



Benchlearning Initiative External Assessment

Summary report 2nd cycle – Italy



Written by ICON Institut Public Sector GmbH

2017



EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion
Directorate B — Employment
Unit B.1 — Employment Strategy
Contact: Renata Häublein
E-mail: EMPL-PES-SECRETARIAT@ec.europa.eu
European Commission
B-1049 Brussels

This publication has received financial support from the European Union programme for Employment and Social Innovation "EaSI" (2014-2020). For further information, please consult: <http://ec.europa.eu/social/easi>

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PES of Italy

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Index

	Page no.
1. INTRODUCTION	5
2. SHORT SUMMARY OF THE CHANGE AGENDA	6
3. RELEVANCE, COHERENCE AND CONSISTENCY OF THE REFORM AGENDA	7
4. ASSESSMENT OF CHANGE MANAGEMENT.....	7
5. SUGGESTIONS AND RECOMMENDATIONS	8

1. Introduction

This report outlines the results of the second Benchlearning (BL) external assessment of the Italian PES conducted between April 10th and 12th, 2017. The team of ten external assessors comprised three peer PES staff (Danish, Dutch and Hungarian PES), four representatives from the European Commission and three experts from ICON-Institute (the supporting contractor). The programme of the three-day visit included meetings with senior management/directorates at the National Agency for Active Labour Market Policies (ANPAL) in Rome. On the second day the external assessor team split into two groups with one visiting the Lazio Region and the second the Lombardy Region, to adequately take into account the significantly devolved responsibility of Italian regions for the implementation and delivery of public employment services. The time and resources invested in preparation for the Benchlearning visit by ANPAL, in particular their internal self-assessment before the visit, were crucial to its success. The team gratefully acknowledges these efforts.

Since the Jobs Act (Law 183, December 10th, 2014) and the Legislative Decree 150/2015, which came into force in September 2015, the Italian system of employment services comprises the Ministry of Labour and Social Policies as well as the National Agency for Active Labour Market Policies (ANPAL) at the national level and the 19 regions as well as the two autonomous provinces of Trento and Bolzano at the regional level. This report refers to these as “the Regions”. The Ministry of Labour and Social Policies, together with the State Regions Conference, is responsible for fixing three-year strategies and yearly objectives on active labour market policies and for defining minimum service levels throughout the country. The Ministry also steers and monitors ANPAL. Under the Delrio Law, the competences for the provision of employment services were transferred from the 102 Italian provinces to the Regions. The Regions carry out their duties within the framework of regional labour market legislation as well as the programming and coordination of active labour market policies, inter-facing with the Ministry of Labour and ANPAL. Regions have their own local job centres (CPI – “Centri per l’Impiego”). The CPI help jobseekers on income support regarding job search, matching and other administrative procedures provided by law.

A framework agreement between the national government and the Regions on active labour market policies was signed on July 30th, 2015. Later on, a series of agreements between the Ministry and the Regions - which regulate the relations and obligations on the management of employment services and active labour market policies - came into force. As a temporary measure, the agreements specify that the Regions may carry out tasks, duties and obligations relating to active labour market policies through the CPI and accredited bodies following Article 12 of Legislative Decree 150/15 (on the accreditation of employment services that can be provided by private entities). These agreements are annual and have been re-confirmed for 2017, after the signing of a second framework agreement on December 22nd, 2016.

Hence, the Italian system of employment services is characterised by decentralised responsibilities with many different actors. As a consequence, the governance structure is rather complex and, given the negative outcome of the referendum, the mandate of ANPAL still only refers to the coordination of labour market policy in Italy and the definition of common and comparable standards of employment services in the country on the whole.

Against this background, the 2nd cycle site visit focused on supporting ANPAL become an effective organisation which contributes to a common and comparable standard of employment services across Italy, taking into account the unchanged institutional context. In doing so, three perspectives were taken into account: the national level (i.e. the Ministry and ANPAL itself), the Regions and the local offices.

2. SHORT SUMMARY OF THE CHANGE AGENDA

ANPAL became fully operational only a few months prior to the visit. As a result, many elements of the organisation's change agenda were at a rather early stage during the visit. Nevertheless, considerable efforts and some noteworthy achievements had already been made. These include

- the launch of a pilot project on a new ALMP-measure called the replacement voucher,
- the development of an online registration platform for jobseekers that will replace all other registration alternatives, leading to a nation-wide registration procedure,
- the development of a profiling procedure based on statistical data for this scheme, and
- the establishment of a contact centre for P(R)ES¹ staff, clients and citizens.

Current work in progress includes

- the restyling of the job-matching functionalities on the national web-site,
- the development of a qualitative profiling procedure complementing the quantitative approach above, and
- the definition of standard services and cost units.

