

Critical issues of decentralized job placement services: case-study of Vicenza Province

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Abstract

The delivery of labour market policies has been subjected to a reform processes in all the European Union. Since centralized top-down policies may be ineffective for implementing social policy programs and for fitting the needs of the local labour markets, many countries have started to delegate powes and responsibilities to sub-national entities and private actors. Labour markets are now populated by a vast range of intermediaries. The involvement of a flexible network of different players that operate locally is deemed to implement actions that better fit the local labour markets. In principle, a networked model can combine public control over resources and efficiency of targeted actions by a mix of private and public labour services. However, there is the need to investigate its effectiveness and feasibility in detail by means of empirical investigations.

The paper contributes to this analysis by examining the initiatives in a specific decentralized setting that represents a significant example of network model: the organization of public employment services in the province of Vicenza, Italy. In particular, this is a case of “networked decentralization” where the local government has a coordination role but, at the same time, specific functions are assigned or delegated to the various private or public players scattered in the territory. The case study is based on direct interviews with the main actors, on the analysis of support systems and services (e.g. databases, job placement portals, etc.), and of available documents. It allows to provide useful insights to researchers and policy-makers into the pros and cons of local networked models in employment services.

Keywords

Job placement; local employment services; decentralization; case-study; network model; Vicenza Province

1. Introduction

The delivery of active labour market policies (ALMP) that aim to integrate broader parts of the population into the labour market has become a rather fashionable trend of welfare reform processes in the European Union. Active policies do not only consist of the introduction of new measures in existing system, but imply the establishment of new governance patterns. Since top-down policies resulted to be ineffective for the implementation of new social policy programs, many national governments have modified policy making and policy implementation processes by granting, with various extent, powers and responsibilities to sub-national entities and private actors (van Berkel and Borghi, 2007). A rescaling of the state brings benefits and drawbacks (López-Santana and Moyer, 2012): it allows a more flexible approach to the specific features of the local context, but at the same time it can generate governance complexity and fragmentation, characterized by a relevant overlap of roles and efforts. Labour markets are populated by a vast array of intermediaries that have a relevant role in shaping regional labour market adjustments by providing ties between employers and workers (Benner, 2003). In fact, the success of job seekers in pursuing employment opportunities may depend on various factors which include the recruitment practices and attitudes

of employers and local labour market conditions (Gore, 2005). Recent studies suggest that locally based employment interventions should be sensitive to the overall economic environment in which the beneficiaries of supply-side measures are embedded (North et al., 2009). Particularly, the involvement of a flexible network of different players that operate on the ground at different levels can help to implement actions that better fit the local characteristics of the labour market (Fuertes et al., 2013; Cicciomessere and Sorcioni, 2009). In principle, a networked model can combine public control over resources and efficiency of targeted actions by a mix of private and public labour services. However, there is the need to investigate its effectiveness and feasibility in detail by means of empirical investigations.

The paper contributes to the debate about the decentralization of ALMPs by examining the initiatives in a specific decentralized setting that represents a significant example of network model. The paper provides empirical insights into the organization of public employment services (PESs) in the province of Vicenza, Italy. In that area, that until the recent past was fully employed, the local economy is undergoing a process of severe restructuring that is raising recruitment difficulties, mainly due to skill gaps. These issues are now directly faced by the local government. In fact, the Italian legislator has devolved active labour market policies powers to the Regions, which are now exercising their competencies with very limited intervention from the centre. In particular, the Veneto Region, of which the province of Vicenza is one of the seven administrative divisions, promotes the cooperation between public employment services and private agencies in the delivery of active services, based on a certification procedure of private actors.

In particular, the model implemented in the Province of Vicenza represents an example of “networked decentralization”. This system implies a coordination role of the local government of the Province but, at the same time, the assignment of specific functions to the various private or public players scattered in the territory (e.g.: unions, trade associations, local municipalities, schools and universities charities, health organisations, etc.) that, due to their institutional nature, can play a role in the labour market.

The study is part of a research project funded by EU and the Veneto Region in 2014-2015, and is aimed to understand the critical issues related to a networked approach to employment policies, and to examine possible implications for regional or national ALMPs. It is based on a reconstruction of the main players in the employment service of the Province of Vicenza, their role and processes, and their coordination mechanisms. A particular attention is given to the information flows that occur inside the system, and to the mechanisms and tools that should support such flows. The study is based on direct interviews with the main actors of the system, on the analysis of support systems and services (e.g. databases, job placement portals, etc.), and of available documents.

2. A general description of the labour market

2.1. Recruitment channels

The labour market is made up of a large number of participants willing to offer and demand labor, which is a critical resource but cannot be viewed as a commodity. On the offer side, labor is indistinguishable from the workers, i.e. living human beings who participate in the market to find a job that is, in principle, related to their education and that best fits their professional expectations. The demand consists of employers who seek personnel with appropriate qualifications for vacant positions.

Finding the right contracting party is not a minor task. Job seekers and employers must face, firstly, the problem of finding a potential counterpart and, secondly, they must assess the suitability of that match. They both face uncertainty because, for example, it is hard for an employer to know the real competencies of a worker in advance. Similarly, the conditions of employment are unknown to a job seeker.

