An integrated service model for employment

The case of the Milan AFOL Metropolitana

AFOL Metropolitana

Agenzia Formazione Orientamento Lavoro
METROPOLITANA

FRANCO ANGELI

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Edited by
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PRESENTATION

by *Elena Buscemi*
Councillor for Employment and Social Policy

A year ago, shortly after receiving the delegation for employment, I tried to imagine myself in the shoes of a job-seeker. I first visited the various temporary employment agencies, to hand in my CV, and then decided to head to the Job Centre in via Strozzi, managed by AFOL Metropolitana. It was not at all what I had expected; the atmosphere was very different from the typical post office style queue of once-upon-a-time and the whole ambiance was generally welcoming.

Even before it was my turn, a member of staff had politely approached me, asking me what I needed exactly and confirming that I should indeed have first registered at reception and taken a number in the line. Less than a quarter of an hour later, they called my number into the room alongside, where there were no counters with glass separations but rather where I sat, face-to-face, with the job centre operator. After briefly registering my personal data, the operator asked me to provide a brief description of my experience to date and what I expected from the service.

This is not fiction because I really did want to see how someone looking for work was actually treated by the job centre. And this experience has taught me that not only is the public service well able to welcome citizens, listening to them and paying due attention, but it is also able to offer a range of real services to meet specific needs.

The fact of having achieved this level of service is the result of almost twenty years of experience, which began when the Provincial Authorities were first assigned by the State to directly manage employment services with a view to ensuring subsidiarity.

The choice of assigning the supply of services to the public body that is geographically closest to the citizen means that the best response can be laid out on a local level, precisely in respect of the local economic and production context.

Particularly in a large area, like that of the Metropolitan City of Milan, one of the most critical aspects of the matching of supply and demand in employment lies in the capacity of the public service to offer both workers and businesses a meeting channel.

This important book brings together the history and manner in which the employment service has evolved in the province of Milan; I believe it is an important effort made by the public administration to have its successful organisational model shared, tracking the route taken over the years to construct excellent levels of service and a wide range of procedures by which to intervene in support of those seeking employment.

INTRODUCTION
ROOTS AND REASONS OF THE "MILAN MODEL"

by *Mattia Granata*

This book is the result of a joint effort made by a great many people who, in various ways and from different standpoints, are involved in the work of AFOL Metropolitana (Agenzia per l'Orientamento, la Formazione e il Lavoro della Città Metropolitana di Milano - the Agency for Career Guidance, Training and Employment of the Metropolitan City of Milan). The administrative body of AFOL Metropolitana, together with its general management, chose to back and encourage this project for various reasons, which, it must be noted, do not include the mere "celebration" of a company and its results. Moreover, in these times of rapid, often too rapid, communication and direct, often too direct, information to be decoded and assimilated, the production of a printed book is not only an initiative that goes decidedly against the trend, but one that may, without doubt, appear to be somewhat obsolete, or at the very least, extremely traditional. In any case, in these times of social communication, it is likely to be construed as rather inefficient, had the aim been to self-celebrate its glory.

However, starting out from the assumption of the need to interpret an increasingly complex context and to verify even one's own actions and the consequent results, the original intention was thus to produce documentation that would prove useful to the study and understanding of the lengthy, intricate process that brought AFOL Metropolitana to be what it is today, i.e. a pretty much one-of-a-kind business and one that, we believe, can be defined as a "model" from various points of view.

Naturally if this, generally, was the initial objective shared, various reasons for such then emerged, worthy of note to help better understand not only the meaning of this collective task but also its focus.

It is a well-known fact that the area of Milan has historically constituted a linchpin and, at some stages of the transformation, even the driving force behind the social and economic innovation processes involving the country

as a whole. During the early stages of the Italian industrialisation, starting from the second half of the nineteenth century, in fact, it was precisely here that the preliminary conditions were achieved first, and the structures consolidated thereafter, offering support to the deployment of the modernisation of the Italian economy.

