This national report is part of a five country comparison of employment agencies, carried through under the direction of Erhard Blankenburg and Erhard Friedberg. National reports have also been written by Horst Hart for Sweden (IIM/78-14a), Uta Krautkrämer for the Federal Republic of Germany (IIM/78-14b), Janet Lewis for the United Kingdom (IIM/78-14c), and Martine Morel for France (IIM/78-14e). A grant of the Stiftung Volkswagenwerk enabled us to finance the cross-national field work.
ZUSAMMENFASSUNG

ARBEITSMARKTVERWALTUNG IN ITALIEN

Fallstudie der italienischen Arbeitsmarktverwaltung im Rahmen des Ländervergleichs

Italien hat bislang an der traditionellen Einbindung der Arbeitsverwaltung in die gesamte innere Verwaltung festgehalten. Das gesetzlich verankerte Arbeitsvermittlungsmonopol schließt nicht nur privat-wirtschaftliche Vermittlungen aus, sondern schreibt zwingend vor, daß die Besetzung offener Stellen über die staatliche Arbeitsverwaltung zu erfolgen hat. Mehr als in allen anderen Ländern des Vergleichs wird die italienische Arbeitsverwaltung damit zu einer 'Verwaltung der Arbeitslosigkeit'. Zur Beschreibung des Projektzusammenhanges, innerhalb dessen dieser Bericht entstanden ist, siehe 'Editorial Introduction', I.

LABOUR MARKET ADMINISTRATION IN ITALY

Case-study of Italian labour administration in the context of a five-country-comparison

In our comparison the Italian case study is of special interest because it represents an administration which is still bound by traditional self-understanding. The legal monopoly of placement has not only excluded private placement agencies, but it prescribes, that in general open positions can only be filled by labour administration. The legal monopoly leads to restrictions in pursuing active labour market policies. More than any other country of our comparison, the Italian labour administration is characterized by the tasks of administering unemployment. For a description of the project context, within which this national report has been worked out, see Editorial Introduction, I.
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1. Zur Problemstruktur


Wir gehen nicht Arbeitsmarktprobleme insgesamt an, sondern stellen die Frage, welchen Anteil an ihrer Lösung die Verwaltung nehmen kann. Wollte man das Feld 'Arbeitsmarktpolitik' insgesamt charakterisieren, müßte man dabei betonen, daß das gesetzte Ziel 'Vollbeschäftigung' nur durch eine Kombination verschiedener Politiken verfolgt werden kann. 'Arbeitsmarktpolitik' im engeren Sinne hat weitgehend die Funktion, Folgeprobleme zu behandeln.
An Vermittlung und Verwaltung von Arbeitslosigkeit knüpfen die zielgerichteten Maßnahmen an, die als 'aktive Arbeitsmarktpolitik' zu bezeichnen sind. Deshalb können wir 'Problemstruktur' hier nicht von der gegebenen 'Implementationsstruktur' trennen.

Schon in den sechziger Jahren entwickelten die OECD-Länder neue, aktivere arbeitsmarktpolitische Instrumente. Zu gleicher Zeit wurden die Implementationsinstanzen, d.h. die Arbeitsverwaltungen, erweitert oder in ihrer Organisationsstruktur geändert, um den neuen Anforderungen gerecht zu werden. Mehr als in anderen Politikfeldern wirken jedoch auf die Arbeitsmarktpolitik Maßnahmen verschiedener Institutionen und Interessengruppen ein. Die Aufgaben der Arbeitsverwaltungen sind aufgrund der Interdependenzen und der Restriktionen dieses Politikfeldes eher vermittelnder als hoheitlicher Art. Da sich die Arbeitsverwaltungen bis in die sechziger Jahre weitgehend als Vermittlungs- und Versicherungs-Institutionen verstanden haben, müssen die erweiterten Verwaltungsaufgaben zu rechtlichen und organisatorischen Veränderungen sowie zu einer Umorientierung des Personals führen.

2. Vorgegebene Merkmale


Arbeitsmarktpolitik versucht in die Suchprozesse auf den verschiedenen Arbeitsmärkten einzugehen, indem sie Mobilität fördert, das Qualifikationsangebot strukturell anzupassen sucht und ein Informations- und Vermittlungsangebot macht. An diese Vermittlung ist gleichzeitig die Verwaltung der Arbeitslosenversicherung geknüpft, so daß, was wir als Arbeitsmarktverwaltung bezeichnen, eine Mischung von drei verschiedenen Aufgaben zu erfüllen hat.
- Verwaltung der Arbeitslosenversicherung;
- Vermittlung von Arbeitsstellen und Arbeitskräften;
- arbeitsmarktpolitische Anreize und arbeitsplatz-
erhaltende Maßnahmen.

Dabei gibt es Wechselbeziehungen zwischen den Aufgaben: Größere Durchdringung ist für die Arbeitsverwaltung wichtig im Hinblick auf ihre 'policy'-Aufgaben. Maßnahmen zur Strukturverbesserung des Arbeitsmarktes, wie z.B. Umschulung und Fortbildung, oder aber mobilitätsfördernde Maßnahmen können nur dann 'greifen', wenn die Arbeitsverwaltungen einen Überblick über die Bewegungen auf dem Arbeitsmarkt insgesamt hat und ihre Maßnahmen von einer breiten Klientel wahrgenommen und in Anspruch genommen werden.

Eine weitere Vorgegebenheit der Arbeitsverwaltung: ihre Aufgaben verändern sich grundlegend je nach der Beschäftigungs- lage. In Zeiten der Arbeitslosigkeit nehmen Arbeitslosenversicherung und die Erhaltung und Schaffung von Arbeitsplätzen Priorität ein und verdrängen die aufwendigen Tätigkeiten, die sich auf die Verbesserung der Arbeitsmarktstruktur richten würden. Hinzu kommt, daß längerfristige strukturverändernde Maßnahmen mit großer Prognoseunsicherheit belastet sind, und daher nicht nur das spätere Scheitern, sondern auch die Schelte für fehlgeleitete Maßnahmen zur ständigen Gefahr machen.

Vorgegebene Merkmale von Arbeitsmarktpolitik sind damit:
- das Nebeneinander und die Segmentierung verschiedenartiger Arbeitsmärkte mit unterschiedlicher Chance der Durchdringung von seiten öffentlicher Vermittlung;
- der schnelle Wandel von Problemsituationen auf dem Arbeitsmarkt und die damit gegebene Prognoseunsicherheit;
- und die Abhängigkeit von der allgemeinen Wirtschafts- und Sozialpolitik.
3. Implementationsstrukturen


Als Kernaufgaben der Arbeitsmarktverwaltungen sehen wir dabei an:

- die Arbeitslosenversicherung:

- Normkontrollierende Aufgaben gegenüber Arbeitgebern:

  In einigen Ländern (so Frankreich und Italien) werden 'Arbeitsinspektoren' als Teil der 'Arbeitsverwaltung' angesehen, in anderen ist die Kontrolle von Arbeits- und Unfallschutzvorschriften, gesetzlichen Arbeitsregulierungen und Arbeitsschutzvorschriften eigenen Aufsichtsämtern übertragen (soweit sie nicht nach dem Modell eines Vertrages auf die rechtliche Interessen-durchsetzung durch die betroffenen Arbeitnehmer und ihrer Gewerkschaften beschränkt sind, ohne staatliche Kontrollen vorzusehen). Solche Kontrollaufgaben beschäftigen uns hier nur so weit, wie sie zur Regulierung des Arbeitsmarkts eingesetzt werden. Sie sind jedoch häufig verflochten mit Bedingungen für

- Vermittlungs- aufgaben:
   Eine der Bedingungen, um Leistungen aus der Arbeitslosenversicherung oder aus sonstigen Förderungen zu beziehen, ist, daß der Betreffende als Arbeitssuchender registriert ist und daß er grundsätzlich bereit ist, eine angemessene Stelle anzunehmen. Darüber hinaus wird von den Arbeitsverwaltungen die Vermittlung von Angebot und Nachfrage nach Arbeitsplätzen als Dienstleistung auch für diejenigen angeboten, die nicht als Arbeitslose kommen, sondern in das Berufsleben neu eintreten oder ihre Stelle wechseln wollen. In einem der verglichenen Länder steht die Arbeitsverwaltung in offenen Wettbewerb zu privaten Vermittlungseinrichtungen; in der Bundesrepublik Deutschland, Frankreich und Schweden genießen sie ein Monopol der gewerblichen Vermittlung; in Italien besteht sogar eine weitgehende Pflicht der Anwerbung über die staatliche Vermittlung. Vermittlung und Berufsberatung machen einen großen Teil der Aktivitäten der Arbeitsverwaltung aus, so daß unsere Untersuchung von einer Analyse dieser Tätigkeit ausgeht.

- Aufgaben der Erreichung politischer Programmziele:
   Anknüpfend an die Erfüllung ihrer administrativen Aufgaben und die Erbringung von Vermittlungs- dientleistungen

Das Vorgehen in der hier vorgelegten Fallstudie ist im Rahmen der gemeinsamen Fragestellung entwickelt, dabei jedoch den jeweiligen nationalen Gegebenheiten angepasst worden. In allen Fällen beschreiben wir die nationalen Institutionen der Arbeitsmarktverwaltung nur insoweit, als sie zum Verständnis der Analyse der lokalen Verwaltung notwendig sind. Der Leser sollte die Studien im Hinblick auf den angestrebten institutionellen Vergleich lesen.
4. Einige Schlußfolgerungen


Unter 'administrativer Kultur' des jeweiligen Landes ist also ein Bündel von Merkmalen zu verstehen, das nicht nur die Institutionalisierung der Kernaufgaben einschließt, dessen was wir als 'Arbeitsmarktverwaltung' definiert haben, sondern auch die Beziehungen zu relevanten Akteuren und deren Institutionen in dem jeweiligen Land herstellt. Hierin liegt die Erklärung für unterschiedliche Handlungsmöglichkeiten der von uns untersuchten Verwaltungen innerhalb der vom Politikfeld vorhergegebenen Grenzen.

Erhard Blankenburg
1. Contingencies of Labour Market Administration

The agencies which place people into jobs are peculiar among public administrations; they must mediate more than they can govern. They are expected to achieve a match between supply and demand for labour. Thus, they have two clients simultaneously with partly opposing interests: jobseekers and employers. Penetration of labour markets by placement agencies is only partial; the labour administration renders services and offers subsidies rather than making authoritative and binding decisions. This explains some of the paradoxes of labour administration.

Placement services form the core activity of the administrations which we compare in this study. Connected with placement insurance tasks and regulatory tasks have to be performed and with these tasks a number of policy goals are expected to be fulfilled. In some countries these tasks are performed by a set of agencies which we nevertheless analytically define as 'labour market administration'.

Labour market policies are determined by general economic conditions, by activities of employers as well as trade unions.

Some of the limits to effectively change labour market conditions can hardly be overcome by political 'fiat'. Nevertheless, the pressure of unemployment problems has led politicians to look to labour administration as a way to influence labour market conditions. With economic and technological change in western industrial societies going at a rapid pace, all European countries have experienced a rise in unemployment independent of the ups and downs of the business cycle. During the sixties, European countries
provided their labour market administrations with increased power to interfere in supply and demand on the labour market. The formulation of an 'active labour market policy' was stimulated and co-ordinated by OECD experts. The recommendations that came from the OECD bureaucracy of international 'mandarins' led to basically similar policies being adopted in the European countries studied.

All countries which took part in this mutual imitation process introduced major changes in their administrative structure. Some countries (France and England) built up a new field organisation along side of the traditional agencies of the Department of Labour. Some (Germany and Sweden) shifted goals and capacities of their traditional administrative structure. In methodological terms, the control case is Italy, where a traditional pattern of labour bureaucracy (reactive policy and rigid bureaucratic style) still prevails. Our comparative analysis in these five countries focuses on the implementation of labour market policy on the local level. With this approach we avoided the assumption that national policymaking is remote from its actual implementation. What at the national level is formulated by way of goal declarations, budgetary allocations, and administrative prescriptions, may have unanticipated consequences at the local level, since the relevant actors in labour market policy can prevent centralised control over local labour markets.

Conceptually, the study starts out with task contingencies (i.e. inherent characteristics of the task to be performed) of labour market policy and the resulting limits to labour market administration. The next step is to define who the actors are. In a comparative study this can only be done by identifying functions: as core actors we define those agencies which provide placement services, unemployment insurance, further training, retraining and specific programmes for improving labour market structure. Relevant actors are those with whom the core agencies have to interact continuously in order to achieve their goals.
As one of the givens of this policy field is a significant interaction between employers, trade unions, and local government, we find in all countries some sort of institutionalised participation of these relevant actors in the management of labour market agencies.

Labour market agencies began by administrating unemployment insurance and performing placement services. To these basic functions a number of additional tasks have been added. The job of matching jobseekers' expectations with employers' demands can be quite difficult in the short run; it gets even more problematic if long-term change in the structure of the labour market is attempted. Counselling school-leavers about their long-term prospects in a number of potential occupations as well as advising business firms to invest in retraining might serve as examples of the difficulty in individual cases of making advisory decisions in uncertain situations. These advisory tasks are even more difficult, if the expectations of individual clients of labour agencies must be considered in relation to political goals. Labour market agencies should not only perform their tasks to the satisfaction of both jobseekers and employers as clients, but they are expected to prevent 'undesirable' labour market developments. Our analysis will deal with the basic tasks of our core actors in dealing with their clients, trying to show the internal logic of administrative set-ups in each country. Trying to understand the action system will help us to show what the explicit and implicit labour market policy looks like, and how it shapes relations between the actors.

In our study representatives of core actors and relevant actors were interviewed about their perception of labour market problems, their own goals, and the goals of the other actors. As information in these interviews is complex, they can only be unstandardised (focused interviews). We must be aware of the gap between abstract goals of the different interviewees, the researchers have
tried to interpret formal competence spans and organis­
tational networks as well as to describe informal relationships
and interaction games.

The findings of the study show that despite congruent
policy statements and similar goals of labour market agencies
in the sixties, actual implementation has lead to quite
different administrative structures. Both intra-agency
tradition as well as institutional differences led to a
number of national differences. As we are comparing five
cases of organization patterning, quantification does not
seem to be appropriate. Rigid measurements of indicators
which could be used for all five countries would lead to
substantive loss in information. What can be characterized
as analytical description, as case-study approach and as a
rather pragmatic compromise between our original intention
and adaptation to the peculiarities of each national case
leads us to a methodological point with theoretical
consequences: comparing functionally equivalent institutions
crossnationally has to take into account what we might call
'national administrative cultures', a way of getting around
the fact that in such comparisons we are dealing with more
variables than we have cases to compare.