Achieving an optimal match is strategic for all the parties, since the decision affects both the quality of life of the worker and the business activity of the firm. It is thus of utmost importance to

investigate the impacts of the information that participants in the market have about one another (Rees, 1966). On the one hand, firms recruit through informal channels, typically by means of references of other employees: in other words, often the information about a job opportunity is spread by current employees through their families, friends, or social/cultural communities. Current employees serve as a guarantee in this respect, as their own reputation is similarly affected by the quality of the reference.

This informal and direct channel is important, but information about job opportunities and potential candidates can also spread by means of intermediaries that operate in the labour market (such as temporary job agencies, professional and trade associations, public employment centres, etc.). Their main mission may or may not focus on recruitment but generally, due to their position in the territory, they can favour contacts between the parties. However, these linkages are not occasional, as in the case of word-of-mouth recruitment; indeed, labour market intermediaries, according to their degree of specialisation, are prone to make specific investments in order to develop increasingly effective intermediation mechanisms. They can be considered a significant category of actors affecting the basic structure of regional labour markets as they help to shape the speed and character of labour market adjustment (Benner, 2003). Clearly, there is a substantial difference between private and public intermediaries. The former quite often operate in a profit logic and their activities imply selling services to their clients (i.e. companies). The latter, acting in a context of public service, tend to provide free services to the public and to ensure non discriminating conditions in the access of these services, especially as regards the disadvantaged people.

Each intermediary can have its own specific spatial extension and thus points to a specific subset of job seekers (Russo et al., 1996). According to the strategic nature of the required professional profile and degree of availability in the local market, the employer has a different willingness to invest resources in the research and thus a different propensity to use one channel rather than another. In fact, recruitment processes are characterised by different conditions of service, and so they also can also be differentiated in terms of the quality and reliability of the information they generate about potential candidates, the effectiveness of research/selection, and the efficiency of procedures. However, mismatches in the labour market are not only caused by asymmetries between the skills of job seekers and those demanded by employers. On the supply side, there are individuals with different sets of personal qualities, wage expectations and motivations - not to mention that everyone also has specific commuting constraints and limits to their residential mobility (Gore & Hollywood, 2009). Therefore, spatial barriers to employment may be reinforced by restrictive information networks developed in the job search sphere of job seekers and the recruitment process of employees (Houston, 2005).

Another point to consider is the fact that recruitment implies several steps and activities performed by the parties. Generally speaking, companies have to identify their needs, spread information about the open positions, research and select candidates, and finally hire people formally, directly or by means of a preliminary period of apprenticeship. On the other hand, job seekers should clarify their goals, maybe prepare written profiles, spread their candidatures, contact potential employers directly or indirectly, participate in selection procedures actively, and finally once accepted a job, they must perform some formal activities to be hired. This also explain why there are different channels and intermediaries: the various activities can require different specializations.

2.2. Changes in organization of job placement services

Employment is increasingly associated with the provision of ALMPs, an expression which groups several measures aimed at facilitating hiring by companies, making work more worthwhile, integrating the working-age population as much as possible in the labour market. ALMPs also serve another goal: rising the number of employed people means that more and more unemployed

individuals don't need social benefits¹, which has also a positive impact on state budget. Concretely, all welfare recipients have by definition significant barriers to find a job, and it is necessary to improve their ability to compete for available positions by means of special measures, for example processes of special requalification tailored to their individual needs. This requires professional support in the context of some kind of reliable institutional framework where they can be assisted.

In the last twenty years, most countries of the European Union have modified the organisation and management of their welfare state policies. The typical post-war model of labour market policy consisted of the provision of automatic support measures such as welfare benefits, training programmes, income support schemes and workplace entitlements. Now, the activation of individuals, and not their mere compensation, is seen as the primary means of achieving goals such as social inclusion and economic independence. It is not only the contents of policy schemes "per se" that are subject to transformations, but also the role and relationship between all players in the policy making and policy implementation processes.

The traditional bureaucratic, centralised, way of delivering welfare policies is based on elements such as universality of services, direct control of a central authority, and a web of local agencies whose mission is simply to implement policies and perform procedures decided at a state level. This system is now being rethought in many countries. Traditional providers, such as state PES centres, are losing their supremacy because of the growing role of other actors who are endowed with specialised knowledge and infrastructure (e.g. market actors), or who are considered to be closer to some beneficiary groups (e.g. social cooperatives, trade associations, charitable organisations). The issue of which institutions implement the employment policies is not trivial, as their characteristics, endowments and non neutral position can affect the social and economic results. As shown, for example, by Sirovátka et al. (2007) for the case of Czech Republic, elements such as a heavy workload of frontline staff, poor competencies in individual counselling and modest availability of activation programmes resulted in a low achievement of the goals imposed through a top-down centralized strategy; instead, a trial and error process that encompassed an institutional learning and greater financial autonomy at the local level, prompted a change in the approach to activation, leading to a local mobilisation of actors and the development of a more effective, individualised approach towards the unemployed.

The different nations are following diverse paths in their change of ALMP model, in relation to their socio-economic characteristics, to their legal system, to their tradition in terms of public services, or even to contingent political reasons. Here, we will briefly recall the main processes that are generally characterising the current evolution of ALMP models.

The term "decentralisation" refers to the process of delegating the organization and management of employment services to local agencies and authorities. This process has the main purpose to tailor policies to the peculiar needs of the local labour market, thereby improving flexibility, autonomy and room for experimentation (e.g. López-Santana & Moyer, 2012).

