaps have avoided many compilation errors, and hence many of the appeals subsequently presented (no fewer than 2,359). The social workers themselves complain that they received extremely cursory training concerning the forms and their compilation.

Over 8,500 applications were received, but in view of the available finances it has been possible to fund *only* 3,276, for a total of 15,708 individuals⁸⁸. Families with young children and those living in rented accommodation have been favoured when calculating the score for acceptance, and are thus over-represented among the total number of beneficiary families (cf. Table 18).

⁸⁸ About 50% of the families accepted were already known to the social services. This means that the RMI has had the important result of reaching a considerable number of new clients, who previously had not had access to any service, not even the social secretariat, i.e. the revelation of family problems by the social workers who draw up the relevant social report (interview no. 54).

<i>Table 18</i> RMI families in the municipality of Naples, and families in the province of Naples, by type and number of members (%)		
Characteristics	RMI families in Naples	Families in the Province
TYPE OF FAMILY		
Single person	0.6	19.1
Couple without children	0.2	11.9
Couple with children	72.4	52.4
Couple with children & other members	8.3	3.3
Single parent with children	15.0	9.3
Other family structure	3.5	4.0
Total	100.0	100.0
NUMBER OF MEMBERS		
One	0.6	19.0
Two	1.1	19.4
Three	10.9	18.4
Four	30.1	24.5
Five or more	57.2	18.7
Total	100.0	100.0
Average number of members per family	4.9	3.3
Source: Istat Annual Report 1999.		

To confront the very large number of applications received, the social department of the municipality of Naples, which has been working for some time with a 50% staff shortage, decided to entrust the assistance programmes foreseen within the RMI pilot to certain Third Sector bodies (voluntary organisations, foundations and social co-operatives). To this end, a competition was published and a commission set up, composed partly of university lecturers and Social Centre co-ordinators, to assess the projects submitted and establish a short-list. The assessment criteria concerned: a) the professionals to be used (sociologists, psychologists, street-workers, educators, social workers, etc.); b) knowledge of the problems; c) local background; d) capacity to build partnerships with local and institutional bodies, and past experience of co-ordination with other institutions and civil society. Cultural leanings and the technical ability to enact co-ordination are fundamental characteristics of those players participating in the pilot. In the absence of such ability and leanings, an initiative linked with the minimum insertion income would be reduced to a set of unco-ordinated and disconnected actions - with on one hand the payment of money and on the other some initiatives for insertion into the labour market, neither properly geared to individual situations nor properly able to tackle in a composite fashion the multifarious problems affecting families. Naturally the fact that the organisations selected have had previous experience of co-ordination is not sufficient to guarantee an adequate level of co-ordination. The exceptional workload entailed by the pilot has not, in fact, allowed any development of regular and continuous methods of co-ordination. However, the attention paid to this requirement by all the players involved has meant that, in spite of meetings becoming increasingly rare and in spite of the prevalence of day-to-day and operational issues over the wider and more strategic decisions, the activity of co-ordination has never been entirely pushed into the background but has continued to be a priority.

On the basis of the commission's examination, the municipality signed a convention with 13 bodies selected from the voluntary social sector. In general these bodies were those best organised, able to present complete, well-structured projects and thus to be selected. The officials themselves admit that, given the available budget, each tutor had to be assigned a totally insufficient number of hours to be able to oversee the families in their charge with the necessary regularity⁸⁹: it has been calculated that on average each tutor has available half an hour per month per family, and can oversee only about 10% of them thoroughly (interview no. 63). Greater resources are therefore needed, not least in order to increase the number of staff, if the effectiveness of the scheme is not to be impaired. The question of funding will be absolutely crucial once the scheme is fully up and running.

The municipal administration had intended to pay the staff involved monthly, but the tutors from the voluntary organisations complain that they have not been paid for many months, causing understandable difficulties. The greatest risk is that the officials, who are constantly being asked to upgrade their skills and devote more time, will feel demotivated unless they are paid an adequate and regular fee. There is a possibility that this phenomenon will diminish the quality, and therefore the effectiveness, of the scheme. Even the payment of the income supplement has not always been made regularly every month⁹⁰. Each organisation nominates a co-ordinator to evaluate and monitor the activities and relationships with the municipality and with the other organisations. The voluntary organisations act under the supervision of the local Social Centre of the area to which it belongs, in constant co-ordination with the social workers.

The objectives of the individual social integration projects concern three areas: a) damage reduction; b) socialisation; c) pre-insertion in employment (cf. Table 19). All the 3,276 families who effectively receive economic payments under the RMI are already involved in labour market insertion projects.

⁸⁹ The procedural protocol for the drawing up of individual projects states that each organisation selected would have to oversee not more than 160 families. In reality the quota has in some cases been more than 350 families. The voluntary organisations receive from the municipality a gross fee of 24,101 lire per hour of work supplied by each of the social officials involved.

⁹⁰ The first three months (April, May and June 1999) were paid at the end of June, although the amounts have been divided into several instalments, to avoid any perverse effects that might have been caused by receipt of a single substantial sum. Delays have also occurred subsequently, and these have recently been the cause of a well-organised protest by beneficiaries (cf. § 4.4.5).

Area of intervention	Description
Damage limitation and reduction	Personal hygiene, care for the family, healthcare; hygiene in the home and environment; attention to family patterns and the school life of children.
Socialisation	Participation in activities offered for this purpose; enrolment and attendance at training activities.
Pre-insertion in employment	Enrolment on the jobseekers' lists; working activities, including fixed-term employment or jobs not entailing an employment relationship (courses, traineeships, etc.).

During the first 16 months of RMI payments it has been possible to handle the first two objectives, namely damage reduction and socialisation. Although there are still no precise estimates (the data are actually being collected at the moment), reports from tutors and social workers and the first official feedback reveal that the majority of clients have used their economic supplement to improve their residential and health conditions⁹¹. Many families have also been able to visit medical specialists or buy spectacles, dental apparatus, etc., especially for their children. Another important item has been to regain a clean *legal* bill of health through the partial payment of outstanding and extensive debts.

At the same time, some important socialisation initiatives have been started up, which have above all concerned remedial compulsory schooling for adults not holding the middle-school certificate (e.g. the *Mentor Project*). Truancy by children (many of whom in any case do not go beyond the 3rd class of middle school) seems, on the other hand, to be declining, partly due to the efforts expended in recent years⁹²; if in fact the concept of scholastic instruction as a resource has not yet been wholly absorbed, compliance with the statutory requirement is now accepted (interviews 65 and 66); tutors and social workers in any event set great store by school attendance.

⁹¹ Many low-income families in Naples live in the so-called '*bassi*' – illegal dwellings established in the basements of old residential blocks, and because of their nature extremely unhealthy owing to the humidity. The housing conditions of the families on the list are appreciably worse than those of the city's average population: 10.3% have no drinking water supply, and a good 55% have no heating (Istat, 1999). Many families have therefore spent part of the RMI supplement on whitewashing their living rooms (which makes them more habitable for about a year), or to buy essential furnishings, such as beds.

⁹² A good example is the experience with *Chance*, a project at present funded under LN 285/97 (cf. § 3.2.3): three forms for fifteen boys each in three of the quarters most at risk (*Barra, Quartieri Spagnoli, Soccavo*). The Director of Education seconds some teachers (21 in all) with particular relationship skills and experience as street-workers. Classrooms are made out of unused spaces in the neighbourhood schools. In two years 90 boys have been brought back. Some of them, after obtaining their middle-school certificate in the first year, have gone on in the following year to take a vocational course, thus complying with the rise in the school-leaving age.

Table 20 Adults and children placed in programmes under the RMI *		
Type of intervention	Adults placed	Children placed
Remedial compulsory schooling	343	24
Vocational training courses	355	15
Vocational guidance	424	16
Definitive entry into the labour market	9	-
Temporary entry into the labour market	13	7
Recovery from addiction	12	-
Starting a spell in a community of drug addicts	5	-
Legal compliance (payment of outstanding debts for consumables, pawn pledges, fines for illegal peddling)	896	-
School insertion of slow learners	n.a.	30
Teaching support for children	n.a.	162
Sports and play activities for children	n.a.	359
Activation of social networks / guidance towards institutions	784	13
Other: housing upgrades, healthcare, legal assistance	409	3
* The data refer to 6 of the 13 voluntary organisations contracting with the municipality under the RMI. n/a not applicable		

On the other hand, as regards the phenomenon of pre-insertion, it unfortunately appears less and less likely to concern more than a very small percentage of the individuals involved before the end of the pilot in December 2000. However, some projects have been started up (cf. § 4.3.3.). Table 20 shows some indicative figures regarding the insertion initiatives already carried out. Yet these are only partial, since they refer to only six of the 13 contracting organisations, and there are no guarantees as to the uniformity of the methods of data collection. Within these limitations, the figures clearly confirm the preponderance of interventions for damage reduction (legal compliance, housing upgrades and health treatments) and for socialisation (remedial compulsory schooling, vocational training and guidance, and activation of social networks) as compared with insertion into employment.

4.3.3. Labour market insertion projects and future prospects

The municipal administration signs a *social pact* with each RMI recipient, whereby the beneficiary undertakes to communicate any variation of income, or alternatively the continuance of a state of need, and to respect the social undertakings which will be agreed subsequently, for all members of the family, at the signing of the so-called PACI - (*Progetto di Aiuto Concordato ed Individualizzato* – Individually Agreed Aid Project). The signing of the PACI implies an examination of all the problem areas regarding each family member and the identification of a series of objectives to be attained during the period of access to the RMI, the RMI being understood both as an income supplement and

Psychologists and artisans participate in the project, and the latter are asked to teach the boys a trade (interview no. 54; *Il Diario*, Vol. V, no. 24).

as projects for social/labour market assistance and insertion. In particular, all family members of working age who are without jobs but fit for work are obliged to accept any offer whatsoever of employment, including for a limited fixed term. Unfortunately the opportunity of insertion projects has so far been offered to only a small number of RMI beneficiaries, and this comes as a disappointment to the officials, tutors and social workers themselves. The municipal administration, overwhelmed by the burden of red-tape and liaising with the public, has not been able to engage sufficiently in setting up instruments and procedures to face this problem (which is often the cause of many further problems (economic hardship, housing disadvantage, truancy, etc.). The initiatives mainly arise in the field. The tutors of the *Associazione Quartieri Spagnoli*, for example, spontaneously worked out a project to offer their clients as much information as possible about the labour market, gathering news about job opportunities from various sources, supplying all clients with a list of temporary employment agencies, acting as go-betweens with the leaders of projects already in operation, such as *Lavoro ai Meritevoli* (Work for the Deserving), co-ordinated by the parish of “Gesù Nuovo”, which organises targeted training courses and makes contacts for helping the young unemployed find work and lodgings in the province of Treviso. Unfortunately the results from the numerous contacts taken up have been meagre. There are many reasons for this. On the one hand, the available job opportunities are practically all outside the region, or even abroad. The local market is particularly threadbare in respect of regular semi-skilled jobs, which are those generally held by the inhabitants of at-risk neighbourhoods. Moving out of the region does not pay well: the difference between a medium-to-low wage and the cost of board and lodging for a single worker, who cannot count on help from the family, does not allow much to be saved and does not allow the family to reunite within a short time. By contrast, the inhabitants of the so-called “*bassi*” are immersed in a dense and extensive network of family relationships and friendships enabling them to subsist even in conditions of extreme disadvantage. Often they marry and become parents very young, and to leave such a recently formed family in the conditions explained above⁹³ does not appear to most people to be a viable option. However, officials have also found cases where the guarantee of an assured income for the family has prompted them to go in search of work a long way from home.

There are, in addition, other initiatives regarding initial training and guidance programmes for young persons completing their compulsory schooling, which provide traineeships with local artisans, without an employment relationship or obligation of recruitment, with an allowance paid out of European and national funds. The percentage of work outlets is not significant, but the experience gained is very much so, both in terms of relationships and as regards learning (interviews 65 and 66).

⁹³ Furthermore, until the job placement system was reformed, accepting a job in another region meant losing one’s position in the ranking at the local employment exchange. In addition, account must be taken of the effect of the replacement pay-outs to those who, having worked in the past, have a right to the mobility allowance or unemployment benefit. The discouraging effect of the RMI itself must be taken into consideration when analysing its ambition to promote the independence of individuals on the labour market (Boeri and Pellizzari, 1999).

Other projects are in the pipeline.

1) The first example is the *Rimmel Project (Reddito Minimo di Inserimento per le Madri delle Economie Locali* - Minimum Income for the Insertion of Mothers in the Local Economy), put forward by the municipality of Naples within the framework project *I percorsi dell'esclusione sociale* (Remedies for social exclusion), run by the Department of Social Affairs and co-financed by the ESF. The project is reserved for 30 female heads of families⁹⁴, aged between 35 and 55, with children over 14 years old, who are RMI recipients and in possession of a middle-school leaving certificate. At first this target was set in only some of the more problematical neighbourhoods, but in view of the difficulty of finding 30 women possessing the required characteristics⁹⁵ and not already occupied in other projects, the search had to be extended to the whole city. 60 suitable women were found and their names put onto a short-list. The first 30 completed their theoretical training, lasting one month (divided into two phases: study and sensitisation; motivation and guidance), in June 2000, to be followed by a practical phase of traineeship terminating on 31 December 2000⁹⁶. The purpose of the project is to impart cultural notions and practical skills in fields of interest to the participants. It is fundamental to attempt at the same time also to offer occupational opportunities to their children of working age, promoting the creation of family micro-businesses, or small co-operatives. To this end, there will be a lengthy phase of tutoring during the start-up and consolidation of businesses (interview no. 57).

2) Many projects are aimed at women, confirming their greater weakness in the labour market, but also their greater willingness to take a risk and embark on training courses (cf. § 4.1.2.). The Education Department, once again in conjunction with local voluntary organisations, has spearheaded the *Nidi di Mamme* (Mothers' Nests) project. In this project certain mothers, after a training course as nursery nurses, have created kindergartens in neighbourhood schools which have lent them some rooms. The project has been a success, in spite of some serious problems with cash-flow⁹⁷, and now the hope is to turn it into a kind of enterprise, which in addition makes up for the shortage of services for infants, in its turn one of the causes of women's under-participation in the labour market⁹⁸.

3) Women are also the principal target of the *Anziano in Famiglia* (Elderly Persons in the Family) project, which the municipal administration has been running for some years, and which permits any person who assists an elderly person, even if not a relative, to obtain an income from the municipality.

⁹⁴ Either permanently (widowed, separated, divorced) or temporarily (wives of prisoners, drug addicts, alcoholics, mental patients) (*Rimmel Project* proposal).

⁹⁵ A survey of a sample of about 1,500 families in run-down neighbourhoods indicated a low level not only of income, but also of education, as much in women of average age 40 years as in those of 24. 90% live at home without any paid activity. Some do undeclared work as domestic helps, while others, lacking sufficient income to support the family, take up cigarette smuggling or drug trafficking (*Rimmel Project*).

⁹⁶ The attendance allowance takes the form of a voucher worth 7,000 lire for each hour of theoretical or practical training, which undoubtedly aroused interest among the participants.

⁹⁷ In fact two mothers are still waiting for their fee after a good seven months (interview no. 63).

⁹⁸ Other courses, in cooking and data processing, are available to women and have met with huge success. Four classes were planned, with a total of 320 women enrolled, but there were a good three thousand applications, mostly for the data processing course.

This project on the one hand improves the assistance given to elderly persons at home and limits recourse to their institutionalisation; while on the other it offers an income to those persons (almost always women) who provide assistance to family members who are no longer self-sufficient. It is furthermore an opportunity to strengthen networks of solidarity and links between neighbours (interview no. 41).

4) Lastly, the *Progetto Lavanderia* (Laundry Project) is worth noting. It originated in an agreement between the *Fondazione Massimo Leone* (Massimo Leone Foundation), an *Onlus* which has been working for years inside the municipal public dormitory (a building which is currently being restructured, with about 150 beds), the Department of Dignity, and the *Suore Poverelle* (Poor Sisters) of the *Beato Palazzolo di Bergamo* convent, in addition to a series of other organisations and individual volunteers. The idea is to set up a service co-operative among nine of the persons of no fixed abode⁹⁹ who are regular guests at the dormitory (RMI recipients), to operate a laundry primarily serving the requirements of the dormitory itself, and later for other contracts from the municipality, and finally opening up to the market¹⁰⁰. The particularly innovative element evident in this type of project (as in *Rimmel* and *Nidi di Mamme*) is the extensive co-ordination of different types of initiative, and above all the encouragement of an entrepreneurial approach in using the RMI subsidy, by investing it not only in personal growth programmes but in a concrete economic venture which confronts the market, though admittedly with some protection thanks to the tutoring input. This ought to optimise the reintegration effects of the scheme and make them last. The RMI recipients will follow a training course (delivered free of charge by volunteers) covering general business management principles as well as specific management tasks. The project has multiple aims: a) to revitalise the self-reliance, dignity and self-esteem of the persons involved; b) to free up municipal personnel (notoriously insufficient) currently used for cleaning work, and make them available for other duties; c) to enlarge the number employed in future, creating a fresh demand for labour. Insertion in the co-operative must however be understood as transitory, and should be the prelude to starting up independent activity, so that provision must therefore be made for a certain mobility among the members (interviews 37, 50, 65, 66).

