

# Social Inclusion Policies in Southern Italy – European Structural Fund 2.000 – 2.006



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**Social Cohesion Practical Experiences  
and Initiatives**

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# 1 SYNTHETIC INFORMATION REGARDING THE EXPERIENCE

**1.1. Name:** Social Inclusion Policies in Southern Italy – European Structural Fund 2000-2006.<sup>1</sup>

**1.2. Geographical location (country, region, town):** Southern Italy (Regions: Basilicata, Calabria, Campania, Molise, Sardinia, Puglia, Sicily).

**1.3. Sector:**

- Education
- Health
- Employment
- Taxation
- Justice
- Others (please specify): Basic social services

**1.4. Date of commencement of experience (mmmm of yy):** August 2000

**1.5. Current situation (mark box as appropriate):**

- Underway  Finished



**1.6. If the experience is underway, indicate the expected finishing date (mmmm of yy):**

December 2008 (though last funding proposals submitted in December 2006). Independent *ex-post* evaluation planned for December 2009.

**1.6. If the experience has finished, indicate the effective finishing date (mmmm of yy):**

**1.7. Level of the experience:** Incipient, although with *ad hoc* evaluation being undertaken and formal *ex-post* evaluation planned for end of programme period.

**1.8. Main components of the experience:**

- |  |  |
|--|--|
| <input type="checkbox"/> Development of legislative instruments          | <input type="checkbox"/> Development of managerial devices   |
| <input checked="" type="checkbox"/> Development of plans or programmes   | <input type="checkbox"/> Procedure for provision of services |
| <input type="checkbox"/> Statutes or framework agreements between actors | <input type="checkbox"/> Others (please specify):            |
| <input checked="" type="checkbox"/> Finance funds or mechanisms          |  |

**1.9. Estimate of the total cost of the experience (in €):** 1.141 million.

<sup>1</sup> This case study was carried out by Bruno Baroni, ODI Research associate, and Marta Foresti, Research Fellow at ODI

**1.10. Most Notable effects of the experience in terms of social cohesion:***Access to well-being, through ...*

- Improved access to public services
- Improvements to quality of public services
- Greater equality in access to public services
- Increased territorial solidarity in access to public services

*More efficient action by the State and public policies, through...*

- Development of legislative or regulatory protection
- Improvement in the functioning of democracy and the rule of law
- A higher level of equal opportunities for excluded groups
- Higher quality public institutions
- Increased solidarity in the taxation system
- Improvement in human security conditions

*More active and caring citizen body, through...*

- Encouragement of citizen participation
- Increased confidence in the institutions
- Encouragement of feelings of identity and belonging
- Promotion of greater participation by women
- Others (please specify):

**1.11. Brief summary of the experience:**

The European Structural Funds supported a wide range of social inclusion policies and programmes in six Italian regions during the period 2000-2006. These interventions on social inclusion were part of a large-scale six-year public investment framework, commonly referred to as the Italian Community Support Framework (CSF) 2000-2006. This funded a wide range of social and economic development programmes in the Italian south. The CSF is funded jointly by the European Commission and the Italian national and regional governments. Around €40 billion are made available through the CSF to the seven southern regions,<sup>2</sup> which had an average per capita GDP in 1999 75% lower than the EU average. We refer to this portion of the CSF programme as the CSF OB1 programme.<sup>3</sup> The two main objectives of the CSF OB1 were:

- To enhance economic growth and development through competitiveness; and
- To reduce social exclusion.

In the original CSF design, the objective of reducing social exclusion was pursued mostly by relying on the indirect effects of economic growth which, in turn, would create opportunities for all citizens. However, as the programmes developed, it became apparent that there was also need for selected and targeted initiatives, directly aimed at reducing social disadvantage. These specific policies dealing with social inclusion are the object of this analysis.

An analysis conducted in 2003 by the Evaluation Unit of the Italian Treasury<sup>4</sup> identified four different types of social inclusion policy supported by the CSF (Table1): i) pathways to employment for those at risk of exclusion, mainly disadvantaged groups and women; ii) improved access to and quality of basic services; iii) education initiatives aimed at reducing school dropout rates; and iv) promotion of civic education to fight illegal/criminal activities. In total, €1,141 million was allocated to social inclusion interventions, 2.5% of the total financial resources of the CSF OB1.

**Table 1. Planned public resources for social inclusion initiatives, by policy and type of intervention**

SOCIAL INCLUSION POLICY	Type of intervention	Planned resources (€ millions)	% of total allocated to SI interventions
i) Pathways to employment for those at risk of exclusion	Disadvantaged groups	340	36%
	Women	66	
ii) Improved access to and quality of basic services	Urban areas	102	25%
	Support to social economy	98	
	Rural areas	83	
iii) Education initiatives preventing and reducing dropout rates	Education initiatives preventing and reducing dropout rates	390	34%
iv) Initiatives promoting civic education and legal behaviour	Initiatives promoting civic education and legal behaviour	61	5%
<b>TOTAL</b>		<b>1,141</b>	<b>100%</b>
<b>% of CSF OB1</b>		<b>2.5%</b>	

Source: Italian Ministry of Treasury, Department of Development Policies.