"Marketisation", which can also be seen as a particular form of decentralization, refers to a model where employment service providers compete on the market. This system tends to abandon a logic of public service, and is expected to improve efficiency and effectiveness of labor markets (e.g. Zimmermann et al., 2014). Clearly involves private operators. Incomes for services agencies can come from payment of clients (e.g. companies) or from commissions paid by public administrations in relation to the number of hiring contracts.

"Inter-agency cooperation" refers to the case of a deliberate creation of partnerships between various operators, so as to tackle the barriers to work through a multidimensional perspective (e.g. Lindsay et al., 2008).

¹ It is clear that there is the need to offer real job opportunities to take the job seeker out of unemployment. In view of this, North et al. (2009) underline the importance of linking economic competitiveness and social inclusion objectives, especially in areas of widespread unemployment and low participation in the labour market.

As underlined by van Berkel and Borghi (2007), all new forms of ALMPs are, to a certain extent, the product of an increasing consensus towards neo-liberal policies, dictated by the dissatisfaction with state bureaucracy and confidence in the virtues of markets. However, they are also a direct consequence of institutional changes at a more general level. In particular, decentralisation implies that policy making powers and policy responsibilities are devolved from the national to the regional and local authorities²; similarly, marketisation and inter-agency cooperation solicits the massive involvement of private non-profit and for-profit organisations.

When these reforms in ALMP models are put into practice, unintended consequences may also follow. For example, the downward shift of powers that is implied by decentralization can also bring about negative effects. The division of powers amongst different levels of government can weaken transparency and accountability; moreover, the provision of informed and pragmatic solutions to local problems can prevent the identification and implementation of general goals. An increasing local autonomy increases the risk of the creation of inequalities on a territorial basis. For example, welfare users in different regions might experience different levels of opportunities, services, conditions, obligations: in this case, the provision of activation policies becomes patchy in the scope and content across the same country, violating the principle of equal access to benefits and services.

Similarly, with marketisation, the direct relationship between citizens and public bodies becomes unnecessary, and the problem of public responsibility for quality, accessibility and universality of provision becomes an issue of particular importance. Leaving the delivery of interventions to private bodies might compromise the support for people at the bottom end of the labour market. With an high discretionality in service delivery, the most needy people are likely to be excluded from help, as private service providers consider them “less marketable”.

In short, the new modes of governance of activation policies have made the central state lose its ultimate dominance, but the provision of efficacious mechanisms for overseeing, enforcing and evaluating policy implementation should correct the drawbacks caused by delegating mechanisms and pluralisation of actors. While it is likely that too much control on the dynamics of the overall structure might be dangerous and hinder innovativeness (Green & Orton, 2012), a reflection on the points of strength and weakness of each particular model that may be implemented in the practice becomes necessary.

3. Network models

As said before, in the recent years ALMPs are often based on the direct involvement of a variety of public and private players that integrate and supplement the activities carried out by PESs. The idea is that only the creation of an extended (i.e. to players as e.g. trade unions, professional associations, schools, universities, etc.) and mixed (public and private) system allows an effective personalization of the offered services, thus helping to match labour demand and supply. In the previous section, this model was called “inter-agency cooperation”, and is an attempt to combine different goals: delegation of powers to local authorities to face the varied needs of territories, involvement of private players to rise efficiency, but at the same time better coordination between the different public and private actions.

This model, that links together many players which collaborate in the co-production of service employments, can be indicated as a *network governance model*, and is different from both the centralised model and the marketization one (Fuertes et al., 2013). It is different from a traditional centralised model because it reinforces the role and power of local independent actors. At the same time, it relies on private services but it is not a purely marketization approach: the government plays an important role of negotiating and brokering interests and shared-values among all the different

² It must be noticed that the transfer of power to lower government levels occurs differently across countries (López-Santana & Moyer, 2012, 773-774).

actors. Instead of fixed organisational roles and boundaries, the notions of joint-action, co-production or cooperation play a major role, with leadership shared internally and externally within collaborative structures. Also, service-users and other stakeholders may have greater involvement in the development and implementation of policies or programmes (Considine & Lewis, 2003).

It should be noted that governance models adopted in practice are specific and rarely follow an ideal type: they differ across countries, and this can be partly explained by the interplay between institutions and private actors. A recent analysis by CiccioMessere and Sorcioni (2009) points out that, in Europe, the collaboration between public and private actors in field of employment services can take places according to three different patterns: “cooperative”, “complementary” and “competitive” (table 1).

In the cooperative model, which is prevalent in Scandinavian countries, in France and partly in Italy, the collaboration between public and private is very modest and limited to the exchange of information and to the assignments to private actors of specific activities for to target disadvantaged workers. In this model, PESs keep on playing a central role and the involvement of private actors mainly occurs through their participation to publicly funded projects.

In the complementary model, which is prevalent in Germany, United Kingdom and Denmark, the public service acts as the central element of coordination of a network of public and private services that implement active labour policies by cooperating between them. Some services, having specific targets that require special competencies, are contracted out to private organizations. The contractual arrangements define the employment procedures and goals that must be achieved. In this model, the services offered by the private actors complete those provided by the public administration.

The competitive model has much in common with the marketization approach. This model has been adopted by the Netherlands and in the UK. Here, the public body still has the control over general policies, procedures, and unemployment subsidies, but contracts out all the provision of operational services to private entities, in a regime of competition. For instance, in the Netherlands public authorities have the responsibility of labour market policies, the collection of social security contributions, the grant and payment of subsidies unemployment (the Insurance Institute for Workers - UWV), but supply employment services through public tenders involving private agencies, on the basis of action plans validated by the Insurance Institute for Workers.