Naturally, the onset of the industrial society in Italy, as, moreover, had already taken place in the countries that had preceded it along this route, in the early stages of development gave rise to phenomena that were far from unambiguous and bursting with contradiction. While on the one hand the nineteenth century was branded as a century in which civil and economic development was launched, the benefits of which are still experienced today, on the other, it was also known as a period of social trauma with the breakdown of communities, widespread disorientation, particularly amongst the more "humble" classes, exposed defenceless and unprotected to the consequences of the change. It is by no coincidence that history books, offering a glimpse of the 19th century, show it as a period of economic growth and the spread of innovation, often employing titles such as "the close-of-century crisis" due to the impact that said growth and innovation had on both society and its institutions.

Milan's history is, in this sense, emblematic; the city had called to it the country's first real industries in the sectors of the second industrial revolution; it had drawn the best national and European entrepreneurial talents and with them, capital, technology, new production processes and the first real examples of the modern "factory system". Towards the late nineteenth century, it was already the undisputed "economic capital" and the most international of all Italian cities, connected with at least continental material and immaterial flows. Yet, by no coincidence, it was here that in 1898 Bava Beccaris shot down the crowds demonstrating over bread; crowds that, it should be recalled, were mainly made up of the modern labourers who, from the first of May and from the factories of Sesto San Giovanni that already numbered tens of thousands of workers, had been on strike, demanding better living conditions. Thus the contradiction between economic transformation and social crisis was made entirely evident.

Milan synthesised this contradiction in just a few years, thanks to the maturation of processes, which, internally, it had already launched some time previous. It is emblematic, for example, that the 1906 Expo, which is commonly recalled for "transport and communication", also contained what we define as the "social economy"; i.e. in a specific pavilion (clearly less evocative for visitors than the raised electric trains or huge Krupp canons, which were shortly, unfortunately, thereafter to spread death and despair throughout

Europe), all the statistics, examples and models of syndicate practices, mutualism, cooperation, assistance and professional training, were exhibited, which in the past few years had been implemented in particular in cities. Moreover, the committee that promoted the event not only included the major economic and cultural strengths of Milan, such as the Chamber of Commerce, universities and banks, but also the Società Umanitaria (philanthropic institution), the Camera del Lavoro (trade union), the Lega delle Cooperative (cooperative federation) and other charitable organisations, amongst others.

In short, Milan became a "modern capital" when it managed to synthesise technological innovation and social innovation, economic and civil promotion, entrepreneurship and inclusion.

This brief historical digression may perhaps now appear less out of place by way of a starting point for this book and more useful in interpreting current times. Times that are characterised by the spread of new technologies, which have brought about an in-depth transformation of the economic structures and production and, consequently the social ones, going as far as to also challenge the democratic institutions on all levels. Times that are also marked by the consequences of these processes on society, on communities and on the territory where people live and work, dealing with the contradictions seen and attempting to adapt to their consequences. It could be said that, *mutatis mutandis*, the period in which we are living is taking shape as a sort of new nineteenth century; if this is the case, an approach must be taken towards possible solutions by which to also re-update human progress and sustainable development.

In this context, after years of transition and crisis, the area of Milan has successfully interpreted the change according to its traditions and a certain instinct allowing it to well adjust to the transformations. The large city is, without doubt and once again, the place of greatest connection to international level economic, cultural and financial flows; here, in the space of very few years, phenomenal renovation processes have visibly gathered from all viewpoints; both production and work and indeed society as a whole have shown the unmistakeable signs of the accelerated transformation. Favourable signs where the processes have renewed the production tissue, its products and processes, improving people's lives; worrying signs, by contrast, when all this has resulted in risks of exclusion, marginality and social suffering. Milan, however, in proving itself able to interpret the moment as per its very own vocation has, over the years - albeit not having found all the solutions - shown clear ingenuity in making sure that the innovation processes are matched with equally efficient inclusion processes, with the awareness that

all evolutionary logic must take place in a line of accumulation and continuity with the best aspects of the past.