Finally, in the near future ANPAL plans to

- integrate its IT-systems,
- define, together with the Regions, a plan for the strengthening of the local job centres, from a quantitative (additional counsellors) and qualitative (such as further training for PES counsellors) point of view, and
- develop services for employers.

ANPAL has a quite ambitious change agenda with different projects directly addressing important areas for the further development of the Italian system of employment services. In Section 5, we provide some recommendations and suggestions to complement these activities which we hope could integrate them into a compelling vision for ANPAL's future.

¹ PES: public employment services; PRES: private employment services

3. RELEVANCE, COHERENCE AND CONSISTENCY OF THE REFORM AGENDA

During the first BL visit in 2015, it was already apparent that there is a widespread recognition of the necessity firstly to strengthen, harmonise and standardise employment services provision throughout Italy and secondly to transform public employment services from being merely administrative bodies, basically focused on certifying unemployment status and monitoring labour contracts, to becoming service-oriented organizations. A first and important step towards the achievement of these aims has been taken with the establishment of ANPAL. Furthermore, the first activities and successes of ANPAL (see above) are promising, and they give us good reasons to hope that ANPAL will create added value for the Italian system of employment services.

However, from the perspective of the external assessors, considerable effort is still necessary to put ANPAL's mandate into practice. These efforts primarily refer to the clarification of the precise role of ANPAL taking into account the different roles, experiences and objectives of the Regions, as well as ANPAL's specific approach to coordinating labour market policy in Italy, and to creating a common and comparable standard of employment services across the country. Clearly, this approach needs to take into account the post-referendum situation with its complex institutional structure. Furthermore, legislation needs to fend off a risk of incompatibility within ANPAL's range of activities. Given the institutional context with the highly autonomous Regions, the national level should constrain its activities to the establishment of a common framework. This common framework should contain a mutual agreement on joint objectives and their monitoring as well as on the creation of a support structure to achieve these objectives. The method of concrete implementation of specific interventions should be up to the Regions alone in order to avoid indistinct responsibilities.

4. ASSESSMENT OF CHANGE MANAGEMENT

The recent reform has to a large extent been driven at the political level, and the extent of reform was uncertain for a rather long time due to the pending referendum. Basically, ANPAL only became fully operative in January 2017, just after the negative outcome of the referendum, so the time period to assess the management of change is very short. Nevertheless, the external assessors got the impression that from a procedural perspective, there is considerable room for improvement to turn change into a systematically managed process. This refers to the full process of initialisation, design, mobilisation and implementation of specific organisational development projects in the future.

In order to become a true manager of change, it is necessary to take clear positions on different options for the concrete implementation of the reform. The planned monitoring system lies at the heart of achieving this. Once it is established and nationwide transparency on results and investments is achieved, ANPAL can use it to assess different change options according to their expected cost-benefit relationship. Currently, single projects, programmes and services are put into practice, but their interrelation on a strategic level is not transparent enough for the local actors, so it needs to be defined more clearly. Combining the implementation of single projects with an overall understanding of priorities within the reform process would be useful.

Furthermore, there is a need to develop a clear communication concept for the whole reform process. At the moment, communication concentrates on single programmes (especially the re-placement voucher and the Youth Guarantee). Different communications channels could be used more effectively to establish a

clear communications concept for stakeholders, strategic partners and the wider public with fixed formats and agreed frequencies. A "kick-off event" with all relevant actors at the regional and local level would be useful in establishing a common understanding of new roles and the reform's final objectives.

Finally, and most importantly, a concrete strategy, built on a common vision with graspable and measurable agreements between all actors is essential for a successful implementation of the ongoing reform. An operational roadmap containing clear milestones and a transparent structure of the implementation process should be prepared to reduce complexity and insecurity (especially at the job centre level). Thus, roles need to be clearly defined and a project team, as well as an implementation team which includes representatives from the Regions and the local job centres, should be established to compile a roadmap and to monitor risks as well as the extent to which the defined milestones are met. The external assessors are convinced that this process needs to be started very quickly.

5. SUGGESTIONS AND RECOMMENDATIONS

As mentioned above, ANPAL's mandate does not allow enforcing ideas for a common and comparable standard of employment services across Italy. Therefore, ANPAL needs to convince all relevant actors that it can give them added value. Against this background, it is of the utmost importance that ANPAL develops a compelling vision which defines its precise role and that it communicates its vision to all relevant stakeholders in the Italian system of employment services. To better illustrate our ideas for ANPAL, it is helpful to think in terms of an architect's plan. If ANPAL is seen as a house, the ultimate aim of each house is to have a roof over the head. As a national institution, the ultimate aim of ANPAL, and therefore its roof, is the provision of the best possible services for Italy's citizens, i.e. for jobseekers and companies throughout the whole country.