A suggestion coming from some social workers is to involve social co-operatives rather more in the actual implementation phase of the RMI, not only because they are intended to help people into work, but also because the diffusion of a co-operative culture might contribute to bringing undeclared work out into the open (interview no. 54). It is not by chance that many of the projects aim at this economic model to stimulate enterprise. Recently an information desk - *Sportello per la promozione della cooperazione sociale* (information desk for the promotion of the co-operative movement) has been

⁹⁹ There are about 600 persons with no fixed abode contacted by the municipal services and the Third Sector in Naples (interview no. 37).

¹⁰⁰ The municipality, which is responsible for the institution, is making available and equipping certain rooms, and awarding contracts to the co-operative. The *Massimo Leone Foundation* will be the financial backer, that is to say it will contribute to the subscription of capital and refrain from taking any profits distributed.

opened in Naples, offering advice about what co-operatives do, what legislation is involved, and what are the obligations and advantages. But measures of this kind usually demand very extensive support mechanisms¹⁰¹. However, the fact remains that the phenomenon of unemployment is too widespread for it to be decisively countered with labour market insertion projects alone. This road also leads, in fact, to a certain amount of mistrust from business leaders, who are afraid that involvement in these initiatives may expose them to tighter controls in respect of taxation, social security contributions and legislation on safety at work. One significant precedent is a project carried out some years ago by the Department of Dignity for the social and labour market reintegration of former drug addicts. In spite of the generous incentives offered, and the increases in these because of the lack of success, during the course of a year it was possible to place only one person in work. More than diffidence towards this specific category of social disadvantage, the administrators of the scheme have noted that business leaders are diffident about co-operating with officialdom (interview no. 41). This frigidity on the part of local businesses constitutes a structural obstacle to the satisfactory outcome of labour market insertion projects. The development of these programmes must therefore be accompanied by efforts aimed at strengthening the trust between the business world (especially non-social, or in other words profit-making, firms) and the local authorities. As regards firms which are seriously compromised by accounting, taxation and administrative irregularities, such a relationship with government institutions can only be achieved within a much wider strategy to favour emergence from illegal situations. This could, for example, take the form of tax amnesties or rebates made available only to companies which are prepared to co-operate in official initiatives designed to increase employment (and the employability of some categories of unemployed persons).

All the social actors concerned are worried about the future prospects of the RMI. All of them hope that the pilot will gradually become standard practice across the whole nation. Directors and officials also tend to stress the fact that the financial participation demanded of the local authorities as an indication that they shoulder their responsibilities could become very onerous, especially in the larger municipalities. They would prefer to see the second phase of implementation accompanied on the one hand by appropriate financial resources, and on the other by more institutionalised planning and management of insertion projects, which should not be entirely delegated to the local authorities (and by them to non-profit-making organisations); otherwise the methods and results become far too fragmented (interviews 41 and 50; cf.. § 1.5.2).

¹⁰¹ *The people we assist do not even know what a social co-operative is* (interviews 65 and 66).

4.3.4. Functional pathway of recipients

The municipality has publicised the new scheme very widely, through advertisements, local newspapers and television, and informative material distributed to all the offices of the social services and local Third Sector organisations, together with application forms. In addition to all this there was the face-to-face information given by the social workers and tutors¹⁰². The news of the pilot has often been received with surprise and incredulity, in some cases with the fear that to apply would signify exposing oneself to checks, especially in relation to proper care of children (with the fear that children might be taken away from the family) and peddling without a licence or cigarette smuggling, which are very common activities among low-income families in at-risk neighbourhoods. The set of forms was rather complex, and most of the applicants have needed help in completing them.

An applicant whose claim is judged admissible, and who is placed on the short-list of families to be assisted, is contacted by a tutor from the voluntary organisation responsible for the applicant's quarter and type of family. The tutor delivers the letter showing the points scored, the position on the short-list and the amount of subsidy assigned. He/she also explains the ways of subscribing to the social pact. In some Social Centres the social workers have organised proper meetings, with about 30 families at a time, to explain the methods in detail.

Once the social pact and the PACI have been signed, the tutor ought to visit the family several times a month, but in reality this has happened only with the most problematical families, because of the reduced time available to staff, and for many families only one visit a month has been possible. The tutor activates all the relevant resources: children under three are sent to nursery schools, or examined by a doctor; unemployed members of the family are placed on training courses and/or labour market insertion projects, such as for example *Elderly Persons in the Family*, *Mothers' Nests*, etc. (cf. 4.3.3.); children truanting from school and adults lacking a school leaving certificate are sent on remedial courses; and in addition assistance is offered for recovery from long-term outstanding debt, for improving hygiene in the home and for healthcare.

Every three months the tutor assesses the project's progress, while every six months there is an official assessment of whether the conditions exist for continuing the social programme (initially these checks were also to be made every three months, but the workload involved made it necessary to reduce the frequency). In this connection a standard checklist has been designed for case analysis, which incorporates certain progress indicators regarding: a) starting conditions; b) objectives; c) opportunities offered; d) unforeseen events (positive or negative); e) responsiveness of beneficiaries.

Payment takes place at the municipal treasury, on one of four days each month. The RMI office communicates these dates to the Social Centres and to the non-profit organisations, and they inform the beneficiaries. In spite of this constant mediation work carried out by local agencies, the RMI office

¹⁰² In spite of all this, the actors directly involved still fear that the information has not reached all potentially interested persons.

is always crowded with clients, and the work of the front office is extremely burdensome. At 8/11/99 there had not yet been a single case abandoned due to a lack of collaboration by clients. In about a hundred cases the subsidy has been revoked due to variations in the access qualifications, usually related to income, or where persons have found work (usually through their own resources, independent of RMI projects) and have exceeded the threshold, losing their entitlement to the supplement. Conversely, some cases have been suspended, in that the family members refused to sign the PACI. The subsidy will not be paid until they sign the undertakings provided for by law (interview no. 50).

The clients seem in any event to have recovered their trust in officialdom. They have learnt to identify the Third Sector organisations and the Social Centres as official agencies to be approached to express problems and receive information, they have basically accepted the contractual nature of the scheme, and have certainly improved their own knowledge of the local services and increased their usage. It is evident that the Third Sector bodies involved in the pilot have assumed a truly fundamental role in its operation, not merely in the mere delivery of certain services. The Third Sector agencies are always perceived by clients as the bodies officially responsible for the RMI, almost reaching the point of sharing this responsibility with the local Social Centres, in spite of the institutional difference remaining between them: the Social Centres in fact maintain a co-ordinating and supervisory role in respect of the work of Third Sector agencies.

4.3.5 Co-ordination: practice and perceptions

Vertical co-ordination

The organisational structure of the administrative unit managing the RMI is not straightforward. Within the Department of Dignity of the municipality of Naples¹⁰³, the RMI is in the social services section, which is composed of three Services:

- The *Central Welfare Activities Service*, which is responsible for the RMI and manages its financial resources;
- The *Decentralised Welfare Activities Service (families, associations and voluntary organisations)*, which employs the social workers who manage RMI cases on the ground;
- The *Minors Service*, with which the social workers are involved for initiatives concerning children, which may take place under the RMI.

¹⁰³ When the ex-Mayor of Naples, Antonio Bassolino, was elected President of the Region of Campania, in April 2000, the former Councillor for Dignity was invited to join the regional government. At present the Department is under the responsibility *ad interim* of the Deputy Mayor, who is at present also Acting Mayor. The absence of an appointment safeguards the Department from any party-politicking, but at the same time penalises it by giving it an administrator who cannot be full-time because as Deputy Mayor he also holds other responsibilities (interview no. 63).

This three-way division of responsibilities creates some understandable difficulties for social officials, and also has repercussions on RMI management. It generates a need for co-ordination which is not completely satisfied at present, even though the fragmentation is partly rectified thanks to the post of co-ordinator of the social services section, which is occupied by the same official who manages the Central Welfare Activities Service. These three Service directors meet weekly, but never to discuss the RMI alone; the pilot is only one of the items on their agenda. The fact that at central institutional level the responsibility for operating the scheme is already so fragmented is inevitably a source of misunderstandings, disagreements and delays. The allocation of tasks can in practice be interpreted in different ways according to the problems in hand. One example is the delay with which arrangements are being made to redistribute the burden between the different Social Centres, since the directors are not unanimous about who should take on this scheme (interviews 50, 54, and 60).

There were episodes of stricter vertical co-ordination at the beginning of the pilot, when consultations took place among directors, civil servants, co-ordinators of Social Centres and social workers. In the period when it was necessary to discuss the novelties inherent in the pilot and methods of operating the new scheme, discussion was not limited to top-down communication: some social workers were also involved in the commission to select the Third Sector bodies with which the municipality was to sign conventions. That duty has had an important function, since the social workers, and in particular the co-ordinators of Social Centres, had a say in choosing the persons with whom they would thereafter have to work closely, and whom they would have to co-ordinate and supervise. It was thus significant that the selection of those persons was not imposed on the Social Centres from above, but that they were involved in the process.

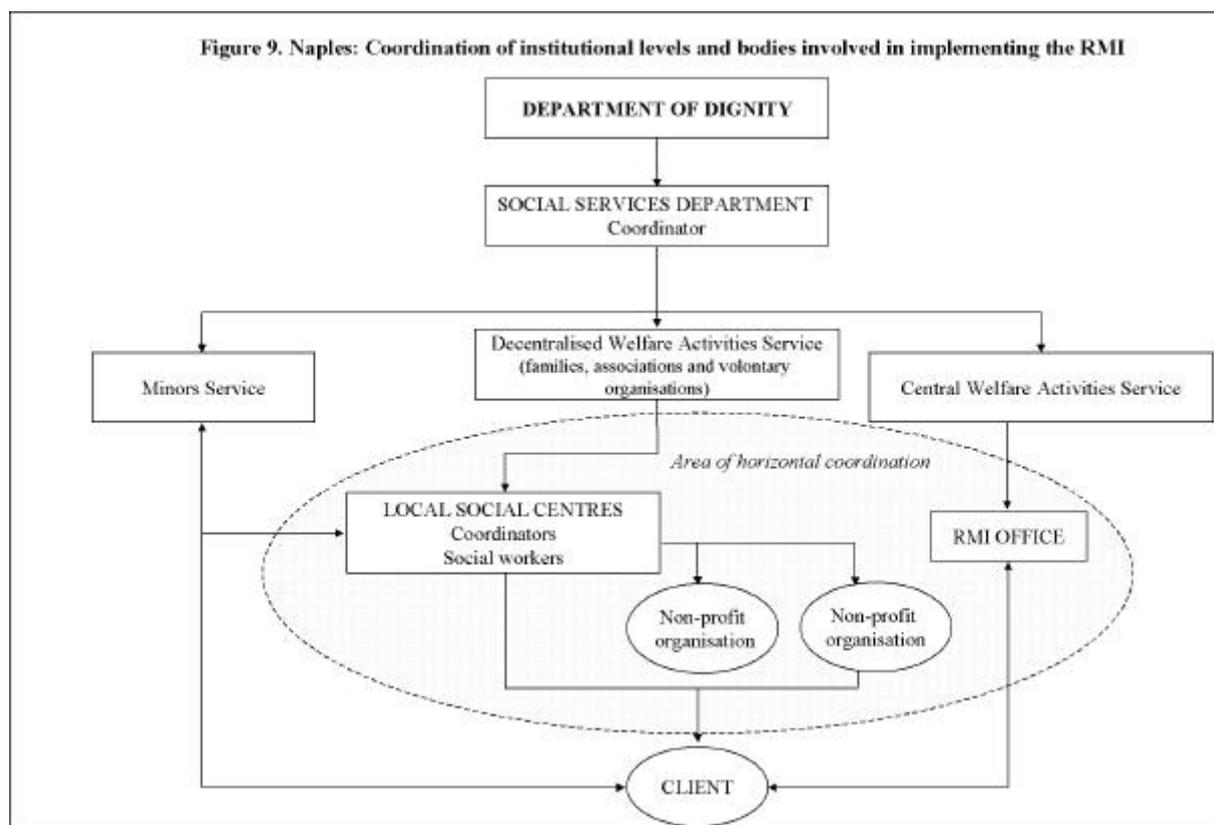
Horizontal co-ordination

As we have observed, the relationship between the Department and the selected organisations has been formalised in a convention which sets out the terms of the services required, the professional skills demanded, the time allocated (in hours), the relative remuneration and the maximum number of families to be taken on (although this figure was subsequently altered). The RMI experience has without doubt taken relations between the municipality and the 13 contracting organisations to an extremely high level: the acquaintanceship - even personal - between the executives, co-ordinators and staff of the voluntary organisations on the one hand and the directors, civil servants and administrators of the Department of Dignity on the other is very close indeed. It has principally developed following the almost daily contacts geared to resolving the hundreds of difficulties arising during the implementation of the new scheme; these have often related to individual case management, around which co-ordination has been energetic, constant, and effective.

Co-ordination assumes a predominantly local and horizontal dimension, and is in fact the ideal context for communication and consultation between non-profit-making organisations and Social Centres. The co-ordinators of the neighbourhood Social Centres organised preliminary meetings before starting

with implementation, so as to agree with the tutors from the voluntary bodies the best ways of approaching recipients, the intervention procedures and the socio-economic indicators to take into account during home visits. The neighbourhood meetings, originally weekly, now continue monthly. Naturally, these formative meetings (which, we emphasise, were a spontaneous, although absolutely indispensable, initiative of the Social Centres) are flanked by practically daily operational contacts about the management of individual cases. The social workers remain in charge of official initiatives, which, however, are mounted at the behest of the tutors, who have the closest contact with clients (let us also remember that the social workers still keep all their other numerous previous duties) (cf. Figure 9).

The network of co-operation built by the municipality among the different social actors now seems to be fuller and better balanced. Latterly it has been further enriched by a new element -the programme agreement between the municipality and the ASL (*Azienda Sanitaria Locale* - Local Health Authority) on the integrated operation of the social and health services. This is an important result, in line with the tendency towards shared operation of local services analysed in Chapter 3, which completes a process entailing a series of projects and experiments. Some observers criticise the top-down character of the operation, which imposes integration among the social actors from on high, independently of the pre-existence of joint practices (interview no. 63).



Work overload

Some tutors complain most about the lack of stricter co-ordination at personal level, with more regular meetings. Particularly at the beginning, such meetings were held more regularly: the Central Welfare Activities Service used to call together at the central office the representatives of contracting organisations and Social Centres, but over a year ago these meetings became less regular. The director put some rooms in the central office at the disposal of the voluntary organisations, so that they could meet whenever they saw fit, but in the absence of the second phase - an official convocation by the administration - the meetings took on an informal tone and very rarely saw the full participation of everyone involved, too busy with their daily activities. These meetings take stock of the latest situation, problems arising and initiatives carried out, solutions are sought and new proposals discussed¹⁰⁴. In a certain sense the management of the RMI pilot in Naples does not run any risk of a co-ordination overload, as mentioned in section 3.3.2, because of the presence of a different kind of overload, due to the discrepancy between available resources and workload (just as much administrative as operational), which does not permit the maintenance of a more frequent series of co-ordination meetings, considered desirable by all the informants.

Volume of resources and cash-flow

One of the most urgent problems regarding relations between the administration and the voluntary bodies concerns the cash-flow from national government level to local level. If a municipality does not commit all the funding in a given year, the residual money is returned to Rome towards November, and does not come back to that municipality until about May or June of the following year. Yet, and in spite of attempts to cut the red-tape, all the procedures are designed on a reimbursement basis (partly because the legislation itself often prohibits advances of funds), and payment orders are not fulfilled before 60, or even 120, days. This mechanism on the one hand does not permit orderly planning of activities and spoils the quality of project realisation, while on the other it seriously erodes the motivation of staff, who at times work virtually as volunteers, for they are not paid regularly (interviews 63, 65 and 66). Co-ordinating activity not only suffers through the lack of financial resources explicitly dedicated to it, but can also be compromised by the insufficiency of resources earmarked for other items in the budget, first and foremost staff remuneration. In fact, if the staff are paid for a minimal number of hours, these hours will inevitably be dedicated to paperwork and to social intervention, while the first activities to be neglected will be supporting ones, and primarily that of co-ordination, but also the training of those same officials. The financial question, as one can see, is extremely delicate.

¹⁰⁴ It was at one of these meetings that the *Laundry Project* was conceived (cf. § 4.3.3).

Method of evaluation

One important aspect of the management practices introduced by the Bassolino administration (the previous Mayor of Naples, now President of the Region of Campania) is undoubtedly the collaboration with the University of Naples. The University has, in fact, been involved in various ways: a) It has signed a convention for the evaluation and monitoring of projects under Law 285/97; b) It has nominated its own member of the social exclusion committee (*Comitato Esclusione Sociale*), set up by the municipal administration, at the same time signing a convention on the establishment of the Observatory on Social Exclusion (*Osservatorio sull'Esclusione Sociale*); c) Two University representatives sat on the commission for the assessment of Third Sector organisations applying to run RMI insertion programmes; d) The University was entrusted not only with drawing up the initial short-list of RMI beneficiaries, but also with updating it, by adding or removing names according to variations in the access qualifications, throughout the entire duration of the pilot.