2. Tasks of the Labour Market Administration

Different national traditions are found in the range
of competence of labour market administration. Because
labour market administration extends over several
institutions in some of the countries we are considering,
we need to define our unit of analysis analytically. The
aspirations of 'active labour market policy' have in all
countries been combined with the traditional tasks of
processing unemployment insurance claims and of placing
people into jobs. Thus, we have to consider insurance,
regulation and mediation as well as policy-oriented
activities as being the core of employment administration:
- **Unemployment Insurance**
  Traditionally, labour administrations were predominantly institutions for handling the unemployed and dispensing unemployment insurance - tasks which today become predominant as soon as there is a high incidence of unemployment. Handling claims for unemployment benefits involves much paperwork: as with any insurance the prerequisites for a claim have to be checked, the amount of the claim has to be computed, payments have to be made, and the main prerequisite (that of being unemployed) has to be periodically verified. The rules governing who qualifies for unemployment insurance are established by laws and regulations.

- **Regulatory Tasks vis-à-vis Employers**
  In some countries (France and Italy) labour inspectorates are perceived as being a part of labour administration. Labour inspectorates have to survey all laws addressing employers such as safety regulation, minimum working conditions, employment restriction, etc. Some regulatory orientation is involved in the process of granting loan subsidies, apprentice-subsidies, etc., in all five countries. Even if generally the powers are considered to be very weak, labour administration does have a norm-control task in all countries we looked at.

- **Mediating Tasks**
  One of the prerequisites of being able to claim unemployment benefits depends on the claimant being a jobseeker and willing to accept any adequate job which is offered. Although related to payment of an insurance claim, job placement is basically service- and client-oriented. Matching jobseekers to existing job offers works best in consultation, where neither side withholds information for tactical reasons. Placement as well as job counselling makes up a large part of the activity of labour market agencies and again works best in a supportive atmosphere with a minimum of legal requirements to be met.
Policy Tasks

Within the same administrative framework, goal-oriented tasks must be carried out. Facilities for training and retraining have to be set up. Places of work for the handicapped have to be created, relief work and subsidised places of work have to be organized. Such policy-implementing tasks are clearly related to placement and to the information gathered by registering the unemployed; training and retraining proposals can be the result of unsuccessful placement attempts; job creation measures or loan subsidies can be the result of having too many long-term benefit claimants. If unemployment is high, placement and counselling activities can aim to reduce the work force by discouraging marginal workers; in times of full employment attempts may focus on drawing nonworkers into the labour force. Such measures are dependent on information resulting from the statistics of unemployment insurance and regular placement attempts. They are implemented by placement and job counselling. The policy direction is decided at a more general decision-level, leaving, however, a range of discretion to local administration in the way of performing regulatory and performance tasks as well as in the way of negotiating with potential employers and of mobilising local relevant actors to using the resources of labour market policies.

For the purpose of comparison, those agencies which deal with these tasks we have defined as the 'labour market administration'. In order to understand the way information has been selected and the way in which the analysis is presented, the reader should bear in mind that the following case studies are written for the purpose of comparison. The theoretical frame of the study as well as the methodological reasoning will be developed in a separate paper dealing with the result of the case study comparison.
Starting with a description of the institutional scheme of labour market administration, we shall then describe the handling of basic tasks such as insurance and placement, and in relation to this, analyse how explicit policy measures are carried out, and what the implicit policy of relations in the inter-organizational network of our relevant actors is.

In our comparison the Italian case study is of special interest because it represents an administration which is still bound by traditional self-understanding. The legal monopoly of placement has not only excluded private placement agencies, but it prescribes, that in general open positions can only be filled by labour administration. The legal monopoly leads to restrictions in pursuing active labour market policies. More than any other country of our comparison, the Italian labour administration is characterized by the tasks of administering unemployment.
This paper is the result of research carried out within the context of a broad comparative study on the sociological patterns of labour market policy implementation in five European countries: the Federal Republic of Germany, the United Kingdom, France, Sweden and Italy. In each country, a local labour market administration was taken as a case-study. The organisational design and functions of the various legal systems were studied by the researchers themselves, and analyzed on the basis of intensive interviews with several actors directly and/or indirectly involved in the local dynamics. Special focus was concentrated on the 'steering instruments' supposed to work as effective measures for active management.

The Italian case-study, the labour market region of Genova, used the empirical criteria applied to all of the project's national cases. Each region's social and economic features were homogeneous, i.e., average population; ship-building industry; industrially monostructured. Of course, the studies cannot claim to be absolutely representative of the respective national labour markets, rather, of significant segments thereof.

The methodological approach as used in the Genovian case, is both descriptive and demonstrative. We depart from the critical assumption that labour policies - given their immediate social and political impact - should be structured and implemented in a radically different way from any other institutional concern of State administration. We intended to observe to what extent Italian labour market administration is a 'different' administration and a 'steering' force of local labour market.

It is our hypothesis that there exist two closely linked, but actually independent labour administrations: a formal apparatus, delivering legally defined services, and a system of
informal practices and customs, which makes up for the deficiencies of the public machinery. Formal organization is relatively easy to outline, because of its legal structure. The philosophy underlying the informal system however, has to be reconstructed by our analysis based on observations, talks and focused interviews with public officials, trade unionists, employers, local authorities and clients.
1. STRUCTURE OF THE LABOUR MARKET ADMINISTRATION

1.1. Historical Outline

The present set-up of Italy's labour market administration results from a long and complex historical process which goes back to the achievement of national unity (1861) and to the labour struggles characterizing the second half of the nineteenth and the first quarter of the twentieth century. This study does not describe all the various phases of the dynamics between supply and demand, which would have necessitated analysis of the demographic, cultural, political and economical variables involved. Rather, our interest here is focused on the making of a public labour administration.

The Italian state entered the field of labour marketing somewhat later than other European countries, working out the first elements of organic labour legislation around 1900. In 1898 the "National Fund for the Retirement and Disability Insurances of the Workers" was established. In 1902 formal acknowledgement was granted to the workers' and farm-labourers' organisations, and a law passed, allowing women and children to work. Night-work was also abolished, and work on Sundays regulated. Norms regarding labour insurance for other categories of workers were issued in those years, eventually leading to the creation of the I.N.A. (National Institute of Insurances) in 1912. In the same year the Government established a corps of 56 labour inspectors. 'The legislative action was crowned by the establishment of the Labour Office and the Superior Council of Labour in the Ministry of Agriculture, Industry and Trade. Both of these new institutions have advisory tasks, through which the Italian state legalised data-gathering, and initiated a jurisdiction on employment problems and labour conflicts.' (1) During

Fascism (1922-1943), the first 'Labour Administration' was shaped. Much of its structure was maintained after WW II and is still visible in present institutions, especially in social security fields. State intervention increased enormously after the end of the war. Intensive law-making has reached all sectors and activities of the labour market, at national as well as local levels. In other words, the state has become the 'third' actor, with protective and mediative functions between the two traditional actors: employers, and workers. With regard to the employment sector, in 1948 the state established an important administrative authority, the Labour and Full Employment Office (Decree no. 381 of 15 April), whose main task, as the name implies, was to secure full employment. The necessary instruments to reach this goal were provided in 1949 by Law no. 264, which prohibited private mediation between employers and workers and made job placement a public function. It also promoted training of the unemployed for the first time. These tasks were carried out by the Employment Offices. Several laws have followed, regulating numerous problems tied to the employment field: Law no. 1369 of 1960 concerning subcontracts; Law no. 230 of 1962 on time-contracts; Law no. 604 of 1966 limiting dismissals; Law no. 428 of 1968 on mandatory placement for the handicapped; Law no. 300 of 1970, the 'Magna Charta of Workers'; and Law no. 285 of 1977 on youth employment.

A well-defined employment policy is, however, almost impossible to single out from this extensive labour legislation. Unlike the German Federal Republic, Italy has no comprehensive law clearly indicating the priorities.

(2) The 'guarantist' attitude of Italian state is both declared in official documents, like the 1947 Constitution (article 4 and 35) and demonstrated by the history of labour legislation, mainly in the last thirty years, given the untiring pressures and the increasing political power of trade unions.

(3) We shall call it 'Employment Office' from now on.
goals and functions of the labour administration. Bureaucratic organisation is based on a law passed in 1961 (no. 628). Its tasks are scattered into hundreds of laws, by-laws, decrees and ministerial regulations, and its present main functions are still those listed in Law no. 264 of 1949 (partially amended in 1970). Environmental conditions, the political climate and task contingencies have radically changed since the postwar years, but so far, the State has not worked out any new strategies. Thus, according to a widespread feeling among politicians, trade unionists and economists, piecemeal measures are used to cope with cyclical crises of the market.

Though the labour market administration is a public institution, it also involves several other public and private organisations. Accordingly, we can subdivide the field into two sectors: the public labour administration apparatus, namely the 'core actors' of the labour market, and the surrounding institutions, or 'relevant actors'.

1.2. Public Labour Administration

The Italian Ministry of Labour and Social Security is traditionally responsible for most of the functions in the labour field. These functions are administered through the Ministry's peripheral organs, which deal with areas coinciding with the administrative units (regions, provinces, municipalities) in which the Nation is divided. The organisational structure consists of a pyramid-like hierarchy which accounts for the centralisation of the entire apparatus (see next page). Since 1970, however, many policy and administrative powers have gradually been delegated to the Regional Governments. In the field of labour, training has been entirely entrusted to the Regions (Decree no. 10 of 15 January, 1972). Central administration still controls all other labour-related functions.

The three ministerial organs which are legally the key
local authorities are the Employment Offices, the Labour Inspectorates, and the I.N.P.S. (National Institute of Social Security).

1.2.1. Employment Offices

The Employment Offices are organised on both regional and provincial bases. Regional offices merely function in supervisory and co-ordinative capacities, while provincial offices have direct contact with operational problems. The functions of the Provincial Employment Offices are as follows:

- placement of jobseekers (mostly carried out by branch agencies, with the exception of placement of the handicapped);
- recruitment of and assistance to emigrant workers;
- conciliation of individual and collective labour disputes;
- promotion of initiatives directed toward achieving full employment;
- set-up of relief-work sites for the chronically unemployed;
- data gathering on unemployment trends in provincial territory.

These functions are formulated so as to give the impression that they are goal-oriented, namely, instruments for a dynamic labour market policy. In order to assess more accurately, however, it is necessary to know that Law no. 628 of 1961 clarifies these functions. The law was chiefly an 'organisation act' which dealt with the bureaucratic arrangement of the Ministry of Labour and its organs. Thus, we are here concerned with routine activities carried out by mere executive bodies. In fact, because Italian administration is directly dependent on central bureaucracy, it does not have the power to translate central planning into local guidelines, unlike W. Germany's Land Employment Offices. Instead, standardised guidelines are received
from top management and simply must be followed in policy implementation.

The organisational structure of Provincial Employment Offices is identical in each province. Here, we limit our attention to the Provincial Employment Office of Genova.

The Genovan Employment Office is divided into a number of functional departments, dependent on a Director's Bureau, and a few branch placement agencies. In each department, special boards for special problems are established: for apprenticeship, porterage, emigration, mandatory placement, out-work, conciliation, etc. The board members are usually representatives of guilds, associations, unions, local authorities, and other special-interest groups. The boards are not self-governing bodies: the appointment of members is always ratified by the Office's Director, and chairmen are usually the heads of departments or agencies. Almost all of these boards have only advisory functions. Only placement boards have some concrete powers of control. Placement boards were officially introduced into the labour administration and given discretional power in 1970, after much pressure exerted by trade unions. They consist of eleven members: the manager of the agency, seven trade union representatives and three employers' representatives.

- The Director's Bureau has supervisory and management responsibilities in general affairs, personnel, administration, statistics, branch placement agencies, public relations and so on.

- The Employment Services Department deals with:
  a. co-ordination of ordinary placement carried out by branch agencies;
  b. mandatory placement of the handicapped;
  c. special placements;
  d. placement in agricultural jobs.

- The Social Services Department offers qualified assistance, through social workers among others, to immigrants and emigrants. The department takes care
of their concrete difficulties, such as transport, housing, schooling and guidance. Moreover, it controls the prerequisites for the granting of unemployment benefits. It is also charged with creating relief-work and opening and/or supervising worksites for job-seekers.

- The Labour Disputes Department follows (without taking part in) the development of collective negotiations. It mediates conflicts and disputes on request by the parties involved. In private disputes, mediation is offered through the proper conciliation board or by suitable arbitration committees. The department has the further task of registering and studying all local labour contracts in order to guarantee their full implementation, and furnish the clients with any useful information.

The Office delegates operational placement tasks to 11 branch agencies, which service either one or more towns. The City of Genova has two agencies (one for the eastern section and the other for the western) and comprises 75 per cent of the jobseekers of the entire province.

The organisational structure is as follows:

**GENOVAN PROVINCIAL EMPLOYMENT OFFICE**

- **Director's Bureau**
  - Employment Services Department
  - Out-work Bd.
  - Placemt. Boards
- **Social Services Dep't**
  - Emigr. Bd.
- **Labour Disputes Dep't**
  - Concil. Bd.
  - Porterage Bd.
  - Home-work Bd.
- **11 Branch Placement Agencies**
The staff of the Provincial Employment Office is composed of 53 officials, in the following levels:

- **Managerial grades**: 3 (holding University degrees)
- **Directorial** " : 15 (College or High School degrees)
- **Executive** " : 31 (eighth grade diplomas)
- **Auxiliary** " : 4 (fifth grade diplomas)

All of these personnel are Civil Service bureaucrats, and are winners of a nation-wide public competition based on examinations on labour, law and organisation.

**1.2.2. The Placement System**

Out of the six tasks of the Provincial Employment Offices listed in Law no. 628, job allocation has its own special organisation and is undoubtedly the most relevant. In Italy, there exist at least four types of public placement: (1) for industry, construction and services, (2) for agriculture, (3) for the handicapped, (4) for special categories. Here, we are mainly interested in the formal patterns of placement in industry, construction and services. Chapter 2 deals with the way in which placement is handled.

When first introduced as a public service by Law no. 264 of 1949, placement worked as a steering instrument of the peculiar postwar labour market, in that it strongly defended the weaker part of the market to compensate for the serious unbalances created by high unemployment. That legislation, however, has not been up-dated since 1949. In 1970, an amendment merely gave trade unions more control.

Its legal features can be outlined as follows:

**A. Employers**

a. any private mediation between supply and demand is forbidden;

b. employers are bound only to recruit through mediation of the local placement agency. They must notify the agency if they directly engage the
following:
- relatives
- management personnel
- household personnel
- any employee, if the firm employs less than 3 people;

c. employers wishing to recruit must make a formal request, specifying the category, necessary qualifications, wages and the number of employees desired. This is called a 'numerical request'.