This is the context in which the construction process came of a modern, efficient Agency that, well aware of the historic phase in progress, had the characteristics necessary to deal with the issues opened up by the change in the territory regarding work, orientation and training. In this book, some time references will be established to past decades; the experiences of professional training consortia, conceived now forty years ago; the ancient origins of some institutes, like the Bauer and Vigorelli, operative since the war aftermath; even initiatives inherited from the activities of the Società Umanitaria at the very beginning of the last century.

All public practices or those of public interest, which recall, offering evidence, how the Milan area, since the birth of social and economic modernity, and throughout the twentieth century, has been a “cradle” of “active employment policies”.

It may appear to be something of a forced solution to consider in these terms the courses aimed at improving the technique of labourers and entrepreneurs that, at the Società d'Incoraggiamento d'Arti e Mestieri (Arts and Crafts Encouragement Society), anticipated, “gestating”, the birth of the Polytechnic University; the essential activity of the Società Umanitaria in its long history, for example, in the field of the qualification of agricultural techniques and professional training; the multiple experiments cultivated by the municipalities - Milan City Council first and foremost - for example with the same courses for adults organised in the aftermath of the war; differently, however, it is difficult to define this traditional commitment towards activities aimed at spreading education and competences in such a way as to foster social inclusion through work and, accordingly, economic development. An aware, progressivist idea of culture and economic promotion, as is perhaps even more necessary today.

AFOL Metropolitana arose not only on the basis of these cultural traditions and practices, in some respects flowed into it directly, but also to make these elements a concrete reality in a current model. There was an awareness that as social and economic innovation must constantly go hand-in-hand with institutional innovation, in a dynamic logic that adapts to phenomena in progress, it was necessary to identify the concrete device that was most functional to prepare, for the public interests, services able to intercept and supply solutions to the needs and demands for promotion of citizens of the territory of Milan.

Consequently, this book seeks first and foremost to track the process developed over the years, reconstructing it to avoid losing its memory and,

ideally, to join the proverbial dots with the previous history of a context of social and economic practices, which for the area of Milan has proved to be a characteristic trait.

A second reason, then, is the description of a "model" that is now developed and that, in view of the first results presented here, which denote a stabilisation and the capacity to pursue the original aims with a certain degree of effectiveness, may clearly be fairly interesting to replicate or, at least, observe in order to glean inspiration and ideas for adaptations and new experiments.

The status quo prior to the 2013 process launch saw five agencies operating in the Milan area, albeit in a traditional distance between the provincial and municipal level of the area capital, which had already in the past ensured an internal development of a central characteristic of this model, i.e. the integration into the scope of the same business of different segments of activities (work, orientation, training).

Starting from then and, therefore, ahead of both the dissolution of the Province as an entity and the consequent takeover by the metropolitan city, and the promulgation of the Jobs Act, a complicated process began that has led to the creation of a single agency the size of which has made it able to achieve scale economies that are more functional with respect to existing resources, yet without losing the capacity to interpret current phenomena by remaining close to the territory.

The complexity of this route, carefully reconstructed in the chapter written by the director, Giuseppe Zingale, started out from the need to give rise to an innovative model that would balance the freedom of experimentation with the rigidity of the rules; it started out from the creation of project sharing in all the numerous subjects involved in various ways and overcame the difficulties in balancing structures of very different size and characteristics. It also took place during a stage of a complete legislative overhaul (which at times appeared to even bring into debate the essential elements of the model) and in a period of great change and crisis of institutions, marked by highly restrictive economic policies, a constant downturn to the resources available to public entities, political and electoral efforts and tensions and those connected with the clear suffering in the management of the new level of metropolitan territorial governance.

Also in the light of this reference scenario, therefore, *ex post* the result of the process would appear clear, which, over a four-year time span has resulted in the merger of five companies, the entrance of Milan City Council into the ownership structure - solving a long-standing anomaly - without ever prejudicing the achievement of positive economic results.