A wide range of activities was funded, including: i) training programmes, often accompanied by financial assistance and counselling as well as subsidised internships; ii) infrastructural projects to expand and improve access to social services, incentives to non-profit organisations promoting social inclusion and, in some regions, funds supporting the initial stages of the decentralisation of the Italian welfare system (in particular, the initial planning activities of the newly established sub-regional committees); iii) improved infrastructure and development of extra-curricular activities for students of primary and high schools; iv) workshops and other educational activities promoting security, community policing and civic education.

The activities and projects financed by these policies are still underway, and a formal *ex-post* evaluation is planned only for December 2009. This report is therefore based on preliminary analysis (including a mid-term evaluation carried out in 2003, which can be considered neither comprehensive nor conclusive as it was mainly aimed at monitoring progress) and on financial monitoring data of December 2005.

This case study found that the SI initiatives funded by the CSF OB1 had the positive effect of raising the awareness of most governmental levels (national, regional and local) on the themes related to social inclusion policies. In addition, the CSF OB1 allowed the different government levels involved in the programme to accumulate experiences on integrating different types of interventions into large inter-sectoral programmes of economic development.

Overall, integrating social inclusion objectives had a major positive institutional impact, as it built 'sensibilities' and capacity throughout the different levels and branches of public administration with regard to themes related to social inclusion and its integration with economic development policies. However, in most cases, the quality of the intervention reflected the previous experience that the regional and/or local administration had in managing inter-sectoral plans and interventions targeted at disadvantaged groups.

The following are some of the main lessons to be drawn from the experience of social inclusion policies in the CSF OB1:

1. The mainstreaming of social inclusion objectives requires the adoption of precise mechanisms that allow for the identification of those projects of economic development with stronger impacts on social inclusion.
2. Interventions on social inclusion must be customised and targeted to specific beneficiaries and contexts. Planning capacity at the local level, especially with regard to capability to cooperate with organisations external to the public sector, is of central importance (and, as Point 1 suggests, the central government has a major role to play in strengthening that capacity).

Interventions aimed at mitigating the effect of social exclusion should be put in place together with preventive initiatives dealing with the causes of social exclusion. This is of particular importance in the case of policies promoting the participation of disadvantaged groups in the labour market.

## 2 ANALYSIS OF THE EXPERIENCE

### 2.1 Results obtained: analysis of the efficacy, efficiency, and the impact in terms of social cohesion

#### 2.1.1 Initial situation:

Italy is a much divided country. Statistics on per capita income show that the country ranks above EU 15 average. However, these hide the fact that many of the northern regions are among the richest in Europe, close to Greater London and the Ile-de-France, whereas the regions in the south of the country perform much less well, comparable with Greece and Portugal. This means that, out of a population of approximately 57 million, almost 20 million (35%) live on a per capita income that is 70% of the national average, contributing only 25% of national GNP (Table 2). Despite some considerable convergence over the past 10 years, there are still large gaps between the two areas on employment, unemployment and participation in the labour market. Differences are particularly striking in women's participation: in the south of Italy this can be as low as 38.5%.

The poverty rate in the south is about 23%, versus 5.8% in the north and approximately 12% at national level, measured as the number of households whose equivalent income in 2003 was below a threshold represented by the national average for a family of two. Other indicators reflecting social conditions for southern Italy demonstrate that the gap is social as well as economic: these include difference in male and female participation in the labour market; domiciliary health assistance; violent crime; volunteering; and dropout rates (Table 2).

**Table 2. Income, poverty and labour market indicators by sub-national area**

	Population (thousand)	Per capita income	Employment rate	Unemployment rate	Poverty rate	Female activity rate
	2003	2003	1999	1999	1999	2004
Centre north	36,994	26,398	59.3	7.0	6.3	57
South	20,611	15,672	43.0	20.2	25.1	38.5

Source: Italian Institute of Statistics (ISTAT).

**Table 3. Social indicators by sub-national area**

	Difference between male and female activity rate	Health domiciliary assistance (1)	Violent crime (2)	Volunteering (3)	Dropout rate (4)
	1999	2001	1999	1999	1999-00
Centre north	21.3	2.5	12.0	11.9	3.3
South	33.9	0.9	16.0	6.2	4.8

(1) Rate of elderly (65+) with health domiciliary assistance; (2) violent crimes (per 10,000 inhabitants); (3) rate of people 14+ volunteering in non-profit organisations; (4) dropout rate in second year of high school.

Source: Italian Institute of Statistics (ISTAT).

In the background material for the planning of the CSF OB1, Italian authorities used poverty rates as a proxy to identify areas where social exclusion 'becomes a tangible problem'.<sup>5</sup> These areas are the peripheries of urban centres and the remotest areas of the southern regions. Young people are those most likely to suffer the effects of social exclusion. Handicapped persons and drug consumers are also considered among the vulnerable groups because of limited access to basic social infrastructure in the southern regions. An analysis of the causes of social exclusion emphasises that the phenomenon cannot be equated merely with unemployment. Health conditions, level of education, urban and housing contexts, as well as a broad set of cultural factors, also play an important role in determining the phenomena of social and economic exclusion.

The call for the mainstreaming of social inclusion policies dates back to the mid-1990s, when the European Union requested that state members apply gender equality principles to policies previously aimed merely at pursuing objectives of economic growth.<sup>6</sup> By the end of the 1990s, many top officials of the Italian central government took it for granted that most policies surrounding economic development, especially those promoting full employment, needed to increase gender equality as well.