The presence of a third party like the University has contributed to guaranteeing transparent management, without patronage, eliminating the role of that kind of unofficial haggling made up of corruption and collusion verging on *mafioso* behaviour, which has on other occasions tarnished the public administration. According to the University representatives themselves, their presence has, at least at the outset, been reluctantly tolerated by some Third Sector bodies, which viewed it as an invasion of their dominion (interview no. 69).

Neither has the pilot provided any very helpful experience of more practical and consolidated co-ordination in terms of carrying out checks on recipients. The municipality has sought co-operation from many official bodies, among them the tax inspectorate for assessment of incomes and the land registry for information on property ownership, but in the absence of precise ministerial directives (which should be established before the scheme is extended, cf. 1.3.2.), any real collaboration has been practically non-existent. In consequence it has been possible to make systematic checks only at the registry office, involving solely other offices of the same administration, while it has not been possible to effect the numerous checks requested by tutors and social workers, who have often noticed a discrepancy between declared income and the standard of living observable during home visits (interviews 41, 63, 65 and 66).

The administration did set up an appropriate commission for the evaluation of the pilot which, however, after its first few meetings has not been very visible.

Local co-ordination and ethical values

From the point of view of grass-roots partnerships, on the other hand, there exist at neighbourhood level the CTAs (*Coordinamenti Territoriali d'Area* - Local Area Co-ordination Units), which have developed in the course of years of joint work among the different players present in neighbourhoods, notably the relevant local Social Centres (of which there may be more than one in the same quarter), voluntary organisations, schools, the ASL and religious institutions. They mainly co-operate in the

day-to-day management of individual cases. The actors mutually recognise each other as important resources existing in the neighbourhood, to which they can apply in the knowledge that there are already tried and tested methods of co-operation which are fluid and not bureaucratic. One example is the *Coordinamento Territoriale d'Area dei Quartieri Spagnoli* (Local Area Co-ordination Unit of the Spagnoli Quarters), which already has a very long history behind it. Despite the fact that on the ground such co-ordination is viewed more than anything else as networks utilised for the management of individual cases, their growth has been possible thanks to the presence of small *soviets* of charismatic people, sharing a common reading of reality (the *vision*) and a strong desire to work in the social field without being limited to merely operational interventions, but with wider basic aims relating to the development of the local community, or even the quarter (the *mission*) (interview no. 63). These broad-based ambitions are often lost, with the passage of time, partly because they are overtaken by specific operational issues, and partly because of the limited capacity of public institutions to sustain the growth of such co-ordination, which originates and develop spontaneously.

Spontaneous co-ordination initiatives among recipients

One form of co-ordination which it is important to take into account is that which developed completely spontaneously among RMI recipients. When there was a delay in the payments, and at the initiative of some individual recipients, the vast majority of the clients organised themselves into a *committee*, even issuing identity cards with photographs, and paying a subscription of 5,000 lire per head (some people express doubts about what became of those funds). The committee has already contacted the ministerial civil servants responsible for the RMI. This initiative testifies to the widespread anxiety among recipients regarding the outcome of the pilot and the fate after 31 December 2000 of families currently being assisted. The precedents, likewise in Naples, set by the protests of unemployed people and of organised LSU workers (cf. 2.4.1) lead one to take a serious look at the handling of the delicate transition phase from pilot to roll-out, or, in the worst case, the demise of the RMI (interviews 50, 54, 60).

This episode is furthermore indicative of the fact that the recipients now look on themselves as having acquired the RMI as a right, which they are ready to claim from the public administration in the case of a failure to pay, or a delay or suppression of the measure. On the other hand, there is no sign of any major stance on the part of these same recipients as to the inadequate provision of labour market insertion projects. This leads one to think that the aspect of activation of personal and family resources inherent in the RMI, although widely accepted, takes second place in the recipients' eyes when compared with the disbursement of money.

4.4 Autonomous Province of Bolzano (PAB)⁶¹

4.4.1 Socio-economic context

The Autonomous Province of Bolzano (*Provincia Autonoma di Bolzano* - PAB) has a border with Austria and a population subdivided into three language groups: Italian (26.5%), German (65.3%) and Ladin (4.2%). This fact is of considerable relevance culturally: issues pertaining to the coexistence of these groups are taken very seriously. In the past they have been the cause of tension and violence, whereas nowadays the debate revolves principally around language mastery alone⁶². The PAB is the administrative unit of reference. Today, after a laborious process⁶³, it enjoys a status of autonomy, made official in 1972, which among other things provides for regular transfers of funds from the central administration of the Italian State in addition to the province's own tax revenue. Consequently it is traditionally a very rich area, with a sound infrastructure and a high level of development. The PAB has 458,568 inhabitants. The demographic structure has distinct differences from other regions in northern Italy: the population is younger (62% are aged between 0 and 44, as opposed to an Italian average of 57.8%), its birth-rate is higher (11.9‰, against 9.2‰ nationally) and the natural balance is positive (+3.7‰, as opposed to -0.4‰ nationally). There are also more migrants flowing in than out. Urban development is very fragmented owing to the natural relief of the landscape, largely made up of valleys and mountains: whereas the municipality of Bolzano has 97,000 inhabitants (overwhelmingly Italian-speakers and elderly), almost half of the PAB population lives in municipalities with fewer than 5,000 inhabitants.

The unemployment rate is 2.5% (1999), having peaked at 3.5% in the 1990s. These are excellent figures, consistently below both the regional average and those for northern Italy and the country as a whole. The figure is so low that it lies below the frictional rate: local employers' associations bemoan the shortage of labour. The activity rate has risen to almost 50% of the resident population, around 10% above the national average. During the 1990s there was a slight increase in the female activity rate and an opposite trend in the male rate. Yet the unemployment rate – 3.5% for women, 2.2% for men (1997) – still puts women at a disadvantage, especially those re-entering the labour market after having a child and those seeking their first job. The age structure of the unemployed reveals a prevalence of 20 - 29 year-olds, both among persons registered with the public employment service (37.8% in 1997) and among those seeking their first job (38.5%); however, jobless persons find work within relatively short periods of time. Indeed, the long-term unemployment rate is low (17% of those

⁶¹ This case study is part of a research project commissioned from Synergia srl and financed by the Employment Department of the Autonomous Province of Bolzano. Co-ordination with the European Foundation project enabled us to use the same methodology and to compare the findings.

⁶² All public documents and communications are bilingual; anyone working for the provincial administration must pass a language examination; all signs are in two languages, and all counter staff must be bilingual.

officially registered unemployed in 1997, with no particular differences between men and women). An investigation into this unusually low rate revealed that these are people for whom unemployment is a consequence of more far-reaching disadvantage (mental illness, addiction, etc.) (IRE, 1997). Furthermore, some 40% of those registered unemployed are in the hotel sector (11% of employees), subject to cyclical troughs caused by flows of tourists.

The local economy is very different in structure from that of other provinces in the north. There is a high proportion of agricultural workers (15.9% in 1997 according to the Employment Office): this figure is probably an overestimate due to double counting of the seasonal component, but is sizeable in any event. Industry accounts for around 25% of workers (first and foremost construction, but timberworking, manufacturing of machinery, the food industry and metalworking are also significant). In 1999, 93.9% of firms had fewer than 50 employees, with an average of 16.3 employees per firm. Six out of every ten workers are engaged in the service sector: of these, 1/3 are employed in the public administration (a particularly large employer in the PAB), teaching, health and the social services, 23% in commerce, 19% in the hotel trade (another major sector), and 25% in so-called "other" services (banking, transport, communications, the liberal professions). The positive employment data are reflected in the general economic picture: in 1999 there were 2,200 new jobs and 500 new firms; inflation stood at 1.7% (close to the national figure, whereas in the past inflation locally was twice the Italian level on average); the provincial growth rate over the past five years has fluctuated between 2% and 3%, always higher than the national average.

4.4.2 Description of insertion scheme

It is not easy to reconstruct the institutional framework surrounding labour market integration measures for persons whose minimum income falls below certain thresholds, because of the plethora of actors involved. We must first distinguish between economic assistance and labour market integration.

Economic assistance

There has long been a universally guaranteed living wage (MV - *minimo vitale*) (the first Italian province to have one, LP 69/73). An income supplement⁶⁴ is available to all citizens in conditions of economic hardship, defined on the basis of an income threshold updated annually by the province

⁶³ In the wake of the 1946 Paris Agreement sanctioning the Italian State's obligation to recognise the legislative and executive autonomy of Alto Adige.

⁶⁴ Account is taken of earned and non-earned income (including the possibility of realising assets), including the earnings of the spouse or partner, whereas those of first-degree relatives are counted to the tune of 70% and second-degree ones 50%; the rent is paid separately if its level is deemed appropriate.

according to the local inflation rate. The basic amount for 1999 was 609,000 lire⁶⁵. The MV falls under the Social Services Department and is run by the municipal social services of the eight territories (and in the near future by the 20 districts into which the territories are subdivided), delegated and financed by the provincial administration (cf. Figure 10). Disbursement is made in accordance with codified *administrative* procedures and has no structural connection with activation measures⁶⁶. It may, however, be viewed as an income supplement during the course of a recovery programme for persons in the care of other social or health services: medical/social services for alcoholics and drug addicts, mental health centres, hospitals, etc. So it is these services which direct clients to the Economic Assistance staff to request an income supplement. Persons in receipt of the MV must demonstrate that they are below the predetermined threshold; they are then entitled to the subsidy for three months⁶⁷ but are obliged to seek employment (Provincial Decree 2/91, Art.18). If the person proves that none has been found, the subsidy may be disbursed for a further three months; otherwise the staff may initiate gradual cutbacks in the economic assistance⁶⁸. All of this is predicated on a market situation so favourable that it seems to rule out straightforward unemployment as a condition of hardship, without the presence of other problems (pathologies, disability, etc.). Applications may be resubmitted. Claims are accepted from Italian citizens or those of other EU countries who are permanently resident in the PAB, other foreign citizens from countries having signed mutual social assistance conventions, and non-EU workers and their families permanently resident in the PAB for at least three months (Provincial Decree 2/91, Art. 2). Although not specifically envisaged in the regulations, the presence of young children in a family⁶⁹ makes it more likely that disbursements will be reinstated, since the neediness of these families tends to be long-lasting. Once a claim has been accepted – the disbursement committee meets once a week – the territory pays the agreed sum to the claimant. Expenditure on economic assistance in the strict sense – the MV – amounted to 11.2 billion lire in 1999; it has been growing steadily for years, as has the annual expenditure per assisted family, at just under 4 million lire. The number of assisted families in receipt of MV has fluctuated in recent years between 2,300 and 2,800, out of the 170,000 residing within the PAB (an incidence of 1.3 – 1.6%). Contributions to exceptional expenses, often linked to social or health emergencies, totalled 2.2 billion lire. The number of *economic officials* delivering

⁶⁵ A scale of equivalence is applied to this figure (cf. Table 2).

⁶⁶ Significantly, the number-one success indicator of the Economic Assistance service has been identified as “complying with the law, in terms of a bureaucratic response” to welfare demands, rather than as making the client self-reliant (interview no. 14).

⁶⁷ The limit is 12 months if the income comprises only a pension.

⁶⁸ By law, the reduction may not exceed 20% of the basic rate. It should be mentioned that budget limits are also in place, such that it is financially impossible to satisfy all the claims received and approved, so that a “general percentage reduction” is carried out. After the subsidy has been interrupted for 6 months the counter is set back to zero, and anyone applying may once again draw the entire subsidy for a further 3 months. Economic Assistance staff point out that this system is deliberately exploited by a certain proportion of claimants. The sum is disbursed monthly through post-offices or banks.

Economic Assistance – administrative staff with no professional specialism – varies from one territory to another, depending on the overall population size. In the PAB as a whole there are 54 full-time officials.

Labour market integration

Insertion measures are the responsibility of another Department – “School, Employment and Vocational Training” (hereafter the Employment Department) – with its own headquarters and offices. The *Servizio Inserimento Lavorativo* (SIL – Labour Market Integration Service) was in fact created in the mid 1980s within the disability section of the Social Services Department, and only in 1993 were its powers transferred to the Employment Department. However this transfer, the fruit of a deliberate strategy to “normalise” labour market integration and extend it to cover a wider disadvantaged population than the disabled alone, was beset by certain administrative and managerial difficulties. Initially there was a lack of planning: the labour market integration and compulsory placement systems overlapped (the same staff and clients) but did not coincide (interview no. 64). Moreover, in 1996 competence for job placement passed from the State to the regions and autonomous provinces (cf. § 3.2.2.), or, in the case of the province of Bolzano, to the “employment” section of the provincial Employment Department.

The SIL administers a handful of cases referred by the Economic Assistance staff but deals mainly with the clients of the former compulsory placement service (now called “targeted placement”: physical and mental disability, addiction, etc.) and any other similar cases. Access to insertion schemes is unrelated to economic assistance: an income below a given threshold is neither a necessary nor a sufficient condition for participating in insertion projects. Labour market integration began as a service intended for disabled persons and was then extended to a broader typology of mental and social disadvantage (HIV positive status, substance abuse, imprisonment). These qualifications are certified by the lead agencies, since the SIL is not open to the public but only receives clients who are registered for compulsory placement and referred by the frontline services. The SIL is an item in the provincial budget under the Employment Department heading. The Employment Office pays direct to the beneficiaries of insertion a monthly sum (up to 730,000 lire) and also provides accident and civil liability insurance; in this way companies are exempted from having to pay wages and social contributions. The bill for any adaptations to the workplace in the case of disability is however footed by Economic Assistance.

⁶⁹ The presence of dependent children entails only a particular reduction in the calculation of the family’s income. Other subsidies exist, such as the so-called “specific allowances” and the “cheques for the continuity of family life”, created for exceptional requirements (e.g. children’s medical expenses).

The company may in turn be compensated by the Employment Office for the “productivity shortfall due to the limited work capacity of disabled persons” (LP 20/83), as assessed by job advisers. These contributions have declined gradually over the years and are in any event halved if the company is subject to the compulsory placement scheme. Consultations are held with companies concerning the subsidies, in respect of both their allocation and their magnitude. This happens after recruitment has taken place, for two reasons: on the one hand, to be able to carry out an assessment once the situation has settled down a little, and, on the other, because of budget constraints (one cannot know in advance how many claims will come in or what the budget will be). The SIL has never found that this situation has resulted in hostility towards the placed workers. The job advisers consider this concession to be crucial in motivating companies, even though as time moves on other factors become essential to the successful outcome of an insertion initiative (interviews 44 and 49). The Employment Office has calculated the cost of each company insertion to be 9 million lire (including administrative costs), as opposed to 30 million lire for insertion into sheltered workshops.

The three types of insertion projects offered by the SIL are: a) instruction and observation; b) recruitment and training; c) assisted labour market integration (cf. Table 21).

Table 21 Labour market integration instruments available to the SIL

Name of scheme	Description	Duration	Placed in 1998
Instruction and observation	Observation of behaviour of disabled person at work; if positive, leads to a recruitment and training project; if negative, to assisted labour market integration.	Maximum 3 years.	240
Recruitment and training	Period of preparation for recruitment for disabled persons.	Maximum 1 year	16
Assisted labour market integration	Integration into the world of work for a fixed period for persons with considerable employment difficulties; the person remains assisted by the SIL.	n/a	93

Should these projects prove unsuccessful, the individual may subsequently be sent to a sheltered workshop or referred back to the social services (interview no. 64). Insertion is formalised through the establishment of an assignment order confirming: a) certification by the lead agency of the disadvantage or disability, and hence the impossibility of taking a normal job; b) that the purpose of insertion is rehabilitation; c) the obligation on the company to identify a suitable position and an internal link-person, to monitor the subject’s presence at work and to participate in evaluating the results achieved; d) the obligation on the province (through the SIL and SAPL) to offer support and monitoring and to pay accident and civil liability insurance as well as the subsidy; e) a time-frame for the convention (no more than 12 months), which may be prematurely annulled at the request of either the company or the province. The convention is signed by the company, province, person concerned and tutor. But the successful outcome of projects hinges on the horizontal, practical co-ordination

which develops between the SIL and SAPL (Workplace Supervisory Service), geared to the handling of individual cases. Table 22 shows the typology of disadvantage of persons helped by the SIL.

Type of disadvantage	1996	1997	1998
Behavioural disturbances	36	30	30
Invalidity	11	13	15
Mental problems	37	42	45
Serious mental difficulties	4	2	1
Blind, deaf and dumb	4	4	2
Substance abuse	8	9	7

Of the 75 people working for the Employment Office, eleven are engaged at the SIL, dispersed among the various territories, and three deal with administrative matters; the others are involved in the remaining areas: jobsearch, and mediation between demand and supply (cf. Table 8)⁷⁰.

A new post has recently been created: the co-ordinator of job advisers (that is, of the staff dealing with labour market integration in the territorial offices), who possesses sociological and psychological skills, knowledge of the regulations and communication techniques. This is a role with diverse responsibilities: a) organisational, defining goals and functions; b) methodological, attending to procedures and ensuring that cases receive proper and equal treatment; c) supervisory, i.e. noticing and assuaging the fears and concerns of staff (interviews 40 and 64). The adviser co-ordinator works in tandem with the director of the Employment Office, acting as a conduit for the transmission of impressions, assessments and problems raised by officials. Yet his job is not merely to report to the director; the co-ordinator is also responsible for solving the difficulties arising. The creation of this specific post testifies to the fact that co-ordination is deemed particularly necessary within the Employment Office (even the lie of the land hampers face-to-face communication between staff in the various outlying offices, some of them especially isolated, and between these and the central office). The very name of the new post (general co-ordinator, or co-ordinator of job advisers) makes it absolutely plain what the functions of this official are.

