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Stream 6: Labour market policy, activation and beyond

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“Sustainability and transformation of European Social Policy”

Stream 6. Labour Market Policy, Activation, and Beyond

Individualisation without personalisation?

The paradoxical logic of the quasi-market based employment services in the Lombardy Region

Stefania Sabatinelli and Matteo Villa

Abstract

In the framework of a steady continuity in the political orientation, the Lombardy Region has developed a specific quasi-market oriented approach to welfare policies. This approach, initially promoted within health services, has progressively been extended to training and, more recently, labour policies, the latter accompanied by an increasing rhetoric about activation. The *Dote* system (literally: dowry or endowment) is the latest instrument identified both to deliver various services to the beneficiaries and to finance public and private bodies, accredited to provide them.

Based on recent research results, the paper aims at disentangling the underlying logic of the *Dote* mechanism, as well at highlighting the implications for the territorial system of service provision, with particular regard to governance processes, roles of actors and activation approaches.

In the *Dote* system, the persons who fulfil given requirements “choose” among the accredited bodies the one they will submit the application with. The application must be submitted directly to the Region within strictly defined time spells. If the procedure is successful,

applicants are entitled to individual monetary contributions to finance the services that the chosen body will provide them.

In the last years the *Dote* has become the almost only way to get public resources to deliver training, orientation and employment services. This means that local authorities and accredited bodies are almost excluded from the planning processes, and cannot project really different, integrated and tailor-made interventions. Above all, the capability to embed the activation logic within the complex interplay of the individual trajectory and the socio-economic context has become rather trifling. In this sense, individualization does not identify a qualified approach anymore, insofar it does not concern specific *contents and methods* of the individual paths, but a mere level of *administrative, financial and relational* regulation.

As the paper discusses, the *Dote* system settles down a paradoxical combination of individualization without personalization, implying a loss of quality, appropriateness and continuity of services, an increase of financial and organizational stress of bodies, and a strengthening of the centralized and authoritarian power of the regional government.

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Introduction

As in most of European countries, in the last two decades, a deep rescaling of competencies in social and employment policies has taken place in Italy where Regions are now responsible of social and labour policies.

In the framework of a steady continuity in the political orientation, in these decades the Lombardy Region has developed a specific quasi-market oriented approach to welfare policies. This approach, initially promoted within health services, has progressively been extended to a number of social policy domains, such as home-based LTC, education and, more recently, training and employment policies.

The organizational reforms in the latter domains have been accompanied by an increasing rhetoric about activation, individualisation, centrality of the person, subsidiarity and market, and by an increasing use of regulation to switch the policy system in this direction. At least apparently.

Under thi view, the latest evolution is the *Dote System* . The *Dote* (literally: dowry or endowment) is the instrument identified both to deliver services to the beneficiaries and to finance public and private accredited bodies to provide them. It consists of an individual monetary sum that the entitled person can spend to purchase training and employment services by accredited bodies. This is supposed to guarantee the individual freedom to choose the best provider, thus alimenting – via competition among private and public bodies – an enhance of quality. At the same time, it is meant to oppose passive attitudes of beneficiaries, by conditioning monetary and/or social support to activation services.

The paper asks what the underlying logic of the *Dote* mechanism is, and what can be the implications for the territorial system of service provision. In order to gather information to answer these questions, we have carried out analysis of political and administrative documents, secondary analysis of available data, and in-depth interviews with relevant stakeholders, namely coordinators of public, private and third sector bodies providing *Dote*-related training and employment services, consultants and experts.

The paper is organized as follows: the first paragraph briefly recalls the changes in social and employment policies that took place at the national level in the last two decades, and presents the peculiarity of the Lombardy regional welfare model. The second paragraph describes the specific features of the *Dote* instrument. The third paragraph analyses the implications of such a mechanism, with particular regard to governance processes, roles of actors and activation approaches. Finally, the fourth paragraph draws some elements of conclusions.

1. The policy context in Italy and in Lombardy

1.1. Changes in employment policies in Italy

The new welfare trends that changed the labour policy systems all over Europe in the last decades (van Berkel, Valkenburg 2007; Serrano Pascual, Magnusson 2007) have produced extended effects in Italy (Kazepov 2009 and 2010; Pirrone, Sestito 2006; Villa 2007). As a matter of fact, during the '80s and, above all, since the second half of the '90s, various innovations and reforms have been promoted in order to, firstly, increase the flexibility of the market regulation and, secondly, develop a new approach towards the active labour policy. The latter has been settled down in four different manners: decentralising the regulation and delivery functions, promoting the participation of private actors at both levels, developing a new and more consistent role of the Public Employment Services (*PES*¹), promoting a new set of active labour policy measures (Borghi 2007; Villa 2009b).

The kind of regulative framework has dramatically changed², due to the decentralisation process that moved the legislative power to regions and the delivery and planning functions to provinces and local actors (public and private ones). The *PES* have passed from the management of the State to the one of the Provinces, flatly modifying their functions from the bureaucratic and numerical regulation of demand and supply to the promotion of network coordination among local actors and the delivery of activating measures. The juridical status of unemployed has turned into a contractual and conditional one, depending on some binding conditions: to be without a job and immediately willing to be employed and/or involved in the active measures proposed, besides undertaking active job searching.

As a result, the Italian labour market has become one of the most fragmented and flexible among the western countries³, although the historic discrimination between insider and outsider workers, with regard to levels of guaranties and social protection, hasn't been really attenuated (see e.g Barbieri, Cutuli 2009, Cnel 2010, Reyneri 2007). On the other hand, the Italian labour policy system has changed in a new but not very clear and defined system, due to the continuous desynchronisation among the policy reform paths, the spatial-temporal misalignment of the attempts to meet problems and needs, the lack of coordination among the regions, and the familiar habit to promote institutional reforms by settling down strong principles against weak pragmatic and economic means⁴.

¹ In Italy, *Centri per l'Impiego, CPI*.

² Particularly since the approval of the Constitutional Law n. 3/2001.

³ For the very high number of types of contract and the way the economic actors make use of them, but also for the particular economic structure mainly based on small and medium firms.

⁴ An example is the very low level of economic resources put on the reform of the *PES* (Pirrone, Sestito 2006).

As a matter of fact, the lack of investment on the *PES* has thwarted the promotion of effective and flexible ways to handle demand and supply at the local level and to meet job-seekers' needs and conditions. Apart from some local exceptions, the public services have just developed some basic functions on the labour market activation policies and maintained a bad reputation among people and firms, thus ending up playing a marginal role in the policy transition and in the evolution of the labour market dynamics (see *infra*). Furthermore, the decentralisation process, implemented without promoting ideas, modes and structures of coordination (among the regions, among the different policies⁵, among the local and national institutions appointed to manage active and passive measures) has brought to a strongly differentiated asset in the various territorial contexts, where different constellations of private and public actors, under different regional means and regulative approaches, create disparate and even divergent fields of opportunities and binds. Finally, the passive protection against unemployment continues to be organized on a strict category-basis, without universalistic unemployment benefits or a national measure of minimum income (See table 1).

Hence, the local-territorial dimension has effectively become important (Kazepov 2010), but more for the negative inequality produced than for the peculiar features and resources enhanced and revalued. Therefore, the main characteristics of the Italian welfare system have been substantially bearing out, with particularly regard to the strong relationship between labour market participation and social protection, the overloading of families, citizens and third sector with caring and socio-economic support responsibilities (passive subsidiarity; *ibidem*), the weakness of the public institutions and the low level of statehood.

In this context, Lombardy has the clear advantage to be one of the wealthiest region in the entire continent, where the public sector is generally better suited and structured than in other contexts⁶, supported by the flourishing presence of private, nonprofit and voluntary actors that counterbalance its eventual or contingent scarcities. Furthermore, it is one of the Region that has more dramatically changed its policy and welfare system in the last years.