They can request by name only:
- relatives
- white collar workers
- people on a list of 232 categories of the highly skilled (established by a specific Decree of the Ministry of Labour);

d. employers must notify the agency of all dismissals;

e. employers cannot request new personnel if they have dismissed anyone on the grounds that there is less work to be done. The first to be recruited, in any case, are dismissed employees;

f. employers may reject workers granted by the agency only after a test period (fixed by collective contracts), if it becomes apparent that they are not suitable for the job;

g. employers who engage personnel without mediation by the agency are fined or jailed.

B. Jobseekers

a. jobseekers who can be placed are divided into 5 classes (4):

1. Dismissed employees
2. A. Dismissed employees under 21
   B. Persons under 21 (and others) seeking their first job
3. Housewives seeking their first job
4. Pensioned jobseekers
5. Employees wishing to change jobs;

(4) Official unemployment data are currently based on this classification. Placement agencies transmit data to the Employment Office, the Office to the Ministry and to the I.S.T.A.T. (Government's Statistical Agency). Both this Office and the I.S.T.A.T. draw up national and local statistics. Italian economists and sociologists have often considered the mere quantitative approach adopted by public
agencies 'largely unsatisfactory' because, as L. Frey observed, they:
- disregard all elements of 'implicit' employment-underemployment;
- do not give a clear and reliable idea of the situation and of the trend of unemployment/underemployment;
- do not perceive some basic and structural characteristics of unemployment/underemployment;
- do not perceive qualitative characteristics of the available supply, or 'potential' not included in unemployment/underemployment;
- do not work out a sufficiently analytical or heuristical structural frame in sectors, zones, age classes and (to a certain extent) sex, educational level and qualification."
Socio-economic inquiries, therefore, refer to unemployment in somewhat different terms, elaborating more broadly and sociologically more significantly. The unemployed are divided into the following categories:

1. unemployed: those who lost their previous job. (These seldom register in placement lists, and increase the underemployed category, eventually.

2. underemployed: those who do not have a full and steady job and who are forced to do any kind of marginal work. (This class includes employees in part-time jobs, 'black work', double jobs, jobs for the pensioned, out-work.) Very often the underemployed are only covered by short term insurance, or none at all. They also seldom register in placement lists. It is, therefore difficult to get reliable statistical data on this class of jobseekers. This kind of underemployment is also called 'implicit underemployment'.

3. never employed: a large class of jobseekers including youth seeking a first job. Again, they seldom register in placement lists.

b. anybody over 15 seeking employment has to register in his home town placement agency or any other agency within 150 km;

c. registered jobseekers must verify current unemployment monthly;

d. jobseekers who do not verify this are removed from the lists, lose seniority rights, and must re-register.

C. The Agency (and board)
   a. the agency groups jobseekers in different lists according to category and qualifications;
   b. in fixing priority rights, agents have to follow certain criteria: seniority of registration, family burden, family economic and health conditions, and so on;
   c. numerical requests received from firms are to be open to public examination;
   d. the agency must fulfil numerical requests according to the firms' indication of categories and qualifications. If no jobseeker on the lists matches a request, the agency must check with other agencies before clearance is given for private hiring;
   e. in fulfilling employers' requests, the agency has to make sure that the wage and job conditions offered live up to collective contracts;
   f. the board controls the legitimacy of the employers' requests for specifically named workers, and accordingly issues or refuses 'no-objection' certificates.

As can be observed, job placement involves a complex and rigid body of juridical norms.

1.2.3. Labour Inspectorates

The State created Labour Inspectorates as a defence against cheating, or not observing the rules and norms of the
system. Accordingly, Inspectorates are virtually 'labour police departments' and are the only organs of the Labour Administration holding law-enforcement powers. Even though they cannot be considered 'steering instruments' for a full employment policy, they exert indirect influence on the effectiveness of certain measures. Inspectorates have an exclusively regulatory function, namely of norm-control, and vigilance on enactment of labour and social security laws. Inspectors can visit worksites, factories, firms and workshops at any time, in order to check that each operation (security measures, sanitary conditions, regularity of salaries and recruiting, etc.) is carried out according to labour laws. They can fine or sue employers who do not abide by these laws. Inspectorates have a variety of functions, including: vigilance on enactment of collective labour contracts; collection of statistical data; authorisation of night-work for women; authorisation of plant and factory installation; controlling to make sure that employers have no under-aged workers; and prevention of accidents and industrial hazards.

Like Employment Offices, Inspectorates are organised into regional and provincial levels. Regional Inspectorates, again, have only co-ordinative functions, while Provincial Inspectorates carry out the bulk of activity.

In Genova, the Provincial Inspectorate has a staff of thirty, plus two policemen, who have to control about 48,000 firms, factories, worksites and labour units within their territory.

1.2.4. The National Institute for Social Security (INPS)

The INPS is not really a part of state labour administration, but rather a self-governing body under the tutelage of the Ministry of Labour's Department of Social Security. It is structured into Regional and Provincial Committees. Unlike the Employment Offices, which have
(at least on paper) a vague role in policymaking, the INPS is an exclusively administrative body which manages a wide range of social insurances. Here, we are dealing with the INPS Provincial Committee of Genova for the sole reason that it regulates and delivers unemployment benefits, as well as other special insurance schemes (see 2.4.4.). The Committee maintains a number of formal links with the Provincial Employment Office, which have to do, for instance, with requests for unemployment benefits. Both institutions collaborate in controlling applicants' prerequisites, the INPS issues pay-orders and the Employment Office (through its network of branch placement agencies) delivers the money.

1.2.4.1. Unemployment Insurance

Unemployment Insurance schemes can be divided into two categories: normal schemes and special schemes. Eligible for normal benefits, are jobseekers registered in the placement agencies who have worked for at least twelve months (not necessarily consecutively). This means that the youths looking for their first job do not receive this benefit. Further, it is not paid automatically upon registration. Jobseekers must apply for this benefit within 60 days of registering. They are paid from the date of application. If jobseekers do not follow this procedure, they lose the right to receive this benefit, which consists of 800 lire per day, for a maximum of 180 days per year of unemployment. Jobseekers receiving this benefit are also eligible for family allowances if they have a dependent spouse, or children. This benefit is further supplemented by a 'participation allowance' of 200 lire per day for the jobless who participate in work-site training run by the Provincial Employment Office or first and retraining courses run by the Region. The unemployed are notified to INPS by placement agencies that they are no longer eligible for this benefit in the following cases:

- if they are employed
- if they refuse a job
- if they refuse to follow training courses
- if they give false information concerning their economic situation.

Appeals against INPS decisions must be made within 90 days of the fact.

Construction workers who seek jobs are eligible for the special scheme, through which they are paid one-third of their last salary for the first 60 consecutive days of unemployment and 90 other days within the time span of one year. Unemployed industrial workers are also eligible for this benefit, in case of mass dismissals when firms are closed down. In this case, the firm pays a full month's salary per worker to the INPS after termination. The INPS then pays between 66 and 80 per cent of the last monthly salary for the next 180 days (extensions can be obtained through a Minister's decree).

1.2.5. **Regional Training Departments**

The 'Recommendation of an Active Manpower Policy' issued by the OECD in 1964 suggested only re-training and further training of workers, neglecting to mention the first training. Italian legislation on training does not distinguish very clearly between the different types of training, and also considers first training an important steering instrument. However, the existing structure of the training programmes was established by Law no. 264 of 1949 (already referred to), which introduced a series of measures which have not been updated despite the fact that market contingencies have evolved significantly. Those measures can be summed up in three schemes:

1. First training as well as re-training courses for the unemployed, sponsored either by public administration or by private institutions.
2. Intra-firm re-training courses, managed by private firms, but sometimes publicly subsidised.
3. Special on-the-job training in relief-work for the chronically unemployed.

The administration of the entire field of training was originally assigned to the Provincial Employment Offices. In 1972, all training functions were transferred to the Regional Governments. The transfer occurred, according to legislators, in order to establish direct contact between training opportunities and concrete local demands. In fact, unlike Employment Offices, Regional Governments also have territorial planning functions. The Central Government, however, maintains control of the 'National Fund for the Training of Workers' (FAPL)\(^{(5)}\), which it proportionally divides among the twenty Regions which, in turn, appropriate funds for the subsidising of training initiatives.

We consider Regional Governments, therefore, as part of the formal set-up of labour administration, despite the fact that they are not within the Ministerial hierarchical structure.

1.3. Surrounding Institutions

Beside being carried out by public organs with legally defined competences, the administration of the labour market on both national and local levels is also comprised of a series of other actors. Although the chief interest and goal of these actors is not the management of labour market policies, they play some relevant roles. In Italy (specifically in Genova) these complementary actors are trade unions; employers' associations; private

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\(^{(5)}\) The FAPL is supplied with the following sources: ordinary state contributions; special contributions from the INPS; reimbursement from the European Social Fund; private contributions; budget recoveries; and other minor sources. (For reference, see: ISFOL, *Finanziamenti e spese per la formazione professionale*, quaderno no. 19, Roma, 1975, p. 49).
training schools; and regional, provincial and city
governments.

1.3.1. **Trade Unions**

Genova has powerful and well-organised trade unions
which represent over 70 per cent of its total labour force,
and up to 80 per cent of the metal manufacturing sector.
Almost every union is a member of the three major national
confederations: CGIL (communist-oriented), CISL (Christian-
democrat oriented), UIL (social-democrat oriented).
Since the late '60s, the three confederations have held a
secretariat which co-ordinates joint policies in
labour matters, collective bargaining, strikes, etc.
Furthermore, parallel sectors of different unions have
created sectorial federations. For instance, in the metal
sector, the FIOM, FIM and UILM have joined to create the
FLM. This type of confederation occurs at national,
regional, provincial and city levels. Genova, the capital
of a Region (Liguria) and a Province, has three levels of
union organisations. The important role of the Genovan
trade unions in the local labour market is demonstrated by
two facts. First, they make their voices heard on all
issues; no major decision in industrial and labour policies
is made without having consulted them. Their stated first
goal is to defend employment, fighting against dismissals,
for the expansion of investments, for measures aimed at
aiding the recovery of productivity levels and for plant
and production reconversion. Secondly, they are officially
represented in the boards of not only the Employment Office,
but also the Chamber of Commerce, the School Districts, the
Regional Government, as well as in the managing staff of
the Provincial Committee of INPS.

1.3.2. **Employers' Associations**

At the national level, there exist large employers'
confederations for each economic sector: industry, commerce,
agriculture. Each is composed of territorial (regional, provincial and local) associations, and divided into the following branch categories: metal, chemical, textile, construction, large and small delivery, etc. The associations play a primary and powerful role in the local labour market. Delegation of employers' territorial and sectorial organisations take part in collective bargaining with the trade unions, according to the nature and scope of the negotiations involved, whether within one firm or between all. The most influential associations in Genova are INTERSIND (association of state controlled industries); ASSOCIAZIONE INDUSTRIALI (association of private employers); ASSOCIAZIONE COMMERCIAINTI (private trade association).

The associations' representatives are officially appointed to several boards of the provincial labour administration, including the placement boards, where they compose a minority (three out of 11 chairs), and the conciliation boards.

1.3.3. Private Training Schools

Although training is legally defined as a function of Regional Governments, many of its functions still remain in the hands of private institutions (associations, unions, guilds, companies, religious orders, etc.) In the Region of Genova, in 1976, 32 out of 46 training centres were privately run. These schools offer exclusively first training courses most often for jobseekers who have recently left school, and want to learn a skill. They are subsidised by the Regional Government, but are completely autonomous as far as training courses set-up and curriculum is concerned. Thus, it may happen, and often does, that a surplus of courses for tourist agents and a dearth of courses in qualifications like welding, carpentry, etc. are available in Genova. Moreover, private schools very seldom offer training (both first and re-training) to the unemployed. Despite this fact, we consider them as relevant actors in
the labour market in as much as they exert indirect but significant influence on the quality of the Genovan employment situation. Qualified people, leaving private schools, in fact, do not automatically get jobs, but often end up contributing to the already serious imbalance between the supply (of scarcely requested skills) and the demand (of rarely pursued skills).

1.3.4. Local Governments

Local Governments consist of three territorial levels: municipal, provincial and regional. They deal with statutory concerns regarding employment policies within their boundaries. Each level holds 'Labour Departments', to which the tasks of surveying employment trends, signalling changes and problems to the Mayors or Presidents and making concrete proposals for suitable measures to be taken are entrusted. Accordingly, public authorities become 'relevant actors', in that they can promote initiatives designed to solve specific employment problems like:

1. appropriating funds for short and medium-term financing for firms in difficulty, to help them hold their employment levels steady, or to ease the processes of reconversion and resettling of productive plants;

2. granting subsidies to trade and artisans' shops in order to further their development, and thus create new jobs;

3. establishing public utility funds to build new hospitals, roads, aqueducts, anti-pollution plants and the like; works which may engage a good number of jobseekers for long periods of time;

4. taking part in negotiations as mediators between employers threatening to close down factories and workers who would thus lose their jobs;

5. doing what they can when factories close down, such as assisting those dismissed until they find new jobs.

The relevant actors described above, with the exception
of private training institutions, appear to play a very important part in the administration of the labour market, sometimes an even wider or more active role than that played by the 'core actors', that is, by the public labour apparatus. This assessment is based on our analysis of Italy's official approach to labour market contingencies. The absence of consistent and far-reaching employment policy-making on the part of state central authorities, and the existence of a fairly obsolete and highly bureaucratised administrative machinery, account for the greater impact of surrounding institutions, which are not burdened by an excess of bureaucratic red tape and 'feel' the labour market's mood more quickly than central administration can and does. Therefore, they adjust to changing contingencies of the market, and resort to various and suitable arrangements: trade unions stiffen their defence of existing employment levels; employers bypass otherwise rigid legal labour set-ups; local authorities make up for the lack of a national employment policy by formulating their own.

The main points we have discussed in this first chapter describing the formal patterns of the Italian labour market administration then, can be briefly summarised as follows:

- despite OECD recommendations, the Italian state has worked out no comprehensive and 'active' labour market policy, but has rather followed a fragmented strategy;
- the formal organisation of public labour administration appears to be inadequate to play a 'steering' role in the market;
- the relevant actors of the market tend to manage labour issues and problems autonomously.

In the next chapter we shall test the foundation of the above assessments by focusing on the working mechanism of the labour market administration and its internal interaction patterns.
2. Labour Market Administration in Action

Our survey of implementation processes is based on the labour market administration of Genova, consisting of direct observation and extensive interviews with core and relevant actors. (The results, then, are not necessarily methodologically representative of the system's general logic.)