In the mean time, as a way of countering the high unemployment rates that represented a social trend in most European countries in the 1990s, the European Commission increasingly urged member countries to reform their employment policies.<sup>7</sup> In Italy, a steady portion of employment policies supported vulnerable people, especially the handicapped and the long-term unemployed.<sup>8</sup> However, most of these interventions, especially in the south of Italy, took the form of massive clientelistic employment in the public sector, which central and regional governments could not afford any longer. Top officials in the central government lobbied for use of European funds to continue supporting such groups, but in a more effective and productive way.

The CSF OB1's commitment to social inclusion represents a departure from the experiences of the 1990s. First, the CSF OB1 adopts a more holistic view of social inclusion and, as a result, extends the categories of beneficiaries to include the elderly, young people, and victims of illegal organizations, among others. Second, the CSF OB1 attempts to mainstream the objective of social inclusion, which includes but is broader than gender equality, in a €40 billion programme of development. The result is an investment project which, at least in principle, not only attempts to combine social and economic objectives but also recognises that these two objectives are mutually reinforcing. This novel approach was consistent with mounting consent on the contribution of 'soft factors' to economic development, the increasing commitments of the European Community to social cohesion,<sup>9</sup> and the realisation that antisocial behaviour and high youth as well as female unemployment were hampering the social and economic development of the Italian south.<sup>10</sup>

In the years following the planning of the CSF OB1, the European Commission reaffirmed the objective of promoting social inclusion in many other policy documents and directives. Among the most important of these, the Lisbon European Council of March 2000, the Third Report on Economic and Social Inclusion (2004) and, more recently, the European Council in Brussels in March 2005 reaffirmed that strengthening social cohesion would remain a core objective of the European Union for the years to come.<sup>11</sup>

### **2.1.2 Expected results:**

When the CSF OB1 began in 2000, resources allocated to direct interventions on social inclusion totalled €990.5 million. After the mid-term review in 2003, such resources rose to €1.141 million. The interventions that increased the most were those aimed at improving access to and quality of basic services in rural areas and promoting civic education fighting illegal/criminal activities (Table 4). Interventions improving access to and quality of basic services in urban areas were the only ones to be curtailed. These variations were the results of decisions made in individual regions. In most cases, they reflect an attempt to speed up expenditure performance by moving resources to easier-to-implement lines of investment.



**Table 4. Resources committed to social inclusion policies at the beginning of the programme and after the mid-term review, by type of intervention**

<b>SOCIAL INCLUSION POLICY</b>	<b>Type of intervention</b>	<b>Resources committed in 2000 (€ millions)</b>	<b>Resources committed in 2003 (€ millions)</b>	<b>Variation (€ millions)</b>	<b>Variation (%)</b>
Pathways to employment for those at risk of exclusion	Disadvantaged groups	275	<b>340</b>	65	24
	Women	62	<b>66</b>	4	7
Improved access to and quality of basic services	Urban areas	136	<b>126</b>	-9	-7
	Support to social economy	58	<b>74</b>	16	28
	Rural areas	45	<b>83</b>	38	84
Education initiatives preventing and reducing dropout rates	Education initiatives preventing and reducing dropout rates	372	<b>390</b>	18	5
Initiatives promoting civic education and legal behaviour	Initiatives promoting civic education and legal behaviour	43	<b>61</b>	18	43
<b>TOTAL</b>		991	<b>1,141</b>	151	15

The majority of these initiatives took the form of: i) training programmes, often accompanied by stipends and counselling as well as subsidised internships; ii) infrastructural projects to expand and increase the number of centres providing social services, incentives to non-profit organizations promoting social inclusion and, in some regions, funds supporting the initial stages of the decentralisation of the Italian welfare system (in particular the initial planning activities of the newly established sub-regional committees); iii) construction of labs and sport centres and development of extra-curricular activities for students of elementary and high schools; and iv) workshops and other educational activities promoting community policing and civic education.

Annexe 1 shows the objectives and project typologies by type of intervention. Tables 4 and Annexe 1 together demonstrate that:

1. The major components of the CSF OB1 are mainly three: i) employment policies targeted at disadvantaged groups; ii) extra-curricular activities in schools aimed at reducing student dropout; and iii) provision of basic services.
2. Surprisingly, policies aimed at supporting women's participation in the workplace received relatively little funding, both in the initial planning phase and after the mid-term review.
3. There is a large variety of projects financed. These include: i) traditional projects, such as technical training programmes; ii) innovative projects delivered through traditional instruments, such as incentives to firms for hiring socially vulnerable groups; and iii) and innovative practices, such as the provision of grants to foundations sponsoring NGOs with social ends.