4.4.3 Organisational changes and future prospects

Some major institutional reforms will shortly alter the economic assistance and labour market integration mechanisms, above all from a co-ordination point of view. LP 13/91 affirms two principles: territorialisation (i.e. the creation of a network of territorial districts) and decentralisation

⁷⁰ In terms of their occupational profile, the SIL staff should be educationalists, but the local shortage of such persons and the unattractiveness of the job has compelled the Employment Office to devise a new *ad hoc* occupational profile: someone in possession of an ordinary diploma with 400 compulsory hours of job-specific theory during the first two years of work (7 of the 11 present job advisers meet these specifications).

(i.e. the transfer of powers)⁷¹. Thus, ever since 1991 the provincial administration has delegated to municipalities all administrative powers concerning social assistance and public charity (which include the MV); these operations have since been handled by the eight territorial communities into which the province has been subdivided. Now, however, the creation of the 20 social/healthcare districts is almost finished (some offices are ready, others nearing completion): these are the new territorial and organisational units, whose catchment areas (with the exception of the Bolzano district) consist of several municipalities. The catchment areas coincide with those of the health districts, so as to facilitate integrated interventions: the districts⁷² will be in charge of economic assistance, home help and socio-educational assistance, but also crime prevention, awareness-raising and reintegration initiatives as well as running the social secretariat and the *Servizio di Accompagnamento sul Posto di Lavoro* (SAPL – Workplace Supervisory Service).

MV disbursement will therefore soon be part of a new organisational unit, with greater awareness of the local area, and with the presence of a team possessing a mix of skills – welfare, educational, health and psychological – able to provide immediate back-up for the economic official (who at present disburses the subsidy but is not able or qualified to formulate reintegration projects single-handedly), both when carrying out overall assessments and when drawing up individual projects. In addition, the District Committees – whose task is to strengthen co-ordination with local institutions and to provide opinions on the districts’ activities and planned measures – allow for the involvement of the main public and private institutions, representatives of local charities, voluntary sector bodies, kindergartens and schools, and the municipality. The Provincial Social Plan for 2000-2002 moreover announces the intention to make the district the nucleus for harmonisation of powers in the fields of both economic assistance and labour market integration, currently separate. The districts will thus loom large in co-ordination aimed at integrating operationally functions which are distinct at present. If the same clients are followed through in an *integrated and co-ordinated* fashion (and not merely due to the coexistence of different schemes), the results of social intervention should be improved.

⁷¹ The social districts are the “organisational units of the social services for the disbursement of basic and urgent benefits to all persons in a state of hardship” (LP 13/91: Art. 15(1)).

⁷² “Created to ensure territorially well-balanced service provision at the lowest possible level, but also better co-ordination of initiatives in the health and social sectors, together with better integration of residential and non-residential services. Interdisciplinary co-operation between district professionals is not only geared to solving existing problems, since it takes account of the all-round context in which the local population lives: thanks to this approach, an attempt is being made to step up the preventive side of social assistance, to foster awareness among the population and to promote individual and collective responsibility” (Provincial Social Plan 2000-2002).

Significant changes are likewise afoot in the employment sector – where it still remains to be seen how the new law on targeted job placement will affect labour market integration, not least because the PAB is empowered to adapt the national law to its own specific characteristics. The standard model used for insertion is the one tried and tested in Bolzano but not yet implemented elsewhere: the SIL acts at macro level, keeping the database of companies and persons, handling the initial contacts and retaining responsibility for labour market integration, whereas the social services operate at micro level, supervising and administering individual insertion projects through the SAPLs (only present in three districts as yet, but scheduled for all of them), and maintaining relations (therapeutic, monitoring) between the lead social or health agencies and the subjects undergoing insertion.

Faced with a sizeable increase in cases of insertion, the various actors are conscious of unsolved difficulties, partly linked to a growth crisis which is leading to a very uneven pattern of work from one local office to another. There is also real concern about the lack of growth in the volume of resources devoted to a burgeoning case-load: previously each adviser handled two or three cases; now they have a dozen each and feel unable to cope properly with them.

The greatest risks are, on the one hand, that recipients' dependence on social assistance will become chronic and that an imperceptible slippage will occur from labour market integration programmes to welfare programmes, and, on the other, that companies may exploit the economic advantages of insertion for the purposes of their own commercial production strategies, as a means of obtaining underpaid but legal labour (interview no. 23). Some question the current thrust of social policy, in that far-reaching protection of weak groups on the labour market could in fact be tantamount to far-reaching exclusion of these groups. In other words, politicians are tending to view problems in monetary terms, since it is easier to pay weak subjects through assisted insertion schemes than to endeavour to integrate them in the cut-and-thrust social and economic world.

There is no structured, uniform method of case assessment, no strict procedure or shared tools to monitor the entire process. What do exist are evaluation routines, a well-established practice of conferring over initial decisions, progress and outcomes, within each agency in a given chain of command⁷³. The SIL has a self-diagnosis procedure, which is a structured annual review taking the form of meetings with the advisers and the Employment Office director, at which discussions are held around a precise set of questions concerning the functioning of the service, its mission, vision and effectiveness. It was these deliberations, for example, which pinpointed the need for a co-ordinator to improve the level and flow of communication between the territorial offices and economic officials. The co-operatives likewise state that they conduct evaluations, but they tend not to use codified practices or universal methods. A system where evaluation is left to individual initiative may have

⁷³ By *chain of command* we mean all the actors intervening at the various stages along the insertion pathway of a weak subject: departments open to the public where economic, social and health needs first come to light and which then become the lead agencies; mediation agencies for social reintegration; labour market integration support services in the narrow sense (SIL, SAPL, vocational training centres); final destinations (companies, social co-operatives, sheltered workshops).

satisfactory outcomes, but the impression remains that some results are not subject to equal degrees of control. In addition, the lack of codified tools and procedures could be noticed by clients themselves and could lead to criticism and dissatisfaction when expectations remain unfulfilled. The actors are aware of considerable inadequacies in the planning and managerial facilities available to the person running the local network, meaning that there is a shortage of reviews and comparisons (interview no. 64). All the parties concerned feel a pressing need for an evaluation tool, adjustable according to requirements and above all geared to avoiding the repetition and overlapping of operations such as interviews: a sort of *passport* which follows the subject along the entire insertion pathway documenting initial ability levels, training credits and the acquisition of knowledge/aptitudes/skills accredited by the various actors.

The different actors are far from unanimous about how to define the success of an insertion initiative, partly because they are all coming from different directions. Dissatisfaction among placed workers focuses on the *output* and *outcome* of insertion, i.e. the low level of pay and the absence of a permanent contract. The lead agency's perspective centres on the *input* and the *process*, even overlooking the possibility of failure, in that even where a programme proves impossible or inappropriate it is considered as an opportunity for learning, observation and evaluation. Success is inevitably the fruit of a combination of all the factors making up a programme: a) the *inputs*: the company's sensitivity; the job advisers' conviction and motivation, and the possibility of ongoing consultations among them (but which happens only in Bolzano because in the other offices the adviser is alone and isolated) (interview no. 20); b) the *process*: the procedures adopted and skills brought to bear, the prior investigation of positions available in the company and of the person's potential, which has minimised the risk of insertion projects going disastrously wrong (and has removed the company's alibi); c) the *flexibility* of procedures, in that not all instruments work well in all cases. The real criterion for assessing the *outcome* is the subject's self-reliance; hence what is assessed in the various *outputs* of projects is the steps which they constitute along the path to the subject's attainment of self-reliance. Self-reliance is not meant merely in an economic sense, but also as the capacity to organise one's own private, emotional and working life.

In the absence of a unanimous definition it is difficult to say what proportion of labour market integration projects succeeds. The SIL states that most participants attain the objective. The psychiatric department asserts that 60% of subjects complete the programme. There can be no doubt that the number of projects has risen steadily over the years: from a dozen projects per year, when the service was first set up and covered only disabled persons, to hundreds over the past few years⁷⁴.

⁷⁴ The client base has widened, to the irritation of some, to the extent that it now includes insertion in cases of dyslexia, which in the German-speaking world is regarded as a disability. The fastest-growing phenomenon is mental illness of all types, which currently accounts for around ¾ of all service users.

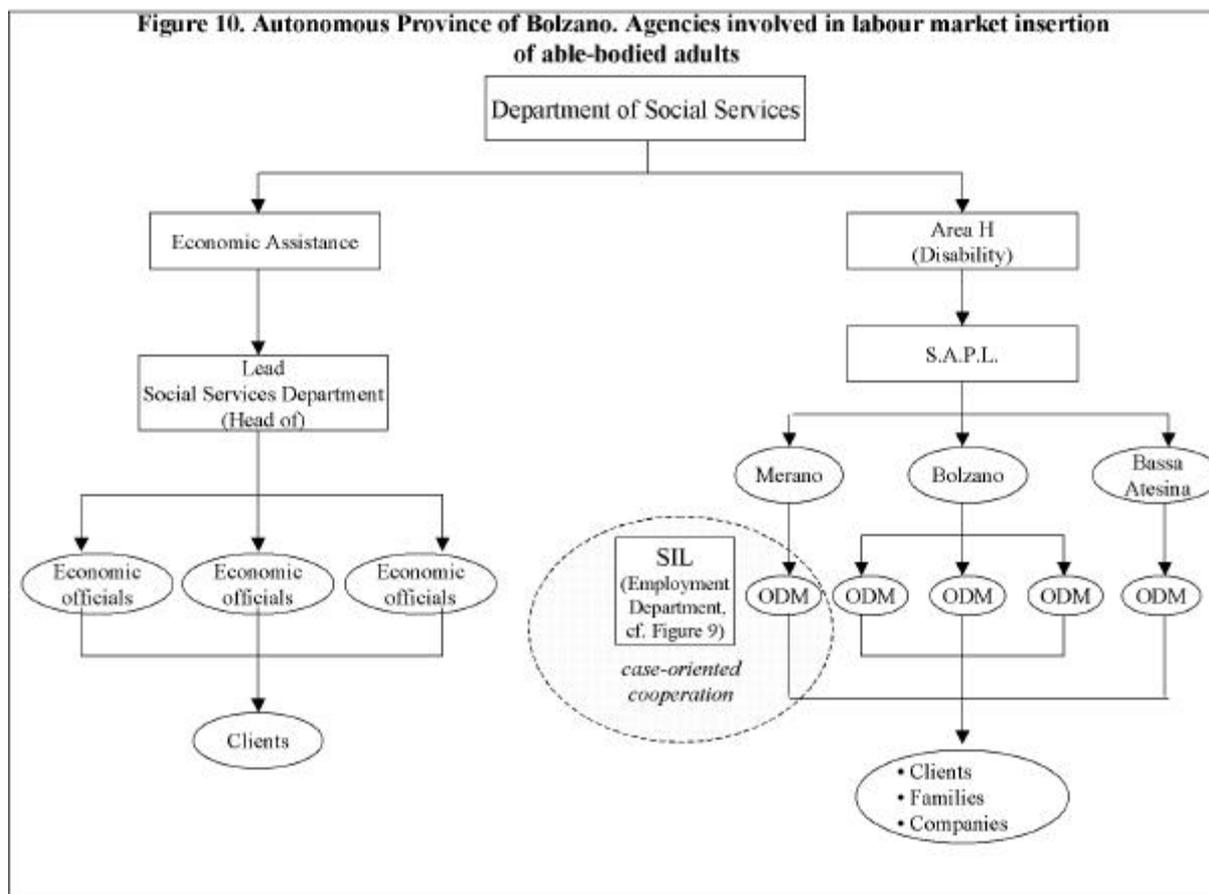
4.4.4 Functional pathway of recipients

It is the lead agencies (Economic Assistance⁷⁵, but above all the medical and social services for ex-alcoholics and drug addicts, mental health centres, neurological departments, the physical rehabilitation service for the disabled, etc.) which decide whether employment is a practicable option and what its therapeutic value will be. Once interviews have been conducted by the frontline staff (social workers and educators) and by specialists (psychologists or psychiatrists), a team assessment is carried out by these same professionals and a solution is proposed to the person concerned. This may lead to one of three outcomes: a) referral to the SIL in less problematical cases; b) insertion in a social co-operative; c) the option of a sheltered workshop, if normal labour market integration is a less likely prospect. The case is handed over by these agencies, together with an accompanying file and contact details – either a person or a telephone number – to the SIL advisers or to the person in charge of the social co-operative or workshop.

a) In the first case, once it has been decided that employment is the solution, the SIL steps in to determine what employment, in what company and by what means. The SIL contacts companies, visits them and investigates the posts on offer; at the same time it receives from the lead agencies the details of the persons to be placed. The SIL job adviser holds one or more interviews with the person and expresses a judgement as to his/her potential and skills. One fundamental point stressed by officials – in terms of cultural and operational value – is that theirs is a functional not a category-based assessment, focusing on needs and abilities, not on psychological or physical case-histories; thus it may differ from the appraisal by the lead agencies⁷⁶. The SIL official discusses possible solutions (the type of insertion, the company, duties and working hours) with the lead agency. Once the evaluation co-ordinated by the SIL and the lead agencies is complete, the SIL official proposes a possible insertion project to the person and the company.

⁷⁵ Economic Assistance rarely proposes insertion schemes to persons requesting the MV, but confines itself to ascertaining whether the legal requirements are met and stressing that they may only continue to draw economic aid if they can prove that they have searched (in vain) for a job. Sometimes an individual is advised to contact the SIL or the social co-operatives dealing with that type of situation.

⁷⁶ The different agencies have no uniform reporting systems, structured interview guidelines or forms for assessing skills and potential; they prefer more informal solutions such as spontaneous interviews, diaries and note-taking. It is worth mentioning that specific measuring tools for functional assessment purposes are unknown to, and unused in interviews conducted by, agencies claiming to have adopted them.



Insertion may be preceded by the offer of a training course, should any supplementary skills be deemed desirable. Training provision varies from extremely short orientation courses (a few days) to vocational courses intended to impart low-level skills, tailored to the characteristics of participants and to employability on the local market (typically web design for the physically disabled; gardening and carpentry for those who are mentally ill or have psycho-social disturbances), to five years of training for disabled youngsters; generally, however, courses last a few weeks⁷⁷. Other recipients are put forward for direct job placement in the company singled out as having the most suitable post on offer. Last of all the assignment order is drawn up between the company, the SIL and the person concerned. At this stage, whereas the SIL remains the guarantor, in operational terms the project is taken over by an official at the SAPL (Workplace Supervisory Service), which belongs to the disability section of the Social Services Department⁷⁸ (and not the Employment Department). This is a properly structured service, with three staff, only in Bolzano⁷⁹ (cf. Figure 10). The SAPL supervises the person, takes care of relations with the family and handles relations with the company, thereby playing an important co-

⁷⁷ An attendance certificate is issued at the end. For some courses, learning assessment is subject to a formal procedure involving a technical and scientific committee on which the Employment Office sits. Often it is the SIL officials themselves who suggest to the training section what the thrust of courses should be, to whom they should be offered and for what duties. Co-operatives normally offer their own courses internally.

⁷⁸ To which the SIL was also originally attached.

⁷⁹ The territories of Merano and Bassa Atesina have just one official.

ordinating role among all the actors involved in the insertion initiative. In addition, the lead agencies continue to monitor the placed workers, keeping a log of proceedings.

b) The second alternative is insertion in a social co-operative, regarded as a more flexible solution, able to cover a broader spectrum of personal, and not only work-related, problems. The choice of co-operative is determined by the personal knowledge of the official in the lead agency (interview no. 62). At the initial interview between the co-operative representatives and the client, his/her aptitudes are assessed and it is decided whether or not to take up his/her case. Training, insertion and supervision over time are often functions performed internally within the co-operative, thanks to the presence of social workers and psychologists on the staff⁸⁰. The co-operatives feel pressurised by the lead agencies to accept individuals, whereas not all those referred are suitable. The SIL officials, for their part, draw attention to the risk that co-operatives may absorb only the most efficient subjects, thereby failing to fulfil the statutory mission of type B social co-operatives to offer social integration (cf. 3.2.5).

c) The alternative of insertion in a sheltered workshop is a different matter. Sheltered workshops were first created within the disability unit (Social Services Department) and are currently about to open up additionally to referrals from the socio-psychiatric unit, whose work has more to do with occupational therapy and has little in common with activation measures. This option is chosen where there appears to be no scope for the recovery of abilities likely to lead to normal employment. Since these workshops produce goods for the market (often local wooden handicrafts), having to comply with delivery deadlines and quality standards, the SIL staff fear that they tend to keep the most able and efficient persons for long periods, rather than promoting their full emancipation by rapidly sending them out into the marketplace. The SIL has since 1986 been promoting labour market integration only in companies (and not in sheltered workshops), in line with its philosophy that the sole objective is integration into the real world of work, the fruit of a clear-cut strategy of framing this type of intervention within a context of *normality*: the open labour market presents a greater variety of situations and opportunities, and a wider spread of duties and human relations, than the confined environment of a sheltered workshop, where only low-level tasks are performed; the beneficial effect of proximity to normal working life and ordinary people is manifest (interview no. 30). The social co-operatives themselves stress their business dimension, which can foster a process of emancipation much more than a situation of welfare dependence in a local culture which does not define employment as a vital personal goal, given that the labour market is so dynamic and rich in opportunities, with such low rates of unemployment (cf. 4.4.1.; interview no. 59). In other words, anyone finding themselves jobless in the Autonomous Province of Bolzano who does not have particular problems (disability, addiction, etc.) may readily be regarded as responsible for their own situation, in that they are unable to seize the opportunities offered locally.