Our main concerns in this chapter are to bring the effects of the lack of an encompassing employment policy on the functioning of labour market administration to light, and to point out the actual role played by the public labour machinery in a local labour market.

Of the four main functional fields of the labour market administration, placement and unemployment insurance are largely predominant activities within the four main functional fields of labour market administration, given their institutional scope and highly regulated structure. Training and special measures seem to be effective as more oriented interventions.

2.1. Placement

As seen in the previous chapter, placement is managed by the Provincial Employment Office, but delegated, for practical reasons, to a number of branch agencies located in almost every town of the province. In Genova, we surveyed the agency responsible for the eastern section.

The agency befriends itself on the floor of a former warehouse. A long counter divides the clients from the receptionists. This agency handles placement for industry, construction, and services, and has a staff of seven, including the manager. The staff receive an average of 150 clients a day (there are about 4,000 registered job-seekers) who come for their monthly check, to register, or
to examine the daily job vacancies. The agency also has a placement board which meets about twice monthly.

Before attempting to comment on the service as a whole, it is useful to look at the operations implemented by the agents in the process of allocating jobs. A short description follows.

2.1.1. Procedures in Job Allocation

Phase 1: Application and classification.

A jobseeker who is not intentionally unemployed, and wants either a job or to receive unemployment benefits receives an application form at the counter. He must fill it out before talking with the receptionist. The items on the form are: name and address, birth date, academic background, previous jobs, training courses completed, qualifications, number of direct dependents, number of employed family members, and the total amount of monthly earnings, health information, and familial conditions.

The receptionist, on the basis of the above data, then assigns the applicant to one of the five classes of unemployed (see 1.2.2.), at the same time asking him if he is 'available' or 'not available' for future job vacancies. In case of non-availability, the agent writes N.A. on the card, which summarises the information contained in the application form for office reference.\(^{(1)}\) The cards are filed according to the following subdivisions:

- class (1,2,3,4,5)
- (within class): economic sector
- (within sector): categories (white or blue collar)
- (within categories): qualifications (typist, welder, electrician, etc.)

\(^{(1)}\) Usually, those non-available are: seasonal emigrants who register during winter months, women retiring from work upon marriage, those who register only to receive health insurance, those who keep re-applying after having been struck off the lists because of refusal to accept a suitable job.
These subdivisions are examined by the agent when he establishes rank orders and fills vacancies.

Phase 2: Evaluation of stated qualifications.

The agent verifies the qualifications the applicant claims to have on the form. He asks the client to hand in the following documents:

1. the 'labour book' (2), which records qualifications attained during employment periods;
2. other certificates issued by employers;
3. school diplomas;
4. 'skill-certificates', issued by training centres;
5. certificates of skills attained in the armed forces.

At this point, a dispute usually takes place between clients and officials because, according to agents, applicants are very seldom able to present all of the above documents, and it is impossible for the agency to directly ascertain verification of qualifications. When this is the case, the official sends the applicant to a local training centre for a short examination to get official proof of his qualifications. This control, however, hardly ever actually takes place because of technical and contingent difficulties. The agent usually ends up certifying only the qualification needed in the applicants most recent employment, or the lowest qualification of the applicant's category.

Before passing to the next applicant, the agent gives each a 'pink card' which the jobseeker must keep throughout his unemployment, and display for the monthly check. Each

(2) According to Law no. 12 of 10 Jan, 1935, all workers must have a 'Labour Book', which is issued by municipal authorities, and contains all basic data regarding the applicant, his family, mandatory medical visits and vaccinations, periods of employment, qualifications, accidents, job related disabilities, etc. The book is kept and up-dated by the employer. Following dismissal or resignation, the book has to be handed over to the placement agency.
month, the agency verifies payment by stamping the card.

Agent-client interaction terminates here.

Phase 3: Establishing priority lists.

In this phase, the agent works through all available data at his desk. He assigns specific scores to each answer on the application form, according to the following guidelines:

 scores

<table>
<thead>
<tr>
<th>I</th>
<th>Seniority of application</th>
</tr>
</thead>
<tbody>
<tr>
<td>II</td>
<td>Family size:</td>
</tr>
<tr>
<td></td>
<td>- for each family member</td>
</tr>
<tr>
<td>III</td>
<td>Jobless family members:</td>
</tr>
<tr>
<td></td>
<td>- from 2-4 members</td>
</tr>
<tr>
<td></td>
<td>- from 5-6 members</td>
</tr>
<tr>
<td></td>
<td>- from 6 on</td>
</tr>
<tr>
<td>IV</td>
<td>Family health conditions:</td>
</tr>
<tr>
<td></td>
<td>- for each handicapped or seriously ill member</td>
</tr>
<tr>
<td>V</td>
<td>Training school diplomas:</td>
</tr>
<tr>
<td></td>
<td>- related to the actual skill claimed</td>
</tr>
</tbody>
</table>

Following are some concrete examples of implementation. Jobseekers A, B and C belong to the same category and qualification, therefore to the same list.

1. Jobseeker A: - has registered on 1 June 1975 296
   - has a family burden of 3 6
   - none of them is employed 4
   - none of them is ill 0
   - has a skill proven by an official diploma 10

   Total 316

(3) The Ministry fixes a standard score according to a special calendar, dividing each month into three approximately ten-day periods: e.g.

1975: October
   1-10: 308
   10-20: 309
   20-31: 310

November
   1-10: 311
   10-20: 312, and so on.
2. Jobseeker B: - has registered on 3 Dec, 1975 ............... 314 
- has the same family situation as Mr A. ........ 20

Total 334

3. Jobseeker C: - has registered on 1 March 1976 ............... 323 
- has a family burden of 4 . 8 
- none of them is employed . 4
- has a handicapped child .. 4
- has not presented any diplomas ............... 0 

Total 339

Applicants with the lowest total of scores are the first ones to be submitted for jobs. In the preceding example, jobseeker A would be submitted first, then jobseekers B and C.

After completing these preliminary operations, the agent is able to set up the priority lists and their rank orders. Different lists are established for each category and qualification. Before opening the list to the public, the agent submits them to the Placement board, which checks how precisely and legitimately each step has been followed through. The agent also has the job of cancelling placed jobseekers off the lists, and of keeping the lists updated according to the jobseekers' current status.

Phase 4: Filling vacancies.

Except in a few cases in which employers can make a 'request for named workers'(see 1.2.2.), jobseekers are recruited by numerical request. The employer gives the agency a written request containing the following information: type of firm, number of workers requested, required qualifications, salaries, declaration of any dismissals of the previous twelve months. If one or more of the above items is missing, or formulated too vaguely, the agency informs the firm that it must comply with the standard forms, or be rejected.
The agents list the openings notified by the employers periodically on the public board, as illustrated below.

<table>
<thead>
<tr>
<th>Date of Arrival of request</th>
<th>Name of firm(4)</th>
<th>Sectors of activity</th>
<th>No of requested workers</th>
<th>Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 15/11/77</td>
<td>ASTEEL</td>
<td>Metal</td>
<td>4</td>
<td>Porters</td>
</tr>
<tr>
<td>2 15/11/77</td>
<td>TURBOS</td>
<td>Nuclear</td>
<td>12</td>
<td>Electric</td>
</tr>
<tr>
<td>3 16/11/77</td>
<td>BRELLI</td>
<td>Food</td>
<td>3</td>
<td>Cleaners</td>
</tr>
<tr>
<td>4 20/11/77</td>
<td>ITALCOS</td>
<td>Construct.</td>
<td>10</td>
<td>Hodmen</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Theoretically, the agents also match jobseekers to job offers by checking their priority rights, qualifications, and then notifying them that they may have a job. In practice, however, the Agency in Genova (or for that matter, almost all agencies) follows a different procedure: 'roll-call', which restricts actual placement to those jobseekers who are physically present. Almost every morning, in fact, the agent reads the listed vacancies out loud. He then calls the names of the jobseekers following the rank orders. If any of them is present, the agent checks his position and qualification from the list, collects his 'pink card', and gives him his 'labour book' and the certificate he must present to the firm.

If an employer requests workers specifically by name, the agent submits the request to the placement board, which is responsible for such cases. The board controls the legitimacy of the requests and grants (or does not grant) the 'no-objection certificate'.

2.1.2. Interaction Patterns in Placement

The structural differences existing between Italian

(4) Real names are not used here.
job placement procedures and those of other European countries can be easily observed from the preceding illustration, and the kind of agent-client interaction described. Here, we shall point out the indications stemming from empirical observation in a more analytical form.

A. Jobseeker-Agency Interaction

It is relatively clear that Italian placement is in no way a self-service type of system, as exists in Great Britain. On the one hand, jobseekers in Italy are strictly obliged to comply with the rules of the public service system by a series of legal conditions such as applying in their own town of residence, receiving the monthly check, and other prerequisites. Moreover, there is no such thing as 'job counselling'. As we have seen, placement agents limit their talks with applicants to the collection of necessary information when the application forms are not complete. Even this sparse interaction occurs at the counter: jobseekers queue to wait their turn, which bars them from carrying talks beyond the strictly necessary exchange of information (an average of four to five minutes). According to trade unionists and jobseekers interviewed, the present set-up of placement is far from being satisfactory. The restrictions unemployment imposes on the lives of jobseekers make them particularly anxious and irascible. In fact, applicants consider both the norms regulating placement as well as the formalistic behaviour of the agents to be almost unbearable. Quarrels between clients and agents at the counter are commonplace occurrences. The fact of not being treated as individuals with individual problems, but rather as numbers on paper drives jobseekers to seek alternative ways of fulfilling their needs. Thus, a good number of unemployed persons either do not register, preferring to get precarious jobs protected by no social insurances, or try to circumvent obstacles created by the formal placement
system. Because no real possibility of personal interaction exists, people have slowly developed an informal network of connections which compensate for bureaucratic red tape. This type of dealing, which is formally speaking illegal, is implemented by almost everyone: jobseekers, political parties, trade unions, religious authorities. In Genova, until 1970 (when placement boards were first established) local Christian democrat politicians and churchmen practically had complete control of job allocation due to their unchallenged political power and strong influence on public officials. Witnesses speak of thousands of unemployed workers who turned to political 'patron saints' in order to get a job\(^{(5)}\) - people of opposite parties were also forced by circumstances to do the same\(^{(6)}\) - or to remove bureaucratic impediments to

\(^{(5)}\) Here are a few examples. 1. Mrs A.S., 36, was unemployed and had three children. Her husband worked part-time as a docker. She had made several unsuccessful attempts to get work as a housekeeper for rich Genovan families, or as cook in a charitable institute. In her final desperation, she went to a pastor of the nearby parish. He did not know her, and questioned her about her religious beliefs and political partisanship. Finding everything to his satisfaction, he told her to come back a week later. The priest ran a very active unit of the ACLI (Christian Workers' Association) in his parish, the president of which was at the time a powerful woman: provincial manager of the Christian Democratic Party (now a member of the Parliament). He told the ACLI president about Mrs A.S. and ten days later she was recruited by Torrington Co.

2. Mr E.T., 46, skilled metal worker, was the only working member of his family. He was a CGIL trade unionist (communist-oriented). He had been dismissed following the resettlement of his factory. He considered trying to find work at Italsider (Genova's biggest metal factory). The director of the firm was at that time Dr. C.B., anti-communist, and a member of the Socialist Democratic Party (now a top manager of IRI - State Industry Authority). This director was known to keep a collection of several CGIL cards of those 'conquered' through questionable recruitment policies in his office. Mr E.T. knew of this and was worried, but his need for a job preoccupied him even more. He applied to Italsider and his application was rejected. He went to talk with the personnel manager, who, after looking at his very good record, promised him a position, subtly making it understood that E.T. should join a different trade union. He had to submit to the personnel manager's wishes in order to get the job. (Now he is an active CGIL unionist; he is proud only to have been an involuntary 'traitor' for a few months.)
their applications(7). Presently, the controls carried out by placement boards are very strict and generally succeed in curbing major abuses.

B. Employer-Agency Interaction

Jobseeker representation in the placement boards is dominated by the trade unions (seven chairs out of a total of eleven), despite attempts of the unemployed to create their own organisations, separate from the existing unions. The employers' class is represented by only three board members (appointed by local industrialist associations).

Relations between these various forces within the Genovan board seem relatively good; our interviewees confirmed this impression. The conflicts that characterised the first months of their mandate have been settled by compromises, so that problems arising over the control operations of placement activities are smoothly settled.

As clients of the placement agency, local employers are bound by a long series of legal restrictions (see 1.2.2.). What distinguishes Italy from Sweden and W. Germany in regard to employer-agent interaction patterns, is the fact that in Italy it is not the placement agents who actively look for vacancies, rather the employers give notification of available jobs to the agencies.

(7) Mr F.M., 38, blue-collar, found a job in a ship-building firm. He asked for a no-objection certificate from the placement agency. The head of the agency refused because he was not registered in the lists and four other people had priority rights for that job. He went back to the firm and referred to the difficulty. The personnel manager rang a friend of his, a member of the staff of the Labour Inspectorate. The official, who knew very well the head of the placement agency, begged him to 'close an eye' on Mr F.M.'s request. After a few days the worker was granted the clearance.
Moreover, no agents/employers contacts to negotiate or to discuss jobfillings ever occur. Again, any exchange of information takes place exclusively officially, namely by means of written forms, a copy of which is eventually filed in the agency's records.

The sampling of employers we interviewed did not seem very happy with the legal constraints on their recruitment policies, especially with the prohibition of private mediation. However, like jobseekers, Genova's employers have found the way to by-pass laws in order to secure a reasonable margin of autonomy for themselves. None of them, of course, acknowledged their resort to illegal methods. Existing placement regulations, precise though they may be, lay themselves open to extensive circumvention. The manoeuvres described by those we interviewed are implemented both in job-searching phases and during the agency's controls. Following is a scheme of the most commonly used methods of red tape circumvention:

1. **Previous selection** consists of newspaper advertising, promotion visits to schools or training centres, communication by word of mouth, contacts with dismissed of closed factories, personal applications, and so on. The employer, after screening those he thinks suitable for his job(s), advises them to register in the placement agency and to claim unusual qualifications (the agency is unable to control all claims) in order not to have to compete with other jobseekers when the firm's request is displayed on the board in the agency. Nevertheless, it sometimes happens that particularly clever jobseekers see through the trick, and claim to possess the same extraordinary qualifications, occasionally succeeding in getting the job themselves. In this case, the employer dismisses the worker at the end of the obligatory test period, and repeats the request until he gets
those particular workers he wants.