### 2.1.3 Results attained:

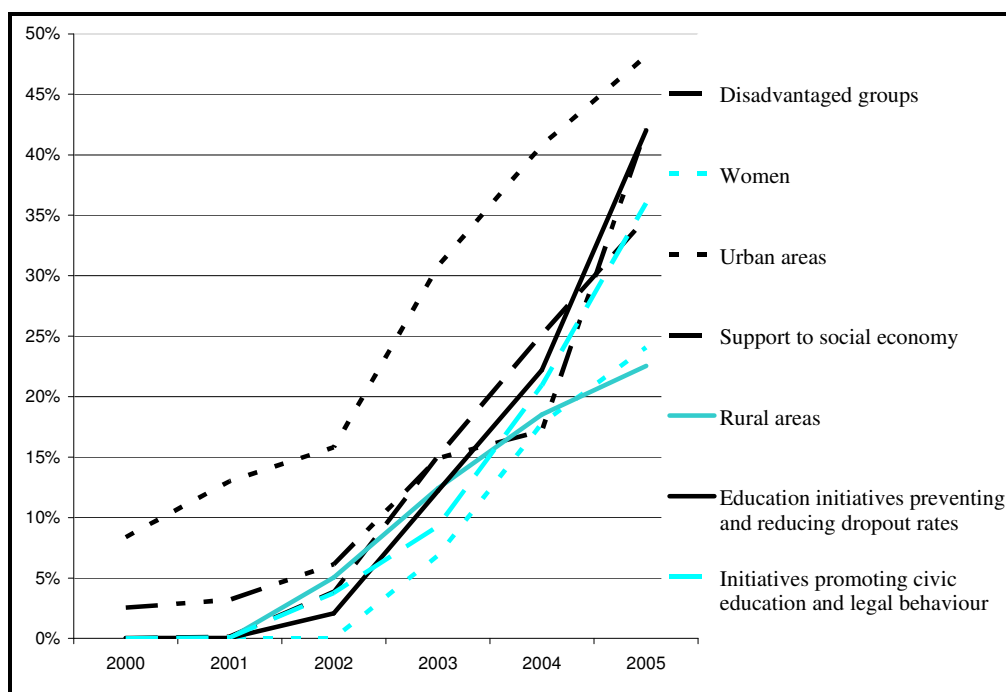
We now turn to expenditure data in order to review the progress of investments in social inclusion and to assess which kinds of projects were selected out of the pool of eligible investments. In December 2005, 56% of the funds had been spent (Table 6).

**Table 6. Progress of expenditure, by type of intervention (December, 2005)**

SOCIAL INCLUSION POLICY	Type of intervention	Resources committed (€ millions)	Resources spent (€ millions)	Comm./ spent
Pathways to employment for those at risk of exclusion	Disadvantaged groups	341	180	53%
	Women	66	21	32%
Improved access to and quality of basic services	Urban areas	125	97	77%
	Support to social economy	75	34	45%
	Rural areas	83	23	28%
Education initiatives preventing and reducing dropout rates	Education initiatives preventing and reducing dropout rates	390	248	64%
Initiatives promoting civic education and legal behaviour	Initiatives promoting civic education and legal behaviour	61	40	66%
<b>Total SI policies</b>		<b>1,141</b>	<b>643</b>	<b>56%</b>
TOTAL ESF		6,774	5,013	74%
TOTAL CSF REGIONAL PROGRAMMES		31,950	21,107	66%
TOTAL CSF OB1		46,074	36,002	78%

Source: Italian Ministry of Treasury, Department of Development Policies.

**Figure 1. Progress of spent\* resources, by type of intervention**



\* Data refer to funds actually paid by the public administration, which totalled €430 million in December 2005. On average, there is a one-year delay between the financing of a project (funds spent) and the payment transactions (paid funds).

Source: Italian Ministry of Treasury, Department of Development Policies.

Table 6 and Figure 1 show that:

1. Investments in social inclusion lagged behind in the overall CSF OB1. The same is true when figures are compared with more similar sub-aggregations of the CSF OB1, such as total resources of the European Social Fund and total amount of regional investment.<sup>12</sup>
2. Surprisingly, non-infrastructure interventions suffered the same, if not more, delay than infrastructure interventions. In particular, interventions in urban areas, mostly infrastructure projects, were consistently ahead of interventions such as the pathways to employment. This is unusual because infrastructure projects are commonly regarded as requiring a larger time for implementation. One possible explanation is that the planning and, in some cases, even the execution of non-infrastructure projects is more complicated than is commonly assumed. This is an important finding. In fact, central government promoting institution building focus their support to local and regional governments on issues related to the planning and execution of infrastructure rather than non-infrastructure projects.

As expected, interventions in rural areas tended to be more difficult to implement than similar projects in urban areas. This owed the limited technical capacity of rural and small municipalities. In addition, given the small scale of rural towns, local governments have to work jointly to undertake most infrastructure projects, and this complicates their endeavours. The CSF OB1 does not seem to have provided the legal and administrative instruments to smooth these processes of inter-municipality co-management of development projects.

Table 7 shows projects selected and funded by regional and national governments so far.<sup>13</sup>