⁸⁰ For insertion in co-operatives it is their internal officials, lecturers and psychologists who fill out the assessment form and discuss it with the client, who is usually in agreement.

The favourable local labour market conditions facilitate labour market integration. There is a good level of co-operation and a high degree of satisfaction, partly thanks to certain contributory factors such as the support lent by the Association of Industrialists to the usage of schemes like traineeships, job placements and work scholarships. The acceptance of these new patterns of work by the community, accustomed to traditional forms of contracts, has been a major step forward culturally. Furthermore, the SIL and SAPL have progressed and now do a good deal of work in the early stages of the process (on the one hand, company visits and the assessment of available posts; on the other, interviews with subjects and the drawing-up of individual projects), as well as following through the insertion initiative in real time. They work only on individual projects, determining time schedules and duties (often less onerous than the norm initially) in the light of the cross-assessment firstly of the person's skills and aptitudes and secondly of the post. The SIL advisers use a personalised checklist to monitor the subject's progressive acquisition of skills and capabilities, discussing this together with the SAPL official who deals specifically with job mediation. It is at such points in time that the operational co-ordination revolving around individual cases comes clearly to the fore. The assignment order lasts one year, ample time to assess the person's real capabilities of holding down a job.

One aspect to be handled carefully is the expectations of the person and his/her family, in particular concerning the likelihood of recruitment, which is in fact by no means automatic and indeed may be advised against. The solution is spelled out by officials in clear, regular communications with the family members, voicing satisfaction over progress made but without concealing the insuperable limits to future prospects. One problem is the stability of labour market integration projects and the true progress in the subject's self-reliance: a weak person, whatever the nature of their difficulty, needs continuing training and assistance in the workplace, since their own capacities and abilities could be lost at any moment. For these reasons the insertion project may be suspended at any time, the person transferred to another company, a training course offered or the project abandoned temporarily: the case is then discussed by a team from the lead agency and also examined by the SIL and SAPL, as well as with the individual concerned. The entire insertion process is conducted in a co-ordinated manner by the lead agency, SIL and SAPL, with regular feedback between the different agencies (including the lead agency) and consultations with the clients themselves. In particular, fundamental decisions relating to the interruption, alteration or prolongation of a project are the subject of co-ordinated and collaborative discussions.

4.4.5 Co-ordination: practice and perceptions

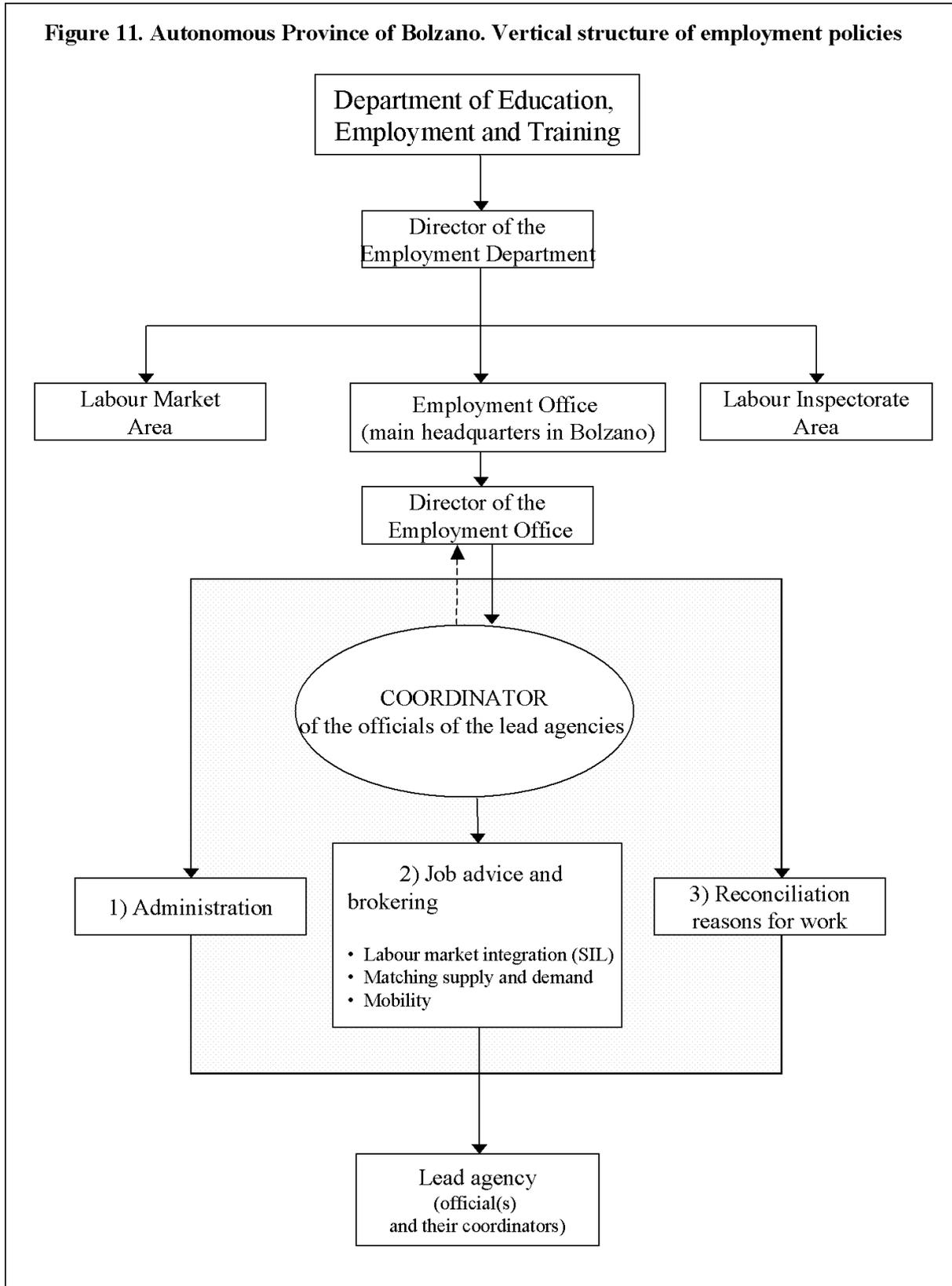
Vertical co-ordination

There is no real pattern of vertical co-ordination. Naturally, a top-down communication flow takes place, reflecting decision-making processes and also providing for feedback from operational to

managerial levels. This cannot however be described as fluid and continuous communication aimed at joint planning and involving all hierarchical levels. The structure of this communication channel coincides broadly with the office establishment plan (cf. Figure 11). The Employment Office is part of the Employment Department: the Councillor supervises the director of the “employment” section, within which there are three offices: 1) employment, 2) labour market and 3) works inspectorate. The Employment Office (1) has a director who is senior to the co-ordinator of the territorial office staff; they represent the basic element in the structure. Each of these offices has a co-ordinator, also known as the *district manager*, whose duties are akin to those of an office head. The dual designation is symptomatic of a certain overlap of roles. These local co-ordinators are directly answerable to the director⁸¹.

⁸¹ Economic Assistance, by contrast, has a much shorter chain of command: one person in charge of the territorial social services, plus the economic officials in the office, 1 to 5 in number according to the catchment area.

Figure 11. Autonomous Province of Bolzano. Vertical structure of employment policies



The hierarchical structure reflects the typical stratification of roles. The section director is responsible for system decisions; the Employment Office director for organising resources (the appointment of a staff co-ordinator was his idea), for relations with the public and with the other institutions whenever labour market integration is under discussion, and ultimately for determining the intervention model. The staff co-ordinator has a methodological and supervisory role; the local co-ordinators/district managers are office heads (but their role remains to be clarified); the job advisers intervene directly (contacting companies and persons, selecting insertion pathways, signing contracts). Thus within the Employment Office three people, at different levels, have the task of co-ordinating (albeit in an organisational/managerial, not a democratic/participatory, sense) the resources available to the offices: the local co-ordinators organise the operations of the individual officials working within the territorial offices; the staff co-ordinator oversees the organisation of work in all the territorial offices, working in tandem with the director of the Employment Office. In reality the division of roles between these two posts is unclear, although it emerges that the Office director established the co-ordinator's post in order to overcome the communication and co-ordination deficit – meaning uniform methods of intervention and early delivery of information towards the centre – which he detected between the territorial offices and his own central level (interview no. 64).

The informants assert that all levels are involved in decision-making processes, although the degree of this involvement is not clear; the allocation of responsibilities is considered appropriate, and meetings allow for integrated planning.

Whereas no particular difficulties are experienced in the distribution of information from the top of the hierarchy down to the offices, some doubts do arise in conjunction with the bottom-up flow of information, especially when vertical co-ordination is hampered by geographical distance, so much so that one gains the impression that the individual territorial offices have a good deal of autonomy and that the advisers working there feel quite isolated.

Horizontal co-ordination

Horizontal co-ordination within the Employment Office takes place at two specific moments: 1) when information on companies and subjects is passed on, and at case conferences; 2) at the meetings held in various contexts which we shall list below. These meetings are considered vital by the job advisers, who seem to have serious concerns about inadequacies in case management. According to the Office director there are “perhaps too many” such gatherings (interview no. 64). In other words, that co-ordination overload described in section 3.3.2 is occurring, at the risk of officials and co-ordinators expending time and energy unproductively. Perhaps the introduction of a staff co-ordinator post could be read as an attempt to overcome this problem, concentrating some of the responsibility for co-ordination – regarded by everyone as crucial – in a precise role, one of whose tasks may be to restrict the number of meetings currently described as “too many”. (This should, moreover, free up resources for actual insertion activities, for which several parties consider staffing levels to be insufficient.) The

calendar is a heavy one, it has to be admitted. One internal meeting per month is held within each zonal office, concerning general work organisation. All the job advisers from the different offices meet with the central co-ordinator twice a month; these are dubbed *co-ordination* meetings and are the most popular, the ones arousing the greatest expectations: there is much discussion of cases, typically from a supervisory point of view. These occasions are regarded as very instructive, quite apart from aligning the knowledge base of the different offices. Two case conferences per week are held among the four job advisers at the Bolzano Employment Office. Finally, once a month all the Employment Office staff come together in the presence of the co-ordinator, the administrative officials and the Office director.

Furthermore, the job advisers have ten hours per year of supervision, carried out by two psychologists: this is an opportunity to analyse relationships and dynamics, and to see where tension arises in the group which is attributable not to the case-load but to internal relations.

Outside of the employment section there is just one weekly case conference with the SAPL. It is a highly structured meeting, with a detailed agenda circulated in advance via the internet, with one discussion point scheduled every ten minutes; the minutes are written in real time and again distributed over the internet. Horizontal co-ordination at operational level nevertheless still exists, i.e. case-related exchanges of information with the lead agencies.

At managerial level there are no forums for meetings or co-ordination with the lead agencies (although the latter do work closely with the SIL and SAPL at operational level), with employers' associations or with trade unions, and this is perceived as a major shortcoming, especially by the SIL and the employers' associations. The staff co-ordinator is drawing up a protocol of understanding - which might be transformed into a Council decision - on the introduction of periodical inter-service meetings. The absence of an underlying strategy could leave activities up to personal initiatives on a case-by-case basis. In actual fact, the impression gained is one of excellent individual and inter-agency relations, except for certain communication difficulties with the medical social services, but proper integration does seem to be lacking along the entire chain of command. Many imagine that "putting all the actors around a table" would solve all the problems, given the excellent conditions on the local labour market. One almost never comes across the notion of combining economic assistance and labour market integration.

Hypothesis for territorial co-ordination

As far as the informants from civil society and business are concerned, the Association of Industrialists would like to see a common forum with periodical meetings to discuss integrated intervention strategies, put forward and masterminded by the public authorities. The association for families of the disabled tends rather to view this hypothetical forum as a focal point for the integrated handling of individual projects, where all the actors would agree together what action to take in each and every case. Others see it as a context for joint planning, which would then necessitate specific

one-off interventions at particular points in the chain of command. The social co-operatives are not satisfied with existing co-ordination, despite having excellent relations with each individual part of the network. In other words, whereas there is fairly well-structured horizontal co-ordination within the Employment Office and the SIL, as is clear from the extensive meeting schedule outlined above, when one looks beyond the Office itself and investigates the relationships between the agencies dealing with labour market integration and other local bodies (companies, co-operatives, employers' associations, voluntary sector organisations, etc.), one becomes aware that co-ordination – meaning a capacity to lay joint plans for the social development of the local community – is inadequate and not sufficiently well developed or established. Everyone perceives co-ordination to be the ideal solution for most of the problems highlighted. The consequences of the co-ordinating activities referred to affect the following areas: speed, efficiency and effectiveness of service provision, strategy and image, ease of conducting reviews, and impact on recipients.

4.5. Conclusions

Despite the diversity of the socio-economic contexts selected, and the variations between the three different integration measures singled out for analysis (UFL integration in Milan; RMI in Cologno and Naples; SIL and SAPL integration in the Autonomous Province of Bolzano), some significant common threads emerge from our analysis of the case studies. First and foremost, all the interviewees in all the cases studied are extremely positive about the usefulness of coordination. No-one denies the benefits of such activity, which is held to have the following results:

- 1) The efficiency of a measure is improved when the participants agree on the purposes of their actions, tools to be used, aims to be achieved, division of tasks and sharing of resources, channels of communication and information. If such co-ordination exists among the actors, there is less risk that the implementation of the measure will be confined merely to a succession of piecemeal actions carried out by different parties, albeit within the framework of the same project.

The assessment of access requirements, regarded as an important step in guaranteeing the equity of social initiatives, is more straightforward and effective in contexts where different agencies (register offices, land registries, INPS, Customs Service, municipal police, etc.) co-operate actively to achieve the objective; conversely, the capacity to monitor statements made by beneficiaries is drastically reduced. In this sense, protocols of understanding are vital at a time when welfare systems are undergoing sweeping reforms; assessment and monitoring work should in fact be planned into the reforms themselves, forming an integral part of them.

- 2) One of the most welcome effects of co-ordinating activity is that it can resolve the problems, the innumerable difficulties, perplexities, delays and misunderstandings which arise in social

initiatives in general, and in social and work integration in our particular case, Our interviewees pointed out that fluid communication between representatives of the various parties – which presupposes that they see eye to eye – can help overcome obstacles, mend fences (for example between the placed worker and colleagues or employer) and find the best solutions; in the absence of such co-ordination, work is slower, more fragmented and less predictable.

- 3) As we shall see below, measures can be better evaluated in the presence of codified, homogeneous tools and similar perceptions of social reality. On the other hand, if evaluation work is not performed by every party concerned, thus proving intermittent and incomplete, and is carried out differently in each sphere, it becomes less easy to compare the outcomes of individual evaluations made, for example, by the social worker in the lead department, the official in the work integration service, the workplace instructor or the client him/herself. This makes the verdict on individual trajectories incomplete, and also impacts on the wider activity of assessing in general what measures are needed for planning ahead and for adapting programmes already underway.

In contrast with this broadly positive message concerning co-ordinating activity, the actors appear to have given limited thought to the degree to which this activity is actually put into practice. The mere existence of good relations between colleagues, and intervention mechanisms which function on a day-to-day basis are, in some cases, interpreted as signs of co-ordination, or even as the very essence of co-ordination, which is thus reduced to a confluence of two types of communication flow:

- a) vertical, between staff and their direct superiors;
- b) horizontal, which can in turn be subdivided into: 1) between colleagues in the same department and same team; and 2) between representatives of the various bodies involved, in various capacities, in the case of a given client (departments, administrations, co-operatives, voluntary organisations).

Co-ordination, therefore, is typically understood as meaning communication and information; shared perceptions – which ought to characterise different parties pursuing the same “mission” – are taken for granted in many cases, as if these were implicit in the assent of parties agreeing to co-operate and participate in a joint project. It follows that many officials and directors, especially in Milan and Cologno, do not feel the need to try and improve co-ordination work, and declare themselves satisfied with the degree of co-operation achieved.

a) Vertical co-ordination

As concerns the vertical type of information flow, in all four cases analysed, this corresponded to the decision-making process, which proceeds from one hierarchical level to the next. In the ideal scenario, and this does seem to happen in all cases, information not only flows in one direction – top-down – but also consists of feedback, bringing impressions, problems, judgements and responses from operational

levels to managerial levels; this points to the presence of “enlightened” managers, receptive to the demands of their staff, who introduce a consultative element into the decision-making process. It generally takes the form of modifications made at intermediate level: in Milan the director of UFL and UAD; in Naples the co-ordinators of local social centres; in Bolzano the co-ordinator of job advisers.