2. **Direct passage** is also implemented by employers wishing to avoid the risk of engaging unknown jobseekers. Here, workers are recruited directly from very small firms (with three people or less) which are allowed to engage freely. These smaller firms (mainly subcontract firms) can thus act as 'mediators' between big firms and labour supply. This process is legal as long as the employer requests a 'no-objection certificate' from the agency.

3. **Mocked requests** are formulated in various ways. The most common is carried out by the employer wishing to recruit a number of unskilled workers whom he nevertheless trusts. To avoid the obligation of making a numerical request (which is relatively strictly controlled), he notifies the agency that he wishes to engage people as 'clerical workers', who can be employed directly through a 'no-objection certificate'. Upon receiving this clearance, however, the employer assigns his employees more menial tasks for which they also receive lower pay. In these cases employers risk 'prosecution' by the Labour Inspectorate. Still, given the serious unemployment situation in Genova, authorities tolerate these questionable practices as long as jobs are given. Jobseekers also tolerate abuses to get stable jobs.

2.1.3. Problems and Paradoxes

From the illustration of the formal features of job allocation, its actual implementation, and the impact of peculiar interaction patterns on it, we can sketch out a series of relevant considerations. By analytically dividing the matter into the perspectives of the public service and its clients, we can say that Italian placement appears highly regulation-oriented but that the two
traditional major actors of the labour market (jobseekers and employers) attempt to circumvent this rigid structure. As we stated, Law no. 264 of 1949 was based on a guarantist view of the role of the state. Accordingly, despite official intentions, placement has been shaped to work as a 'defence against,' rather than an 'instrument for.'

Its normative structure, in fact, is more of a detailed nature, listing duties and obligations to be fulfilled by clients, prerequisites to be checked, and routine procedures to be exactly followed by agents. Its structure does not allow for flexible guidelines for an active promotion of employment. Furthermore, the agents themselves, according to our observation and their statements, have rigid bureaucratic attitudes in the implementation of their functions. These elements combined, disclose what we think is the key-characteristic of Italian placement, namely its structural and operational passivity, which was plainly implied by the Director of the Provincial Employment Office, himself: "Law does not require us to move first: we handle only the placement of those people who come to the agency and apply for a job. We do not do or know anything about the remaining jobseekers, who may well compose the majority of the unemployed!".

From the clients' point of view, public placement is chiefly an annoying obstacle to looser labour mobility: jobseekers mistrust its effectiveness, employers dislike its constraints. Official placement exists side by side with informal placement. Neither is completely autonomous, for clients of the official system do not want to act outright illegally. Jobseekers and employers need to interact with the system, and consequently to abide by the norms which secure the legitimacy of the final act: hiring.

We can summarise the placement mechanism by means of
the following bottle-neck model:

Stage 1. Workers are screened by employers. No control of public authorities is possible at this stage; this pre-selection can either be legal or illegal.

Stage 2. In order to engage screened workers, employers cannot avoid contact with the agency. Controls by agents can hinder employers. In this phase, the informal system exerts strong pressures on the formal one: employers enact a series of well-tested methods of circumvention; jobseekers resort to clientelle networks.

Stage 3. Each placement of a jobseeker must be formally approved. If pressures are exerted successfully, employers get no-objection clearance and jobseekers are placed according to their desires.

In the pattern we have analysed, institutional tasks of placement are reduced - if not replaced - to mere 'legal cover' to what is actually a free labour market.

2.2. Unemployment Insurance

Along with placement, unemployment insurance is one of the two primary activities of local labour administration, as jobseekers' claims must constantly be dealt with. As seen in Ch. 1.2.4., the delivery of this benefit is carried out by various organs, within a complex net of institutional interactions. The chief authority in this field is the
Provincial Committee of the INPS. Local placement agencies receive the applications, make the first formal controls, and eventually handle payment. Checking the prerequisites, computing the amounts of unemployment benefit claims, and issuing payment orders are, however, core functions of the INPS.

2.2.1. Agent-Client Interaction

In Genova, the payment office is a branch of the placement agency. It is located in what was once a private flat on the second floor of the same building in which the agency is located. A wall divides the office in two. The staff's working room is on one side, and the clients' hall is on the other. Clients communicate with agents through two narrow windows. Contact between officials and applicants is even more impersonal here than in placement. Jobseekers applying for the benefit show the 'pink card' which witnesses registration in the placement lists. They are then given four forms to fill out, usually without any verbal exchange.

Form no. 1 is the application form, consisting of four large pages of questions regarding the claimant's personal economic situation. Form no. 2 is a declaration from the last employer, containing information about the applicant's social security and labour situation. Form no. 3 is another declaration by the applicant concerning periods of work, previous unemployment, and illnesses. Form no. 4 is the applicant's declaration of his social security standing.

Filling out the forms is so complicated that claimants

(8) In April, 1977 this office had about 1560 claimants on its payrolls. In the whole labour market area of Genova, during 1976, there had been an average of 11,000 jobseekers registered in placement lists, for whom INPS appropriated about four billion lire.
often get lost in this formality, and are forced continually to ask the receptionist for help. The interaction is thus limited to a kind of bureaucratic counselling which takes about thirty minutes per client. According to the managers, there are few appeals against INPS decisions in this office, as disputes are settled before the applications are forwarded to the institute.

It is not surprising that in Italy, as well as in some other countries, the handling of claims for unemployment benefits is extremely regulation-oriented. The allocation of public funds is bound to be carried out strictly according to the legal programme.

2.3. Training

As seen in Ch. 1, Italian labour legislation, despite OECD recommendations, considers first training, re-training and further training to be equally important instruments of labour market administration. The old training policies contained in Law no. 264 of 1949 do not place any special emphasis on any one of these training phases. However, through the years, political and administrative decisions have largely emphasised first training activities to the relative exclusion of the other two training phases. Many public and private institutions have opened training centres, mostly for those who have just left school, and a few (privately run) for re-training and further training. Following the 1972 transfer of public training schools to the Regions (entrusted with policy functions), a resettle­ment of the entire field is under way.

2.3.1. Regional Functions

The Region of Liguria is also attempting to co-ordinate public and private initiatives in region-wide overall planning, based on a 1973 resolution of the Regional
Parliament. However, no law has actually been approved yet. The responsible for training of The Regional Department of Labour and Training maintained that there are two reasons for the delay. On the one hand, there is the inconceivable complexity of this field, mainly through emphasis on first training, which produces a surplus of jobless youth. On the other hand, a long experimental period is necessary before an effective and compact policy can be issued: the demand for re-training has still to be established; more instructors are needed; and agreement patterns need to be outlined. The economic set-back which decreased the traditional employment levels of Genova, 'has caught public authorities unprepared', said the manager. Hundreds of firms have closed down, several plan large reconversion, and thousands of jobseekers have to be re-trained in new skills for new jobs.

All these problems have permanently cornered the Regional Government into a serious 'emergency situation', making it impossible to construct the training administration's 'normal' behaviour patterns. From 1972 to 1975 the Region limited its intervention to financing current training activities of privately run schools, making no attempt to co-ordinate or control. In 1975-76 the Department responsible started to act, making proposals for private firm re-training and further training courses.

Our observation is based on this first partial and provisional intervention; the only intervention implemented by the Region, and most probably the model of the future system.

Regional authorities, because of an official survey that gave top priority to re-training demands, created re-training and further training(9) projects for about 1,100 projects for about 1,100

(9) The Region has also initiated first training projects, which actually represent the bulk of its intervention (257 out of a total of 304 projects). Here, we deal only with re-training and further training projects.
people (220 in the textile sector, 600 in the metal sector, 120 in the chemical sector, and 160 in the food sector) through slight labour mobility and industrial resettling. Three types of projects were initiated to represent an updating of the provisions of Law no. 264 of 1949, to fit new and local contingencies:

Type A: RE-TRAINING courses for people who lost jobs because factories closed down, but were re-engaged by other firms in jobs which required different skills;

Type B: RE-TRAINING courses for people simply dismissed from factories which closed down, who seek new jobs;

Type C: FURTHER TRAINING courses for employed workers, for the purposes of furthering internal mobility.

2.3.2. Interaction Patterns

The Region initiated all three projects: the laws being what they were, private schools being too fragmented to take the initiative, and local employers being hardly concerned. However, from the very beginning, the Regional Department of Labour and Training has gathered together interested parties to form an advisory committee charged with studying the range of problems raised by the implementation of these projects. The Regional Employment Office (Central Labour Administration) summed up re-training demands and supervised the fulfilment of legal requirements; the Employers' Federation, through intensive contact with its members, established the number of firms which were to participate in training courses; and the Trade Unions secured the interest of the participants, guaranteeing job and wage stability. The Committee also defined the new skills requested by the market which job-seekers had to obtain in order to be placed easily.

The Region, besides being the chief sponsor, played a primary role in the concrete carrying out of these three projects:
In project A, the Region covered most of the expenses, offered part of its facilities, and its instructors ran some of the re-training courses themselves. However, firms managed most of the courses inside the factories. What the workers produced during the courses, however, became the property of the Region.

In project B, the Region took over complete management of courses and curricula. All courses were given in the Regions' Training Centres.

In project C, firms agreed with regional authorities on the contents of the courses, but left almost complete control: courses were held within factories, by the firms' instructors, and supervised by a regional representative.

How did employers react? According to our interviewees, the results of this regional intervention were far from satisfactory. Its effects were too limited, compared to the scope of the demands; the courses did not meet the technological criteria or enact the desired changes; bargaining with regional authorities was tied to tedious procedures which discouraged employers from seeking regional co-operation in the future.

2.3.3. Problems

The overall view of the Regional training situation brings up three main points for analysis.

1. In the region, the levels and types of training opportunities offered by public and private institutions do not meet the standards of those demanded by production. In other words, the local training structure is incapable of supplying the real needs of the market. Thus, most jobseekers have academic degrees, high school diplomas and qualifications which employers never request. Despite this generally acknowledged phenomenon, too few schools
try to mould curricula to the dynamics and needs of the local market. It is the Region's training policy which is supposed to overcome this human 'supply and demand' problem by creating an institutional link between the two.

2. The Regional Government's action is of limited scope. One of the reasons for this is, of course, the fact that the Regions have only recently been entrusted with training matters. If we examine the Region's experimental policy in terms of incentive and control, we can single out a further independent variable. The Region, unlike other European countries, does not use incentives as a concrete means for the attainment of policy goals. In fact, in change of subsidies, the Region claims a strict control on participants, courses, curricula, entrance and exams. It prefers centralisation of re-training and further training activities to 'delegation' (10). This is why it tends to manage them directly by offering courses itself, in its own centres, led by its own instructors (11).

Nevertheless, existing public training facilities are not capable of responding to all local re-training demands. Moreover, the complex bureaucratic requirements and procedures established in order to maintain control, serve as obstacles to regional attempts to involve a large part of the industrial world.

(10) This focus does not apply to first training, which is mostly under private control. For political reasons, the region is forced to subsidise private schools, without being allowed to exert controls over them.

(11) The tendency toward direct management is documented by a study by the ILRES (Regional Research Centre): Elementi statistici sulla formazione professionale in Liguria, Genova, 1976.
We make the assumption, which needs to be tested further, that training—structured as it is in Genova—actually has a very limited impact on labour mobility, and is losing its position as the main regulation-oriented activity of public administration.

3. Training features a double market structure. The gap between training supply and demand, and the narrow scope of public intervention cause local employers to have such a negative attitude. From our interviews, we saw clearly that firms do not consider the official qualifications held by job-seekers, preferring to test their actual skills. At the same time, employers tend to avoid the kind of approach implemented by the region to solve this problem. These elements account for the existence of a strong independent market of re-training and further training, which is managed by firms or employers' associations. The great majority of local industrial and commercial units either implement 'on the job' activities, internal courses run by experienced foremen and highly trained technicians, or external schools established by sectorial associations. I.R.I. firms (comprising about 70 per cent of Genova's industrial set-up) even run full-time re-training and further training schools (ANCIFAP for management, IFAP for blue collar workers. Both are companies themselves).

2.4. Special Measures

Beside the above mentioned three top functions carried out by labour administration, there exist a series of instruments to be used for special employment problems. The State has introduced them along the years, without a

(12) I.R.I., i.e., 'Istituto per la Ricostruzione Industriale', an Agency holding State shares in a variety of economic enterprises.
consistent perspective on planning, in order to counteract particular frictional situations. These special measures have been committed policy characteristics by legislators, who have a great deal of confidence in their effectiveness.

In Genova the most common measures are: mandatory placement of the disabled, relief-work projects, the Youth Employment Plan, and the Wage Integration Fund. The following short analysis of implementation patterns attempts to assess to what degree these measures are 'steering' instruments; in actors' perception.

2.4.1. Mandatory Placement of the Handicapped

This is a permanent measure, introduced by Law no. 482 of 2 April, 1968. The following fall under the label 'handicapped': members of the labour force disabled in war-time, civil service and labour causes; the blind, deaf-mute, orphans and the widows of men killed in military service, or during civil service and labour causes, people who had been sick with tuberculosis, the refugees. All firms are obliged to employ a certain number of handicapped workers: private employers with at least a staff of thirty-five are bound to recruit fifteen per cent; public administration fifteen to forty per cent.

Placement is handled by the Employment Services Department of the Provincial Employment Office (see 1.2.1.). This service is actually carried out by the staff of the Department. In Genova, personnel shortage forces the head of the Department himself to receive clients at the counter.

Like placement in industry, handicapped workers who search for jobs also have to register in the lists. Rank orders are established according to a number of prerequisites checked by a special provincial board. The employers we interviewed generally did not request
handicapped people, hoping to avoid being obliged to employ them. However, every six months, employers have to notify the Department of their total working force. On the basis of these figures, the agents impose the recruitment of the required quota of available disabled workers. Employers are annoyed by the prohibition of test periods for such recruits. If they do not hire the required number of disabled workers, the Department head informs the Labour Inspectorate, which fines reluctant employers after close inquiries into the matter. It is possible to appeal, but Genovese public authorities stated that very few such cases arise because the courts generally favour rights of the handicapped to work.

Mandatory placement for disabled workers is clearly a protective measure. On the one hand, employers do not hide their discontent with the strict legal pressure on their manning policies; on the other, local public officials would like to be given a more flexible reign over the handling of this service. Actually, the legal constraints which characterise its implementation practically turn it into a purely regulatory activity.