With regard to labour policies, since the late '90s, the Regional Government has intervened modifying both its competences and the ones of the Provinces (Law 143/1998): in the first case, fixing the governing tasks (addressing, planning, coordination, evaluation); in the second one defining the ones of planning and management for the new *PES* (including the matching and the observatory functions).

At present, two types of contributory unemployment benefit exist⁷:

⁵ Employment, training and social assistance.

⁶ And, particularly, better than in the Southern regions.

⁷ Here are reported only the main features and conditions. For more details see Sacchi *et al*, 2011.

- (1) The Ordinary unemployment benefit (*Indennità ordinaria di disoccupazione*), paid to persons dismissed (unintentional unemployed), who have paid at least two years of social contribution
- (2) The Unemployment benefit at reduced requirements (*Indennità di disoccupazione a requisiti ridotti*), paid to persons who have worked at least 78 days in the previous year.

In case of crisis of the enterprises, special measures, strongly category-based and therefore very selective, are foreseen.

- a. The first is the Mobility benefit (*Indennità di mobilità*): paid to workers placed in “mobility”, a sort of a “pre-dismissal” condition due to staff reduction, change of production sector, end of production⁸.
- b. The second is the Short Time Work Scheme (*Cassa Integrazione Guadagni, CIG*), a monetary benefit meant to avoid dismissals by firms in crisis, by integrating or substituting the salary of workers who are temporarily either suspended from their job or working at reduced hours⁹. The CIG can be:
 - △ *Ordinary (Ordinaria)*, when the firm crisis depends on temporary events, and it is certain that production will start again;
 - △ *Extraordinary (Straordinaria)* when firms face restructuring or reorganizational processes, or in case of bankrupt or liquidation.

Both Mobility and CIG schemes can be *Exceptional* (so called *Ammortizzatori Sociali in Deroga, ASiD*), introduced in response to the last economic crisis in order to partly cover the gaps in protection left by the strong category basis of Mobility and CIG design¹⁰.

Table 1 – Main passive labour measures

Further legislative innovations have been then introduced at the end of the national reform boost (1997-2003), with the approval of the Regional Law 22/2006 on the labour market. Here, following the assumptions of the National Law 30/2003, the Lombardy Region has pushed towards a system mainly built on a competitive whole of public and private actors, legitimising a sort of equality of status among them, and leaving to the Provinces the main tasks to plan and evaluate the implementation of local policies¹¹. A year later, the approval of the Regional Law 19/2007 reasserted the same kind of approach with regard to education and training, also fixing some institutional links among the two policy fields.

⁸ Only firms with more than 15 employees (apprentices included) can place workers in a “mobility” condition, and only after a negotiation between employers and Trade Unions. Furthermore, only workers hired on a permanent basis can be placed in mobility (i.e: apprentices are excluded).

⁹ Only firms of some sectors and of certain size, and only certain workers’ profiles are entitled to the measure.

¹⁰ It includes firms that do not belong to sectors entitled to CIG or do not meet the size requirement. Before applying for exceptional CIG, the firm has to reach an agreement with the Trade Unions. Mobility scheme can also be granted exceptionally.

¹¹ In this respect it appears rather interesting the case of the Province of Milan, that in the same period has put on the field a new design aimed at strengthening the role of the public services in the local contexts and at integrating the management of employment and training measures.

Within this transformation, at least four relevant issues haven't found clear answers yet (Reyneri 2002, Varesi 2006): the first is the strict category-basis organisation of the passive measures. The second is the lack of institutional coordination between the latter and the active measures, whose respective responsibilities fall on different and not-integrated actors. The third is the absence of attention to the relationship between job demand and supply, policies aimed at the economic development and policies placed at supporting employment and income. The last one is the lack of definition of any sort of essential or minimum level of assistance as forms of eligible right¹².

In this context, the economic crisis has pushed the State and the Regions to build an agreement to extend the use of the *Exceptional Short Time Work Scheme (AsiD*, cfr. Table 1) and connecting its delivery to the use of active labour policies.

The agreement has been signed for the two-year period of 2009-2010 and renewed for the 2011-2012. It provides the financing of passive measures by the State, while the Regions are expected to integrate them and to plan and finance the active ones. For its part, the Lombardy Region has chosen to resort to the *dote* system for the application of the agreement, addressing all the economic resources of the so called *dote-lavoro* (see *infra*) to this kind of policy for the 2011-2012.

1.2. The Lombardy Regional welfare model

In the context of the traditional weakness of social policies and services in Italy, in Lombardy this social ambit was regulated ever since the regional law of 1986 with a wider expenditure, and an attention towards prevention, experimentation and social-health integration. Compared to the other Italian Regions, then, Lombardy had at the end of the last century a good level of social provision, both in quantity and in quality terms.

Since 1995 the Lombardy Region is governed by the same centre-right coalition, and led by the same President. Both the Governor and his majority are strongly committed to a definite political orientation, that has guided reforms in social policies pointing at an original model, with the ambition both to clearly distinguish the Lombardy regional style and to transfer it to other regional contexts, and possibly also to the national level (Bifulco 2011).

The "Lombardy model" is inspired to a mix of political and economic principles and confessional values. The former refer to a liberist orientation towards marketisation and New Public Management (NPM) approaches, the latter to a peculiar interpretation of the Catholic doctrine. As to the first, as it is well known, NPM identifies a style of management of public sector, particularly inspired by conservative reforms implemented in Anglo-Saxon contexts,

¹² The only real subjective social right is regards access to the health system.

and oriented towards result-driven methodology stirred by the private sector and the marketisation of provision, with the declared goal to pursue an increase of efficiency and thus a reduction of public costs. In this view, public bodies should have a role of coordination and control, and reduce their weight in direct provision, leaving room to private providers (Christensen and Lægreid, 2008). A sound concern regards the risks linked to welfare traps, and on the need for policies to be designed in such a way that favours the interruption of the vicious link between welfare provision and users' lack of autonomy, like for instance through activation policies. As to the second, the Catholic doctrine illustrated in the *Rerum Novarum* encyclical letter in 1891 presented a new idea of stateness, according to which the different government levels should not impose policy solutions upon citizens, but rather support individuals and social groups who are committed to build their welfare themselves (Gori, 2008). Both traditions are at the origin of a very strong emphasis on subsidiarity as an approach and, one would say, even as an objective in itself. On the Lombardy Region's website one can read: "[...] a government that wants to make of subsidiarity not only the ideal headlight of its policy, but also the pivot of its administrative action".

In this last decade, vertical subsidiarity has been subsumed at the national level in Italy, through the Framework Law of Social Assistance and Social Services nr. 328 of 2000, and the Constitutional reform of 2001. The first reform introduced a "cascade" pattern of governance, with the State identifying general objectives, the Regions and Provinces planning, and the Municipalities and Districts (i.e. groups of Municipalities) implementing and providing (Sabatinelli 2009). Although promoted by the same majority, the second reform partly contradicted the first one, insofar as it devolved all responsibilities about social policies to Regions, leaving to the State only the competence to individuate *minima* standards of intervention (what has been done about health policies, but not yet about social policies; Ranci Ortigosa, 2008).

Yet, the Lombardy model goes well beyond this understanding of subsidiarity, in two directions. First, the vertical subsidiarity is interpreted in the light of a strong Regional centralism; subsidiarity is, then, strongly claimed from the State towards the Regions, but much less recognized by the Region towards sub-regional bodies: Provinces, Districts and Municipalities (Bifulco, 2011)¹³. Second, vertical subsidiarity is coupled with a strong emphasis on horizontal subsidiarity, implying that public bodies should not directly provide anything that citizens, families and private bodies, both for profit and non profit, can supply themselves. In this sense, market and non profit sectors are included in the same system of welfare provision, in which public provision is almost considered as an interference into the individuals', families' and intermediate organizations' self-determination.

The fundamental key idea of the Lombardy model is, in fact, the centrality of the person, that it should be possible to implement in two ways: a) the freedom of citizens to choose their

¹³ This has emerged also in the implementation of the framework law 328/00 on social assistance and interventions (see Costa, 2009).

provider(s); b) the freedom of citizens to choose to act, to become a provider, either on an individual basis, or in (various forms of) collaboration with others.