Staff are more explicitly involved only at specific moments, corresponding to certain delicate phases, such as, for example, when departmental structures undergo major organisational changes, or when new mechanisms are introduced. The RMI pilot is a case in point: once Cologno and Naples were included among the municipalities engaging in the test phase, the social services directors of both municipalities – as we have seen – consulted staff in a more direct manner, both so as to inform them about the new system, content of the legislative decree and purpose of the initiative, and also to discuss with them practical and organisational methods of administering and implementing it. The same applied in Milan when the ESF *Back to Work* course, geared specifically to new UAD clients, was delivered: the opinions of social workers were actively canvassed in advance. They, after all, were in daily contact with the new clients, who were seeking jobsearch assistance more often than in the past, and not just economic assistance (cf. 4.1.3). Thereafter, once innovations are up and running, consultation of staff ceases to be close and continuous, and reverts to focusing on the day-to-day handling of individual cases.

b) Horizontal co-ordination

1) As regards horizontal co-ordination, teamwork undoubtedly takes place within individual offices, as emerged from the case studies. Nevertheless, the activities of planning, design and evaluation, theoretical consideration of what type of initiative to introduce, by what means and to what end, are mainly geared to work on individual cases, which accounts for almost all teamwork.

Staff aspire to focus co-ordination work on the handling of a complex project, and not on individual cases, but this does not happen in practice, owing either to inertia or to everyday pressures; this applies above all to Naples, where there is a good deal of talk about social initiatives for disadvantaged groups, and the RMI pilot is described as an important part of a broader social strategy, but the enormous workload consumes all available resources. Likewise in Milan and Cologno, considerations about new social requirements - and hence about new service users - feature prominently in the discourse of both officials and managers; for the most part, however, their ideas remain linked to actual needs arising in individual cases. The situation in Bolzano is unusual, because of the relatively low numbers of unemployed people who are neither disabled nor dependent: in the PAB, the main goal in need of co-ordinated working, over and above individual cases, would apparently be to spread the idea that even able-bodied adults may require assistance in finding work. And yet the attention even of SIL and SAPL staff is concentrated primarily on managing individual cases.

2) Turning to horizontal co-ordination between different departments, all four case studies show evidence of case-oriented networking, i.e. co-ordination around the handling of individual cases (those

of individual clients or their family situations). Such co-ordination always hinges on an individual official: the job brokering official in Milan; the social worker in Cologno; the social worker and/or Third Sector tutor in Naples; the SIL job adviser and/or SAPL official in Bolzano. These are, in fact, the persons who have operational responsibility for work integration; they create around themselves and around the client a network of contacts with officials in other departments, be it the lead department (i.e. the one previously responsible for the client prior to his/her work integration) or the receiving or support department (to which the official may send the client, should any unsolved social problems arise). This network of contacts is needed on the one hand by the official, to obtain the maximum amount of information useful in tackling the case, and, on the other, by the client him/herself, to draw on the expertise of various departments and various professionals. In a second phase, the network is extended to incorporate representatives of the working world into which the clients are being integrated: training centres, administrations and/or co-operatives. Networking appears to function well in all cases: staff derive satisfaction from their personal freedom of action and the results achieved, and the importance of feeding in various contributions to case management becomes clear. Most clients understand that there is a basic logic to the various interviews offered to them, and perceive these as stages along the pathway embarked on.

In some cases, the interviewees identified improvements in co-ordination activity with organisational changes aimed at integrating different offices or departments: this applies to Milan, for example, with the recent amalgamation of UFL and UAD, the forthcoming merger of UFL and Area H, and the convention between UFL and the Province which is currently in the pipeline to harmonise the operations of UFL and Employment Centres. These structural measures could however be dictated more by the quest for operational savings than by the pursuit of better co-ordination procedures (this seems to be true in particular of the merger between UFL and Area H). By the same token, in other contexts it is the functional and organisational preparedness of an office to innovate that is interpreted as co-ordination: in the PAB, as we have seen, the work integration service was initially intended only for the disabled, then it was extended to include those with psychiatric conditions, and finally widened to embrace social disadvantage in the broadest sense. However, these transformations are not in themselves a cause of more effective co-ordination. In Bolzano the co-ordinator of the job advisers is nevertheless drawing up a protocol of understanding to institute periodic meetings between departments; this could subsequently turn into a deliberative committee and will be a real step towards improving co-ordination and co-operation between different departments.

In all four cases studied, clients are always objects, passive recipients, and not active subjects of social initiatives. Officials pay them due attention, as explicitly recognised by the clients interviewed, yet beneficiaries are in no way involved in the evaluation and planning of initiatives. This is partly due to the fact that users of work integration services are in the main highly lacking in motivation and unaware of their own resources. Just as they are unable to function independently on the labour market, therefore, they are generally - for the same reasons - unable to be proactive about their own

pathway and the measures applying to them. Rather, they often put forward welfare-type demands (not merely economic, but above all centring around help in seeking employment) some of which are considered unreasonable, dictated by their prolonged period of disadvantage. However, even clients whose resources are less compromised are objects rather than subjects of work integration measures, even though the latter aim specifically to reactivate their personal autonomy and hence their capacity to take control of their own working and non-working lives.

All the interviewees find partnerships revolving around local communities to be desirable, although many acknowledge the difficulty of creating them. None of the cases demonstrated a fully shared planning environment, taking account of all the main aspects of the local social circumstances and bringing together all the main public and private actors, including those in the private social sector. What do exist are forums restricted to specific sectors. The programme agreed between the municipality and ASL in Naples on the joint administration of social welfare services, and the forum on social initiatives in the field of drugs in Milan, are just two examples. Likewise in Milan, it is striking that UFL has not been actively involved in designing the Employment Pact, given that it is to be involved in some of the as yet unplanned assistance pathways (cf. 4.1.3).

A noteworthy body in Cologno is the Observatory on Emerging Needs and Available Resources, with participation – as we have seen – from Caritas and the Catholic University of Milan. Furthermore, the municipal and provincial authorities, outlying communes and consortia of co-operatives are beginning to co-operate more closely on establishing and administering some inter-communal areas of interest (cf. 4.2.5).

In the PAB, “insiders” (departmental heads and co-ordinators) as well as industry representatives (employers’ associations) and civil society (e.g. the association for handicapped persons’ families) are very much hoping that a broad-based co-ordination and consultation framework might come into being, bringing together all the local social actors (cf. 4.4.5).

5. Conclusions and recommendations

As we have seen, defining co-ordination is somewhat complex and means analysing numerous different dimensions. In the social policy context there is an ever-increasing proliferation of actors. Co-ordination between different departments and social actors can be thought of as an activity which underpins the planning, implementation and evaluation of social initiatives *per se*. It is an operational method which acts as a stimulus for the development and improvement of a series of functions, from communication and information between those concerned, to swiftness of decision-making and realisation, to effectiveness of initiatives and to transparency in relations with clients. If co-ordination is to develop, it requires a number of activities not directly connected with social initiatives *per se*, but rather with their prerequisites: ongoing staff training, for example working in multidisciplinary teams, information for clients and the public on existing service networks, extensive consultations on the ends and means of social initiatives, setting priorities for action, tracking down and distributing resources according to the priorities identified, and clarifying the roles of the various actors. All these aspects complicate not only the analytical process, but also the formulation of useful guidance as to how to improve its use.

5.1. Co-ordination: levels, forms and actors

It must be made clear from the outset that – in terms of the form of co-ordination required, the institutional level at which it should happen, or the actors who should participate - no indicators are valid in their own right for a given context. Every set of circumstances and every institutional level calls for its own form of co-ordination, which results from a combination of factors: a) the background situation; b) the actors' identities; c) the institutional arrangements.

- a) In any given context it is necessary to find out whether there is a tradition of co-ordinating social policy measures: in other words, whether such initiatives have been taken to any extent in the past, or whether on the contrary nothing similar has been done before.
- b) One needs to know what bodies have a role in administering social policies, and their degree of fragmentation; these are in fact not only public agencies but also Third Sector bodies (voluntary organisations, co-operatives, trade unions, etc.) and private parties operating with a social mission (training centres and enterprises providing social welfare services, but also profit-making companies willing to co-operate on social and work integration projects). Among these, it is necessary to distinguish between those keen to participate in a wide-ranging review of the specific social circumstances and methods of intervention, and have already done so in the past, and bodies which by contrast are involved merely by virtue of their institutional role.

- c) It is also vital to discover how far previous initiatives have gone, whether they have produced any tangible outcomes and, if so, which ones (protocols of understanding, policy agreements, conventions, etc.), or whether consultations have been purely theoretical and, in that case, what were the obstacles to further development.

The combination of these factors produces very different sets of circumstances, which create the institutional preconditions for local co-ordination needs, and it would be misleading to give the same guidance to, or impose the same obligations on, fundamentally different situations. As a general rule, however, a balance must be struck between two potential extremes: 1) a tendency to leave co-ordinating activity solely or principally to the spontaneous initiative of individual actors; 2) a decision to institutionalise such activity to a high degree, by means of rigid legal obligations, according to predetermined parameters.

- 1) The former situation renders co-ordination too arbitrary, in that it becomes exclusively dependent on the personal commitment of individuals, their good will, interpersonal skills and enthusiasm. This is in particular the case with the case-oriented networking analysed in our case studies (cf. Chap. 4). If the entire network revolves around the operations of one individual, it is extremely fragile, in that the absence of that official would impair the functioning of the whole mechanism. It is true that individual officials are not totally irreplaceable, inasmuch as teamwork introduces an important collegial dimension; nevertheless, the investment made by individuals is highly significant.
- 2) A top-down imposition of overly rigorous co-ordination parameters can prove equally counterproductive, rigidifying processes and sapping the enthusiasm which fuels co-ordination.

A few practical examples, above all the enforcement of Law 285/97, reveal that a balance can be struck between these two situations by means of legislative measures, not so much laying down normative obligations on co-ordination and its modalities, but rather linking financial incentives to the appropriate development of co-ordinated initiatives (cf. § 3.2.3.). Such legal constraints should moreover establish fairly broad parameters, within which methods of intervention and co-ordination can be devised for every environment. This will obviously not impinge specifically on the structure of beneficiaries' rights, but can surely help substantiate these in the best possible manner.

Apart from financial incentives for the development of co-ordination aimed at project management, there is a need for official, national agreements promoting interinstitutional co-operation between public agencies at various levels of decentralisation. Such co-operation is in fact rare at present, as illustrated by the difficulties encountered by the municipality of Naples in setting up an effective system for monitoring and verifying access requirements (cf. § 1.3.2.), or the delays affecting the allocation of public housing in Milan (cf. § 1.5.2.). If, for example, each municipality involved in the RMI pilot (and, once the scheme has been extended in the near future, every municipality) must

interact individually with the local INPS office, municipal police, Treasury, Customs Service, etc., to seek active co-operation in carrying out checks - without these agencies, all answerable to different hierarchies, receiving appropriate instructions from their own superior authorities - the process becomes protracted and there is no guarantee that matters will be completed on time. Such co-ordination must be ensured nationally by the relevant ministers and directors.

The actual degree of co-operation is not however always proportionate to the degree of officialdom of a relationship. For instance, the signing of a convention or contract between the parties may in some cases merely confirm that parts of the initiative have been outsourced, subcontracted by one body to another, without this implying any real co-ordination between them, any common reading of the facts, shared objectives, agreement on methodology or ongoing two-way communication.

5.2. The practice of co-ordination

Offers of technical support from a higher institutional level (in the case of Law 285 it was the Province) have proved more useful than rigidly defined guidelines, making available for local co-ordination purposes specific persons who have the necessary powers and institutional recognition to offer stimulation and support for individual initiatives. There is in fact a risk that such initiatives may founder due to the bureaucratic and administrative difficulties, misunderstandings and conflicts which can so easily emerge during delicate operations such as broad-based consultations between different social actors. The existence of a support structure of this kind should, moreover, make it possible to underpin and reward any spontaneous co-ordination arising through individual personal commitment, helping to transform it into better-structured initiatives, without detracting from the important ethical and value-based component (or *mission*) typical in such cases. The risk inherent in a top-down imposition of forums for co-ordination is in fact that co-ordinating structures will be created where there is a lack of participation by the parties concerned, no shared perception of the social circumstances, needs and necessary measures, no jointly held notion of those parties' own roles in the community.

As to the number and frequency of meetings, it is obviously not possible to give precise indications. What does emerge, however, is that co-ordination works best when it is invisible, when the items on the agenda can be settled in the smallest possible number of meetings. Meetings, communications and the circulation of information are onerous, time-consuming activities. Restricting them to an absolute minimum calls not merely for specific technical know-how, i.e. the practical capacity to organise meetings; also needed is a body which has the responsibility and authority to convene a gathering of all concerned, so that absences do not impair the effectiveness of the meetings. Of course, the better consolidated and more consensual are the basic elements of the project in hand, the more efficient meetings will be. Success can be achieved if, while the co-ordination initiative is being set up, the

basic issues of allocating powers, sharing out tasks and defining common priorities are tackled and resolved, obviously not definitively – adjustments are always necessary – but in a sufficiently stable manner to ensure that they are not discussed afresh at every encounter, in parallel with the topics on the agenda. In addition, the existence of a harmony of views among those participating in co-ordination is undoubtedly a factor for success. In sum, over-burdened co-ordination mechanisms (meetings, communications, etc.) can be symptomatic of dysfunction, and not of vitality.

Furthermore, it is important to reward, build on and regularise co-ordination experiences, so that the arduous task of building relationships need not be started from scratch every time the opportunity for a new project arises. It is therefore useful for previous experience of co-ordination to be taken into account when selecting projects: this can save a good deal of time and resources when mounting new joint efforts, and can at least go some way to ensuring the success of the initiative.

5.3. Impact on beneficiaries and on the effectiveness of a measure

The existence of efficient co-ordination between the bodies involved in integration pathways cannot fail to be positive for clients/beneficiaries, both from a practical point of view, by helping to make their pathway smoother and more streamlined, and from the point of view of the results achieved, by rendering the measure more effective. Concerning the former aspect, where staff from different departments co-ordinate with one another, they agree on what interviews the beneficiary must attend, sparing him/her pointless journeys, or on the timing and combination of benefits in kind and monetary allowances. Concerning the latter aspect, shared administration of the pathway, team decision-making and exchanges of information all undoubtedly help to construct a more personalised and targeted pathway, and to adapt it when there is a change of requirements or environmental conditions, when problems arise. Naturally, this offers no firm guarantees that the project will succeed, but certainly does increase the likelihood.

As far as the RMI (Minimum Integration Wage) is concerned (cf. § 1.3., 4.2. and 4.4.), a key question to take into account when evaluating the pilot relates to the functioning of the linkage between economic support and reintegration pathways. Whether such co-ordination has taken place, or whether in some cases the welfare aspect has taken precedence over activation, depends on many factors; these include an adequate allocation of resources specifically for co-ordination (e.g. the setting up of a special office to oversee the pilot). Another closely linked aspect relates to the capacity of localities to assimilate social and work integration as an outcome of co-ordination. Where rates of unemployment are chronic (e.g. Naples), insertion will be particularly difficult; where these are frictional (e.g. Bolzano), they will certainly be eased, even though account must also be taken of the profiles of beneficiaries, who may or may not have multiple problems. There is also a danger that co-ordination might be promoted in cases where there is already a custom or tradition of local partnerships, or where

resources are particularly plentiful, whereas the pilot may not constitute enough of a stimulus where these need to be built from scratch. The risk is twofold: on the one hand, reintegration pathways will receive insufficient attention and resources; on the other, these will be earmarked, but different parts of the trajectories will be handled by different bodies, with no effective co-ordination between them. The clients' prospects would be damaged in either case.

5.4. Perspectives, success factors, limitations

As we have seen, various factors can ensure the success of a co-ordinating initiative (cf. Chap. 3):

- a) the political *imprimatur*, which makes co-ordination more authoritative;
- b) the availability of adequate resources (financial, human, cultural, etc.), which facilitate development;
- c) the presence of charismatic persons capable of motivating the actors, making the most of their cultural resources (vision, sense of mission, culture of partnership);
- d) continuing training for staff on the basics and innovative methods of team-working;
- e) continuity of the initiative, so as not to dissipate experience already acquired;
- f) the existence of uniform evaluation methods shared by all the actors, so that steps can be taken where necessary to improve the measure.

The success of a social and work (re-)integration scheme does not however depend solely on the effectiveness of the accompanying co-ordination initiative. Over and above the structural labour market conditions, which affect the degree of success of work integration (cf. § 4.3.) and the *capacities* of beneficiaries, the institutional *design* of the measures must also be co-ordinated. This design must make it possible to cut across institutions, breaking down rigid, vertical, segmented hierarchies to achieve horizontal, multi-institutional co-ordination platforms. Such an outcome cannot be achieved without policies which, by mobilising larger-scale resources, succeed in overcoming not only the existing fragmentation but also that twofold trend currently underway in reform processes which, owing to a lack of policy harmonisation, still leaves entire population groups at risk of poverty.