2.4.2. Relief-work Projects

Law no. 264 of 1949 provides for the promotion of relief-work projects for the chronically unemployed who are registered in the placement agencies, and become eligible for a 'participation allowance' (3,000 lire a day) on top of normal unemployment benefits (800 lire a day). These projects must be socially useful and provide benefit to the community, as opposed to private gain of its sponsors. For this reason, only public institutions or non-profit organisations can submit such proposals. Again, it is the Provincial Employment Office (Department of Social Services) which has the authority to supervise the projects. In 1976, only fifteen work-sites were established in Genova, mainly upon request of the Provincial Government to open
roads on the high hills. An average of ten to fifteen unemployed were engaged for such projects. Outside of these work-sites, all other kinds of relief-work have gradually been disregarded. Current criticism points out that the motives for this disregard lie in the fact that the changed situation of the local labour market renders relief-work obsolete; it may have been functioning in the immediate postwar period, but does not currently fit into the mainstream economy. In fact, relief-work promotion was not planned to create jobs, rather, its philosophy is typical of a welfare state.

A further motive for disregard of the scheme lies in its structure. The people engaged on relief-work projects may only be so employed for fifty-one days, at which time they are replaced, and must return to the 'dole queue'. Moreover, the pay they receive is far below average. Consequently, it is not surprising that the majority of jobseekers refuse to take part in the projects, and try to find jobs independently.

Finally, local authorities do not resort to unemployed workers for public utility works, as much as they used to, because of the excess of paper work required by regulations and, above all, because they prefer to sub-contract projects to competent construction firms.

In conclusion, we can say that almost no-one in Genova still considers the old scheme as a working instrument of employment policy.

2.4.3. The Youth Employment Plan

The further economic set-back of 1977 brought the national unemployment level to 1,700,000, more than two-thirds of which (1,211,000) consisted of people between fifteen and twenty-nine. After two years of debates about the seriousness of the risks involved in this
astronomical youth unemployment, the Parliament has passed Law no. 285 of 1 June, 1977, called the 'Youth Employment Plan'. Its main policy goal is quickly to provide a temporary solution to the problem in the hopes that the reconvention of economic development and productive investments may create the conditions for a substantial upswing in the demand for young workers. The scheme offers incentives (reduction of labour costs and payment of monthly premiums) to employers who hire young people.

Between 12 June and 11 August 1977, all unemployed youth between fifteen and twenty-nine could register in special lists established in every placement agency. Both private and public employers wishing to employ youth were asked to submit numerical requests for the youths they needed. No requests by name were allowed. The programme provides for three types of recruitment contracts:

1. **Full-time:** employers engaging people between fifteen and twenty-nine years of age who had some specific qualification receive a monthly premium of 32,000 lire per worker during the first two years.

2. **Part-time:** only those aged fifteen to twenty-two (fifteen to twenty-four for females and undergraduates, up to twenty-six for graduates) can be hired under this contract. Workers must spend half of their time in production and half in training/re-training courses (i.e. twenty hours weekly in courses) in order to acquire work experience and suitable skills. Employers are granted a deduction of 200 lire per hour from obligatory social charges. Part-time contracts last only twelve months, after which time employers may submit request for full-time engagement. If they do, they receive a monthly premium of 32,000 lire for the first six months for each male youth, and twelve months for each female.

3. **For socially useful projects,** the contract cannot last longer than twelve months. It can be offered only by public administrations to those aged eighteen to
Procedures for implementation and agent-client interaction are identical to those for placement (see 2.1.). The Ministry of Labour, in fact, has not created new organs to carry out these new tasks, but entrusts them to the existing agencies, having issued only a number of guidelines regarding the special application forms, the fixing of priority rights, the set-up of lists for each type of contract, etc. The 1949 constraints also apply to these applicants (as far as the work-book, the pink-card, the monthly check, etc. are concerned). The only innovation exists in the possibility to indicate the type of contract desired. Also, employers requesting people who are registered in the three special lists were still bound by the restrictions established in the 1949 placement law.

In Genova, for 7,300 youths registered in the province's placement agencies, only thirteen jobs were allocated between 11 August and 31 December, 1977! Local figures are even worse than the national ones: only 2.8 per cent of total placement involved youth from the special lists, according to a Governmental sample survey. Current criticism underlines the Y.E.P.'s failure, pointing out three main reasons: the inadequacy of incentives, the obligation to request numerically, and the tendency of youth to opt for white-collar jobs.

1. Employers' associations' top representatives have repeatedly stated that the incentives for 'full-time' contracts offered by this law only make up for a very limited decrease of labour cost (0.33 per cent). This fact, and that of the standing economic recession virtually bar employers from engaging any youth. If a firm enjoys 'good health', it often prefers to give orders to other firms, rather than recruit new people who cannot be dismissed if orders decline.
also disregard 'part-time' incentives in that they consider it easier to recruit jobseekers with some work experience or a good skill, than to hire an untrained youth. In any case, even if the law 'can help firms in the normal turnover of employees - it certainly will not create any new jobs', stated the President of Federmeccanica.

2. Moreover, from the very beginning, employers have objected to the constraining numerical request. They have also exerted pressures on central authorities so as to be allowed to request young people by name. The reason was to secure some kind of warranty for themselves. Trade Unions, however, have fiercely counteracted their attempts. Only small firms and craftsmen's shops were allowed to request by name.

3. More than half of the youth registered in the special lists hold high school diplomas or university degrees. Collective contracts see to it that people with academic degrees be employed as white-collar workers or in management. The demand, however, is mostly for manual labourers and skilled workers. Young people with higher education are understandably not interested in manual jobs. In fact, statistics show that nine out of ten registered youth who refused job offers did so for that reason.

2.4.4. The Wage Integration Fund

The Fund has parallel schemes in other European countries called 'short-time money'. It was first introduced in 1945, and repeatedly updated and financed by several laws, the latest having been Law no. 164 of 20 May,
1975(13).

The WIF is intended to work as a job-maintaining measure through the granting of considerable subsidies to firms forced to lay workers off or put them on 'short-time' due to economic or financial difficulties. Firms in critical situations are even allowed to reduce or stop paying wages. The state (through the INPS) compensates for the reduced wages or takes over the full wage burden. Accordingly, there exist two different patterns:

a. **Ordinary WIF intervention**, which is granted by the INPS upon employers' request, when temporary and unprovoked causes force firms to slow down or halt production. It applies only to manual labourers. Workers put on 'short-time' receive compensating funds for up to eighty per cent of their weekly pay, for a period of three months (renewable).

b. **Extraordinary WIF intervention** is only used in cases of a serious sectorial or local economic crisis, aiming at avoiding or mitigating the effects of cyclical economic contingencies on the employment structure. This type of intervention is requested by employers engaged in projects like resettling plants, or reconverting production. Applications are first examined by the INPS, and eventually by a committee of Ministers (Labour, Industry, Treasury) which may authorise the granting of the WIF for a period of no longer than six months (renewable). Both manual and clerical workers receive up to eighty per cent of their weekly salary.

The agency which handles the various regulatory activities tried to WIF grants is the Provincial Committee of the INPS. As in the delivery of

unemployment benefits, prerequisites must be checked, amounts of money computed, weekly maturities respected, and so on. Despite the complexity and slow pace of such bureaucratic operations, which - in other cases (placement, re-training, job-creation measures) - keep clients (mainly employers) from establishing contact with the public administration, the WIF is relatively widely used in Genova. In 1975 more than three million work hours were subsidised in the manufacturing sector alone, and about two and a third million in 1976. Employers interviewed voiced little criticism against the WIF, rather they acknowledged its usefulness in rescuing firms otherwise condemned to bankruptcy. Trade unionists also consider the WIF an effective employment policy instrument, especially its extraordinary intervention provision, as long as employers do not abuse it. The fact that the resort to the WIF occurs so massively is due to the tendency of many firms to implement it in a way as to have redundant personnel being paid by the state. As it is impossible to dismiss workers, employers not only resort to WIF subsidies, but try to stop turnover. This has serious repercussions on labour mobility, mainly of the young. In short, the WIF in Genova seems to be a measure capable of correcting negative trends in the economic field, but in danger of bringing about a considerable rigidity within the employment structure.

2.4.5. Problems

From our observation and the available data on the structure and implementation patterns of the four special policy schemes described, we assume that public labour administration's attempts at steering the market

(14) In Italy, in fact, dismissals are made extremely difficult by a strict protection law (no. 604 of 15 July, 1966).
succeed only partially: relief-work projects are sponsored nowhere and attract no-one; placement for the disabled continues to be a minor activity, interesting a limited segment of the market; the Youth Employment Plan created no jobs in Genova, or anywhere else; the WIF is a factor rather of rigidity than of mobility.

The causes of this general failure of special measures are, of course, manifold. They derive from a complex interlacing of historical, political, economic and social variables. Here, our attempt is to focus on more independent variables: 1. the fragmented approach of official labour authorities in regards to employment problems; 2. the general regulation-orientation of public administration's apparatus and officials.

We have already showed that there is no coherent and comprehensive labour policy plan in Italy. According to widespread criticism, the Governments tend rather to react against upcoming critical situations as they occur, than to prevent them. At the same time, the legal frames of the measures, hardly allow for margins of flexibility, but bend public officials to the routine handling of policy instruments. Consequently there exist the diminished impact of public job-creation and job-maintaining measures on local employment trends, and the uprise of alternative employment 'policies' for private goals. In Genova we collected evidence on at least five system-circumventive measures, devised by local employers:

1. **Seasonal recruiting** is implemented by some firms mainly during summer vacations (when less workers are available), in order to keep production going. At the end of the season, whether because it is difficult to dismiss workers or because of the pressures of the Works Councils, those recruited are usually fully engaged.

2. **Re-arranging of internal job patterns.** This is a type of horizontal mobility which is implemented by
numerous firms. Some personnel managers even plan to train 'polyvalent' workers for work in different productive activities.

3. **Extensive exploitation of the WIF**, occurs when the WIF measures are requested even when they are not strictly necessary.

4. **Annulment of sub-contracts**, is an effective job-maintaining warranty for workers in the big firms (mainly IRI-run), but also a cause of unemployment in a wide range of smaller factories.

5. **Overtime work**: instead of recruiting new jobseekers, firms with too many orders and good investment possibilities prefer to intensify the productivity of their employees, inducing them to work overtime through financial incentives.

2.5. **The 'Torrington Crisis': a Case-study**

When our research began in Genova, the atmosphere was still impressed by the long and dramatic battle which the city had fought to rescue the Torrington firm was still taking its toll. The battle represented a sort of symbol of Genovese economic and social forces dynamism. Here we shall use the Torrington's drama as a case-study of the solution patterns implemented by the labour market's local actors when it is faced with particularly critical situations. The description of the various phases of intervention by different forces can be used as a test of the actual role played by a public labour administration(15).

The firm in question was part of the multinational, Torrington Company. It was almost the only firm in Italy producing needles for knitting machines. Its sales were high as Italy is one of the major producers of textile

(15) The Administration of the City of Genova published a 'dossier': Torrington. Come si uccide una fabbrica, 1976, on the basis of which we have reconstructed the development of the crisis.
goods. The number of employed workers had increased from 361 in 1966, to 548 in 1974. On 18 June, 1975 the American owners of the firm suddenly decided to liquidate it, but continue to hold their monopoly in the Italian market by furnishing it with needles manufactured in Brazil, where labour costs were much lower. The workers strongly reacted to the decision, and were backed by the City Administration, the Provincial and the Regional Governments, the Trade Unions and the democratic parties. City Authorities severely criticised Torring's decision, and sent an official message to the Central Government requesting direct intervention. The City Administration started to search for an immediate resolution, together with the local Industrialists' Association. The Provincial Government's representatives contacted the American Consulate in Genova, asking for mediation. The Regional Government sponsored a direct negotiation between workers and former employers, who were not willing to negotiate. These negative results led workers to occupy the factory on 26 June, in order to prevent the plants from being dismantled. In the meantime, the case came to the attention of the national public. Coordination of action was therefore sought at higher levels. The Regional Government was the most qualified authority to lead the battle, although lower levels certainly did not become inactive. Meetings, negotiations, and measures always included local institutions, and often decided to parallel their interventive actions. On the morning of 30 June, the subject of the Torrington situation was discussed by the Genovan members of the National Parliament together with the Mayor. That afternoon, a meeting was held in the Regional Government's headquarters. The participants were: the President of the Regional Council, the Councillor of Industry, the President of the Provincial Council, the Mayor of Genova, several members of the Parliament, the directors of the Industrialist's Association, representatives of INTERSIND (State-controlled Industries), the provincial federations of Trade Unions, and the Torrington's Works Council. A common standing led to unanimous
agreement on these three main points:

1. the necessity to try further contacts in order to 'buy time';
2. the necessity of urging the Central Government to call a meeting at the national level;
3. if necessary, the decision eventually to resort to a takeover by state industry.

Because the Ministry of Industry was slow to respond to the measures drawn up, the Mayor sent a message to the President of the Chamber of Deputies (at that time, a Ligurian) asking him to urge the Minister personally. Wheels began to move in high places. On 10 July, the first encounter with the Minister took place in Rome. He assured all present that he would seek a solution by establishing a consociation of all weaving machine producers wishing to take part in the re-opening of Torrington's needle production. Because the City Council and other local and regional authorities were worried about the Minister's silence, after a month they pressed for a second meeting on 8 August. The Minister sent a group of experts to Genova to evaluate the technical aspects of a possible transfer of the factory to state industrial control. Torrington refused to allow the experts to check the plants, so the evaluation did not take place. The Minister tried as a last resort, to schedule a meeting with the U.S. Ambassador in Rome; he received no positive results. On 25 September, the Minister personally came to Genova to see what could be done. Here, he spoke with the President of the Regional Council, the Mayor, FLM (Metal Unions Federation) representatives, and the Torrington's Works Council. Yet another month later, the City Council decided to requisition the factory, justifying the measure on the basis of articles three and forty-one of the Constitution, which bind public administrators 'to remove every obstacle limiting full human development or the participation of workers in the political, economical and social life of the Country'. It was the first time in Italy's postwar history that such a concrete interpretation was given to
those articles. He had three more encounters with the Minister of Industry and other Ministers, which caused the Council of Ministers to issue a decree granting Wage Integration Fund subsidies for the workers Torrington had dismissed, effective from 1 February, 1976, on. Nevertheless, bureaucratic red tape obstructed the implementation of the decree, which provoked a prompt complaint from the Mayor, as well as the Province's and Region's Presidents. Workers demonstrated on the streets and squares of the city, and even occupied the railway station. These additional demonstrations had the effect of forcing the Government quickly to plough through bureaucratic red tape, and grant special financing for six months to the WIF. At the end of this period (September 1976), a new company was established, the 7-GERI, which took over the Torrington factory and effected complete re-engagement of former Torrington employees.

The solidarity of local authorities' actions was not limited to this kind of political pressure. As a City official said, several concrete subsidies were granted to those dismissed and their families. Following are some examples thereof:

- the City Councillor of Education and the President of the Provincial Council made the facilities of a kindergarten available for the younger children of the unemployed (child welfare, meals, school-buses, playgrounds, swimming pool, etc.). Mothers participated in the organisation of all activities.