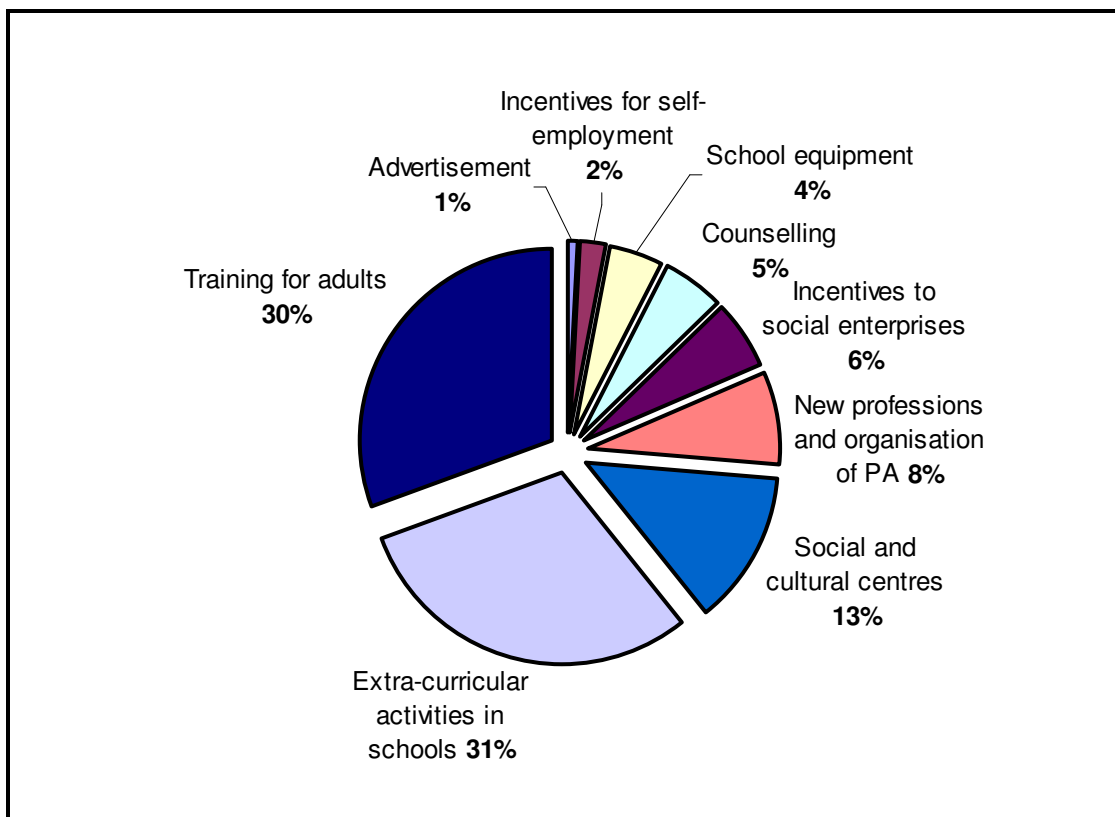
**Table 7. Types of projects selected so far, December 2005**

Type of project	Cost of projects financed	Number of bids/projects	Average cost for bid/project
Training for adults	215,970,647	1,666	129,634
Extra-curricular activities in schools	215,963,398	5,295	40,786
Social and cultural centres	89,764,615	335	267,954
New professions and organisation of PA	56,237,451	1,369	41,079
Incentives to social enterprises	40,610,426	117	347,098
Counselling	37,879,413	298	127,112
School equipment	31,200,517	172	181,398
Incentives for self-employment	16,921,094	43	393,514
Advertisement	5,267,660	31	169,925
Apprenticeships	2,255,913	268	8,418
Incentives to farmers	2,000,000	1	2,000,000
Initiatives of support	1,836,324	10	183,632
Integrated training	1,271,001	2	635,501
Services of transportation in rural areas	1,038,814	9	115,424
Cultural activities in rural areas	420,407	3	140,136
Incentives for work-life practices	22,362	1	22,362
<b>Total</b>	<b>718,660,041</b>	<b>9,620</b>	<b>74,705</b>
Total/total resources committed to SI	63%		

Source: Italian Ministry of Treasury, Department of Development Policies.

Figure 2 gives the weight of each type of project, compared with total value of projects so far selected (typologies of projects that represent less than 0.3% are not reported).

**Figure 2. Types of projects financed compared with total value of projects so far selected**



Source: Italian Ministry of Treasury, Department of Development Policies.

These figures show that:

1. So far, national and local administrations have preferred to implement traditional projects. Appendix 1 details the types of projects so far selected. 80% of interventions supporting the participation of disadvantaged groups in the labour market are traditional training programmes. Incentives to promote balanced work-life practices, social enterprises and apprenticeships total only 0.1% of total resources spent in pathways to employment for disadvantaged groups.
2. 8% of projects selected have the objective of upgrading and reorganising regional and local branches of the public administration involved in the management of social policies. Many of these resources support the decentralisation of the Italian welfare system. Such interventions have potentially far-reaching effects, well beyond the CSF OB1 2000-2006 period.
3. A large portion of the resources dedicated to the upgrading of public administration along with projects on advertisement can be considered an estimate of operative costs of non-infrastructure projects.<sup>14</sup> Altogether, these interventions represent almost 5% of total resources spent so far.