Table 1: Network governance models (source: CiccioMessere and Sorcioni, 2009)

Model	Main features	Countries of application
Cooperative	Public-private cooperation limited to the exchange of information Limited outsourcing of activities Centrality of the public body Management by objectives	France, Sweden, Italy
Complementary	PES as the hub of several public and private network Specialized services outsourced PES ensure coordination and control the achievement of service standards	Germany, UK, Denmark
Competitive	Creating a competitive market for employment services High outsourcing of services, generally handled on the basis of tenders Clear separation between government services and provision of activities	The Netherlands

All the three above recalled models have a nature of network governance, since they contemplate the presence of different public and private players which cooperate and play a more or less diversified role. However, the ways players interact, exchange information, co-process functions and coordinate their activities can change; similarly, the role of public authorities can change as well.

In particular, it can be said that the “complementary” model is closer to the “ideal” network governance form. Instead, the “competitive” model is more similar to an “ideal” form of marketization. The “cooperative” model can be defined as an hybrid network form that mixes elements of cooperation and competition at various degrees; the public body assumes the central role of governing the system, it performs direct functions of employment services, and delegates other functions to private players.

Generally speaking, the effective and efficient working of a network as a form of coordination of activities of different players depends on a set of conditions that must be met. Firstly, all the players that form the networks (i.e. nodes in technical term) must give an active contribution to achieve the overall shared goals. But this is possible only when all the nodes can obtain some benefits from networking, or, in other terms, when networking is a “win-win” strategy. Secondly, there must be a rich set of complementary competences, resources and skills, but a limited overlapping of roles, or at least different targets of each player and service. Thirdly, information has on the one hand to circulate freely enough so that each node is aware of the opportunities that are available to the entire network. On the other hand, each player must be able to partly manage elements of private information for the purpose of its own efficiency and competitiveness. Fourthly, some coordination/governance activities are needed, to ensure that the various nodes do not conflict each others, but act for a common goal.

When these conditions are missing, the network model may lose its advantages and can produce new problems. It is therefore important to see what points of strength and weakness a network governance model can have in job placement when applied to local economies. This is what will be analysed by means of the case study presented here.

4. Case study

4.1. Research questions and methodology

The aim of this study was to understand the advantages and disadvantages of a decentralization policy of labour market services based on a networking model. The assumption is that the network model can allow, on the one hand, to exploit the specializations of different players for meeting the various needs coming from the local territory, and on the other hand, to coordinate the different independent and sometimes conflicting actions of public and private players.

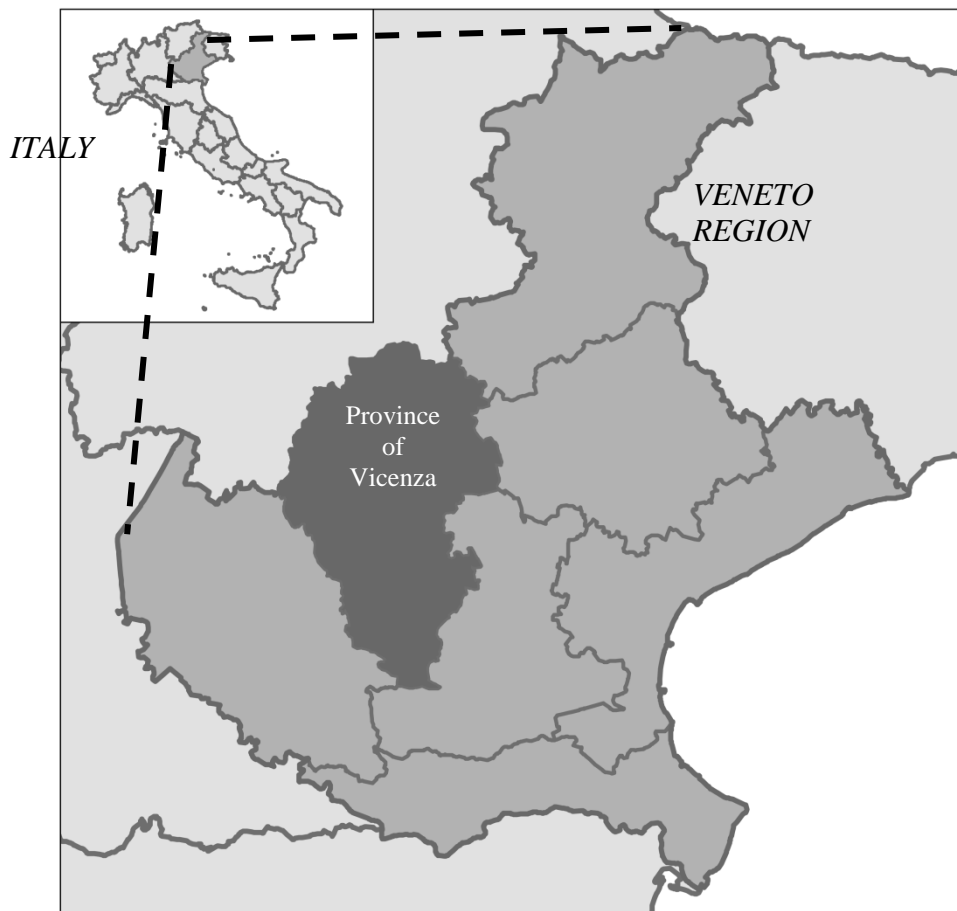
The unit of analysis is the system of labour services in a specific geographic area, that of the Italian Province of Vicenza, located in the Northeast of Italy (fig. 1).