The centrality of the person is understood as possible in the context of quasi-markets (Batlett and Le Grand, 1993; Ferlie, 1997), that foresee: the separation between bodies with functions of provision and those with functions of financing, control and evaluation; the full parity of rights and duties among all accredited bodies, public and private ones (both commercial and non profit); the competition among accredited bodies to obtain funds and to attract clients, and that is supposed to increase the quality of provision.

The quasi-market has been first introduced in the Lombardy health system, in 1997 (Regional Law n. 31), and later extended to social policies, with the Regional Law about Family Policies, in 1999 (n. 23). It is in this ambit that the role of the family is more clearly interpreted in terms of active welfare provider: the public sector's task should consist in creating the conditions to allow the family to support its members as autonomously as possible, individually and/or coming together with other families. As a matter of fact, the role of the intermediate social bodies is particularly sustained by the Region, with specific financing earmarked to the Third and Fourth Sector¹⁴.

Quasi-markets are realised *via* two institutional instruments. First, the accreditation process, that is necessary to select bodies entitled to provision; any organization that fulfils the (formal) requirements set by the Region can be accredited, and participate to bids for funds (Avanzini and Ghetti, 2010). Second, the provision of vouchers, that has been introduced in the Italian welfare system by the 2000 national law on social assistance and services. The Lombardy Region has interpreted the possibility to introduce this tool in a peculiarly extensive way, using it in different social policy domains, such as home-based LTC, early child-care, education, and so on (Gori, 2011; Pasquinelli, 2006; Pasquinelli and Sabatinelli, 2010), clearly adopting it as a distinctive building block of the Regional model.

2. From voucher to dowry: the *Dote* system

The most recent institutional tool introduced in the regional welfare system is the *Dote*. *Dote* literally means dowry or endowment. It consists of an economic entitlement, that the eligible person can spend in order to purchase (a package of) strictly defined services, provided by

¹⁴ As it is known, Third Sector includes all bodies that cannot redistribute profits, such as voluntary associations, social cooperatives, foundations and other NGOs. The less known Fourth Sector comprises the so-called Family solidarity associations, that have developed in Lombardy thanks to the earmarked funds reserved to them.

accredited bodies. The economic endowment can be made up of different components, than can be cumulated, under specific conditions.

The persons who fulfil given requirements “choose” among the accredited bodies the one they will submit the application with; the application must be submitted directly to the Region. If the procedure is successful, applicants are entitled to individual monetary contributions to finance the services that the chosen body will provide them with. The *dote* can be claimed only during a strictly defined period of time, and only until the budget the Region destines for that spell is exhausted. After a preliminary interview to assess whether the person fits in the entitlement criteria, the applicant and the worker of the accredited body fill up the online application together, from the very first day of opening terms, that is informally named “the click day”¹⁵. The application must be accompanied by the Personalised Intervention Plan (*PIP*), signed both by the beneficiary and by the body¹⁶. The *PIP* describes the individual insertion/qualification path, defines the actors that will contribute to carry it out, specifies the foreseen activities and services and the available budget.

The bodies providing services can claim funds only *ex-post*, when the individual path is over, on the basis of a precise catalogue of activities that identifies standards and costs that can be recognized per hour of each type of activity. Financing is, moreover, utterly pulverised: each *dote* that comes to an end is individually paid by the Region to the provider. Reporting (*rendicontazione*) is substituted by invoicing (*fatturazione*): bodies declare they have carried out certain activities for a certain number of hours (certified by registers and clients’ signatures), and are reimbursed on that basis, disregarding how much they have effectively spent and how they have implemented those activities; for example they can indifferently either directly provide the service, through their own staff, or purchase such services from another body. Management costs and general expenses, that could be separately claimed in the previous reporting system, are not acknowledged anymore in the *Dote* invoicing system. Bodies must find resources for these expenses in the margins they manage to have between the hourly costs the Region pays to them and the costs they effectively face to provide them.

The *Dote* concept was introduced at first with the *Dote Scuola*, that replaced the already existing *Buono-scuola* (school benefit), that was intended to finance the Lombardy families’ freedom to choose between public and private schools¹⁷. This new instrument has then been progressively extended to other domains, and in particular it has been applied in a pervasive

¹⁵ This kind of nickname relates to the mix of pressure and anxiety that experience people and social worker during the application. Here, the fear to lose the possibility to get the *Dote* is particularly strong and fuelled in the procession of the counter that continuously updates the reduction of the available resources. As an interviewed observes «the *Doti* are numbered. If I arrive a minute later than another, I find nothing. And that could even happen during the first day».

¹⁶ In the latest waves, though, the *PIP* definition has been postponed, becoming the out come of the first activities carried out (such as the competencies’ assessment).

¹⁷ Especially at the beginning, the measure attracted many critical comments, as the design of access criteria made it in fact a form of monetary support mainly destined to rather well-off families whose children attended private schools. Since the school year 2011-2012, due to the economic crisis, tighter income requirements have been set.

way in the domain of training and employment services, with the Regional *Dote Formazione*, *Dote Lavoro* and, more recently, *Dote Ammortizzatori Sociali*. Also employment services for disabled are financed and regulated with the *Dote* system¹⁸.

Let us briefly see the main features and access requirements of each of them.

- The *Dote Disabili (Disabled Dote)* is aimed at enhancing employability, favouring job insertion and supporting employment of disabled persons, especially of weaker ones (over 50s, person with particular relational problems, or with at least two previous failed insertion attempts, etc.). Many of these beneficiaries are protected by the law regulating the obligation for firms with more than 15 employees to hire a share of disabled workers.
- The *Dote Formazione (Training Dote)* is aimed at favouring the persons' employability, by reinforcing his/her competences and skills. It is addressed to jobless persons and to some kind of autonomous workers. It allows the person to access one or more training services provided by an accredited body, in the framework of the Regional professional training system. Training services can be integrated by tutoring and stage support services. The *Dote* value varies by length and type of the chosen training courses, for a maximum of 5.000€ and 12 months.
- **The *Dote Lavoro (Employment Dote)*** is aimed at favouring employment and at accompanying persons in the job insertion and reinsertion or in the professional requalification paths. It allows the person to access training and employment services provided by an accredited body, for a maximum value of 3.000€ (of which employment services must absorb between 500 and 1500€); first level reception service is provided for free. Citizens living in Lombardy can apply for it if they are between 18 and 64 years of age and if they are jobless (either unemployed or first-time jobseekers). In order to access the measure, applicants are required to sign a declaration of immediate availability to work (*DID*). Unemployed persons not receiving any unemployment benefit (anymore) can apply for a participation benefit, up to 300€/month for the duration of the PIP, up to the value of services enjoyed and until there is availability of resources (maximum 3.000€). The services the person can access are: competencies' assessment; tutoring and orientation counselling; scouting and active job research; support to self-employment; training. Each person can be entitled only to one *Dote (Training or Employment)* in the same year. This cannot be cumulated with *doti* opened in previous years and whose PIP are not closed yet.
- In relation to the short time work schemes seen above (§ 1.1), in 2009 a new ***Dote Lavoro Ammortizzatori Sociali (LAS, Employment – Short Time Work Schemes)*** has been introduced. The *LAS Dote* was described as a measure that would be implemented at the side of *Dote Lavoro*, thus widening the users' audience. Yet, since the former has been financed, the latter hasn't been funded anymore, so that – in practice – access criteria have been strongly tightened in the shift from the *Dote Lavoro* to the *Dote LAS*. As a matter of fact, *Dote LAS* is reserved only to persons entitled to the ASiD, allowing them to enjoy “personalised” job re-insertion services to enhance their competencies, thus

¹⁸ Since 2010 these *doti* are not managed by the Region anymore, but directly by the Provinces.

integrating passive and active policies as foreseen in the State-Regions Agreement (§ 1.1). Monetary benefit and accompanying services are, in fact, indivisible, and those who “renounce” to services in principle lose the income support. In fact, up to now there is no information about the effective application of this sanction.