- The Works Council of the firm 'San Quirico', sent a truck full of oil for Torrington's kitchens. The 'Port Co-operative Society' donated huge amounts of disinfectants.

- Several groups sponsored by political parties, firms, and private citizens collected funds in the sum of 103 million lire total for the cause.

- The City Council was able, through various resolutions, to grant subsidies for a series of the former
Torrington employees' primary necessities.

The 'Torrington Crisis' is the most well known case to have engaged local authorities' concerns, but many other firms have received governmental aid in Genova. The City Administration, for example, following its policy of defending existing employment levels, acted as a guarantee for loan requests from local banks for the 'Ligure Latta' in 1975; looked for new entrepreneurs willing to take over closed factories; and mediated the hiring of dismissed workers (about 2,000 of 'Elah' and 'Pettinatura Biella') by other firms of corresponding sectors, generally succeeding in acquiring acceptable accommodations.

The two most remarkable points resulting from the intervention patterns of Genova's labour market are: 1. the absenteeism of the official labour administration and, 2. the complete disregard of the surrounding institutions for it.

In no phase of the 'Torrington Crisis' did Regional or Provincial Employment Offices appear to contribute in any way toward its solution, and no involved forces (from the Works Council to the Regional Government) ever attempted to solicit their intervention. Our examination of public labour authorities focused on their passivity, which revealed that despite the fact that Employment Offices are responsible for the statutory task of promoting initiatives for the attainment of full employment (see 1.2.1.), the law does not furnish concrete instruments for its fulfilment. The only real powers in the hands of the Office concern rigidly regulated activities (e.g. placement), which have little to do with the goal-oriented approach necessary in cases such as the 'Torrington Crisis'. A further reason for immobility is found in the civil servant's perception of his role, pointed out in the previous paragraph. According to information collected in our interviews, public officials perceive themselves to be mere executing actors of whom it
is not required to initiate actions or to make decisions, which reach beyond the scope of the regulations they must abide by. Local Employment Office management is inclined to see situations like the 'Torrington Crisis' as extending beyond the range of their duties.

The representatives of the surrounding institutions, who are very well acquainted with the institutional weaknesses of the public labour administration, regularly leave it out of the game. Consequently, it is not astonishing that the 'relevant actors', chiefly local governments, pursue full employment policies without collaboration with or requests for support from those institutions which are strictly speaking the 'core' actors of the labour market.
CONCLUSION

In Chapter 2, we tried to describe the set-up of Italy's labour market administration, and critically to analyse the internal logic of the system through the Genovan case-study. Our findings are without question insufficient to compose a full, reliable picture of national patterns. In this conclusion we simply construct abstractions on the basis of our observations, and supply a synthesis of what we deem to be the main features which distinguish Italy from the other countries studied.

1. **Italian labour market administration lacks an encompassing frame of defined goals.** It cannot be said that Italy is equipped with a nation-wide employment policy. The only traceable policy-making in the field of labour marketing, occurred in 1949: the measure to combat postwar unemployment. A large turnover has characterised the Italian labour market during the last thirty years: one cannot but assume that goals and instruments have changed as well as market contingencies. Paradoxically, the 1949 policy still shapes today's administration. Forced by circumstances to cope with cyclical economic depressions and subsequent unemployment uprises, the state has implemented a short-sighted, fragmented approach instead of reconstructing its policy and administrative structure. On the one hand, then, there exists an outdated machinery, which cannot be adapted to changing exigencies; on the other, political measures continue to be desultory and unsystematic.

2. **The State holds a guarantist philosophy toward labour matters.** Italy's labour legislation is mostly of a protective nature. The State's role as mediator between supply and demand, is hardly implemented for the sake of the dynamic matching of
supply and demand. It is primarily carried out as a defence of workers' rights against threats of economic forces, be they market contingencies or the employers themselves. An example of this hypothesis can be found in the placement system. Italy's labour market, in fact, can generally be considered to be one of the most rigid in Europe.

3. The structure of the labour administration and the administrators' self-attitude are primarily bureaucracy-oriented. This is partially due to the guarantist approach of labour legislation, but above all it stems from a long legalistic administrative tradition. In Italy, labour administration is not seen as a peculiar institution, with its own specific need for innovative implementation patterns. It is considered to be just another bureaucratic office, like, for instance, the Revenues Service. Accordingly, regulatory activities prevail, not only among insurance payments, but also among placement activities, training, and even special policy measures. Moreover, local agents from Civil Service ranks, base their outlook more on insurance and legalities than on management orientation. The system does not contribute to the evolution of bureaucratic attitudes: decisions are strictly bound to rigidly defined regulations, and open to an extremely limited degree of personal discretion.

4. Passiveness appears to be inherent in the structure of the public labour administration. The three features already mentioned all somehow account for Italy's labour services. The lack of an active employment design, the defensive philosophy, and the legalistic approach all negatively influence the necessary and expected dynamism of the system. Our analysis has shown the structural inertia of the public apparatus, when faced with both minor and serious employment crises. Unlike their colleagues in other European
countries, Italian labour functionaries intervene only upon request, and have limited powers and few instruments for the mobilisation, stimulation, and motivation of the labour market's actors. Flexible adaptation and rapid action are foreign to the existing set-up of the labour administration. The fact that no job or vocational counselling is provided for, and the overemphasised role of first training, are warning signals for the system's passivity.

5. Two parallel labour market administrations seem to exist at all levels. The rigid and inactive labour administration is unquestionably unfit to meet its clients' demands, or to find a satisfactory solution to unemployment problems. At the side of the official administration, then, we find an informal and largely autonomous administration which has gradually become of considerable magnitude. This phenomenon has been seen clearly in placement, training, and in the case of the 'Torrington Crisis'. Employers and jobseekers disregard the official services of labour agencies, using them primarily as legal cover for their private negotiations, or for jobseekers placed through the myriad of unconventional devices, like clientelism or even bribery. When possible, clients act independently of the formal system, paradoxically succeeding in rendering the formal public instruments superfluous. Relevant actors also act relatively independently of the central labour administration. Local authorities' endeavours and achievements in coping with employment problems show further examples of the inherent parallelism of the Italian labour market administration.

At this point it is possible to answer the question which opens this study: is Italy's public labour administration a 'steering' force in the local labour market dynamics? According to our findings, the answer cannot but be a negative one. The Genova case clearly demonstrates that the Italian system seems to be an
'unemployment' administration, not a 'full-employment' administration.
The word 'region' might lead to a certain confusion. In fact, in Italy the word is used to define the twenty political and administrative areas into which the country is divided. These regions have definite boundaries, autonomous governments and parliaments and a number of specific competences in different fields. At the same time, in our study, 'region' is understood in a narrower sense, namely, any area of the labour market not necessarily delimited by definite boundaries, but falling under the authority of territorial labour administration offices. We should therefore be aware of the difference between the 'Region of Liguria' (made of four provinces: Genova, Savona, Imperia, La Spezia) and the labour market 'region' of Genova, which comprises only the province. The following map will make the definition clearer.
1. Area and Population

Each of the four provinces of the Region of Liguria has its own provincial employment office. Their political and geographical boundaries are also administrative boundaries, so that no overlap of competences ever occurs. Genova's provincial employment office encompasses an area of 18,318 sq.km. It is responsible for the city of Genova (234 sq.km.) and for 66 minor municipalities. Many of these municipalities, as described in section 1.2.1., have a branch placement agency. In December 1976, the labour market region of Genova contained a total population of 1,081,884, about 75 per cent of which (800,602) were residents of the city of Genova alone. The average density of the region is approximately 100 persons per sq.km., whereas the density of the city rises to 345 persons per sq.km. If we consider that most of the Genova area is steep and mountainous, we have an idea of what the real density is on the narrow strip of coast on which Genova is built.

2. Economic characteristics

Being Liguria's largest city and biggest port, Genova is also the city with the heaviest concentration of industrial and commercial plants. It can safely be stated that the fortunes and set-backs of Genovan economy have immediate repercussions on the economy of the entire Liguria Region. Presently, the economy is characterized by a stagnation, the causes of which are very complex, which can be traced to historical events as well as to national and international recession.

The main features of Genova's economic structure can be briefly summarized as follows:

1. A very large presence of state controlled industries (through I.R.I.) in the sectors of metal and mechanics
(Ansaldo, C.N.R., Italcantieri, Italimpianti, Italsider). This feature results in a high degree of dependence on external decision centres. Policies concerning planning, investments, incentives, resettlements, etc., are studied and decided upon by the Central Government in Rome, which usually disregards local issues and claims.

2. A tendency on the part of private entrepreneurs to pull out from all productive enterprises and to invest in 'high' business, such as finance, insurance, real estate, which dates back to the years immediately following World War II. The Government took over almost all the firms put 'on sale'.

3. An industrial structure characterized by a low degree of diversification, i.e. the existence of mainly large manufacturing (especially metal) firms and factories, and few small and medium sized enterprises. Together with this is the observation of a rather low exploitation rate of the productive capacity of plants: 67 per cent for small ones and 65 - 72 per cent for the larger ones.

4. A steady decrease of Genova's traditional activities such as docks and construction.

5. Agriculture is poorly represented, largely because of the unfavourable conformation of terrain.

6. A slow but steady process towards making Genova a tertiary city with a heavy preponderance of business, commercial and public service (tourism and transport) activities, with the consequent gradual decline of heavy industry. This plan is being pursued by a few powerful financial groups with strong political protections. The trade unions are struggling against the trend in order to save industrial employment.
3. Employment situation

The frictional as well as structural Italian economic crisis is having a strong impact on the whole Genovan economic set-up with direct consequences on employment rates. Consequently, labour statistics can experience rapid fluctuations from one year to the next, very often from one month to the other.

3.1. Activity rate

In 1975, the activity rate was approximately 38 per cent, but showed a declining trend. Of the 62 per cent of the population which was non-active, a good 25 per cent were of retirement age. The increase of the median age of population is neither matched by an increase in the number of births nor by immigration. Indeed, in the last few years there has been a tendency towards emigration, mainly among the young, unable to find a job because of little turn-over. At the same time, an immigration of elderly people is constantly registered, due to the mild mediterranean climate of the coast which attracts pensioners from the northern regions of Italy. The population balance is fairly negative or, at best, it remains stationary. This phenomenon is typical of the Genovan region, unlike the national demographic trend. The city of Genova alone, for example, lost over 16,000 inhabitants between 1971 and 1976.

3.2. Employment

The stagnant and negative trend of the employment situation is closely linked to the stagnation of the region's industrial structure. Genova, however, did not suffer as badly from the national crisis as other industrial areas elsewhere. The high concentration of state-controlled entreprises and factories has, to some extent, protected
the region from the most dangerous consequences of the recession. State intervention has a balancing function whether in keeping production going (through government orders) or in preventing frictional unemployment (through internal maintenance and storing activities and/or putting employees on short time work, but with full pay). This does not, of course, mean, that there are no problems in the labour market. Several private metal firms (mainly small and medium-size) have closed down because of the reduction of sub-contracting from the large public firms. Many other enterprises in the food and textile sectors have quit the market, with a consequent growth of (female) unemployment. Unfortunately, available figures are not fully comparable because they do not relate homogeneously to the same sectors and years. This is due to the different criteria implemented by various agencies in collecting data.

The data in tab. 1 relate to the period 1971-1975, which was a period of fairly normal market development.

Table 1: Employment in economic sectors 1971-1975 (Province of Genova)

<table>
<thead>
<tr>
<th>Dependent Employees</th>
<th>1971</th>
<th>1975</th>
<th>Variat. 71-75</th>
<th>Variat. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>1,031</td>
<td>771</td>
<td>- 260</td>
<td>-25.2</td>
</tr>
<tr>
<td>Industry</td>
<td>118,445</td>
<td>120,867</td>
<td>+ 2,422</td>
<td>+ 2.0</td>
</tr>
<tr>
<td>Trade &amp; Services</td>
<td>91,528</td>
<td>98,568</td>
<td>+ 7,040</td>
<td>+ 7.7</td>
</tr>
<tr>
<td>Public Admin.</td>
<td>71,748</td>
<td>83,331</td>
<td>+11,583</td>
<td>+16.1</td>
</tr>
<tr>
<td>Apprentices</td>
<td>7,276</td>
<td>6,286</td>
<td>- 990</td>
<td>-13.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>290,028</td>
<td>309,823</td>
<td>+19,795</td>
<td>+ 6.8</td>
</tr>
<tr>
<td>Self-Employed (total)</td>
<td>103,767</td>
<td>99,935</td>
<td>- 3,832</td>
<td>- 3.7</td>
</tr>
</tbody>
</table>

| FULL TOTAL          | 393,795| 409,758| +15,963      | + 4.0     |
| Pensioners          | 250,726| 287,699| +36,973      | +14.7     |

Source: Our elaboration on data of the Union of Chambers of Commerce of Liguria.
The trends so far described are apparent from the table: an increase of tertiary employment and of the number of retirals from the labour market. The figures of industrial employment are a little misleading. If we look closely at disaggregated data in the industrial sector, we are able to get a more precise idea of what the real trends are (see tab. 2).

Table 2: Employment in the Industrial Sector 1971-1975 of the Province of Genova. (Firms with more than ten employees)

<table>
<thead>
<tr>
<th>Sectors</th>
<th>1st Trim.</th>
<th>3rd Trim.</th>
<th>Variât. 71-75</th>
<th>Variât. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>203</td>
<td>60</td>
<td>-143</td>
<td>-70.4</td>
</tr>
<tr>
<td>Food</td>
<td>3,468</td>
<td>3,038</td>
<td>-430</td>
<td>-12.4</td>
</tr>
<tr>
<td>Textile</td>
<td>2,067</td>
<td>1,776</td>
<td>-291</td>
<td>-14.0</td>
</tr>
<tr>
<td>Metal</td>
<td>46,397</td>
<td>49,667</td>
<td>+3,270</td>
<td>+7.0</td>
</tr>
<tr>
<td>Chemical</td>
<td>3,650</td>
<td>3,550</td>
<td>-100</td>
<td>-2.7</td>
</tr>
<tr>
<td>Unspecified</td>
<td>10,041</td>
<td>8,602</td>
<td>-1,439</td>
<td>-14.3</td>
</tr>
<tr>
<td>Construction</td>
<td>14,461</td>
<td>8,524</td>
<td>-5,937</td>
<td>-41.0</td>
</tr>
<tr>
<td>Elect/Gas/Water</td>
<td>4,981</td>
<td>4,893</td>
<td>-88</td>
<td>-1.7</td>
</tr>
<tr>
<td>TOTAL</td>
<td>85,268</td>
<td>80,110</td>
<td>-5,158</td>
<td>-6.0</td>
</tr>
</tbody>
</table>

Source: Ministry of Labour, Periodical Surveys.