This area is characterized by a model that represents an application of a policy of decentralization and networking at the same time. Vicenza is part of the Veneto Region, which so far³ has had the authority of managing local labour services. The Region delegated the operational organization of these services to the local governments of each Province. In addition, the Province has had an important function in managing the flow of funds for labor coming from national or European governments and in coordinating the actions of the different private or public operators that have a function in this system.

³ Italy is being subjected to a profound reform of its administrative structure. In particular, the role and functions of Provinces, which are one of the levels of local government, will reduce consistently. It is likely that employment services will be managed by other Institutions. However, at the time of our last observations (April 2015) the direction of change was still unclear. Therefore, this paper will not consider this issue: we will describe the state of the situation “as it is” at the moment.

We used the case study approach given the descriptive and exploratory nature of the research and the complexity of the investigated issue (Leedy and Omrod, 2005). In particular, we refer to the *revelatory case* in Yin's terminology (Yin, 2003), that offers the opportunity for an in-depth analysis of internal features that are generally less accessible to outside researchers. The purpose of the study is to answer a combination of "what", "how" and "why" questions concerning the management of knowledge by companies.

Fig. 1. The Province of Vicenza



In particular, the research questions addressed are these:

- *How labour services are organized in the Province of Vicenza?*
- *How do the various players interact?*
- *What are the coordination problems of the different players?*
- *What are the pros and cons of the system?*

In detail, the research consisted of these steps:

- a) The various players operating in the system were identified
- b) Structure, functions, resources and management approaches of each player were examined, with particular reference to the activities related to labour services
- c) The processes of interaction and exchange of information between these players were next analysed
- d) Finally, the critical issues of coordination and management of this system were investigated.

The data were collected by means of the typical methods of case studies, and in particular:

- a) an analysis of relevant official papers regarding the organization of labour service in the examined local area. This allowed to describe the institutional framework and to understand the relevant keywords, useful for the analysis;

- b) a number of interviews with key informants, namely delegates representing the different categories of players operating in the system. This allowed to understand the internal resources and management processes, as well as the interactions between players
- c) an analysis of the collected data, which was next discussed with delegates of the local government, to receive additional feedbacks.

4.2. Context of analysis

The literature abounds with in-depth analysis of the organization of Italian employment services (amongst others: Borghi & van Berkel, 2007; Genova, 2008; López-Santana & Moyer 2012; Zimmermann et al., 2014; Berthet & Bourgeois, 2014; Heidenreich & Aurich-Beerheide, 2014; Heidenreich et al., 2014). The most salient elements of the Italian case lies on the fact that a firm decentralized approach to employment services is applied, in a context where regions are “per se” markedly different due to economic and institutional capacity gaps⁴.

Until the 90s, the country had a public monopoly of the placement service which consisted mostly in bureaucratic controls and procedures. The reform of PESs and labour market organization have started with the approval of the “Decreto Montecchi” (Legislative Decree 469/1997) that deals with the devolution of powers from the State to the Regions in the administration and legislation on ALMPs. The law assigns the intermediate level of government between the Regions and the Municipalities, and the role of administering the new PESs to Provinces. However, given the exclusive competencies of the Regions over ALMPs, each jurisdiction has its own internal way of handling the contents of policies and the tasks of the various level of government involved in policy-delivery. The consequence of this framework is that in some region the Province is responsible for organising ALMPs, while in others it is up to the Region itself. Another other important feature of the Legislative Decree is that it opens the market of intermediation to private providers. The involvement of private actors in local welfare is reinforced in the Biagi Law (Legislative Decree 276/2003): the law allows the private actors to participate in the service provision via the accreditation, even though the decision whether to provide services on an in-house or contractual basis is left to each single Region. The consequence is that opportunities for collaboration or networking among public bodies and private agencies depend on specific local conditions.

5. Case-study results

5.1. Structure of the network

The network of employment services in the Province of Vicenza is made of numerous actors that perform various functions. Some play a key role in the labor market, others have another mission and support job matching only occasionally. Table 2 summarises the categories of players that act in the system and that were analysed in the study. As it can be noticed, all these different players have various functions in the employment system: sometimes these functions overlap, some other times they supplement one another.

The local Government of Vicenza Province is the main public institution that coordinates and manages employment services in this territorial area. The main functions include: the direct provision of employment services (see below), a central role in managing public resources for employment coming from various sources (e.g. EU, state, region, etc.), and a role of governance of the actions of the many institutional or private actors involved in the system with various roles.

The Local Employment Offices (“Centri per l’Impiego”) are today part of the Administrative organisation of Vicenza Province, that provides financial and human resources for these offices.

⁴ As described by Heidenreich & Aurich-Beerheide (2014), Italy concentrates its expenditures on compensatory policies, while the expenditures for ALMPs play a minor role in comparison with what happens in other countries such as Sweden, Germany and Poland.

There are 4 offices that cover four different parts of the Province (roughly speaking: South-East, North-East, South-West and North-West).