The LAS Dote has been recently modified with the second funding wave, 20 millions of euros released in April 2011. In the new edition two types of measures are foreseen, for two different types of beneficiaries¹⁹:

- the *Dote Riqualificazione (Requalification Dote)* provides training services to beneficiaries of ASiD that are expected to go back to their normal working hours in their firm as soon as their short time work scheme is over. Services are therefore oriented towards enhancing the professional skills of the applicants within their firm. The maximum budget is 3.000 €.
- the *Dote Ricollocazione (Reallocation Dote)* is destined to beneficiaries of ASiD that are going to become redundant because their firm is going to cease its activities, entirely or partially. It foresees a package of employment services aiming to the job reinsertion for a maximum of 3.200€ in 6 months (disregarding the length of the short time work program). The package comprises a minimum set of compulsory services, necessary to define the PIP, and consisting in 1 hour of first interview (that the provider has to carry out for free), 2 hours of specialised interview, 7 hours of competencies’ assessment, 2 hours of PIP definition. The package can be then enriched with any other service the accredited body judges as necessary to reach the final result of the job insertion (coaching, tutoring, orientation counselling, accompanied training on the job, scouting, active job search, supply/demand matching). The compulsory activities (maximum 375€ worth) are paid by the Region to the accredited body at the end of provision, once the PIP is sent to the Region, while the additional services (maximum 2.825€ worth) are paid only if the final result is reached. The final result is defined as a job with an at least 6 month long contract (or a 3+3 month fixed term staff leasing contract). A further incentive is foreseen for the insertion of beneficiaries over50, and of over45s with low educational level, but with a higher stake: 2000€ for a job contract at least 1 year long, 3000€ for a permanent position. If after the first six months the result is not achieved, the person can apply for a second *Dote*, either with the same or with a different accredited body, but the user cannot receive the compulsory services again.

The Dote has clearly been adopted by the Region as a universal equivalent, a mechanism to be applied to diverse situations, and to manage more and more specific measures. The use of this mechanism is particularly relevant in the domain of training and employment services, having been successively adopted to finance compulsory school-age professional training (*Dote V anno di Istruzione e Formazione Professionale*, for the completion of compulsory schooling, so-called *DiDo*), university and doctoral education (*Dote Ricercatori, Dote Ricerca Applicata*), and also very specific lines of financing, such as the *Dote Soggetti Deboli*, for the professional training of persons in jail, the *Dote Taxi*, for the language training courses for taxi-drivers,

¹⁹ Both can be co-financed by public resources (Lombardy Region, via FSE or other public resources) or private resources (of the employer, or of the inter-professional Funds).

the *Dote Operatori Forze di Polizia*, for the training of police officers (in view of Milan International Expo 2015).

In order to understand the centrality of this instrument it is crucial to notice that publicly financed training activities in Lombardy are by now exclusively implemented through the *dote* measures, the only available alternative being expensive fee-paying courses.

The centrality of the instrument is also clearly evident in the kind of messages that accompany its management and in the discourse that revolve around it. An example of the first is the emphasis on the freedom of choice attached to the *Dote*, that appears very clear when one looks at the logo specifically created, that states: “*Dote Lavoro. A te la scelta*”, that means: “Employment Dote: you choose”, and that is replicated for each *Dote* title. An example of the second could be the following quote from a report on Regional *Doti*, that depicts a good example of the overall rhetoric of the Dote system:

The subsidiarity method, the quasi-markets model, enhance the person’s value, and recognize her as driving force and ultimate end of any policy. The man is not to the purpose of the State, the State is to the purpose of the man. Today it is less and less accepted that the State substitutes the citizen in his/her decisions with self-referential structures and apparatus. This was the legacy of a welfare-dependency culture that compressed the sense of autonomy and responsibility.

With the regional laws 22/06 on labour market and 19/07 on education, the Region has reformed the whole education-training-employment chain, giving a coherent and unitary frame to the system in an integration logic, putting the person, with her needs and her relations, in the different phases of her life, at the centre. The instrument the Region has introduced to move the public financing from the supply to the demand side and that has, moreover, consolidated in different ambits (including school) an innovative strategy in financing public interest services provided by a bunch of public and private actors is the Dote (CEFASS, 2011, p. 60).

3. Discussion

3.1 Modes of governance

3.1.1 The evolution of the training and labour policies in the Lombardy Region

What is certain about the *Dote* System is that, speaking about training and active labour policy, not many things are the same anymore in the Lombardy Region with respect to the last decades.

Starting from the case of training, it is possible to recognize at least three different stages.

After the institution of the Regions (1970), in Lombardy was implemented a system based on public and private bodies acting in agreement with the Region itself. The bodies delivered the initiatives coherently with the guidelines developed at local level by the Provinces and with the data emerging from their own experience and from the beneficiaries' and employers' feedbacks and requests. The timing followed the school year, the information was provided by the Region and the Provinces, and the recipients had to apply congruously in advance, for the preferred courses. In other words, there existed a structured and relatively stable supply, presented in a regional/provincial catalogue of available courses.

At this stage the logic of intervention was evidently centred on the type of *service*, a system of actions with several predefined elements (resources, competences, main tasks, types of users and a more or less broad spectrum of measures) that pivot around the drive-concept of *function*, whose translation into practice not necessarily aims at any change. The formal frame is made up of a complex structure of the whole of functions and roles (management, administration, designing, realization, evaluation). Hence, it implies a high level of continuity in the reproduction of the main functions and the presence of a bound degree of flexibility about decision making and implementation (Villa 2009a).

Things changed when the economic resources of the Regions declined, the demand for training activity became more elastic and differentiated, and that kind of system increasingly revealed the inability to offer the adequate answers in a more flexible labour market²⁰. So, at the end of last century, a second stage began, that was characterised by a widespread development of the logic of *project*. This logic of project prefigures a system of actions whose level of pre-structuring and pre-definition can be extremely variable, in relation to many different factors. It is based on the drive-concept of *strategy of change*, whose definition regards the relationship among the beneficiaries and institutional or non institutional contexts (e.g. elderly people and family network and/or neighbours; young people and the neighbourhood, the municipality or the local labour market; etc.) and defines the criteria of spending. The project is accomplished through processes whose sequences of change (and evaluation) it should be possible to partly and temporarily identify (Villa 2009a).

This kind of development was economically prompted by the European Funds (ESF) and implemented by the Lombardy Region by means of periodical announcements. The interested bodies often collaborated with each other to form networks aimed at presenting proposals with varying levels of complexity, innovative ambitions and integrated approach between

²⁰ Both for the changing competences required on the supply side and the less stable dynamics of the demand at local level see Tuè, Corsi, Cavicchini 2004.

labour, training and orientation measures. This enabled the actors to develop new and more diverse initiatives and the claimants to choose among many different offers, still building up a structured offer catalogue. Furthermore, it was possible to promote systemic projects aimed at modifying the ordinary institutional functioning in a given context, while the quasi-market means began to be part of the system, with a growing number of people enabled to attend part of the programs *via* definite types of voucher.

Notwithstanding, some weaknesses and inefficiencies were present: a too high level of bureaucratic tasks, a dissipation of resources within not always well targeted and selected initiatives, shortcomings in evaluation, a growing difficulty to get clear information about the accessible opportunities and the real profile of the supply system (topics, levels and quality of the courses). There were problems of coordination at the local level and between the training and labour initiatives (Kazepov, Sabatinelli 2002), while the announcement mechanism proved not to be always adequate to match the timing of people, markets and new institutional rules²¹, and not as regular as the previous one (Villa 2007).

Another particular problem was that the logic of project proved to be in some cases not really adequate and in others at risk to be misinterpreted. Examples of the first ones became evident when projects took the effective form of “temporary services” aimed at reproducing routine functions or at counterbalancing the lack of other kinds of resources, Example of the second ones emerged with initiatives that often unconsciously took the form of aggregations of utilities.