In conclusion, co-ordination can be said to be a means of pooling efforts which cannot achieve the same results in isolation. If today's increasing social complexity is to be understood and addressed, a range of powers not possessed by individual bodies is required. However, the alternative to co-ordination is not necessarily disorganisation: it could be a different form of organisation which functions. But under that other form of organisation there could be changes in the contextual conditions which give rise to social risk and at-risk groups.

Bibliography

Accornero, Aris *La Parabola del Sindacato*, Bologna, Il Mulino, 1992.

Alberani, Alberto "La Lega e le Cooperative Sociali", *Inchiesta*, Vol. XXIX, no. 123-124, Bari, Edizioni Dedalo, 1999, pp. 20-22.

Amaturo, E.; Gambardella, D.; Morlicchio, E. Orientale Caputo, G. "Politiche per i Minori e Profili di Povertà a Napoli", in Mingione, E. (ed.) *Le Sfide dell'Esclusione: Metodi, Luoghi, Soggetti*, Bologna, Il Mulino, 1999.

Animazione Sociale, insert *Dall'Inserimento Lavorativo all'Integrazione Sociale*, Turin, Gruppo Abele, March 2000, pp. 25-56.

Ascoli, Ugo "I Volontariati" in *Prospettive Sociali e Sanitarie*, no. 11, Milan, IRS, 1999.

Bagnasco, Arnaldo *Tre Italie: la Problematica Territoriale dello Sviluppo Italiano*, Bologna, Il Mulino, 1977.

Barcellona, Pietro (ed.) *Lavoro, Declino o Metamorfosi?*, Milan, Franco Angeli, 2000.

Belli and Rossi, "Disoccupati e Strumenti di Sostegno del Reddito", in de Caprariis, Giulio (ed.) *Mercato del Lavoro e Ammortizzatori Sociali*, Bologna, Il Mulino, 1999.

Benassi, David *Le Politiche Nazionali contro la Povertà*, Report for the Commissione di Indagine sull'Esclusione Sociale, 1999.

Bimbi, Franca "Differenze di Genere nelle Decisioni di Procreazione" in *Inchiesta, Costo dei Figli e Diseguaglianze di Genere. Una Prospettiva Europea*, Vol. XXVI, no. 111, Bari, Edizioni Dedalo, 1996.

Boeri, Tito and Pellizzari, Michele "Ammortizzatori del Terzo Livello", in de Caprariis, Giulio (ed.), *Mercato del Lavoro e Ammortizzatori Sociali*, Bologna, Il Mulino, 1999, pp. 209-258.

Bramanti, Donatella and Rossi, Giovanna "Dall'Integrazione tra il Sociale e il Sanitario alla Messa in Rete dei Servizi. Miraggio o Realtà per il Sistema Salute?", *Politiche Sociali e Servizi*, Vol. I, January-June 1999, Milan, Università Cattolica del Sacro Cuore, 1999, pp. 9-31.

Campedelli, Massimo "Del Welfare Municipale. Per un Nuovo Modello di Sviluppo Sociale", *Quaderni di Animazione e Formazione*, Turin, Gruppo Abele, 1999, pp. 45-54.

Cangiani, Michele "Il Terzo Settore: un'Alternativa al Mercato?", *Inchiesta*, Vol. XXIX, no. 123-124, Bari, Edizioni Dedalo, 1999, pp. 70-80.

Cavalli A. and Lillo A. (eds.), *Giovani anni 90. Terzo rapporto IARD sulla condizione giovanile*, Bologna, Il Mulino, 1993.

Cerri, Marco *L'Impresa Sociale in una Logica di Integrazione Socio-lavorativa*, in *Animazione Sociale*, Turin, Gruppo Abele, March 2000.

Chiambretto, M. L. and Genovese, L. (eds.) *Cooperazione Sociale e Politiche Attive del Lavoro. Il Diritto al Lavoro per le Persone Svantaggiate*, Milan, Franco Angeli, 1998.

CIPE (Commissione di Indagine sulla povertà e sulla emarginazione – Committee of Inquiry into Poverty and Exclusion) *La povertà in Italia 1994*, Rome, Presidenza del Consiglio dei ministri, Dipartimento per l'informazione e l'editoria, 1995.

Commissione di Indagine sull'Esclusione Sociale, *Rapporto sulle Politiche contro la Povertà e l'Esclusione Sociale*, Rome, 2000.

Confindustria, *Mercato del Lavoro in Entrata. Legislazione Vigente e Prospettive di Riforma*, Rome, 1999, unpublished.

Cotugno *et al.*, "Mercato del Lavoro e Occupazione nel Secondo Dopoguerra" in *Storia d'Italia, Le Regioni: Campania*, Turin, Einaudi, 1990.

De Ambrogio, Ugo "La Carta dei Servizi Sociali: Obiettivi, Attori e Significati" in *Prospettive Sociali e Sanitarie*, no. 21-22, Milan, IRS, 1999, pp. 2-4.

de Caprariis, Giulio (ed.) *Mercato del Lavoro e Ammortizzatori Sociali*, Bologna, Il Mulino, 1999.

de Leonardis, Ota, *In un diverso welfare*, Milan, Feltrinelli, 1998.

Dipartimento per gli Affari Sociali, Ministero del Lavoro, Comunità Europea, *Progetto Quadro "Socializzazione e Creatività Giovanile"*, F.S.E., Ob. 3, Asse 3. *Rapporto di Analisi Conclusivo*, AASTER Srl, 1999.

Esping-Andersen, Gosta, *The Three Worlds of Welfare Capitalism*, Cambridge, Polity Press, 1990.

Esping-Andersen, Gosta (ed.) *Welfare States in Transition: National Adaptations in Global Economies*, London, Sage, 1996.

Ferrara, M. *et al.*, *Incentivi alle Assunzioni: Ipotesi per la Valutazione e Prime Applicazioni*, Rome, Isfol RP(MDL), 1/1999.

Ferrera, Maurizio, *Modelli di Solidarietà*, Bologna, Il Mulino, 1993.

Ferrera, Maurizio, *Le Trappole del Welfare*, Bologna, Il Mulino, 1998.

Ferrera, Maurizio *et al.*, Università Bocconi, *Labour Market Governance in the Italian Regions: the Experience of the 1990s*, Milan, Poleis, no. 27, 2000.

Floris, Franco "Quale Partnership nel Lavoro Sociale", *Quaderni di Animazione e Formazione*, Turin, Gruppo Abele, 1999.

Focosi, Franca "Legge 285, Guardando Oltre", *Prospettive Sociali e Sanitarie*, no.12, Milan, IRS, 1999.

Franco and Sestito, "Nuove Idee per il Sistema di Protezione Sociale a Fronte del Rischio di Disoccupazione" 1999.

Franzoni, Flavia "Come Organizzare un Welfare Mix Innovativo" in *Inchiesta, Cooperative Sociali e Terzo Settore. Dibattito Politico e Proposte di Cambiamento*, Vol. XXIX, no. 123-124, Bari, Edizioni Dedalo, 1999.

Goglio, Marco "Intervento Territoriale a Rete", *Prospettive Sociali e Sanitarie*, no. 12, Milan, IRS, 1999.

Gori, Cristiano and Ranci Ortigosa, Emanuele “Modalità di Gestione dei Servizi Socio-assistenziali: Alcune Conclusioni”, *Prospettive Sociali e Sanitarie*, no. 15-16/99, Milan, IRS.

Gualmini, Elisabetta, *La Politica del Lavoro*, Bologna, Il Mulino, 1998.

Guibentif, Pierre and Bouget, Denis, *Minimum Income Policies in the European Union*, Lisbon, Uniao das Mutualidades Portuguesas, 1997.

Incagli, Laura and Porcari, Silvana *Strategia Europea per l'Occupazione: Analisi Comparata dei Piani Nazionali di Azione*, Rome, Isfol RP(MDL) 6/1999.

Inchiesta, *Costo dei Figli e Diseguaglianze di Genere. Una Prospettiva Europea*, Vol. XXVI, no. 111, Bari, Edizioni Dedalo, 1996.

Inchiesta, *Cooperative Sociali e Terzo Settore. Dibattito Politico e Proposte di Cambiamento*, Vol. XXIX, no. 123-124, Bari, Edizioni Dedalo, 1999.

IRE, *Disoccupazione a lungo termine in Alto Adige – in piena occupazione costituisce un problema?* Bolzano, IRE, 1997.

Ires Cgil, *Terzo Settore: Guida alla Partnership*, Rome, 1999.

Irs, *Rapporto di Valutazione sulla Sperimentazione del RMI*, 2000, unpublished.

Isfol, *Guida alla Progettazione dello Sviluppo Locale*, Milan, Franco Angeli, 1999.

Isfol, *Rapporto 1999: Formazione e Occupazione in Italia e in Europa*, Milan, Franco Angeli, 1999.

Istat, *Rapporto sull'Italia*, Rome, 1997.

Istat, *Rapporto sull'Italia*, Rome, 1998.

Istat, *Rapporto sull'Italia*, Rome, 1999.

Istat, *Indagine sui Consumi delle Famiglie*, Rome, 1999

Istat, *Indagine sulle Forze di Lavoro*, Rome, 2000.

Kazepov, Yuri, *Le Politiche Locali contro l'Esclusione Sociale*, Istituto Poligrafico dello Stato, Rome, 1996.

Kazepov, Yuri, *Urban Poverty and Local Policies Against Social Exclusion in Italy: the North-South divide*, in Andreß, H.J. (ed.), *Empirical Research on Poverty in a Comparative Perspective*, Aldershot: Ashgate Press, pp. 391-422, 1998.

Kazepov, Yuri, *At the Edge of Longitudinal Analysis. Welfare Institutions and Social Assistance Dynamics*, in "Quality & Quantity" Special Issue on Longitudinal Analysis, ed. E. Ruspini, Kluwer pub. Amsterdam, 33, 3, pp. 305-322, 1999.

Incostante, M. F. and Attademo G., “Napoli Città Sociale. Quattro Anni di Politiche Sociali del Comune di Napoli”, in *Prospettive Sociali e Sanitarie*, Vol. 27, no. 18-19, Milan, IRS, 1997.

La Rosa, Michele and Kieselbach, Thomas (eds.) *Disoccupazione Giovanile ed Esclusione Sociale*, Milan, Franco Angeli, 1999.

Laurenti, Massimo *La Riforma del Mercato del Lavoro*, Eni-Legimp, 1999.

Leone, Liliana “Reti, Reticoli e Politiche Pubbliche: l’Integrazione a Rete dei Servizi Socio-sanitari”, in Francescato, D., Leone, L., Traversi, M. (eds.), *Oltre la Psicoterapia. Percorsi Innovativi in Psicologia di Comunità*, Rome, La Nuova Italia Scientifica, 1993.

Lesthaeghe, R. *The Second Demographic Transition in Western Countries: An Interpretation*, IPD working paper, no. 2, Vrije Universiteit, Brussels, 1991.

Lo Schiavo, Luca “Una Nuova Stagione delle Carte dei Servizi” in *Prospettive Sociali e Sanitarie*, no. 21-22, Milan, IRS, 1999, pp. 1.

Luciano, Adriana, *Tornei. Donne e Uomini in Carriera*, Milan, Etaslibri, 1993.

Magatti, Mauro, Lodigiani, Rosangela, Giaccardi, Giorgio *L’Italia in Europa: Governance e Politiche per lo Sviluppo Economico e Sociale. Politiche Attive del Lavoro e Disoccupazione: il Caso Lombardo*, Rome, CNR, 1999, unpublished.

Maggioni, Guido (ed.), *Come il diritto tratta le famiglie*, Urbino, I Quattro Venti, 1999.

Maguire, Lambert *Il Lavoro Sociale di Rete*, Trento, Edizioni Centro Studi M.H. Erikson, 1987.

Marocco, Manuel and Incagli, Laura *La Riforma dei Servizi Pubblici per l’Impiego: l’Originalità del Modello Italiano*, Rome, Isfol RP(MDL) 1, 2000.

Martines, Temistocle *Diritto Pubblico*, Milan, Giuffrè Editore, 1992.

Micheli, Giuseppe A. “Vis Resistiva: come Indurre a Ridefinire lo Spazio-Azione dell’Anziano”, in Enzo Mingione (ed.), cit., 1999, pp. 197-217.

Mingione, Enzo *Sociologia della Vita Economica*, Rome, Nuova Italia Scientifica, 1997.

Mingione, Enzo *Etat, Politique Sociale e Reforme de l’Etat-Providence: l’Italie*, Cevipof, 1998.

Mingione, Enzo (ed.) *Le Sfide dell’Esclusione: Metodi, Luoghi, Soggetti*, Bologna, Il Mulino, 1999.

Mingione, Enzo, Pugliese, Enrico “Modelli Occupazionali e Disoccupazione Giovanile di Massa nel Mezzogiorno”, in *Sociologia del Lavoro*, special edition, no. 59- 60, 1995, pp. 118-145.

Ministero del Lavoro e della Previdenza Sociale *Rapporto di Monitoraggio sulle Politiche Occupazionali e del Lavoro*, Rome, June 2000.

Mirabile, Maria Luisa “Tipologie Diverse di Convenzioni nel Rapporto Terzo Settore – Enti Locali”, in *Welfare Locale e Terzo Settore. Seminario dell’Ufficio del Programma della Cgil*, Rome, Ediesse, 1999.

Mocavini, Anna and Lattanzi, Mirella *Valutare gli Interventi per l’Occupabilità. Le Borse di Lavoro*, Rome, Isfol RP(MDL), 2/2000.

Nappi, Antonio “Alcuni Prerequisiti per l’Attivazione di una Cultura di Rete”, *Prospettive Sociali e Sanitarie*, no. 2, Milan, IRS, 1999.

Negri, Nicola, *I Cantieri di Lavoro a Torino: Problemi e Prospettive*, 2000 (unpublished).

- Negri, Nicola and Saraceno, Chiara *Le Politiche Contro la Povertà in Italia*, Bologna, Il Mulino, 1996.
- OML (Osservatorio del mercato del lavoro – Labour Market Observatory) *Rapporto sul Mercato del Lavoro nella Provincia di Milano 1998*, Milan, 1998.
- Pennacchi, Laura “Le Ragioni per una Riforma del Welfare”, *La Rivista di Servizio Sociale*, Vol. XXXVIII, no. 1, marzo 1998, Rome, Istituto per gli Studi sui Servizi Sociali, 1998.
- Persiani, Mattia *Diritto della Previdenza Sociale*, Padova, Cedam, 1997.
- Polanyi, Karl, *The Great Transformation*, 1944, It. trans. *La Grande trasformazione*, Turin, Einaudi, 1974.
- Polanyi, Karl, *The Livelihood of Man*, 1977, It. trans. *La Sussistenza dell'Uomo*, Turin, Einaudi, 1983.
- Prospettive Sociali e Sanitarie, special edition, *Modalità di Gestione dei Servizi Socio-assistenziali: Opzioni a Confronto*, no. 15-16/99, Milan, IRS, 1999.
- Prospettive Sociali e Sanitarie, inserto *Un'Azienda per Gestire i Servizi Pubblici*, Milan, IRS, Vol. XXX, 1/2/2000, pp. 9-24.
- Pugliese, E., *Sociologia della Disoccupazione*, Bologna, Il Mulino, 1993.
- Pugliese, E., Rebggiani, E. *Occupazione e Disoccupazione in Italia (1945-1995)*, Rome, Edizioni Lavoro, 1997.
- Quaderni di Animazione e Formazione, *La Partnership nel Lavoro Sociale*, Turin, Edizioni Gruppo Abele, 1999.
- Quaderni di Animazione e Formazione, *L'Integrazione Socio-Lavorativa*, Turin, Edizioni Gruppo Abele, 2000.
- Ranci, Costanzo “Oltre il Welfare State. Il Rapporto tra Ente Locale e Terzo Settore nella Trasformazione del Welfare” in *Prospettive Sociali e Sanitarie*, no. 11, Milan, IRS, 1999.
- Ranci Ortigosa, Emanuele “Non Profit e Volontariato” in *Prospettive Sociali e Sanitarie*, no. 11, Milan, IRS, 1999.
- Ranci Ortigosa, Emanuele, Pasquinelli, Sergio, Mesini, Daniela *Valutazione del Processo di Attuazione della Sperimentazione del Reddito Minimo di Inserimento*, IRS, 2000 (unpublished).
- Rebggiani, Enrico, *L'Italia in Europa: Governance e Politiche per lo Sviluppo Economico e Sociale. Le Prospettive di Riforma dello Stato Sociale Italiano in un Quadro Comparativo Europeo: il Punto di Vista dei Sociologi*, Rome, CNR, 1999, unpublished.
- Reyneri, Emilio *Sociologia del Mercato del Lavoro*, Bologna, Il Mulino, 1996.
- Reyneri, Emilio *Occupati e Disoccupati in Italia*, Bologna, Il Mulino, 1997.
- Ronchi, Alessandro *La Cooperazione Sociale in Lombardia: Situazione e Sviluppo*, paper at conference “Network for the labour market insertion of disadvantaged persons: a possible model”, 13-04-2000, Consorzio Sociale Cascina Rosa, province of Milan.