At present, consequently, AFOL Metropolitana is a public agency of which 68 municipalities are members, along with Milan and the Metropolitan City, numbering 24 sites and 41 offices in the member municipalities. It provides the entire chain with active employment policy services, to the benefit of territories, local entities, businesses and above all citizens; its balance sheet records a profit, of which two thirds goes to the market, thereby showing its unequivocal capacity to act as an operative tool of public institutions without, however, in any way weighing down the budget. Additionally, and as evidence of the potential competitive interaction with the private market, it is noted that the Agency manages a considerable part of the employment policies and, in respect of the acquisition of talents, occupies third place in the regional classifications, shortly behind two private companies that, moreover, operate on a regional scale. In short, it is clear that this model, which, as is always the case, could be improved further, in the current structural market conditions, has proven able to operate on behalf of a public ownership but with an entrepreneurial logic that will be increasingly consolidated in terms of competences and tools.

The reasons behind this project, in addition to the effort of connecting the Agency creation process with the flow of previous experience, leaving a print that will, in the future, also be able to interpret this passage of the sector, and the task of reconstructing and outlining a hypostatised model, to foster its understanding and potential replication in adaptation to different situations, also include another, more “internal” reason to the business but which is no less important in terms of understanding and describing the context.

AFOL Metropolitana is a particularly complex organisation for various reasons; in any case, as mentioned, it derives from the merger of a total of five different companies, each with their own, very diverse history, characteristics, economic trends, products and services and different networks of relations. The management of a merger of different subjects always raises physiological issues of compatibility, efforts of integration and inevitable drives for rejection. This occurs in regard to organisation, evidently, but also in terms of cultures and operating practices, “customs”, we could say to simplify matters, which need to get to know each other, compare notes, recognise each other, conform and standardise. There is also the need for these multiple differences to be summarised somehow, without dispersing know-how and practices, in particular of excellences that must be identified, recognised and suitably transferred and disseminated on a large scale in the new organisation.

These problems, which are common to any merger of businesses, in the case of AFOL Metropolitana, were multiplied by five, whilst each of the

components that flowed into it observed the process from its own standpoint, with all that entailed in terms of unknown factors for the future. In addition to differences due to the number of subjects, an added element of complexity came from the fact that, by nature and geographic location, they had, in the past, interpreted their role in connection with the reference local system, cultivating and developing interlocution, products and services, according to the specificity of their territory, notoriously multi-faceted in an area such as that of Milan.

The internal differentiation, which was then summarised through an organisational system able to balance the centralisation of some administrative services and the decentralisation of the management functions in respect of the territories, was also flanked by the presence of varied "cultures" relative to different vertical services, i.e., for example, the specificity of the services for work, schools, training, orientation, by nature very different, coexisting in a single enterprises, which is now very large, also in terms of staff and consequent policies.

The latter, clearly, was a key point. It is clear, and indeed could not be otherwise, that the initial unknown factors acted on all levels of the corporate structure and, consequently, on the one hand needed to be suitably managed and, on the other, in order to be overcome required investment by all those involved, in terms of wait times, having faith, renunciation of some certainties present according to results that were in no way guaranteed. Notoriously, moreover, the sector of employment and training services, offers a series of particularly complicated inheritances, due to the co-existence of employment routes in both the public and private sector.

The construction of a new Agency, the budget of which consists of the proportions mentioned of market resources and public resources, has been directly reflected in a common challenge - naturally again subject to perfection - to set common procedures and regulations and add operating practices and enhance the efficiency of internal processes, according to the verification of the results of the services provided.

Even recalled in general terms, it is clear that this route, which involved and concerned hundreds of people, clearly experienced times of concern or even tension in terms of industrial relations; equally clear is the fact that, however, the current outcome of this structure of a new agency was in particular made possible thanks to the collaboration and support, seen not only the willingness of most people to pay close attention to the potentially positive developments, helping achieve them, but also in the support offered, at crucial points in time, by the workers' organisations, both on a business and trade and indeed confederation level, always involved in backing the plan

they had initially agreed upon. It is also thanks to the characteristics of the model adopted that investments were possible, aimed at improving the organisational climate and working conditions, the conciliation of work with personal life, a corporate welfare plan and so on.