The logic of *utility* is based on the drive-concept of *action* and is strictly pre-defined from a formal, quantitative and economic standpoint (subjects; timing – duration, frequency and number of hours; actors and roles; objectives; costs. See Villa 2009a). Not necessarily and not easily, a sum of utilities is thought and implemented in a way that drives towards any sort of change. And this is even more likely as different actors are involved – as it was often the case - in the management of specific and independent set of utilities. Hence, in some cases, projects became sort of big container of series of action, not well integrated and not really addressed to pursue the declared aims .

These kinds of apparently incoherent solutions were not necessarily the result of bad decisions but also of genuine attempts to answer to specific problems without the adequate means. This is a classical and, to a certain level, unsolvable dilemma provoked by excessive regulation or by a too high rate of exploitation of certain characteristics of the system from the different actors.. It may result in an increasing stress for the system itself (whose variables are in some cases forced to take the maximum level of tolerance) and a too high level of dispersion of resources (Bateson 1963). That is just what in part happened during this stage and, for partially different reasons, is going to happen during the following one.

²¹ E.g. with regard to the implementation of the so called “immediate availability to be involved in the active measures” on which is based part of the new juridical status of unemployed (see § 1.1).

The final and third stage is clearly defined by the above described *dote* system that, again, has dramatically changed the situation towards a new set of logics of rule and intervention.

However, before going deep into this issue, it is important to come back to the evolution of the active labour policy, that we have partially mentioned before (§ 1.1). Also in this field we can identify three stages. The first is embedded in the historic period antecedent the half of the '90s, when all was centrally regulated by the state, and the “active” policy were based on a mix of economic incentives for the firms and on the bureaucratic role of the compulsory employment offices. In this period only few voluntary or private (profit and nonprofit) initiatives were promoted coherently to some sort of idea of activation, so that it appears rather difficult to identify any prevailing logic²². The second, began with the reforms of the second half of the '90s, when activation became an institutional goal and the *PES* were identified as the adequate structures to promote and coordinate them. In Lombardy, this phase roughly coincides with the second one mentioned above with regard to the training policy. The difference is that the presence of the *PES*, their particular institutional role and their internal weaknesses opened the room for a mix of different logics followed by different actors. The *PES* embodied the typical features of the logic of *service* while, at the same time, they tried to be involved in mixed networks to participate to various *projects* funded through the ESF, mainly managed by public and private structures for professional training and by the “new” temporary work agencies. In the third stage, this mixed situation seems to continue. On one hand the project is now substituted by the mixed and contrasting combination of the logics of *utility* and of *project* that seems to characterise the *Dote* system (see *infra*), on the other, the *PES* find themselves in the particular situation to be a service that manages the *Doti* without substantially depending on them for their economic survival (as they rely on *PES* service contracts with the Provinces).

3.1.2 The logics of the Dote System

The effective consequences of the development of the *Dote* System are not very clear and easy to identify. The directly involved actors have different viewpoints on the topic, as the following quotes from our interviews show:

²² It has to be said that in the Lombardy Region some interesting experiences grew up, particularly since the end of the '80s, for instance, within services for young and disabled people.

The Lombardy Region has made the choice of subsidiarity. It is a market system, a system of competition. It can be stimulating to increase the quality of the delivered services.

The freedom of choice for the claimants was just as effective in the previous system, but now the quality is worse because it has to be adapted to the numbers.

There is a reversal in the logic: now persons are called to activate themselves.

It is a too rigid and inappropriate system, particularly in relation to the kind of persons and situation you have to deal with.

Training and labour policies are more and more strictly connected. Bodies that previously acted in only one of the two fields are closer to each other. Giving coherence to all the issues at stake is a task of the body; it is a responsibility of the social workers towards the person.

It is the system that doesn't allow bodies and social workers to build, and claimants to receive, a serious service: because the logic is that of the accumulation of little pieces and parings. The continuity of the training supply has failed. There is a huge waste. Claimants don't know what to do, they come here and ask: what can you offer me?

The Dote System has worked very well. It has allowed to build personalised paths and interventions.

The demand doesn't count. The training is determined by the binds applied to the demand, in order not to permit its effective expression.

To understand what is at stake and what are the consequences a lot of factors are to be considered.

The first thing to underline is that the Region no longer funds services and projects, but individual fees expendable to get guidance, training and/or advice from a chosen accredited body. This means that the feasibility of any kind of activity depends on the choice made by the claimants. The bodies have no longer the possibility («the freedom», for some interviewees) to build a project and get the public resources to promote and realize it. They rather have the opportunity to manage an action once a certain number of recipients have chosen them and, having presented a *PIP* with them, have gotten the *dote*. The mechanism is about the same for both the policies of training and employment and for all the types of measures and recipients.

The definition of the recipients to be involved in the specific action (how many and with what features), is relatively out of the bodies' hands. It would not be exact to say that it depends on the claimants' choices either, because it really ultimately depends on what is going to happen as a result of the aggregation of the individual choices, combined with the Region's decisions with regard to the definition of the entitlement criteria, that pre-define the socio-economic category from which the recipients can come. All the actors have to deal with this *ex post facto*, once the “click day” has passed. As a consequence, the individual assignment of the funds can undermine the sustainability of activities that, in many cases, are based on group-

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work, collective and organizational needs and given rates of economic coverage, for which a certain number of *doti* is necessary.

The second thing to underline is the homogeneity of the mechanism that puts on the field the same rules, binds and incentives for police officers and prisoners, disabled and able-bodied people, unemployed and students, young workers and over50s, etc., and settle down the same frames for collective training initiatives or individual orientation actions. This means that, within a framework that emphasizes the “centrality of the person” key-idea, personal features that are meaningful for the (re)insertion path are neglected or, at least, underestimated in the definition of the individual measure (see above and *infra*).

The third thing that deserves particular attention is the kind of logic that drives the *dote* mechanism. This appears to be completely divergent if we fix our gaze on the way of funding or on the frame of activity. The first is clearly oriented to the logic of *utility*. The second is only apparently coherent with this kind of features, while the necessity to effectively aggregate people and their fees, to work both with collective and individual aims, to personalise the interventions and, above all, to fulfil a given sort of changes in their lives within a complex context (the labour market, their family, their particular trajectory) clearly requires the implementation of *project*-type logics of intervention (see above). As a consultant we interviewed said, «we built some patterns to take charge of people and to support their employability or their occupation. But the *dote* only allows to carry out some pieces, because it is rigid, lightly modifiable and doesn't allow *in itinere* evaluation. The bodies try to deal with that, managing chains of pieces, possibly collaborating with each other; but with a lot of organizational fatigues and administrative cruces».

So, it is important to understand what this odd combination of logics is going to settle down, once it has become, as said, a **universal equivalent without alternative ways to get public funds. And, in particular, it is important to understand which are the effects of the specific regulation implemented by the Region²³, that is: the pre-structuration of the kinds of recipients and aims, the way to select the accredited bodies, the resources and the expenditure criteria applied, the kinds of binds and incentives for all the actors.**

Following the regional rhetoric, the *dote* system accomplishes a quasi-market-based approach, that gives back freedom of choice to people while requiring their personal activation. The particular version of the quasi-market idea immanent in the *dote* opens to some interesting perspectives under this view. For instance – as an interviewee observes – «it can create meaningful room of collaboration between the claimant and the body, insofar as the first brings the money, while the second bears the responsibility to spend it in a profitable way, and the obligation to accomplish the goal». Furthermore, the claimants «seem to be better informed than they used to be in the past», due to the fact that they are obliged to meet a certain number of bodies, have interviews, collect information, not to

²³ As discussed above (Villa 2009a, 2011), it is necessary to observe the particular interaction between the logics of intervention and regulation, in order to understand in which manner the relationship citizens-institutions is settled down and with what kinds of effects.

mention the fact that some of them have already experienced the *dote*²⁴. «Thus, they become aware that they handle a potential resource».