The figures shown in the two tables are apparently contradictory. Tab. 1 shows a slight increase in industrial employment, whereas Tab. 2 bears evidence of a net decrease (-6 %). The discrepancy is due to the fact that Tab. 1 regards employment in small as well as in big firms, whereas Tab. 2 collects data referred only to employment in firms with more than 10 employees, and based on sample surveys. As a matter of fact there has been a slight increase in employment in small (craftsmen's) factories which probably accounts for the increment of 2 % registered in Tab. 1. In the last three years, however, small industry has suffered
the worst set-back because of the shrinkage of subcontracts which used to keep it going. Thus, looking back to Tab. 2, we see a quite negative tendency being registered in Genova's industrial employment as a whole, with the remarkable exception of the metal sector which had an increment of +7%. This is a clear sign of the gradual polarization of the manufacturing sector which is becoming less and less diversified. At the same time, construction employment has undergone a sharp decline (-41%) due to a deep nationwide standstill of this sector. The noticeably positive trend in the metal sector, which employs about 62 per cent of all industrial employees, would apparently be inconsistent with the stated difficulty of the labour market in the frame of the national economic recession. Actually, it is exactly in this field what the state controls most of Genova's larger enterprises which in 1975 had over than 38,000 employees (75% of total employment in the metal sector) on their pay-rolls. As underlined earlier, state intervention is capable of counteracting the negative impact of cyclical recessions in the short term. Incomplete statistical data for 1976, however, show that state industry, in Genova as elsewhere, is not able to cope any longer with Italys' long-lasting and deteriorating general economic crisis.

3.3. The resort to the Wage Integration Fund

An important indication of the fluctuating situation of industrial employment can be seen from the resort to the 'Wage Integration Fund' (=Short-time money). The structure and mechanisms of this special measure have already been discussed in section 2.4.4. The figures of the number of hours not worked and subsidized by the Fund evidence the degree of activity reduction of the labour force. It must be said that the use of W.I.F., for many firms, often turns out to be the last step before closing down. That is why, in Italy, the W.I.F. is called
by the workers the 'waiting room' of unemployment. Also, the higher the index of subsidized hours, the longer the stopping of turn-over will be, with foreseeable consequences on the mobility of labour force, especially the young. The Region of Liguria as a whole, in 1975, had a very low rate of resort to the W.I.F., accounting for only 2.3 per cent of the national total compared to other Regions of the 'industrial triangle' of northern Italy: Lombardia (Milan) had a 26 per cent share, and Piemonte (Turin) had 24 per cent. However, these over-all figures do not give an exact idea of the magnitude of the number of subsidized hours at local levels. The following table gives Genova's figures.

Table 3: Hours subsidised through the W.I.F. (Province of Genova)

<table>
<thead>
<tr>
<th>Year</th>
<th>Manufacturing</th>
<th>Construction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>1,119,655</td>
<td>1,644,056</td>
<td>2,763,711</td>
</tr>
<tr>
<td>1973</td>
<td>1,075,357</td>
<td>1,088,448</td>
<td>2,163,805</td>
</tr>
<tr>
<td>1974</td>
<td>641,279</td>
<td>1,151,166</td>
<td>1,792,445</td>
</tr>
<tr>
<td>1975</td>
<td>3,216,198</td>
<td>1,354,810</td>
<td>4,571,008</td>
</tr>
<tr>
<td>1976</td>
<td>2,309,384</td>
<td>1,669,236</td>
<td>3,978,620</td>
</tr>
</tbody>
</table>

Source: I.N.P.S.

Data are divided between manufacturing and construction because for each of these sectors there exists a different type of W.I.F. intervention. From the table it comes out clearly that 1975 and 1976 were the most critical years for industrial employment. Table 4 shows disaggregated data of 1975-1976 (see following page). The major industrial sectors which in 1975, as well as in 1976, were forced by economic difficulties ('ordinary intervention') to resort to the W.I.F. appear to be, in
Table 4: Number of hours subsidised through the W.I.F. (Province of Genova)

<table>
<thead>
<tr>
<th>Industrial Sectors</th>
<th>1975</th>
<th>1976</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ordinary</td>
<td>Extra-</td>
<td>TOTAL</td>
<td>Ordinary</td>
</tr>
<tr>
<td></td>
<td>intervention</td>
<td>ordinary</td>
<td>% rates</td>
<td>intervention</td>
</tr>
<tr>
<td>Manufacturing:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- food</td>
<td>304,647</td>
<td>-</td>
<td>304,647</td>
<td>9.47</td>
</tr>
<tr>
<td>- textile and</td>
<td>434,106</td>
<td>-</td>
<td>434,106</td>
<td>14.50</td>
</tr>
<tr>
<td>furniture</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- leather</td>
<td>10,216</td>
<td>411,960</td>
<td>422,176</td>
<td>13.13</td>
</tr>
<tr>
<td>- wood</td>
<td>25,200</td>
<td>-</td>
<td>25,200</td>
<td>0.78</td>
</tr>
<tr>
<td>- metal</td>
<td>1,324,569</td>
<td>98,840</td>
<td>1,423,409</td>
<td>44.26</td>
</tr>
<tr>
<td>- stone</td>
<td>51,984</td>
<td>34,480</td>
<td>86,464</td>
<td>2.69</td>
</tr>
<tr>
<td>- chemical</td>
<td>233,847</td>
<td>-</td>
<td>233,847</td>
<td>7.27</td>
</tr>
<tr>
<td>- paper</td>
<td>194,079</td>
<td>-</td>
<td>194,079</td>
<td>6.03</td>
</tr>
<tr>
<td>- unspecified</td>
<td>92,270</td>
<td>-</td>
<td>92,270</td>
<td>2.87</td>
</tr>
<tr>
<td>TOTAL Manufacturing</td>
<td>2,670,918</td>
<td>545,280</td>
<td>3,216,198</td>
<td>70.36</td>
</tr>
<tr>
<td>Construction</td>
<td>1,354,810</td>
<td>-</td>
<td>1,354,810</td>
<td>29.64</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,025,728</td>
<td>545,280</td>
<td>4,571,008</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: INPS
in descending order, the metal, textile and chemical sectors, whereas the food sector largely recovered in 1976. In the group of firms resorting to the 'extraordinary intervention' (i.e. for reasons of internal resettling), the leather sector has undergone the most serious difficulties which were largely overcome in 1976. In the same period the metal sector, partially recovering from the 1975 set-back, tried to counteract the shrinkage of economic demand by re-converting productive plants and being forced, for that purpose, to reduce work and to resort quite substantially to the 'extraordinary intervention'. The rates, however, as already mentioned, are far below the critical point which other manufacturing areas (e.g. Milan) have largely exceeded. Again, the reason is found in the extensive presence of state-controlled entreprises which seldom resort to the W.I.F., thus helping to keep the rates relatively low. The crisis in the construction sector is clearly depicted in both tables.

3.4. Hours lost for strikes

It might be interesting for the purpose of a more complete understanding of the employment-structure situation in the labour market region of Genova to briefly take into consideration data concerning the amount of hours lost due to strikes.

Table 5: Hours lost in strikes in the Province of Genova

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>-</td>
<td>-</td>
<td>920</td>
<td>1,260</td>
</tr>
<tr>
<td>Industry</td>
<td>2,199,288</td>
<td>706,595</td>
<td>815,220</td>
<td>706,697</td>
</tr>
<tr>
<td>Commerce</td>
<td>124,990</td>
<td>64,060</td>
<td>113,216</td>
<td>75,232</td>
</tr>
<tr>
<td>Transport</td>
<td>382,667</td>
<td>164,664</td>
<td>274,294</td>
<td>403,740</td>
</tr>
<tr>
<td>Banking</td>
<td>5,704</td>
<td>11,955</td>
<td>42,475</td>
<td>102,580</td>
</tr>
<tr>
<td>Services</td>
<td>205,547</td>
<td>379,131</td>
<td>201,720</td>
<td>59,875</td>
</tr>
<tr>
<td>Pub. Admin.</td>
<td>501,603</td>
<td>320,944</td>
<td>1,027,966</td>
<td>398,002</td>
</tr>
<tr>
<td>Polit. Strikes</td>
<td>472,700</td>
<td>1,805,798</td>
<td>437,318 -</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,857,499</td>
<td>3,453,147</td>
<td>2,913,129</td>
<td>1,747,386</td>
</tr>
</tbody>
</table>

Source: Chamber of Commerce of Genova
From an over-all view of Table 5 there is an apparent decrease in labour unrest despite a few remarkable peaks in Industry (1973), Transport (1976), Services (1974), Public Administration (1975) and political strikes (1974), due to particular situations of the market and to national political events.

3.5. Unemployment

Before looking at the unemployment situation in the labour market region of Genova, it is necessary to say a few words on the peculiar structure of Italian labour market.

Economists and sociologists fairly are in general agreement in pointing out the dualistic structure of the Italian economic system and, consequently, of the labour market, which has been developing since the end of W.W.II. It is impossible to go through all the extensive literature regarding this set of problems (1).

Here we shall trace a brief summary.

V. Lutz speaks about a dualistic industrial system: a 'developed' sector comprising of large firms with substantial capital and characterized by a high pro-capita product, and a second 'underdeveloped' sector, based on small-size firms, with minimal amounts of capital and a very low product. According to A. Graziani, dualism is in the trend of industrial production: on one side the relatively limited production of capital goods, and on the other the privilegated and highly incentivated production of consumer goods.

C. H. Hildebrand's version of dualism refers to the distinction between an industrial North and an agricultural South.

Dualism specifically applied to the labour market is generally explained by the existence of two different areas in which labour force is divided. In the immediate post-war period, industry absorbed a huge amount of manpower abundantly supplied by the agricultural sector. This pool, in the mid-sixties, began to be exhausted. Since then 'the labour demand on national level changes qualitatively. It becomes more selective and makes impossible the utilization of a great part of female and young unskilled manpower of rural origin' (2). Industry began to turn to a new type of labour market, in which the supply had to be 'male, not too young and not too old, preferably married, holding an average education, already socialized to the urban-industrial environment' (3). The increased selectiveness of labour demand went together with a generalized adoption of the scientifical organization of labour which made working times and rythms more oppressive. Harder working conditions, a rising cost of living, problems of housing and transport, acted together as a disincentive to the process of the further urbanization of the labour force which was being gradually expelled from the urban-industrial labour market. This 'weaker' part of manpower flows eventually into the second type of labour market, called 'marginal'. In this market the demand 'comes from a myriad of very small and small-size firms (...). Their demand is for manpower to exploit at low costs. It finds it easily under several forms (out-work, part-time work, and, generally, precarious work), because in this market the supply largely exceeds demand; consequently, there exists a substantial over-population rate that makes possible very low salaries

(2) M. Paci, 'Mercato del lavoro e struttura per qualifiche della occupazione industriale', in A. Fantoli and P. Leon (eds), Mercato del lavoro e qualificazione professionale, Roma, 1973, p. 27
(3) M. Paci, Mercato del lavoro e classi sociali, op. cit., p. 219
and black-work', pensioners' work, sub-contract work, seasonal and occasional work, in a word: under-employment. Within the marginal market there is the special area of the so-called 'intellectual' manpower, comprising of young (16-29) people in possession of high school or university degrees, a group which has grown enormously in the last ten years, following the massive rise of schooling rates.

Interaction between the urban-industrial labour market and the marginal one is characterized by a high degree of viscosity, given also the decline of the demand in the former, caused by present economic recession and by the stopping of turn-over. Other causes of rigidity are: the phenomenon of delaying entrance into the labour market by lengthening of schooling toward higher level of education and, obviously, of expectations, which result in a preference for non-manual work. The paradox is in the fact that the marginal market, despite its abundance of manpower, has no supply to match big industry's demand for manual and skilled/highly skilled workers.

Genova's region is no exception; indeed, rigidity, higher schooling rates, underemployment and scarcity of skilled operatives are quite open problems. As far as unemployment in the narrow sense is concerned, it is not as serious as in other regions, as we have explained earlier. Data concerning unemployment are statistically collected by ISTAT every three months through sample surveys. Other data are gathered administratively by the provincial employment offices on the basis of number of jobseekers registered in local placement lists. Table 6 refers to this latter type of data (see following page). One must be cautious in giving

(4) G. Bottazzi, op. cit., p. 19

Table 6: Unemployment/Placement Trends 1973-1976 in the labour market region of Genova (monthly averages)

<table>
<thead>
<tr>
<th>Year</th>
<th>Registered</th>
<th>Placed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>7,599</td>
<td>3,276 (43.2%)</td>
</tr>
<tr>
<td>1974</td>
<td>7,666</td>
<td>3,024 (39.4%)</td>
</tr>
<tr>
<td>1975</td>
<td>8,654</td>
<td>2,193 (25.3%)</td>
</tr>
<tr>
<td>1976</td>
<td>9,855</td>
<td>2,156 (21.8%)</td>
</tr>
</tbody>
</table>

Note: Figures refer to statistical classes 1 and 2 of registered jobseekers.

Source: Our elaboration on Ministry of Labour figures.

too much weight to these figures, for not all jobseekers register in placement lists. Moreover, it is very difficult to quantify under-employment. In section 1.2.2., jobseekers to be placed have been divided into five statistical classes. Data in Tab. 6 relate to the first two classes which are the most relevant being the most numerous: 1st class: dismissing employees; 2nd class: young (15-21) and other persons seeking their first job. In Genova, unemployment has been considerably increasing since 1973. At the same time placement rates have been rapidly dropping. In Genova, for example, they dropped from 43 per cent in 1973 to 21.8 per cent in 1976. The phenomenon is just a sign
of the complexity of the problem and the increasing difficulty of coping with the problem of unemployment: jobless pass from a monthly average of 7,500 in 1973 to about 10,000 in 1976 (90 per cent of which are in the city of Genova alone), equal to about 2.5 per cent of total labour force.
The International Institute of Management (IIM)

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Within this framework research is mainly concerned with problems of Labour Market Policy, Regional and Agglomerations Policy as well as Sectoral Industrial Policy. In cooperation with these Industrial Policy groups three research areas emphasize studies of: The dynamics and performance of manufacturing and service sectors (Industrial Organization); the organizational structure and decision processes within individual firms and organizations (Organization and Management), and of the politico-administrative systems through which policies are formulated and implemented (Government and Public Administration).

This paper has been produced in IIM's Government and Public Administration research area.
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Die vorliegende Arbeit ist im Rahmen des Forschungsschwerpunkts Politik und Verwaltung.