Table 2: outline of the players acting in the employment system of Vicenza Province

Category of player	Functions in the network	Examined organizations
Provincial Government	Direct provision of employment services; public funding management; coordination of other players	<i>Amministrazione Provinciale di Vicenza</i>
Local Employment Offices	Direct provision of employment services; consulting; provision of information; support in research and selection	<i>Centro per l'Impiego – Vicenza Centro per l'Impiego – Schio Centro per l'Impiego – Bassano Centro per l'Impiego – Lonigo</i>
Labor Unions	Help in job matching; participation in boards for setting ALMPs; training	<i>CGIL CISL UIL</i>
Industry Associations	Help in job matching; training; disseminating information about labor markets and job opportunities; participation in boards for setting ALMPs	<i>Confindustria Vicenza Confartigianato CAN API</i>
Temporary Job Agencies	Provision of temporary workers; personnel research and selection	<i>Randstad G Group</i>
Labor consultants	Help companies in legal and administrative practices related to employment	<i>Ordine Consulenti del Lavoro – Vicenza</i>
Health Agencies	Manage inclusion programmes of disadvantaged people	<i>ALS 3 – Bassano ALS 4 – Schio ASL 5 - Arzignano</i>
Social Cooperatives	Help managing inclusion programmes of disadvantaged people; training and internships	<i>Consorzio Prisma Coop. Insieme (Villaverla) Coop. Orsa Maggiore (Malo) Coop. Verlatà Lavoro</i>
Local Municipalities	Management of inclusion programmes of needy residents; participation in boards for setting ALMPs	<i>Comune di Montebelluna Comune di Bassano</i>
High Schools	Training; organisation of internships for students; help in personnel research	<i>IPSIA Lampertico ITCG Einaudi</i>
Universities	Training; organisation of internships for pre-graduated and graduated students; help in personnel research	<i>Università di Padova Ufficio Job Placement Università di Padova Ufficio Job Placement sede di Vicenza</i>
Training agencies	Training; participation in cooperative programmes of job inclusion	<i>Penta Formazione Eurocultura Centro Produttività Veneto Ente Nazionale Canossiano Pia Società San Gaetano</i>
Charities	Apprenticeship programmes; support to disadvantaged people	<i>Caritas Vicenza</i>

The mission of Local Employment Offices is to provide a wide range of employment services, that includes: a) collection and dissemination of information to users (i.e. employees and employers) about job opportunities, ALMP specific programmes (e.g. the EU programme “Youth Guarantee”

or similar funding at national or regional level), training, as well as information about the formal procedures that concern employment in general; b) direct management of formal procedures regarding employment (e.g. registration of new hirings, apprenticeship programs, inclusion in unemployed lists, etc.); c) consulting to other employment intermediaries especially regarding formal procedures; and d) job research and pre-selection by matching profiles of unemployed people with requests of companies. As regards the last point, in principle these offices have an important advantage because they can manage databases of employers and employees that include requests of companies on the one hand, and profiles of job seekers on the other hand. However, very rarely these agencies are able to perform all these activities with the same effectiveness and commitment, especially due to the lack of resources. Therefore, they tend to mainly perform bureaucratic functions.

The local branches of Labor Unions have various functions. On the one hand, they represent workers in disputes with companies. On the other hand, they supply consulting, training, fiscal and administrative services to their associates. In addition, they participate in local boards and panels where labor public policies are discussed or implemented. Occasionally, they help job matching, by exploiting the informal relationships that their officials have established with workers and companies along the time.

Industry Associations provide various services to associated companies, e.g. accounting, human resources management, etc. They also represent employers in disputes with labor unions and employees. Their role in employment functions, although not central, can regard various functions: industrial associations can help to organize apprenticeship programmes, can provide training services, can disseminate information about the labor market. In addition, associations can collect profiles of job seekers and can occasionally help companies in personnel research and selection.

Temporary job agencies have a double role. First, they can directly hire workers that are then provided to client firms to meet temporary needs. Second, they can provide personnel research and selection services to companies. For this, they collect profiles of job seekers and requests of companies, they publish classified ads in their website, and they manage an internal database of profiles and requests.

Labor consultants are independent professionals that provide assistance to client firms (especially the smaller ones) about human resource management, i.e.: procedures of hiring and firing, disciplinary actions, disputes with labor unions, etc. Generally they don't perform direct recruitment functions, but they have a role in performing the administrative procedures related to hiring, apprenticeships, etc. For this reason, they must quite often interact with employment Agencies.

Health Agencies ("Aziende Sanitarie Locali") have the function of organising the public health services and managing hospitals. While, in principle, employment is not their core mission, the Italian laws assign them a special role in managing inclusion policies of disadvantaged people and particularly: disabled, drug addicted, ex-cons. Health Agencies manage programmes of inclusion and integration of these people in the workplace, in accordance to what the law prescribes. To do that, they operate in strict contact with Local Employment Offices as regards the bureaucratic procedures. But they also exploit a network of personal relationship with local companies established by their officials. There are also numerous social cooperatives, whose mission is to work in favour of disadvantaged people. These cooperatives are assimilated to private (non-profit) organizations, and can manage training and inclusion programmes on mandate from health agencies.

Local municipalities have, among their function, the mission to help their needy residents. For this, a special budget is generally allocated. Municipalities have often developed their own services and agencies that help citizens to find a job, provide funded training courses or apprenticeship programmes, etc. They often exploit a network of informal relationships with local companies, established by Mayors or Councilors. Sometimes they act on their own, sometimes in collaboration with other municipalities.