### 2.1.4 Resources invested and efficiency:

See 2.1.3 as we use data on resources to assess results

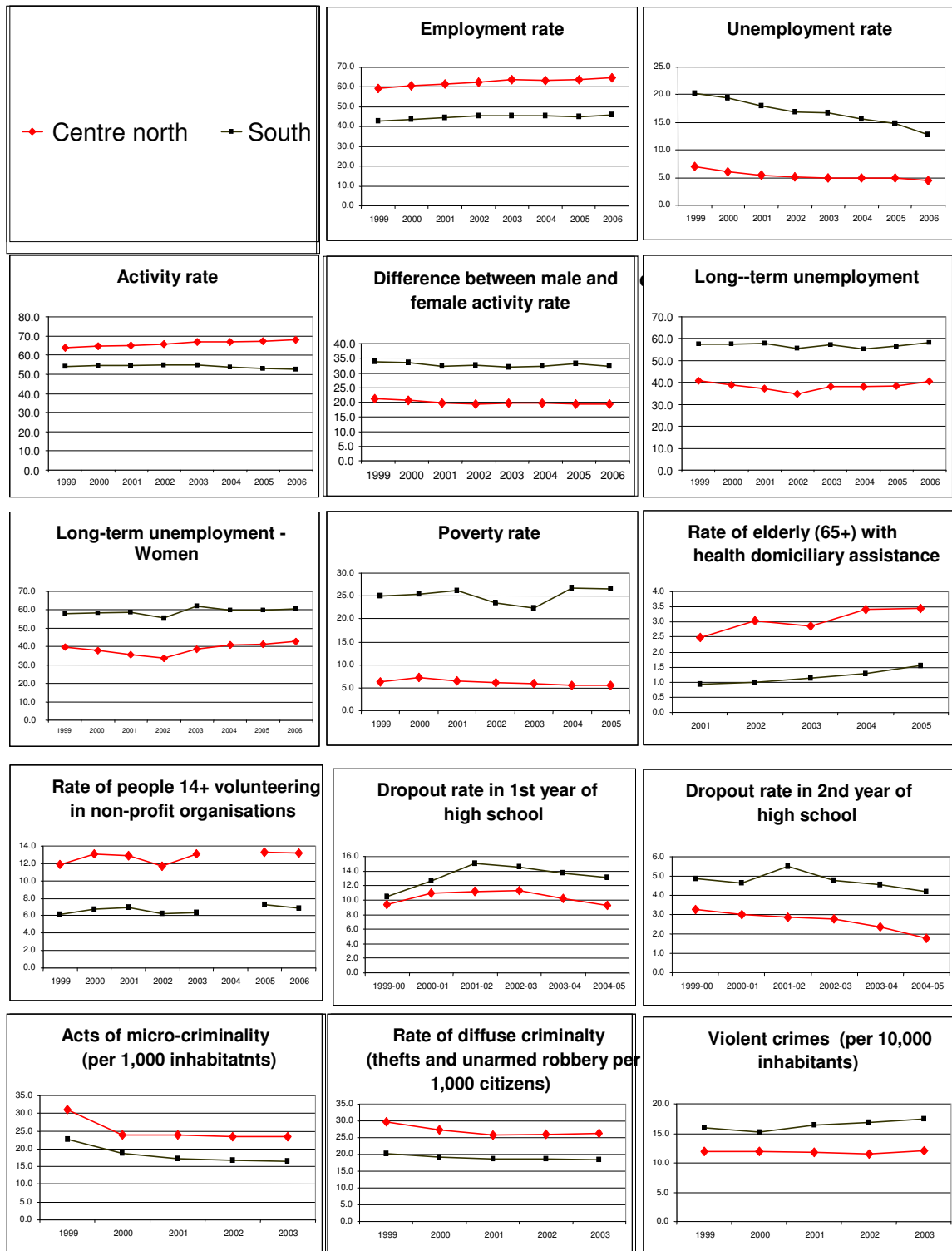
## 2.1.5 Repercussions of the experience in terms of social cohesion:

Evaluating a €1 billion programme, largely composed of training programmes, is not an easy task. The lack of detailed information regarding the beneficiaries of these interventions prevents a comparison of those who have benefited from such initiatives with those who have not, a basic technique in evaluating training programmes.<sup>15</sup> To overcome this obstacle, we propose to adopt a somewhat holistic approach, one which attempts to bring to light not only the short-term impact of the projects on beneficiaries but also how this experience has changed the public administration's ability to deliver innovative interventions on social inclusion. More specifically, we propose to look at the following three aspects:

1. The evolution of the social context of the southern regions, referring to some of the statistical variables used by the evaluator of the CSF OB1.
2. The progress and the quality of the investments in social inclusion.
3. The institutional effects of the CSF OB1's interventions on social inclusion.

To assess the impact of the whole CSF OB1 programme, national and regional authorities have identified 90 indicators of context and 13 variables of 'change', these latter being the variables those more related to the objectives of social inclusion. Three of these (rate of activity, rate of volunteering and violent crime) are among the core 13. Figure 3 shows the evolution of these variables in the southern regions and in the centre north, from the year before the CSF OB1 was in place to the most recent available data; the same data are given in the form of tables in Appendix 2. We report the values of these variables for the northern and central regions as a baseline to estimate the correspondent values in the south. It is not our intention to suggest that the effectiveness of the CSF OB1 should be evaluated by looking at the decrease in the gap between the south and the rest of Italy. Indeed, such results would be misleading as, despite the resources provided by the CSF OB1, southern regions still receive less public funds than northern and central regions. Finally, it is worth repeating that most of the interventions began only in 2002; as such, the most important data for judging the effectiveness of the CSF OB1 are those that refer to the following years.

Figure 3. Variation of major statistical variables reflecting social trends



Source: Italian Institute of Statistics (ISTAT).

Figure 3 shows that:

Although the CSF OB1 is not the only factor that is likely to have influenced the key variables of social exclusion in southern Italy, the situation has not improved over the years of implementation of the CSF OB. 1, with particular reference to the participation in the labour market. The data available on the participation of disadvantaged groups seem to be even less encouraging.

