Country Report

Italy

Client: European Commission

Rotterdam, London, 15 November 2011

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ECORYS

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Summary

ID	
Country	Italy
Name PES	Centri Servizi Per l'impiego (CSPI) & regional/ provincial PES
Name researcher	MC
Additional remarks (e.g. source gaps, problems, challenges)	**Disclaimer**: PES PMS in Italy differ significantly between regions. In addition, all PES PMS are already for a few years subject of intense reforms. The current report describes therefore the situation as it existed approximately in 2010. In addition, much information collected concerns the Region of Piedmont. The report therefore resembles to a large extent the situation in Piedmont rather than Italy as a whole. Country visited.

1 Background information

General information PES		Source*
Mission & tasks & targets	PES objectives are a result of complex negotiation between different levels of government: The central, regional and provincial. At the Provincial level, objectives are expressed in the so called PES Master plan. In order to accomplish at best their role in the labour market, and reflect the Regional Regulation (usually 6 years targets linked with the ESF EU Programming Period – as they are the main source of funding for PES for those groups not covered by the National funds). At Regional level, objectives are negotiated with the central Government on the basis of the national regulation (typically providing funds and loose objectives for specific socially excluded groups such as aged or migrants). PES should provide basically 7 kind of services: information, administrative tasks (less than 40% of activity within 2006), matching labour demand with supply, job placement for disadvantaged people, people counselling, firms counselling, security inspection. In particular, PES activities are designed to reduce unemployment duration and improve the information flow between demand and supply in the labour market. These functions can be summarized with the following general tasks: a) collecting information on labour supply and labour demand in the local labour market; b) identifying priority target groups (long term unemployed, unskilled, women, disabled, immigrant citizens); c) providing individual services and placement programmes; d) supporting job search and participation in professional training courses, easing the access to the labour market; e) providing counselling to companies, information and support on existing specific incentives (collective dismissals policies, tax reductions, assistance on outplacements, etc.); f) promoting self-employment (job creation schemes).	SEOR, 2003. Naticchioni 2008 and 2010.
Organisational setup (nr. of central, regional and local offices)	The system of the PESs is decentralized to the regions (Regioni – NUTS2). The regions are themselves involved in the strategic planning of services, while the everyday running of the PESs was in turn decentralized to the provinces (Province– NUTS3).	Naticchioni 2008 and 2010.
Human resources (nr. of staff if possible fte's) Please mention the year	SPIs in Italy are 539 (2008): 111 in North West, 115 North East, 91 Centre, 222 South. Overall personnel of about 10,000 units (2003/2008) 51% of which is	SEOR, 2003; ISFOL, 2008.

General information PES		Source*
	employed in the South, 19% Centre, 16% North West, 14% North East. Employment is generally stable (only 18% recruited new personnel, whilst 28% reduced staff through 2007/2008). On top of directly employed personnel there is supporting personnel at Regional and Provincial levels. Most recent reports (2008) suggest about 4,000 (376 in Regions, 173 in Regional Agencies and 3,587 Provincial level). Main contractual typologies: 1. Regions 83 full-time, 8% part-time, 7% consultant; 2. Agencies 52% full-time, 11% part-time 36% consultant; 3. Provinces 60% full-time, 16% part-time, 12% consultant. Sources suggest that SPI are mostly understaffed and/or staff lacks of specific professional skills.	
Financial resources (annual budget) Please mention the year	Unknown.	