High schools, and especially those providing technical diplomas, have been assigned the function of organising periods of apprenticeship in companies for their students. For this reason, they have established trustworthy connections with local companies that are willing to host students for some weeks. In addition, they collect names of diploma holders that can be of use to companies for personnel research. Informally, single teachers can also contribute to personnel recruitment and job matching, because they better know the profiles of ex-students and the needs of companies.

Local Universities (and especially the Schools of Engineering and of Economics) have a special role in the flow of employment of young graduated. For many years they have been organising internships and on-job training, for both pre-graduate and post-graduate people. This is an important mechanism that enables local companies to find young qualified employees. For this, universities manage a special service and a private database of profiles and of companies' requests.

There are also several training Agencies, that can be public or private. These use public funding or private resources to provide training services of various kinds.

Finally, there are Charities that, especially in these years, use donations to organize programs of job inclusion in favour of disadvantaged and needy people. These actions generally exploit personal relationships with local firms established by operators.

5.2. Operative processes

It is difficult to describe the process (or it is better to say, the processes) underpinning the labour market in the analysed context. Indeed, there are many cases and different situations. Here, we will just attempt to outline the main elements, by adopting the approaches followed by job seeker as a starting point. We will describe the situations concerning the various types of job seekers.

A general problem that all unemployed people have (both young and aged, both qualified and underqualified) is how to write an appropriate profile that is attractive for the market. Often the people are not able to valorise their experience and qualification. At the same time, the databases that should contain their profiles (and especially those managed by public agencies) adopt rigid schemes and complex classifications.

As regards job seeking, the most favourable case is that of young people possessing an interesting qualification for the market, for example young graduates in Engineering. The contact with prospective employers can still occur at the University, for example in the form of pre-graduate or post-graduate internships that can later become hiring opportunities. Therefore, young graduates will probably avoid to go to a Local Employment service.

A similar situation can be that of a holder of a technical diploma. Contacts with potential employers can begin during the school time, again in the form of internships. After school, job seekers may be willing to send profiles and requests to companies directly, or they will look for possible introductions and references. Or they can decide to send profiles to any intermediary that they consider potentially helpful (e.g. industrial associations, unions, temporary job agencies, etc.). However, considering the experience reported by operators on the ground, a primarily important channel is that of personal introductions, which may be more valuable than a job matching service performed by intermediaries based on the examination of profiles of candidates or on a research into a database. Finally, very rarely a qualified job seeker will count on Employment centers, or at least this will be just one's last hope.

The situation is different for those that don't have a special qualification, or that lose their job. If they are still young, they may try to re-start the process previously described. Conversely, they will probably disseminate their profile to any possible organization (company, or intermediary) or to seek references and introductions. Also, they will probably go to a Local Employment Office to be included in lists of unemployed, which is necessary to take advantage of economic support or other forms of assistance. The inclusion in these lists implies that the Local Employment Office uploads a profile of the job seeker in a database. In principle this will be used to perform actions of job matching, but in the practice this channel is not very effective for three main reasons: first, the electronic databases that collect the profiles of people are complex to use and often ineffective;

secondly, the officials working in Local Employment Offices generally don't have a special competence in personnel selection. Thirdly, companies rarely send information about their requests to the Local Employment Offices, so these may not appear in databases.

A more complex case is that of aged people or needy individuals losing their job. In all these cases, the processes described above may provide scarce results. Therefore, the system of Vicenza Province exploits a network of players that, playing different roles, can help to face difficult and sometimes dramatic situations. Possible solutions include temporary economic assistance, re-qualification programs, assisted apprenticeships, etc. Quite often these disadvantaged people ask help to their municipal services (especially in small towns), or as one's last hope they can go to a Charity office.

Finally, a special category is that of disadvantaged people (disabled, etc.). These are managed by the public services of health Agencies by means of a special channel.

As regards the companies' side, it must be said that the current economic climate doesn't facilitate hiring. It is however possible to make some remarks about the general processes that companies adopt when they seek new personnel. A typical problem is that companies (and especially the smaller ones that don't have a Human Resource Management division) rarely plan their personnel research in time. They generally go and seek new recruitments only when they need some. This clearly reduces the effectiveness of selections. Another problem is that companies often have difficulties in expressing their real needs and the profiles they seek, which complicates the task of intermediaries. Finally, it must be noticed that quite often companies hire only if they have some kind of economic benefit (e.g. fiscal benefits, public funding, etc.) maybe associated to periods of internships that allow them to test the new employees. Therefore, any knowledge of the existing economic opportunities is important for the companies. Finally, it is important to remember that, rather than exploiting intermediaries, companies generally prefer referenced people.

5.3. Coordination mechanisms and related issues

In this complex system where different players interact with one another, it becomes necessary to co-ordinate their actions. A first level of co-ordination regards the formal procedures, i.e. inclusions in official unemployed lists, hiring registration procedures, etc. All this is managed by Local Employment Offices directly, so any other player (i.e. job seeker, company, or intermediary) must turn to them. In principle, this ensures uniformity of treatment, but also imposes a significant burden on these agencies. Also, it must be noticed that there can be small but sometimes significant variations in the way the same procedure is implemented by different offices, or by the efficiency of these procedures. In addition, it must be noticed that cases interactions between companies and potential employees are not managed by Local Employment Offices but by other intermediating organizations (such as the case of apprenticeship programs managed by universities).