In general, the beneficiaries gain a more powerful position towards the bodies, because their consensus is required *ex ante* (control and decision by means of the *PIP*), *in itinere* (control by means of monitoring), *ex post* (valuation by means of compulsory customer satisfaction). In a certain way, the body is in the hands of the claimant, due to its freedom of choice on one hand, and to the rather uncommon function of control attributed to him, on the other. What appears to have been specially designed to avoid the waste of money of the previous system (second stage, § 3.1.1).

Nevertheless, some issues are to be considered. *First*, we should reflect if this is always as good as it could seem, taking into account that not all the claimants hold the same capability to manage the power. For instance, what about people with mental health or dependence problems, or that need to be supported in the building of their autonomy, or that are jailed? But even without these extreme situations, it is well known in the literature on social work²⁵, and among the social workers of these and of other kinds of bodies²⁶, that these types of relationship are full of ambiguities and at risk to be particularly viscous, alternating feelings of trust, suspect, control, fear, etc. So that the problem of distribution of power cannot be easily solved with a simple economic-administrative mechanism based on obligation and incentives, without unconsciously mixing variables that differ by level of complexity so creating room for uncontrollable perverse effects.

Second, the freedom of choice could be not really that effective, considering that its effectiveness depends, as said, on complicated collective mechanisms of aggregation and integration, and is not based on a structured offer. For instance, as an interviewee observes, «if (only) four people apply for my course, I won't be able to manage it, and those people won't be able to attend what they wanted and chose to attend. We'll have to send them to another body, that probably will have a different course and a different group of people with different expectations. Someone will have to please oneself...». This could theoretically happen with the previous project-based system, too. But it was less probable and more manageable. On the one hand, because people who now have the right to get the *dote* are fewer than the ones that could apply for the courses promoted in the previous manner. On the other, because the time to come together and build an agreement is now considerably shorter. Third because the bodies do not have the power to reject a claimant even if this rejection is based on sound reasons, what has always been considered a taken for granted responsibility of any competent and accredited actor, though considering the inherent potential conflict of interest.

²⁴ This is particularly frequent in the case of the disabled people, but also in case of workers in short time work programs enjoying repeated ASiD.

²⁵ E.g.: Adams, Dominelli, Payne 2009, Dubois 2010, Thompson 2010.

²⁶ «It is shocking to give that kind of power to a person that use it in an unaware way. You have to know with what kind of persons, stories, frailty and problematic situation we have to deal with».

The point is that people cannot choose among certain opportunities, because the latter become effective through (after) the aggregation of similar individual choices, regardless of other institutional mechanisms or guaranties. That could appear very intriguing. Nonetheless, the lack of consideration of the systemic effect of the individual actions, and the impossibility to make use of timing as a fundamental resource and variable, push this hypothesis into a paradoxical *game of prisoner's dilemma*, where the results of a person's choice are not predictable because this has to be taken at the same time of other people's choices on which, at the end, its results depend. Moreover, the underlying risks in this play are exacerbated, on one hand, by the scarcity of the economic resources that pushes the competitors to grab in every possible way as many applicants as they can, on the other by the fact that it is possible to apply only once in a long period (that could be many months or a year, what makes the *click day* a sort of "keep or leave" nerve-racking competition) and, finally, by the rigid categorical binds that reduce the group of population eligible to apply.

To deal with these odd conditions, the bodies act in different manners. Part of them can rely on a deep embeddedness in a given social context or in a given particularistic relationship where many eligible people are present. Others (in the case of the *Dote LAS*) can rely on a privileged relationship with the unions, that currently have the power to address towards a chosen body the workers of a firm in crisis. Another, not necessarily alternative, strategy is to act *ex post facto*, exchanging or sharing the *dote* beneficiaries with other bodies or trying to organise training activities that are in some way compatible to the resulting groups of beneficiaries; that often means giving up providing training programs with strongly specialised topics and methods²⁷.

But as appears quite evident, all these solutions are not coherent with a whatever idea of freedom of choice, and contribute instead to reduce its value and effects. They seem rather immanent in the networking and management capabilities of the bodies, and dependent on their willingness to take care of the claimants situations, expectations and freedom regardless of the possible additional costs implied²⁸.

Third, while in the previous system the possibility for the bodies to select among the claimants was contemplated, now the selection process is immanent in the reciprocal relation between claimants and bodies, where the first should have a greater amount of power. This could appear a good solution within an empowerment viewpoint, but the reality is a bit more complicated.

Even in the previous stage the claimants had some sort of freedom of choice while the parts involved tried to reach an agreement. The difference was that they had more time to do it. In this new system, the practical condition of choice seems to be assumed as rather close to the logic of the pure market (where the time tends to zero and the information is perfect). But, as

²⁷ Others, again, simply risk to lose the competition, regardless of the quality of the proposals put on the table.

²⁸ The bodies themselves express rather different judgements on the mechanisms, their effects and their ways to deal with them.

it usually happens, a lot of factors interfere with this hypothesis: the condition of the claimants, who in many situations need to be supported to get information and make a choice; the features of the bodies that put on the field different level of experiences, capabilities and ethical rules and could not have adequate information on the claimants and on the context; the role of the Region, that strongly predefines all the conditions, the timing²⁹ of exchanges and deadlines and the legitimised information. So that, the lack of acknowledged time at disposal to create a room for reciprocal knowledge, expression and bargaining can undermine the possibility to successfully get out of the deal. As a result, part of the bodies create that room apart, investing time and resources and taking the risk to get nothing in exchange.

Not to be neglected is the obvious consideration that choosing is a process, based on a complex sequence of communicating, acting and understanding, in some sort regulated, imperfectly informed, differently experienced and coped by different actors with different capabilities. So that the freedom of choice, in the real world, is the result of the complex interdependence of all these factors implied. Not taking account of that puts the casualty of not well-known issues in the position to determine what is going to happen.

Fourth, in addition to the complexity of the mechanisms involved, some issues of opportunity and appropriateness, that is of political choice (Lødemel 2004), are to be considered.

There are issues of opportunity because, first, the *dote* system is applied almost without exceptions, as the unique manner to get public funds on these policies and, second, at present, there are not many funds and possibilities at stake. In fact, only *Doti* for obliged people (apprentices, persons entitled to the *ASiD*, young people in *DIDO*, etc.) and for particular categories (prisoners, disabled, policemen, taxi drivers, etc.) are at present financed. That means that much larger categories (unemployed without *ASiD*, first-time jobseekers, etc.) cannot apply for any measure and, as a consequence, the ideas of freedom of choice and of market appear depleted. On the demand side, who can choose, what can be chosen and when and for what amount is, for the most part, established by the Region, while, on the supply side, it is just the same (who can offer, what can be offered and when, and for what amount).

On the other hand, there is a question of appropriateness, because in some cases the application of the *dote* appears as an automatism that doesn't make a lot of sense within the rhetoric picture mentioned above. A case is the one of the *Dote Ricollocazione*, in which the unions have the power to address people towards a given body. Another example is the one of disabled people in the cases of firms that do not fulfil the obligation to hire disabled workers. Here, public services intervene by means of the compulsory employment, obliging the firms to hire the first worker on a list. Then, to facilitate the job insertion, a measure can be put on the field and the way to get it is the *dote*, even if none of the actors has the freedom to choose anything.

²⁹ That is a fundamental variable to understand if the logic of market is in some way on.

3.2 Activation approaches

It is well-known that Italy suffers from a delayed implementation of activation policies compared to other European countries³⁰. As we said, the welfare-trap rhetoric embraced by the Lombardy Region perfectly combines with part of the key ideas triggering activation reforms, and particular those aiming at contrasting dependency of beneficiaries on monetary benefits, enhancing their autonomy and thus reducing public expenditure (Sabatinelli, 2010). As a matter of fact, in the Region's intentions the *Dote* system is meant to introduce a deep overturn in the understanding of the meaning of welfare policies: it is the person that is invited (or, some would say, pushed, or obliged) to activate herself.

We may well wonder, then, what is the impact of such a system in terms of the activation potential of the measures that it allows to provide, particularly in terms of users' attitude, quality of provision and result-based approach.