1. In general terms, despite an overall good performance in the labour market (the unemployment rate decreased from 20.2% in 1999 to 12.7% in 2006), rate of participation in the labour market has decreased from 53.9% to 52.6%. In fact, the employment rate increased by only 2.9%, from 43% to 45.9%. This indicates that a portion of the reduction in unemployment could be the result of the aging of the population, the emigration of people of working age, or people renouncing the job search altogether.
2. In terms of disadvantaged groups, although the difference between male and female activity rate has reduced, from 33.9% to 32.5%, the long-term unemployment rate of women increased from 57.8% to 60.6%. Similarly, long-term unemployment of both men and women increased from 57.5% to 58.1%.
3. The poverty rate increased, especially after 2003.
4. School drop out rates were reduced which suggest a possible role for the interventions funded by the CSF OB 1. After three years of rapid increase, beginning from academic year 2002/2003 the dropout rate of students in the first year of high school decreased from 15% to 13.2%; for the second year of high school, this fell from 5.5% to 4.2%.
5. The rate of widespread and micro-criminality decreased. The fact that this occurred in a context in which the number of violent crimes increased seems to reinforce the idea that criminality is increasingly the activity of a few violent organisations, with limited support from or emulation by the larger population.

The main lesson that emerges from these results is that the interventions most likely to succeed are those which are: i) well funded, ii) crafted around one specific group of beneficiaries and iii) designed by or with the collaboration of organisations with previous experience on the targeted population. Indeed, these are the characteristics of the interventions aimed at reducing school dropout rates. The projects implemented, such as those promoting extra-curricular activities and tutoring for disadvantaged students, seem to have offered the precise set of services that this group of beneficiaries needed. In turn, identification of appropriate services for the targeted population is related to the capacity to identify the roots and causes of social exclusion phenomena. Most likely, in the case of the interventions aimed at reducing the school dropout rate, such capacity springs from the accumulated experience that schools have in dealing with disadvantaged students. As such, it might be argued that, in order to promote innovative policies reaching out to beneficiaries not commonly served by the public administration, policymakers need to seek the cooperation of organisations external to the public sector and with previous relevant experience with the targeted population. It is an encouraging sign that interventions aimed at increasing quality of and access to basic social services have attempted to promote tighter collaboration between the public and not-for-profit sectors.

The second lesson suggested by the data is that certain kinds of interventions, such as employment policies targeted at disadvantaged groups, are very likely to be insufficient if not accompanied by appropriate interventions on economic development. In fact, despite strong efforts to increase total labour supply – total training funds provided by the CSF OB1 have largely exceeded consistent resources devoted to disadvantaged groups – the activity rate decreased. The low level of participation in the labour market may owe to limited demand for labour by businesses, not only low level of supply of workers. To integrate disadvantaged groups in the labour market, it is also necessary to design economic development projects supporting groups of firms more likely to demand workers with characteristics similar to those of the disadvantaged groups. Such planning can be achieved only by adopting objectives of social inclusion in the selection of economic development projects, i.e. by mainstreaming social inclusion policies and objectives. The CSF OB1 went in this direction, as is seen in the selection of social inclusion as one of the two overall objectives of the programme. However, the CSF OB1 did not have an explicit strategy to ensure that infrastructural interventions and business incentives adequately supported such an objective.



## **2.2 Activities performed, processes and parties involved in the design, approval, and execution of the experience**

### **2.2.1 Discussion, approval, and execution processes of the experience:**

See 1.11 and 2.1.1

### **2.2.2 Technical activities and processes that give shape to the experience:**

See 2.1.2 and annexes

### **2.2.3 Activities for the evaluation of the experience:**

The activities and projects financed by these policies are still underway, and a formal *ex-post* evaluation is planned only for December 2009. This report is therefore based on preliminary analysis (including a mid-term evaluation carried out in 2003, which can be considered neither comprehensive nor conclusive as it was mainly aimed at monitoring progress) and on financial monitoring data of December 2005.

### **2.2.4 Main actors and parties involved in the execution of the experience:**

See 1.1.1. and 2.1.1

### **2.2.5 Alliances established between the actors:**

The CSF OB 1 is co funded by the Italian State and by the EU. It is implemented by either regional authorities (Regioni) or central ministries. Some specific projects/initiatives co-funded by the CSF OB 1 programmes are carried out in partnership with municipalities, trade unions and civil societies organisations.

## **2.3 Context of application of the experience**

### **2.3.1 Institutional capacity:**

The CSF OB1 allowed the different government levels involved in the programme to accumulate experiences on integrating different types of interventions into large inter-sectoral programmes of economic development. For example, most infrastructural projects for urban development included initiatives supporting neighbourhood associations. Moreover, where planning authorities had previous experience of managing inter-sectoral plans, the integration of economic development and social initiatives led to the development of innovative practices and the improvement of local administrations' technical capacity. Similarly, those administrations with former experience of dealing with disadvantaged groups designed interventions dealing with the causes, rather than the effects, of social exclusion; in these cases, the public intervention seemed to accomplish the extraordinary objective of inverting dangerous social trends.<sup>16</sup> Finally, around 10% of the total resources committed to social inclusion policies were used to improve the planning capacity of the administrations dealing with disadvantaged groups; most likely, these investments will pay off for a long time to come.



### 2.3.2 Economic-financial factors:

See 2.1.3

## 2.4 For more information...

### 2.4.1 Documentary and bibliographical references:

In footnotes in relation to specific parts of the text.