Another level of coordination regards information. In a network, flows of information are essential, because any player should know what the others do. Information can regard different elements: profiles of job seekers, requests of companies, norms and rules, procedures, job opportunities and open positions, public programmes and funding opportunities, etc. For these, there is no single source of information: any local player can produce information that in principle may be of use of job seekers, companies, and also other intermediaries. What's more, there is no single center of collection and delivery of information.

A particular issue regards the information about job vacancies and candidate profiles. This a debated issue. In principle, the management of a centralized database containing all requests of companies and profiles of candidates would make it possible to perform job matching effectively. This database should be managed by a public service like, for example, Local Employment Offices. In the practice, this is difficult for several reasons. First, employment centers now use several databases, because the system of employment services has changed progressively, and methods, players and procedures have evolved along the time. New systems have added to the existing ones, which makes the picture complicated. A second problem is that, for privacy reasons, these

databases are managed only by employment agencies. This means that all the information about requests of companies and profiles of candidates that other players collect can't be included in the same database. Thirdly, the public databases are designed in a way that some players consider ineffective for an effective job matching. Also, private companies whose business is to provide services of personnel selection consider their information as proprietary: for instance, temporary job agencies may be not willing to share their precious knowledge with others.

A third important level of coordination regards the access to public funding. As said before, especially in the current economic climate, many companies accept to hire people only if they get economic benefits. Therefore, participating in regional, national or EU programs that support employment financially (like the mentioned "Youth guarantee" EU programmes) is important for all the intermediating players that operate in the system. However, the participation in these programs requires special characteristics that not all organizations can have. In Veneto, like in other regions, there is a certification system that enables agencies, institutions, and other organisations to access public funding. This certification system is therefore used as a way to align the actions of the various players. In addition, public programs generally require the leading role of a public institution that gathers some operating partners around the specific project. Until now, this role has been played by the Province of Vicenza.

6. Discussion

It is now possible to make some remarks about the points of strength and weakness of Vicenza network of employment services. Its characteristics can be summarised as follows:

- the network is made of many players that specialise in sometimes different and some other times overlapping functions;
- each player can also promote own initiatives and actions to face local unemployment problems, or to help specific categories of unemployed
- public services (and, in particular, Vicenza Province and employment agencies) are in a central position in the system especially as co-ordinators, but their actions need the collaboration of the entire network for both providing local services and for disseminating information.

The main points of strength of this system can be described as follows:

- a. *flexibility*. The network allows to detect and face a wide range of local unemployment problems that may be challenging for a single centralized service
- b. *freedom of initiative*. The free actions of independent operators make it possible to implement autonomous initiatives that may lead to innovative ways to face unemployment problems, which is particularly precious in a context characterised by rapidly changing needs
- c. *public-private cooperation*. The network involves both public institutions – that tend to represent instances of the entire society and not only of one part, and can act as guarantor of equity and non-discriminating practices – and private subjects – which can ensure better alignment with real necessities of companies and worker and higher efficiency of services

At the same time, the system has some clear points of weakness, namely:

- a. *redundancy and inconsistency of actions; overlapping*. Too many operators may bring along the risk of same actions performed in relation to the same target. This can reduce the efficiency of the entire system, and can also cause conflicts between parties
- b. *problematic management of information*. Circulation of information is essential in a loosely controlled network. However, without a center of collection and delivery of information, local initiatives and actions can remain isolated and can, again, lead to misunderstandings and low efficiency

- c. *job matching*. Employment services have proven to be ineffective in job matching, due to their scarce resources and competencies, and the inefficiency of the public information system. At the same time, each intermediary has its own approach to job matching, and often its own database. This results in an inconsistent way to face the problem.
- d. *coordination mechanisms*. The effectiveness of the network rests on autonomy and independency of initiatives by local players, but this can rise the issue of coordination. In absence of strict rules, any player can implement the same services of others, which may result in inefficiencies and conflicts.
- e. *public-private conflicts*. Private agencies that get profit from recruiting activities may be in conflict with the action of public services that work for the benefit of the whole community. This conflict comes up in various forms, such as: the reservations to share information, the approach to unemployed people (and especially the disadvantaged population), and the role in public funding opportunities.

7. Conclusion

The study analyses the system of employment services in Vicenza Province, taken as a paradigmatic example of a networked structure to face the problem of unemployment on a local basis. Indeed, unemployment is an issue that can be difficultly resolved by adopting a universal model, provided that companies and workers are different and can have diverse necessities. A network of players, institutions and agencies that act differently on the ground can therefore allow to implement actions that can fit the specific local needs. At the same time, a network model allows to keep a control over the provision of employment services, especially to avoid discrimination and concentration of power; in addition, public institutions can act as guarantor in case of public support.

On the other hand, the network model has some drawbacks. A system like this requires that public governments define clear rules for regulating the independent actions of each player. Also, there is the need of a coordination mechanism that ensures freedom of action on the one hand, but also keeps information circulating and avoids conflicts of interests, especially when private agencies are involved. All this requires a clear mission of the public administration and higher investments in specialised resources and capabilities for public agencies..

This study has a clear limitation related to the fact that the recent reforms of the Italian local governments are changing the context in which employment services have been developed until now. Therefore, while the results of the analysis and the lessons drawn from the case study remain valid in general, in the future they may not apply to the case illustrated that can rapidly change.

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