Its roof needs to be supported by a central load-bearing beam. In the ANPAL house, the central beam is regional autonomy and accountability. In the current institutional context, regional autonomy is a fact and will in all likelihood remain one in the coming years. This fact therefore has to be taken into account when building the ANPAL house. Furthermore, autonomy is not negative *per se*. In fact, it provides a unique learning opportunity if the Regions' experiences are systematically analysed to identify those solutions which really work in practice all over the country. It is crucial that together with autonomy there is also accountability, i.e. the acknowledgment and assumption of responsibility for all decisions and actions by all actors within the employment services system. However, accountability can only be achieved if an accepted system of measuring success exists. For the establishment of such a measurement system it is advisable to start with a mutual agreement on "royal indicators". This means that all relevant actors within the Italian system of employment services agree on a small set of indicators which reflect the ultimate aim of all their work and which should, therefore, be the centre of their attention. This small number of indicators can then be used to formulate quantified targets for all relevant entities. As a starting point, the number of transitions from the unemployment register into employment in the primary labour market, together with the share of highly satisfied² jobseekers and employers, might serve as a first set of "royal indicators".

² The Practitioner's Toolkit "Developing customer satisfaction measurement systems" is available online from the PES Knowledge Centre (<http://ec.europa.eu/social/2017>)

Such a set of indicators will foster comparability across Regions and job centres and provides an excellent basis for the identification of promising areas and partners for cooperation. Cross-regional cooperation of job centres is not only necessary but it also promises a pay-off since functional labour markets are not bounded by regional borders. To the contrary, preliminary estimations conducted by the assessor team using employment data for the 20 Italian Regions in the period 2005-2015 indicate that, on average, a 1% increase (or decrease) in the employment rate of a specific Region is accompanied by a 0.6% increase (or decrease) in the neighbouring Regions (i.e. regions with a common border). The interdependence of the Italian Regions appears to be quite high and it shows a large potential for concerted decision-making and actions across the Regions. Ultimately, all actors within the Italian system of employment services need to share a common understanding and responsibility for the success of employment services in Italy: the provision of the best possible services for Italian citizens.

The central load-bearing beam in the ANPAL house rests on three pillars: (i) transparency, (ii) knowledge/evidence generation and dissemination and (iii) the joint creation of service standards and support structures. These are described in more detail below.

The first pillar comprises the creation of traceability of the efforts and achievements of all relevant actors using an ICT-based "Management Information System" (MIS). The MIS should have a set of nationwide performance indicators and complementary data easily accessible to all relevant job centre staff, and ideally also open to the public. The Danish PES has established an interesting example (its "jobindsats" web-page) which is worth studying in this context. The same holds for the "SGB-II-Info" webpage covering the Jobcenters in Germany. Other PES which can serve as valuable exchange partners in the establishment of such an MIS can be found in Estonia and the Netherlands. Furthermore, the experiences of Denmark demonstrate that transparency can be facilitated by the establishment of regular and systematic dialogue forums with representatives from the local job centres. In this context, the staff of "ANPAL Servizi" should act as mediators and thereby take over the role of "ambassadors" in the Regions.

The second pillar implies that ANPAL becomes a centre for knowledge and its dissemination using the expertise of the staff that comes from INAPP (and that is now in ANPAL). The high degree of local autonomy in Italy almost creates "laboratory conditions" which is a unique opportunity to generate evidence on "what works and for whom" thereby making "heterogeneity a chance" to learn. To achieve this, a systematic knowledge generation strategy needs to be developed and the experiences of the Norwegian PES can be helpful here. Furthermore, the systematic screening of existing evidence (also evidence from other countries), and its translation into useful information for staff in job centres, can be helpful. In this regard, the Danish PES's "jobeffekter" web-page is worth studying. The same holds true for the systematic piloting using randomised controlled trials in Denmark, the Dutch "frontrunner offices" and the Swedish "greenhouse technique". All of these approaches aim at the creation of new and hard evidence on which services are the most promising for which clients. This can be further supported by strategic cooperation with academia (as in Germany). Finally, it is certainly worth investing some effort in the identification of functional labour markets in Italy. As mentioned above, it is highly likely that labour markets cross regional borders. Demonstrating the high interdependence of Regions in Italy to

main.jsp?catId=1163&langId=en) and it can be used to design and launch regular client satisfaction surveys.

regional stakeholders will certainly support those seeking closer cross-regional co-operation.