First of all, we may ask what implications the new rules have had on the attitude of users. According to some of our interviewees, the *Dote* has helped both organizations and beneficiaries to interiorise the above mentioned change, and to understand the fact that the services' task is not to provide applicants with a job, but to put them in the conditions to better search for one themselves. Anyway, this is not a clear-cut insight. According to other interviewees, in fact, it has been rather difficult to explain the value of the available services to beneficiaries (both persons and firms), who tended to interpret them as a mere administrative obligation, a condition to accomplish in order not to lose the entitlement to the passive measure. This was also due to the fact that in many cases it is reported it has been rather difficult to overcome the beneficiaries' hostility and to gain their trust, mainly because of scarce and complicate information about procedures, entitlement criteria, rights and duties, that ingenerated confusion and disorientation.

Next, the quality of provision may be examined. Many research results confirm that in order to be effective, (re)insertion paths should be tailor-made, that is fit as precisely as possible to the particular combination of resources and *lacunae* that characterizes each individual in a very specific way (Borghi and van Berkel, 2005). Although the steps of (re)insertion paths can be valid in general terms, bodies should be able to assemble for each claimant a specific package, in which those elements that are most useful for that person are given more attention and resources, while other elements that the person is less in need of may be minimised, or skipped. For instance, it would make sense to dedicate longer hours to the competencies'

³⁰ Official data about the share of expenditure in passive and active labour policies in Italy can be misleading, first because expenditure on passive unemployment policies is comparatively low, second because the bulk of Italian active policies consists of incentives to employers to hire.

assessment of a person who had many diversified experiences in her life as opposed to someone who worked 20 years in the same firm with the same task. According to the same rationale, some elements of the (re)insertion path may be filled with specific contents, that differ from those proposed to another person. A requalification course would be useful for many beneficiaries, but the same course (in the same professional area, of the same length, of the same level), would not suit all of them, neither in terms of their expertises, nor in terms of their needs or desires. The mechanisms of the *Dote* instrument illustrated above seem to strongly limit the chances of bodies to build up such personalised paths, for at least two reasons. First, personalisation is made difficult because of the rigidity of the measure, that foresees the same allocation of hours per activity whatever the profile of the beneficiary is. It has to be said that some adjustments towards more flexibility have been made by the Region in time. Yet, a more important role here is played by the providers, who in many cases have tried to virtuously use the room for discretion left by the official rules (and more specifically by the merely administrative nature of controls) in order to fine-tune implementation according to the specific combination of needs and resources of each user; for instance, they avoided repeating the competencies' assessment with persons who already did it within a previous *dote*. However, discretion's outcomes are by definition uncertain and, in absence of more appropriate official regulation, the space for manoeuvre can as well end up in vicious behaviour. Second, personalisation is – paradoxically enough – made difficult because of the extreme individualisation of provision. The drastic pulverisation of resources, in fact, ends up in diseconomy. For instance because, as seen above, it is not possible anymore to provide really qualifying courses, that require a certain length, and therefore need a class-group of a certain size and stability in order to be economically sustainable. Moreover, the group is important as a learning tool as well, and represents a dynamic context in which it is possible to pursue personalised objectives. An excessively individualised management risks to neglect these aspects.

Another critical element is represented by the peculiar combination of personal obligation to carry out specific activities and the fact that the individual beneficiary is the bearer of a monetary quota (and is aware of it). A perverse effect in terms of quality of provision is that beneficiaries may, for instance, prefer those organizations who have a reputation to be less severe in assessing the skills achieved and to give more easily grant certifications. Even more dangerously, organizations whose survival depends on the quantity of *doti* they succeed to grab may be pushed to become less demanding.

Last but not least, the role of firms is particularly relevant for the quality of activation, especially for what concerns the *LAS Doti*. Only a few interviewees report to have managed to build a joint project with the employer, coherent with its specific production needs. This is partly due to the fact that most firms accessing *LAS Doti* are small or very small, and have no requalification needs, because once the short time work scheme is over, production will start again with the same modes and contents as before. Anyway, it represents a lost occasion to shape positive links between welfare agencies and the production system.

Finally, an element that seems to gain more attention in the *Dote* system is the result-driven approach (see § 2). It is a well-known factor: in order to enhance the efforts of activation policies providers, the financing body conditions (part of the) funds to the outcomes of their interventions. There is, anyway, no consensus in literature either about the existence of a relation between employment dynamics and activation policies, nor how outcomes of activation measures should be best evaluated and measured³¹. Outcomes can range, in fact, from job insertion to improvement of user's capacities; in-between a wide range of intermediate results could be identified. Moreover, even the two extreme poles of the array are not easily defined. What can be considered as an advance in users' capacities? what capacities should be considered? formal competencies attained, social capacities, self-esteem? And what is a job insertion? whatever job? with what kind of contract, of what length, with what salary level, with respect to the beneficiary's past experience and present expectations? Moreover, the value of different types of outcomes varies according to the socio-economic context or contingency. For instance a path ending up in the achievement of a job contract without an increase of the person's employability is not really desirable in the framework of high flexibility and precarisation of the labour market, because the person will have high probabilities to be soon unemployed again.

The Lombardy Region has operated a rather strict choice in this sense, defining the result to be achieved (in the framework of the *Recollocation Dote*) as a job contract of at least six months of length (or a 3+3 month fixed term staff leasing contract). Here we shall not argue about the result-driven way of financing *per se*; our interviews show, by the way, that one result of this is that providers are organizing themselves in order to enhance the efficiency of their action, for instance by integrating as much as possible the tutoring and the scouting activities, or by reinforcing the supply/demand match service. We shall not discuss the specific parameter chosen by the Region either³². Rather, we question the fact that, once again, it is a rigid parameter, that is applicable to every user. The only thing that varies is an extra-award for the provider if the successful case is an **over50, or an over45 with low educational level (in this case, though, the objective is fixed at a more ambitious level: an at least 12 month long contract or a permanent position)**.

Moreover, it is the disproportion between the share of compulsory services surely reimbursed (375€) and the result-related payment (max 2.825€) that calls for some further reflections³³. This unbalanced division shows that we are not observing an "award" paid for good results, but it is rather a dumping of costs in the form of risk assumption for the providers (and therefore for the beneficiaries too; see below).

³¹ See for instance Perez and Darmon, 2007 and van Berkel, 2000.

³² Incidentally, the specific definition of result adopted by the Lombardy Region seems to disproportionately favour staff leasing agencies, that already carry out intermediation for the benefit of employers, who – by the way – already pay them for that service.

³³ What is more, if a claimant that doesn't meet the objective in six months applies for another *Recollocation dote*, no basic, surely reimbursed service hours are foreseen at all.

Also questionable is the fact that the result-related reimbursement is recognized to the provider per single case and not, as it happens in many other European contexts, on the basis of the share of successful cases on the whole number of users an organization takes up in a year. This choice is not without consequences, because the risk of creaming out effects is much higher in the individualised management of result-conditioned payments, as the “every missed chance is lost forever” rationale could prevail, and the risk cannot be spread on the whole group of clients, but is entirely perceived per each user. As a matter of fact the system puts face to face the tutor whose payment depends on the result of that single reinsertion path and the person to be activated. Chances are that the effort put in each case will be strongly conditioned on the evaluation the organization and the tutor make about the potential of that single user not to improve his or her employability, but to achieve a six month long contract in the short term (within six months). The overall result may well be that exactly those users who would need a longer and more intense support will be dismissed with the minor effort, and that public resources will be paradoxically concentrated on those users who would less need them, because they can count more on autonomous assets. The responsibility for the former would then be dropped onto municipal social assistance services. One might wonder how far this would represent an unintended effect.

3.3. Working conditions in the employment service and training sectors

Both in training and employment service sectors, a deep precarisation of labour conditions has taken place in the last years.