In short, this book has also been the ultimate result of a route that sought to offer an input to a process of self-reflection of the different components within the Agency, of the encoding and exchange of points of view that, even if positioned differently within the organisation, help increase and raise awareness of the new scope, of sharing the process embarked on to date and focussing on the obstacles needing to be removed to allow for further development.

The reconstruction and telling of projects and experiences of different types with highly varied objectives offered up by the third chapter, are a demonstration of the practices adopted in previous years, which have found new place and the possibility of replication on a larger scale with more extensive fallout, precisely thanks to the different corporate dimensions.

In the same way, the fact of having intercepted the needs that have emerged over the years, in adherence to the evolution of the reference territorial systems, has made it possible to accrue an awareness of needing to develop and provide new services that are not only more efficient but also more current, such as, for example, a chain of assistance to "self-entrepreneurship" or business incubation as a tool for inclusion or re-inclusion in the employment market.

Finally, by way of a sum total of all the reasons expressed hereto, this book is also the outcome of an internal reflection, which has led to the consideration that a public business, as indeed is AFOL Metropolitana, due to its size and function, cannot, nor indeed should renounce playing a role of "cultural" promotion in a general sense, through its everyday work carried out in going about its duties as well as promoting research and reflection on employment-related matters, employment policies and the promotion of the civil and economic development of its territories.

Indeed, the landmark transformations mentioned at the start require not only a direct effort to moderate the consequences and foster social and economic inclusion, but also require reflection and new knowledge, able to interpret them and find solutions. This is why, in addition to strengthening an internal system of studies aimed at the production, analysis and dissemination of data and the identification of suitable methods for the appropriate circulation of such data, also in support of the territory's institutions' policymaking, a set of studies has been conceived, opened by this text, which aims

to also stimulate the creation of a system of relations in the field of cultural disclosure and research.

To conclude, this book seeks to offer a reconstruction of the results obtained for the development of a particular "model" of public service Agency, of the guidelines identified by which to settle the issues that emerged and proceed in the right direction; however, in any case, it bears witness to the collective effort made to concretely succeed in what, ultimately, five years ago, was very much an ambitious experiment, and only on paper.

1. THE EVOLUTION OF EMPLOYMENT POLICIES IN ITALY AND THE EXPERIENCE OF MILAN AFOL METROPOLITANA

by *Tiziano Treu*

1.1. From the liberalisation of the employment market to Decree no. 150/2015

The legislation and organisation of the employment market in Italy have a long, tormented history. We have come a long way since the reforms of the 1990s, which saw the superseding of the somewhat archaic system of digital placement and related state monopoly and the dawn of the reform aimed at bringing our employment services more into line with those of other European countries. This process too, which was launched by Italian Legislative Decree no. 469/1997[1] and then continued by Italian Legislative Decree no. 276/2003[2], was slow and not without delays and contradictions.

The complexity of our legal system on these topics has been historically marked, through to today, by the interweaving of competences between the State and Regions. As regards employment matters, this reform also overhauled Title V of the 2001 Constitution[3], which assigned the Regional Authorities competitive legislative competence on matters of the protection and security of employment. This reform sparked a series of regional interventions on employment policies, including placement and employment services, but at the same time also brought about a spread of conflicts of competence between the State and the Regional Authorities, only partly settled, with great difficulty, by the Constitutional Court.

[1] Italian Legislative Decree no. 469/1997 entitled "Conferral on the regions and local entities of tasks and duties regarding the employment market, in accordance with Article 1 of Italian Law no. 59 of 15 March 1997".
[2] Italian Legislative Decree no. 276/2003 entitled "Implementation of delegations on employment and the employment market pursuant to Italian Law no. 30 of 14 February 2003".
[3] Constitutional Law no. 3/2001.