Institutional context		Source
How closely linked is the PES to relevant governmental body? (*deconcentration*: is this a part of a ministry, is it a legal form, a separate agency?)	PESs are independent bodies. Yet their organisation and responsibilities reflects Italy's decentralised governance structure: The central Government (Ministry of Labour) provides general Directives that are translated into Regional Laws. Governing the labour market is an area under strategic Regional responsibility, but labour market operations (policy implementation) are a competence of the Provinces.	ISFOL, 2008.
How much autonomy is given to regional and local level in PES? (*decentralisation*: who designs budget, the strategy etc.)	As a result of the governance structure illustrated above, the PES' autonomy and organisation differs between Regions: in some (i.e. Piedmont) PESs are under strong regional coordination and overview, with a monitoring system at the regional level (Regional Observatory). In other regions (i.e. Sicily) PESs have some autonomy at Province level, but coupled by quasi-private structures funded by public resources. In other regions then (i.e. Lombardy) PESs are mostly market-driven; therefore private organisation can act as public-funded PES but must be accredited by the Regional Government. A general complexity is due to the separation of Education/Training and Labour/Placement services, with organisational complications in linking training and placement services amongst PES and Training Agencies.	ISFOL, 2008.
To what degree are services or tasks outsourced to voluntary or private sector? (*Privatisation*: which services are outsourced	A national framework (Law 30/2003 / D.Lgs. 276/2003) requires several PES functions to be provided by private operators (particularly when it comes to professional training activities), which must be officially	ISFOL, 2008.

Institutional context		Source
and to whom?)	accredited by Regional Governments. In a recent survey (ISFOL 2008) only two regions (Lombardy and Tuscany) fully implemented these requirements, whilst the majority of Regions introduced an "hybrid" model in which public-owned PES remain in charge of basic institutional services (i.e. upgrading and maintaining unemployment lists, as well as providing basic informational/acceptance services) and private (although public-funded) agencies were in charge of more "advanced" or "innovative" services (i.e. engaging with SMES and businesses, providing professional training, placement services, etc.). In 2008 68% of Provinces declared to have stipulated joint initiatives with other public/private bodies. Also Apulia and Sardinia are reported as Regions where a greater integration amongst several public/private actors has been increasingly promoted at a structural and programmatic level.	

Country information		Source
Sending or receiving country?	Receiving country.	Ecorys.
Background information: • % of employment; • % of unemployment; • the main challenges on the labour market.	Employment rate: 57% (LFS, 2010); Unemployment rate: 8.4% (LFS, 2010). A recent Report on Black Job Market in Italy highlights a structural problem for PES and employment in Italy: the informal economy. 10% of employed population is reported to work in the black market (about 2,5 millions of individuals). Rates differ between Regions, with higher scores in Southern Italy (20% of jobs in the black market reached in Calabria). This is an issue for PES as matching demand and supply, particularly for low-skilled manpower and services, apparently takes place outside the scope of formal labour market institutions.	Eurostat. ISTAT, 2010.

2 PES performance measurement systems – Design

Purpose		Source
For which purpose was the performance measurement system established and for which level? (check for accountability; management information)	Monitoring performance has become an increasingly important aspect of social innovation in the Italian public sector, including the PES, since the 1990s (from the so-called "Bassanini" reforms onwards). At national level, no specific requirements have been set for PES, which is (also) a consequence of the decentralised labour market governance. Some Regions have therefore independently promoted a more advanced systems (i.e. Piedmont), also because of ESF support. The Regions Piedmont, Lombardy and, to a certain extent, Tuscany and Umbria, for example, promoted the introduction of a performance measurement system and Service Level Agreements to ensure a high standard of services provided and performance monitoring, even though a list of performance indicators doesn't seem to exist. More recently a national law (D.Lgs. 150/2009, Deliberation 89/2010) has been introduced in order to facilitate performance measurement in the public sector. Some "experiments" have subsequently been undertaken in Piedmont in 2009, which revealed some relevant performance data (i.e. individuals placed, number of requests from employers, time of response to such requests, effectiveness in the response, number of internship activated and duration). Figures on these indicators are now available in the information system used in the Piedmonts' PES. Nonetheless such systems are still far from being in place in all PES.	Interviews. Ministry of Finance (2009). Piedmont Region (2010).