As to the training sector, if we refer to the three stages pointed out above, the historical training organizations, mainly public (like the professional training *consortia*) or of union emanation, used to have in the first stage a staff that was not very ample, but that was hired on a permanent basis. In the second stage, their staff grew meaningfully in size, but was made up mostly of precarious, but well paid, collaborators³⁴; permanent staff included the direction, administrative employees, and a few project managers. In the third stage the size of permanent staff is further shrinking, because diminishing resources do not allow to replace retired workers with stable employees, what entails a loss of technical know-how and projecting expertise.

As to the employment services, when the policy sector was decentralized, formerly Ministry employees were free to choose between staying in (other) State structures or pass to the provincial ones (particularly the *CPI*). Moreover, due to the scant funds devoted to the PES

³⁴ As already mentioned, the discipline of job contracts has been deeply deregulated in Italy in the last fifteen years, with the introduction of a number of types of short term contracts, much less expensive for the employer from the social contributions point of view.

reform, resources were never enough to adapt staff – neither qualitatively (through training) nor quantitatively – to the new tasks the *CPI* were assigned. The Stability and Growth Pact also imposes to reduce the size of permanent staff, for instance by impeding to substitute retired employees with permanent ones. As a consequence, a wider and wider quota of PES staff is represented by short-term workers and collaborators, whose reconfirmation is continuously jeopardized by budget constraints.

Non permanent contracts are widely and increasingly used also by private bodies, commercial or non profit, operating in these sectors.

Paradoxically enough, then, an important part of tutors, mediators and trainers dealing with support to the unemployed and the precarious workers are themselves living a strongly unstable working situation.

The harsh individualization imposed by the *Dote* system has worsened this condition. The pulverisation of financing illustrated above not only makes it more difficult for training and employment services to hire staff on a continuative basis, but it also makes it necessary for them to resort to the loosest forms of collaboration and the shortest-term types of contracts. It is, in fact, impossible for the organizations to predict the size of applications they will receive and the number of *doti* they will be able to effectively book. As a consequence, they are either boosted to shrink the size of their permanent staff, and enlarge the proportion of collaborators, that they can turn to according to their need, or else they need to reorganize the way in which they use their permanent staff. In fact, as funding bids are more and more fragmented, discontinuous and unpredictable, staff specialization is not sustainable anymore, because employees (but also collaborators) need to be re-allocated on different projects when the ones they are most specialized about are over, and it is not possible to know when they may be financed again. Moreover, the salary level of precarious collaborators has decreased, because of the overall decrease of resources.

All this is of course detrimental to the quality of the service provision, insofar workers lose motivation, and may be for instance less ready to work extra hours, that cannot be recognized due to the strict invoicing rules. Besides, bodies are not sure they can steadily count on professionals whose skills they appreciate, or need to employ them in domains they are not expert in. In order to reduce the negative impact of these conditions, many organizations try to ingenerate loyalty in their collaborators despite the non continuative contracts they are compelled to use, in two ways. On the one hand, they try either to allocate to each of them as many cases as possible, in order to propose them a working table close to a full-time, or else to make them fit with their other commitments (e.g. for persons combining different part-time collaborations). On the other hand, they minimize the margins they can obtain from the hourly costs recognized by the Region, thus being able to contain a little less the level of hourly salary they can offer them. Yet, this is not without consequences for their sustainability, since – as we already pointed out – it is from those margins that they are constrained to gain the resources they need to pay all administrative and management costs.

These unsteady conditions are even further deteriorated with the latest features introduced with the *Dote Ricollocazione*, for two reasons: first, the sharpening of monetary compensation recognized by the Region per hour of activity provided; second, the *ex-post* result-related payment. The first element obviously reduces the margins for the organizations and the possible salary for the workers. The second element might be at the origin of an additional shift in the treatment of employment and training services' workers. Bodies may agree with their collaborators about how to organize their activities in view of the result-related regional reimbursement: a typical way is to provide the compulsory activities, e.g. those certainly paid by the Region, then decide together about the size of additional effort it is worth to reserve to each applicant, and finally share the rest of payment in case the result is met (for instance: 1/3 to the worker, 2/3 to the organization). The position of these tutors becomes, therefore, more and more different from the one of civil servants, and comes closer and closer to the one of agents working on a commission basis. In this sense, the cost entailed in activation policies is dumped from the financing body (the Region) onto the providers and, indirectly, on their collaborators.

Evaluating the effects of the *Dote* system on the quality of hired staff is less straightforward. In fact, on the one hand, the specification of minima standards of services and activities that accompanied the *LAS Dote* would call for more qualification of professionals to be hired. On the other hand, though, the scarcity of allocated resources together with the features of invoicing procedures hinder the concern of bodies to employ highly qualified workers, that might not be available for such low salary levels and bad working conditions.

To conclude, the conditions of the internal labour market of the training and labour policy services, structured by its regulative framework (that include the accreditation rules, the recognized costs, the timing and the room to plan and organize the whole of profitable activity on which it depends), represent an important factor. This, along with the others that affect what kind of formal and informal selection rules are on and with what kind of results, determines the possibilities of reproduction of that type of features which are considered valuable. A too strictly binding system could lead to a loss of *economics of flexibility*³⁵ within the relational system among the actors and the context, exposing to multiple pressures its own capacity for self-preservation, even of the desired characteristics of quality, competence, adaptability, etc.

4. Concluding remarks

³⁵ That is the «uncommitted potential for change» (Bateson 1963, 1970).

The *Dote* has become the almost only way to get public resources to deliver training, orientation and employment services in the Lombardy Region. As we have discussed this is a very particular experiment, where many are the intriguing implications to analyse in order to understand what kind of system is going to be established. At many different levels: for people; public and private bodies and institutions; and for all the actors that interact at governing and intervention levels.

The *Dote* system has settled down this interaction in a very particular way, tightening the reciprocal relationship between the Region, the bodies and the individual citizen. This is something new in the panorama of activation policies and may have underestimated paradoxical consequences.

One of the issues that deserve particular attention is that both local authorities and accredited bodies are almost excluded from every kind of planning processes, that are completely reduced in the direct relationship built by the Region with the actors involved in the intervention.

Another one is the problem of responsibility, as far as the firms and the socio-economic features of the labour market seem to not be involved and scarcely considered, while many expectations are put on the strictly regulated relationship among the single claimant and the body.

In this way, it seems that the *Dote* system depicts a specific but coherent actualization of some of the paradoxical logics that the literature already attributed to the activation discourse. For instance, about the underestimation of social causes of unemployment; the way in which the individual is regarded as autonomous and responsible; the disappearance of the real conditions whereby this autonomy and responsibility can be exercised; the paradox to push towards autonomy, predefining every kind of step to get it and the form it has to assume (See e.g. Crespo Suarez, Serrano Pascual 2007).

Within this kind of approach it seems that the capability to embed the activation logic within the complex interplay of the individual trajectory and the socio-economic context becomes rather trifling. In this sense, individualization is moved from the meaning of a paradigm that qualifies the relationship among *means, contents, processes and goals* to a mere level of *administrative, financial and relational strict* regulation. So that the system risks not to guarantee the appropriateness of the interventions to the person's need, settling down a paradoxical combination of individualization without personalization, loss of quality and continuity of services, increase of financial and organizational stress of bodies, strengthening of the centralized and authoritarian power of the regional government. What is more, far from designing an inclusive system, the *Dote* excludes many citizens from provision, by addressing all existing resources on measures the entitlement to which is strictly defined on a category basis.

As we have seen, in the creation of the *Dote* system, financing and regulation features have been changed, disregarding the effects that this would have on the effects of the implemented measures. Notwithstanding, under some conditions the *Dote* may have less paradoxical outcomes. For instance, the *Dote* could depict a good mean to experiment high profile activation measures in situations in which the group work is not as important, for instance dealing with high profile clients, who are able to manage a high rate of power (not with people that do not suffer from a severe disease and), and in the context of less rigid rules and timing. In other words, if it were one opportunity among many other available ones, it could represent an interesting piece of intervention. As a universal equivalent, though, it highly risks to fail in matching both people's and labour market needs.

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