Ruffolo, Giorgio “Il Terzo Sistema, Palingenesi o Bricolage?”, in *Il Terzo Settore. Una Prospettiva Associativa per Innovare lo Stato Sociale*, Studies and Documents by the Democratic Left-Olive Tree Parliamentary Group in the Chamber of Deputies, Rome, 1997, cited in Ires Cgil, *Terzo Settore: Guida alla Partnership*, Rome, 1999.

Saraceno, Chiara, *Mutamenti della Famiglia e Politiche Sociali in Italia*, Bologna, Il Mulino, 1998a.

Saraceno, Chiara *et al* (eds.) *Evaluation of Social Policies, at the Local Urban Level: Income Support for the Able Bodied*, report for the European Commission, 1998b.

Titmuss, Richard *Essays on the Welfare State*, London, Allen and Unwin, 1976.

Toniolo Piva, Paola, *L'Assessorato Sociale*, Rome, Ediesse, 1999.

Toniolo Piva, Paola, *Legge 285/97. Interventi Locali: Piccolo Manuale Organizzativo*, Rome, Studio Come, 2000.

Triglia, Carlo *Sviluppo senza Autonomia*, Bologna, Il Mulino, 1992.

Vernò, Franco “Legge 285/97: una Legge in Grado di Favorire Identità e Appartenenza” in *Prospettive Sociali e Sanitarie*, no. 14, Milan, IRS, 1999.

Voges, Wolfgang; Kazepov, Yuri (eds.) *Armut in Europa*, Chmielorz Verlag, Wiesbaden.

Appendix

Our work was divided into four phases:

- 1) researching the national context;
- 2) selecting the cases;
- 3) the case studies;
- 4) writing up the research report.

1st phase

The first phase consisted of a wide-ranging bibliographical search concerning the national context and a detailed analysis of the regulations, most especially the recently introduced legislative reforms in the fields of social assistance and employment policies.

The documentary search was supplemented by a number of interviews with national experts (academics, observers, consultants, officials – cf. list of informants), which proved necessary in order to interpret analytically the major reforms underway in the Italian social welfare system, and to ascertain how these impact on processes and methods of co-ordination among different actors. This initial phase produced the first two chapters of the report and part of the third.

2nd phase

Basing ourselves on the policy analysis of the first phase, and on a qualitative map of experiences of co-ordination, we selected two cases, Milan and Cologno Monzese, where the institutional structures are different. Thanks to some small-scale co-financing we were able to add a third case study: the Autonomous Province of Bolzano. At the behest of the European Foundation we subsequently added the case of Naples. The case studies were selected with the aim of presenting social and labour market integration schemes open to able-bodied adults in conditions of economic disadvantage. We set out to analyse co-ordination initiatives which varied according to: a) socio-economic context; b) actors involved; c) legislative framework; d) background to the scheme; e) method of co-ordination; f) outcomes anticipated/achieved (cf. Chap. 4). The fourth case study was carried out once the others were already complete.

3rd phase

Phase three is when we went out into the field. For each of the four case studies we contacted selected informants and gathered the relevant materials: 1) public advertisements; 2) projects; 3) conventions; 4) informative materials intended for clients; 5) documents for the monitoring and evaluation of progress made in projects.

The first set of interviews provided further indications as to the most appropriate actors to speak with. Interviews were conducted with: a) the director of the office responsible for the insertion scheme; b) the social workers and officials directly engaged in implementing the scheme; c) the recipients; d)

representatives from the business world, both profit-making bodies (companies) and non-profit ones (social co-operatives); e) where relevant, representatives of voluntary organisations and the Third Sector; f) where relevant, representatives of local trade union organisations; g) local experts (cf. list of informants). Most of the interviews took place at the respective social services headquarters, apart from those held in companies and with experts. All the interviews were recorded and transcribed. The outcome of this phase was the case study reports written by the researchers.

On the basis of all the information gathered and discussions with the other members of the research team, each researcher returned to his/her sources and informants to obtain clarifications, details and missing information. In this way the research reports were corrected and completed, and served as the basis for the writing of the final report, in particular Chapter 4 thereof.

4th phase

The fourth phase was exclusively devoted to writing up the final report. Further interviews nevertheless proved necessary during this phase, on the basis of the elements emerging.

Limitations of the research

The main limitations of this research relate essentially to three issues:

- a) the perceptions of beneficiaries;
- b) the actual content of the communication flows constituting the co-ordinating activity;
- c) an overall panorama of the co-ordinating initiatives characteristic of the local circumstances surrounding the case studies.

a) It did not prove easy to obtain the views of users of social and labour market integration services about co-ordination among the actors involved in their programmes. Indeed, they seem not to have devoted any thought to the subject of co-ordination. Their attention is, quite understandably, focused on the outcome of the insertion pathway, and in certain cases (not all) on the contents and methods inherent in that pathway. It is true that, when prompted by specific questions, most of them declare that they have felt themselves to be carefully looked after and in the hands of a well-organised team, with a logical pathway to follow, and not having to answer pointless or repetitive questions (in respect of interviews with professionals, courses and assessments). It should be remembered nonetheless that those who are following or have followed an insertion pathway, even if they have not yet completed it, have basically accepted certain preconditions; otherwise they would have dropped out in the initial stages (cf. Chap. 4). In this sense, their testimonies cannot also be representative of persons who, having embarked on an insertion pathway, abandoned it after a short while. As to the reasons why some do drop out, all we have to go by are the explanations supplied by officials, not least because it is awkward to trace these subjects once they have broken off relations with the agency, and it is especially difficult to convince them to co-operate in the research project.

b) What the informants say they do by way of co-ordination (e.g. meetings, in particular) is unverifiable to a certain extent. For this reason, direct observation of meetings would have been a useful complement to the interviews, with an analysis of communication flows and their content. However, applying this methodology to all the cases would have entailed a not insignificant workload and an enormous time commitment, as well as difficulties in obtaining permission to attend meetings. Furthermore, the participation of an outside observer would have distorted communications among officials, especially if they were aware of the purpose of the research.

c) Each co-ordination activity selected as a case study is evidently embedded in a local context where other partnership initiatives are underway. It proved impossible to report fully and in detail on all the many and varied situations connected with co-ordination specifically related to social and labour market integration, especially in large cities such as Milan and Naples. The panorama we have reconstructed is nonetheless representative of the overall circumstances.

List of Informants (in alphabetical order)⁸²

National experts

1. Mr Maurizio Betelli, director of *Lecco Lavoro*, Euro-adviser;
2. Ms Lavinia Bifulco, University of Bicocca, Milan;
3. Sister Claudia Biondi, head of the Severe Exclusion Unit at Caritas Ambrosiana;
4. Mr Riccardo De Facci, president of the co-operative *Lotta contro l'emarginazione* in Sesto San Giovanni (Milan), member of CNCA national council;
5. Prof. Ota de Leonardis, University of Bicocca, Milan, faculty of sociology;
6. Ms Alda Fiordelli, adviser, Province of Milan;
7. Mr Franco Floris, director of the journal *Animazione Sociale*;
8. Ms Mariella Fracasso, head of the compulsory and targeted job placement unit, Province of Milan;
9. Ms Rita Gallina, civil servant, Province of Milan;
10. Ms Liliana Leone, freelance researcher, trainer and assessor for European projects and with ISFOL;
11. Ms Maria Luisa Mirabile, head of research at Ires-Cgil, Rome; director of *Assistenza Sociale*;
12. Prof. Nicola Negri, University of Turin, faculty of political science;
13. Ms Paola Toniolo Piva, *Studio Come*, Department of Social Affairs adviser to the Prime Minister's office;
14. Mr Tommaso Vitale, University of Bicocca, Milan.

Milan case study

1. Mr Auletta, co-ordinator of ESF course *Back to Work*;
2. Mr Claudio Cazzanelli, UFL job mediation official, member of the *companies unit*;
3. Mr Andrea Cavazzoni, UFL job mediation official, with special responsibility for the insertion of adolescents;
4. Ms D'Avanzo, social worker at the UAD, viale Ortles office;
5. Ms Elena Galliena, tutor on ESF course *Back to Work*;
6. Mr Gruppo, Milan Chamber of Labour (CGIL), with special responsibility for labour market integration;
7. Ms Maschietto, director of the Young Adults Section of Milan Social Services;
8. Ms Roberta Mazzucconi, social worker at the UAD, via Barabino office;
9. Ms Gioia Niccolai, head of type B social co-operative *Dolmen*;

⁸² To ensure the informants' privacy, the numbering of the interviews as referred to in the text does not correspond to the alphabetical order in which they are listed here.

10. Mr Antonio Panzeri, president of Milan Chamber of Labour (CGIL);
11. Mr Cesare Prina, managing director of the UAD and UFL;
12. Mr Fabio Vergottin, commercial director of travel agency *Last Minute Tour*;
13. Beneficiary no. 1, participant on ESF course *Back to Work*, 1998;
14. Beneficiary no. 2, on a Work Scholarship with a social co-operative in Milan;
15. Beneficiary no. 3, on a Work Scholarship with a commercial company in Milan.

Cologno Monzese case study

1. Ms Borghetti, municipal social worker;
2. Mr Cirlà, psychologist, municipal adviser, responsible for labour market integration including in respect of the RMI;
3. Ms Columbaro, municipal social worker;
4. Ms Ferrante, municipal social worker;
5. Mr Roberto Moroni, mediation official with the social co-operative *I sommozzatori della terra* and with the *Lavorint* Consortium of Social Enterprises, which has contractual relations with the municipality;
6. Mr Pozzati, director of municipal Social Services;
7. Ms Miriam Tomei, responsible for the municipality's RMI pilot;
8. Ms Tucciariello, municipal social worker;
9. Beneficiary no. 1;
10. Beneficiary no. 2;
11. Beneficiary no. 3;
12. Beneficiary no. 4.

Bolzano case study

1. Ms Agnes, official, economic assistance service, Social Services Department;
2. Ms Emanuela Angeli, head of economic assistance service, Social Services Department;
3. Ms Gertrud Calenzani, adviser to various social co-operatives;
4. Ms Emanuela Diodà, psychiatric social worker;
5. Mr Adriano Esposti, administrator, provincial Employment Office;
6. Mr Andrea Fanelli, director of SAPL;
7. Mr Gerold March, director of personnel office in the provincial administration;
8. Mr Walter Oberhuber, co-ordinator of provincial Employment Office;
9. Mr Alfredo Pallara, SIL job adviser;
10. Mr Fausto Pantano, SIL job adviser;
11. Ms Mia Pollinger, president of Association of Families of the Disabled;
12. Ms Maria Sirk, employee of Association of Industrialists, Bolzano;

13. Mr Alberto Stenico, president of League of Co-operatives, Bolzano;
14. Mr Martin Telser, president of co-operative *Independent*, Merano;
15. Mr Stefan Walder, director of Employment Office, of which the SIL is a section;
16. Beneficiary of labour market integration.

Naples case study

1. Prof. Amataro, University of Naples, faculty of sociology; head of sociology department;
2. Mr Giuseppe Buono, employee, Department of Dignity, RMI Office;
3. Mr Mario Carrella, co-ordinator of Department of Social Services and manager of Central Activities Assistance Service;
4. Mr Ceri, administrator, Department of Dignity;
5. Ms Lorella D'Onofrio, *Associazione Quartieri Spagnoli*, RMI tutor;
6. Mr Ciro Froncillo, *AVOG-Opera Don Guanella*, Scampia quarter, Naples;
7. Ms Margherita Fusco, social worker, co-ordinator of Barra Social Centre; commission to select organisations administering RMI programmes;
8. Mr Giovanni Laino, University of Naples, faculty of architecture; author of RMI pilot project for municipality of Naples;
9. Ms Imma Mancini, *Associazione Quartieri Spagnoli*, RMI tutor;
10. Prof. Rebeggiani, University of Naples, faculty of sociology; president of committee to evaluate voluntary bodies' bids for RMI insertion subcontracts;
11. Ms Sardataro, co-ordinator of social workers, municipality of Naples.

Meetings

1. *Network for the labour market integration of disadvantaged persons: a possible model*, under the patronage of the Head of the Vimercatese inter-municipal council on social policy (Cascina Sofia Consortium, Cavenago di Brianza, 13/04/2000);
2. Study meeting on the theme of targeted insertion for the disabled (LN 68/99), province of Milan (Milan, Palazzo delle Stelline, 13/07/2000).

Interview total: 68 + 2 meetings. Repeat interviews with an informant have been treated as a single interview.

List of Abbreviations

AE	<i>Assistenza Economica</i> - Economic Assistance
ALER	<i>Agenzia Lombarda Edilizia Residenziale</i> - Lombardy Residential Building Agency
ANCI	<i>Associazione Nazionale Comuni Italiani</i> - National Association of Italian Municipalities
Art.	Article (of a law)
ASL	<i>Azienda Sanitaria Locale</i> - Local Health Authority
BL	<i>Borso di Lavoro</i> - Work Scholarship
CDL	<i>Cantieri di Lavoro</i> - Work-Sites
CeLav	<i>Centro per la Mediazione al Lavoro</i> - Job Brokering Centre
CFL	<i>Contratti di Formazione Lavoro</i> - Work/Training Contracts
CGIL	<i>Confederazione Generale Italiana del Lavoro (sindacato)</i> - General Confederation of Italian Workers (trade union)
CIGo	<i>Cassa Integrazione Guadagni Ordinaria</i> - Wages Guarantee Fund (ordinary)
CIGs	<i>Cassa Integrazione Guadagni Straordinaria</i> - Wages Guarantee Fund (special)
CNCA	<i>Coordinamento Nazionale Comunità di Accoglienza</i> - National Co-ordination of the Community of Charities
CNR	<i>Centro Nazionale di Ricerca</i> - National Research Centre
CPS	<i>Centro Psichiatrico Sociale</i> - Centre for Social Psychiatry
DAS	<i>Dipartimento Affari Sociali</i> - Department of Social Affairs
DL	<i>Decreto legge</i> - Legislative Decree
DM	<i>Decreto Ministeriale</i> - Ministerial Decree
DPCM	<i>Decreto del Presidente del Consiglio dei Ministri</i> - Prime Ministerial Decree
DPR	<i>Decreto del Presidente della Repubblica</i> - Presidential Decree
ESF	European Social Fund
ESOPO	Evaluation of Social Policies, research project funded by the TSER programme of DG XII, European Commission
EU	European Union
Eurostat	European Statistical Institute
GDP	Gross Domestic Product
IACP	<i>Istituto Autonomo Case Popolari</i> - Independent Institute for Social Housing
INPS	<i>Istituto Nazionale di Previdenza Sociale</i> - National Institute of Social Insurance
IPAB	<i>Istituzioni Pubbliche di Assistenza e Beneficenza</i> - Public Welfare and Charitable Institutions
IRPEF	<i>Imposta sul Reddito delle Persone Fisiche</i> - Personal Income Tax
Irs	<i>Istituto per la Ricerca Sociale</i> - Institute for Social Research
ISE	<i>Indicatore della Situazione Economica</i> - Indicator of the Economic Situation
Isof	<i>Istituto per lo Sviluppo della Formazione Professionale dei Lavoratori</i> - Institute for the Development of Workers' Vocational Training
ISPL	International Standard of Poverty Line
Istat	Italian Statistical Institute
LN	National Law
LP	Provincial Law
LR	Regional Law
LPU	<i>Lavori di Pubblica Utilità</i> - Community Service Work
LSU	<i>Lavori Socialmente Utili</i> - Socially Useful Jobs
MV	<i>Minimo Vitale</i> - Living Wage
n/a	not applicable; not available
NB	Nota Bene
NAP	National Action Plan

NOA	<i>Nucleo Operativo Alcolismo</i> - Operational Nucleus on Alcoholism
OdM	<i>Operatore della Mediazione</i> - Job Brokering Official
OECD	Organisation for Economic Co-operation and Development
OIS	<i>Osservatorio Inclusione Sociale dell'Isfol</i> - Isfol Observatory on Social
	Inclusion
OML	<i>Osservatorio Mercato del Lavoro</i> - Labour Market Observatory
Onlus	<i>Organizzazioni non lucrative di utilità sociale</i> - Non-Profit Socially Useful
	Organisations
PAB	<i>Provincia Autonoma di Bolzano</i> - Autonomous Province of Bolzano
PACI	<i>Patto di Aiuto Concordato ed Individualizzato</i> - Individually Agreed Aid
	Project
PIP	<i>Piani di Inserimento Professionale</i> - Vocational Insertion Plans
RD	<i>Regio Decreto</i> - Royal Decree
RMI	<i>Reddito Minimo di Inserimento</i> - Minimum Insertion Income
SAPL	<i>Servizio di Accompagnamento al Lavoro</i> - Workplace Supervisory Service
SerT	<i>Servizio Tossicodipendenze</i> - Drug Dependency Service
SIL	<i>Servizio di Inserimento Lavorativo</i> - Labour Market Integration Service
SIL	<i>Sistema Informativo Lavoro</i> - Employment Information System
SSdF	<i>Servizio Sociale della Famiglia</i> - Family Social Service
SSN	<i>Servizio Sanitario Nazionale</i> - National Health Service
UAD	<i>Ufficio Adulti in Difficoltà</i> - Office for Adults in Difficulty
UFL	<i>Ufficio Formazione e Lavoro</i> - Training and Employment Office
UPL	<i>Unione Province Lombarde</i> - Union of Lombard Provinces

EF/02/69/EN