Indicators		Source
What types of indicators are used to measure performance? (in terms of: inputs, outputs, results, impacts)	Given the decentralised and diversified governance structure of the PES it is difficult to clearly provide a general assessment of available indicators. At the same time performance in Italy is generally linked to financial allocations (inputs) and the "absorption of resources" is a prominent indicator. The system in Piedmont includes also result indicators. Some indicators could be headed as 'process indicators'. The ISFOL report includes input and output indicators.	Interviews.
Which (sub-) indicators are used for each type? (if there many, please put them in an annex)	The system in Piedmont includes (not exhaustive): • individuals placed; • number of requests from employers; • time of response to such requests; • effectiveness in the response; • the number of internships activated and duration. The ISFOL report includes indicators on resources (HR, financial and ICT), networks of cooperation and on services delivered. Precise indicators vary between questionnaires to employment centres, regions and provinces.	Interviews.
Do indicators presuppose causal relationships (input-output; output-results; results-impact)? How?	Practices vary amongst Regions, but mostly indicators are input/process based. Some attempts for a greater standardisation amongst practices have been promoted by the Central Government since the '90s.	Interviews.

Targets		Source
Do targets exists, i.e. are indicators quantified? For who are targets set (central office, local offices, individual employees)?	Even though practices differ significantly between the Regions, targets are mostly non-existent. Targets are mainly set in the framework of ESF co-funded projects. Yet, ESF provides financial support for a majority of active labour market policies.	Interviews.
Are targets SMART?	The Deliberation 89/2010 provides a clear indication towards the formulation of SMART indicators, although not specifically referred to PES and the labour market, but more generally for Public Bodies). This Deliberation is a precise and practical guide for the implementation of performance monitoring systems within Public Administration, nonetheless still largely lacking implementation, as well as concrete examples of performance indicators (as it is not policy specific).	Cf. Deliberation 89/2010.

Tools		Source
Does the PES PMS includes a Data Warehouse (DWH) and to which other administrations is this DWH linked?	PES in general, particularly those in South of Italy, lack up-to-date ICT systems and an associated strategies for data collection. Measurement systems vary amongst Regions. Some advanced PES already undertook basic assessments of different data sources (very initial steps towards Data Warehouses) on an ad hoc basis (e.g. Piedmont, Lombardy, Tuscany, Umbria). Sources from various levels of governance have been integrated (Region and Provinces), and in some cases an initial benchmark of local PES offices took place (i.e. Piedmont). These initiatives seem not to have been much followed up. Some attempts for a greater standardisation amongst practices have been promoted by the Central Government, especially with the Deliberation 89/2010.	Interviews.
Is a tool (e.g. Balanced Scorecard) for presenting management information available?	A similar problem exists as in the case of data warehouses. Sophisticated tools for the presentation of management tools are therefore unavailable in the various PES in Italy.	Interviews.

Quality assurance		Source
Is quality of client satisfaction measured? How and frequency?	Yes, for the cliclavoro website.	Interviews.

Management and support		Source
What are the main data sources of the PMS?	PES generally have (limited) internal information systems recording some basic labour market data (i.e. those unemployed, short- long-term), and in some cases the type of services provided (i.e. individual placed, training activities, hour of trainings, internships activated). The latter type is usually scarce as data collection on services provided by third parties is usually scarcely done by the different PES.	ISFOL, 2008.
How is data collected and updated?	Data on vacancies are collected in all regions (80% of PES) across Italy, whilst data on interviews and individual contacts is reported in 75% of PES. Data on internships are not available at all in 12% of PES in Southern Regions, and no collection of placement-related information is reported in 2008 in 10% of PES across the peninsula.	ISFOL, 2008.
Who has access to the data generated by the PMS?	Some regions (i.e. Umbria) have a consolidated praxis in social accountability combined with a high level of transparency and accessibility of reports. In other regions this might not be the case.	Social Accounting Report, Umbria.

Tagging customers		Source
Are customers willing to work abroad or willing to hire foreigners especially tagged in the system?	No.	Ecorys websurvey.

Tracking customers		Source
Is contact maintained with clients to ascertain the results of activity/support provided? For example, are any follow-up surveys undertaken?	This also depends on the Region. It is clear that the PES in Turin has since 2003 an embedded process in which surveys are undertaken as a follow-up mechanism.	Interviews. www.provincia.torino.it.