The third pillar refers to the co-creation of service standards together with the Regions and the job centres as well as the establishment of a support structure for their staff. From the interviews with representatives of job centres on the second day of the site visit, it became apparent that they have never visited another job centre, not even within the same Region, and that employees find this highly regrettable. In this context, the mutual visit programme established by the Estonian PES is an interesting example. There, front-line counsellors from one office can job-shadow (i.e. observe the work of) their colleagues from another office and discuss their observations for the purpose of mutual learning. The Estonian PES has developed this approach even further by setting up active learning groups which is another interesting practice worth considering. The systematic exchange of practices across job centres, together with mutual learning events, are central prerequisites for the common creation of minimum service standards for clients. This can be further supported by the evidence-based identification of good practices and the collection and storage of "good ideas/suggestions" in a country-wide database as is the practice in the Austrian PES. The latter has also established an internal "social network" called "Connections" which includes communities on several topics, including all internal projects, and it serves as a tool for the direct exchange of information between staff. Another example worth studying in this context is France, where a quarter of PES staff actively uses an internal social network platform for exchanging ideas, discussing problems on operational issues and learning from successful solutions in other job centres.

Finally, a major element of the third pillar needs to be the establishment of a single point of entry for employers based on a national employer strategy, i.e. a portal like "Job-Service Italy" which contains information on labour market monitoring (e.g. from special surveys conducted among employers on their recruitment needs and experiences with job centres), the supply of digital solutions (especially the access to jobseeker CVs) and information on special campaigns. This can be further supported by a letter from the Minister to Italian companies on the advantages of "Job-Service Italy" and the use of job centres for their recruitment. The experiences of the Danish PES can deliver valuable inspiration here. Ideally, "Job-Service Italy", which should be established in cooperation with the Italian Regions, would also have all the vacancies notified to the job centres and it would have a "job scraping" function, i.e. the integration of vacancies from other job web-sites using a web-crawler (an internet "bot" systematically browsing the WWW).

The floor of the ANPAL-house is clearly the already-envisaged integrated ICT-system. From the visits to the two regions of Lazio and Lombardy, and the discussions with representatives of the job centres there, it became more than apparent that the multitude of different and incompatible IT-systems is currently one of the greatest obstacles in the everyday service provision to clients. The Danish, Estonian, German and Dutch PES can be helpful partners for exchange on this issue.

The successful implementation of the integrated ICT-system will be the first step and at the same time the litmus test for ANPAL to establish itself as a "credible enabler" of the Italian employment services system. The latter refers to the foundation of the ANPAL-house which is credibility. Given the complex institutional setting and the different, highly autonomous actors, it is of critical importance that ANPAL is solely committed to keeping an eye on the "big picture", i.e. the provision of the best possible services for Italian citizens.

The assessor team is convinced that ANPAL needs to quickly develop a compelling vision regarding its own role, and then communicate that vision to all actors (e.g. with a big kick-off event including representatives from all Regions and all job centres). Finally, the greatest challenge for filling the vision with life are the reservations among regional actors regarding the precise role and intentions of ANPAL. As observed during the site visit, these doubts together with the accentuation of the large differences across the regions and a strong awareness of problems could turn out to be serious barriers to the reform agenda. It is therefore necessary that all actors change their mind-set towards one which focuses on possible solutions instead of problems, and concentrates on the common objective instead of differences.

Clearly, a changed mind-set can only be achieved if ANPAL convincingly signals itself as a credible enabler and if early and visible successes are achieved quickly. In this respect, it is important to note that ANPAL's clients are not the jobseekers and the companies in Italy. *They* are the customers of the job centres in the Regions. *ANPAL's* clients are the job centres since they are providing services to the citizens of Italy and they need an enabler to improve their performance. In order to achieve visible successes quickly, it is necessary to identify partners who are willing to cooperate with ANPAL. The most promising partners to trigger a cooperation process to improve performance are clearly (the job centres in) those Regions which (i) in terms of (un-)employment are not among the Italy's highest and (ii) simultaneously exhibit enough institutional quality³ to be able to exploit this potential for better performance. If such a coalition of willing actors can achieve some "quick wins" which are then disseminated across the country, it is likely that other, currently more reluctant, Regions will join in. Ultimately, this will allow ANPAL to hoist a flag on top of its house, spreading its motto: "ANPAL – inspiration and support to create success".

³ In this context, it might be helpful to study the publicly available information on institutional quality also used in A. Nifo and G. Vecchione 2014, *Do Institutions play a role in skilled migration? The case of Italy, Regional Studies, Volume 48, Issue 10, 2014, p. 1628-1649*. A. Nifo and G. Vecchione 2015, *Measuring Institutional Quality in Italy, Rivista Economica del Mezzogiorno, N.1-2, Il Mulino, Bologna*.