Influence PES resources on PMS		Source
In which ways and to what extent is the PES PMS influenced by the PES resources, business models and national priorities?	In most resources, PES seem to be confronted with a lack of financial and human resources that hampers the development of a performance measurement system at all.	Interviews. ISFOL 2008.

3 PES performance measurement systems - Use

Performance management areas		Source
Is performance measurement being use for the operational, tactical or strategic level? By whom?	The use of PMS data has been solely analysed for the Piedmont Region. Here, some preliminary experiences in the province of Turin (2006) have been collected. PES performance has been measured in the Province for 13 PES, but did not have any follow-up, due to lack of agreement and costs of implementation. Information was neither used for strategic purposes nor for operational/management purposed.	Interviews.
At which level(s) of the organisation is performance management practiced?	Even though data on performance was collected at Provincial level, it was not used for management purposes.	Interviews.
In which management areas (Human resources, Financial resources, Quality management, and Strategy development) are the findings of performance measurement used?	Unknown.	

PES mission and target setting		Source
Please describe the target-setting process: actors involved, frequency, etc.	With regard to the ESF co-funded measures, regions define targets by regulations and Provinces allocate resources to measures for the specific target groups. This process is repeated every three years, following the six-year cycle of the ESF programming period.	Interviews.

Benchmarking		Source
Are sub national PES offices benchmarked?	Not structurally, hence no.	Interviews.

Rewards		Source
Is target-realisation rewarded? How?	Unknown.	

4 EURES

Information about EURES		Source
General information about EURES (number fte's, cooperation with PES)	There are about 75 EURES Advisors in Italy and about 200 EURES assistants.	GHK (2010).
Most important stages and tools	Priorities include the mobility of youth, building synergies with Erasmus and Leonardo, and assessing the cross-border partnerships - the monitoring system will be realised in September-October. The purpose is to move from EURES advisors with a mere information dissemination role to a system of mobility/placement. E.g. Job fairs and exchanges on the basis of specific job profiles. Italy already works with Norway, Sweden and Estonia to increase mobility. E.g. we have been "exporting" physicians for years to Sweden. We do the same with engineers in Norway, they are very much in demand. We are now defining the profiles required in Estonia, we will have a Job fair in September. Italy cooperates in the following cross-border partnerships: • Euradria: between Friuli-Venezia Giulia Region and Slovenia (but Croatia was not accepted) – EU funded; • Trans-tirolean: Bolzano Province, Austria, Switzerland – independent; • A partnership with France that is currently closed, but activities were maintained thanks to the support of social partners to follow up social security and assistance issues.	Interviews.
Assessment of the tools: what works well and why and what needs some improvement.	We are starting using Facebook to spread info (dedicated channel Clic Lavoro.it), we started a discussion Group on Twitter and Linked In. In our website we do not only publish EURES vacancies, but also other vacancies through a search engine which links to main official job websites. In Italy, we are linked with authorised job vacancy portals.	Interviews.
Which factors facilitate or hinder cross-national placement of individuals by EURES. Describe short their impact.	Unknown.	

Information about EURES		Source
Opinion on the current way/form of reporting in the EA Monthly reports? What works well what does not.	Regarding EURES, So far we have used only the reporting template of the European Commission (Excel tables of EURES Advisors) to produce a quarterly report. Now we want to make a more detailed assessment on results. We have scheduled an assessment of activities on the field. We are also trying to integrate everything on the Clic Lavoro portal (which has a link to EURES).	Interviews.
alternative ways for measuring the performance of EURES (describe shortly)	EURES Advisors: there is no opportunity to adopt incentive systems because advisors are employed by specific bodies. However we do performance assessment on behalf of the EU - we were funded to build the assessment system.	Interviews.
What other data is available for measuring the performance of EURES (other than that included in the monthly reports)?	We take in consideration several information sources to steer EURES advisors. However we found some discrepancies with the Eurostat data. E.g. our data on mobility is often lower than Eurostat one (we do not report vacancies that are answered by private citizens directly). We started a discussion with international temporary work agencies to see how they organise international labour mobility.	Interviews.
In your opinion, what are (or could be) the best indicators for measuring the impact of EURES on geographical mobility?	Unknown.	

5 Geographical labour mobility

5.1 Design

Specific to geographical mobility		Source
Is the performance of geographical mobility activities other than EURES assessed?	No. A pilot study in Piedmont assessed the movement to the Region of workers coming from outside on the basis of mandatory administrative data on employees of local enterprises to the PES.	Piedmont Region (2010).
Do indicators related to geographical mobility activity exist within the PES performance measurement system?	N.a.	Interviews.
Are targets in place?	N.a.	Interviews.
Does the PES collect any (other) data on geographical mobility activity (i.e. which is not included in the performance measurement system)?	No.	Interviews.
Does the PES also monitor geographical labour mobility on the basis of data provided by another organisation (e.g. statistical office)? Which indicators are used?	Organisations include the Chamber of Commerce or ISTAT (national institute statistics) but not no structural data. No specific indicators are used, instead on the basis of existing studies based on available external sources).	Interviews.
Where in the PES is data collected and processed?	In the Prefecture of Turin (local office of ministry of interior), collecting ISTAT, Chamber of Commerce and other sources (particularly data on migrants). Such analysis is rare.	Interviews.
How is quality of service/client satisfaction related to geographical labour mobility activities measured?	Not specific for these types of measures.	Interviews.
Is contact maintained with clients to ascertain the results of services related to geographical labour mobility provided? For example, are any follow-up surveys undertaken?	No.	Interviews.

5.2 Use

Specific to geographical mobility		Source
At what organisational level (strategic, operational, etc.) and frequency is the effectiveness of services related geographical mobility monitored?	None. Studies have been undertaken for purely informational reasons.	Interviews.
Is monitoring information or data used to inform future activity/resource allocation?	No.	Interviews.
Are good practices identified and shared? By whom?	Good practices have been integrated in studies but not systematically embedded in the system.	Interviews.
Where and when is information on geographical mobility and associated activity used? Is it shared with cross-border/trans-national partners?	Formal exchange within a network started about two years ago (Veneto, Emilia Romagna, etc.). Mostly started on a basis of individual professional interest that has become increasingly structurally embedded. The network provides quarterly information about regional labour markets performances in a selected number of associated Regions and Provinces (of the north and centre parts of Italy). Multiregional Group for Labour Market Analysis: • Bolzano Province: Labour Market Observatory; • Trento Province: Agency of Labour; • Emilia Romagna Region: Labour Service; • Friuli Venetia-Giulia Region: Agency of Labour; • Liguria Region: Labour Market Observatory; • Lombardy Region: Agency of Education, training and Labour; • Marche Region: Labour Market Observatory; • Piedmont Region: Agenzia Piemonte Lavoro e Osservatorio del Mercato del Lavoro; • Umbria Region: Labour Market Observatory; • Veneto Region: Labour/Research Observatory.	SECO (2011).

Annex

Used sources

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List of indicators

ISFOL indicators:

Employment centres fiche, comprising 60 questions subdivided in the following sections:

- computer equipment;
- networks;
- management of information assets;
- services;
- participation in projects and experimentations;
- target group-specific services;
- local networks and formalised interactions;
- staff and professional profiles.

Questionnaires to Regions, comprising 155 questions subdivided in 8 sections:

- key features of regional programming;
- organisational and institutional arrangements of the 'regional system for work';
- networks o relationships built with actors who are external to the system of provincial employment services;
- interventions in favour of specific target groups;
- actions supporting the implementation of active and passive labour market policies;
- implementation of provisions related to compulsory education;
- human resources;
- financial resources.

Questionnaires for provinces are subdivided in 10 thematic sections

- organisation and programming;
- application of procedures foreseen by the Law Decree 181/2000 and subsequent modifications;

List of indicators
• delivered services and their geographical distribution; • implementation of provisions related to compulsory education; • actions for the placement of the disabled; • institutional cooperation and networking with actors who are external to the system of provincial employment services; • target group-specific services; • actions supporting the implementation of active and passive labour market policies; • human resources; • IT resources; • financial resources; • internships promoted in the year 2006/07.

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