Most relevant documents:

- Inclusion sociale e riduzione del disagio nei programmi operativi del Quadro Comunitario di Sostegno Obiettivo 1 – 2000-06', [http://www.dps.tesoro.it/documentazione/uval/rapporto\\_inclusione\\_sociale.pdf](http://www.dps.tesoro.it/documentazione/uval/rapporto_inclusione_sociale.pdf).
- EU Report 'Implementation and update reports on 2003-2005 National Action Plans on Social Inclusion and update reports on 2004-2006 National Action Plans on Social Inclusion'. See European Commission SI website: [http://ec.europa.eu/employment\\_social/social\\_inclusion/index\\_en.htm](http://ec.europa.eu/employment_social/social_inclusion/index_en.htm)
- Mezzogiorno (Southern Italy) Development Plan, 1999 (pp. 33-6): [http://www.dps.tesoro.it/documentazione/qcs/Piano\\_Sviluppo\\_Mezzogiorno/psm\\_30sett\\_embre99.pdf](http://www.dps.tesoro.it/documentazione/qcs/Piano_Sviluppo_Mezzogiorno/psm_30sett_embre99.pdf).

### 3 LESSONS LEARNED FROM THE EXPERIENCE

#### **3.1 Essential successful factors of the experience (elements to be repeated):**

The CSF OB1 allowed the different government levels involved in the programme to accumulate experiences on integrating different types of interventions into large inter-sectoral programmes of economic development. For example, most infrastructural projects for urban development included initiatives supporting neighbourhood associations. Moreover, where planning authorities had previous experience of managing inter-sectoral plans, the integration of economic development and social initiatives led to the development of innovative practices and the improvement of local administrations' technical capacity. Similarly, those administrations with former experience of dealing with disadvantaged groups designed interventions dealing with the causes, rather than the effects, of social exclusion; in these cases, the public intervention seemed to accomplish the extraordinary objective of inverting dangerous social trends.<sup>17</sup> Finally, around 10% of the total resources committed to social inclusion policies were used to improve the planning capacity of the administrations dealing with disadvantaged groups; most likely, these investments will pay off for a long time to come.

#### **3.2 Errors committed and unresolved difficulties (elements to be avoided):**

Important opportunities were missed. The CSF OB1 lacked mechanisms promoting the prioritisation of the economic development projects with the strongest impacts on social inclusion. Such mechanisms would have enabled the achievement of a more 'mature' mainstreaming of social inclusion objectives in a large programme of public investment.<sup>18</sup> Similarly, social inclusion policies lacked an 'internal strategy' and, as a result, were implemented in a patchy way. Particularly in the initial phases of the planning of the CSF OB1, the discussion about the causes of social exclusion was narrow. As a result, the planning of mechanisms to prioritise specific beneficiaries, let alone reaching them effectively, was limited. These limitations in the initial planning phase contributed to a delay in the implementation of the most innovative initiatives and led regional and local authorities to focus on the more traditional infrastructural and training projects. This is a regrettable outcome, because the experience of the CSF OB1 suggests that the most innovative initiatives play an important role in increasing local administrations' planning capacity.

#### **3.3 Main contextual elements necessary in order for the experience to be transferable:**

See 2.1.1

#### **3.4 Other general lessons:**

- The mainstreaming of social inclusion objectives requires the adoption of precise mechanisms that allow for the identification of those projects of economic development with stronger impacts on social inclusion.
- Interventions on social inclusion must be customised and targeted to specific beneficiaries and contexts. Planning capacity at the local level, especially with regard to capability to cooperate with organisations external to the public sector, is of central importance (and, as

Point 1 suggests, the central government has a major role to play in strengthening that capacity).

- Interventions aimed at mitigating the effect of social exclusion should be put in place together with preventive initiatives dealing with the causes of social exclusion. This is of particular importance in the case of policies promoting the participation of disadvantaged groups in the labour market.

## Annex 1

SI POLICIES	Type of interventions	Objectives	Planned projects
Pathways to employment for those at risk of exclusion	Disadvantaged groups	Promote first employment and reintegration in the labor market for those at risk of exclusion (long-term unemployed, handicapped, immigrants, convicted, former and current drug dependent, ethnic minority, new poor)	Group and personal counseling; Training for employment and self-employment; Stipends for interns and other incentives for firms' hiring; Language and technical training for immigrants; Interventions of support (socio-economic studies, advertisement of initiatives and training of PA officials)
	Women	Promote first employment, self-employment and reintegration in the labor market for women, incentives in the PA and enterprises to promote the adoption of work-life balance practices	Financing of one stop information centers' operative costs; Integrated counseling and training; Stipends for interns and other incentives for firms' hiring; incentives for enterprise-based child care programs; Training for women in the PA and adoption of part time schemes; Interventions of support (socio-economic studies, advertisement, and training of PA officials)
Access and quality improvement of basic services	Urban areas	Improve the quality of life in urban areas by expanding and upgrading structures social, health and community centers providing services for children, elderly people, women and emarginated people.	Renewal and expansion of social and health centers; Set up of one-stop center for family assistance
	Support of social economy	Support the growth of organizations of the social economy providing services fulfilling basic social needs, the improvement of social services, and the adoption of new professions supporting the social economy in the PA.	Incentives for cooperatives, non-governmental organizations and charities managing projects social and educational assistance; Grants for foundations
	Rural areas	Support of the social and economic development of rural areas by establishing new transportation services, promoting agro-cultural activities, and providing consulting to farmers	Shuttle linking rural areas to public centers; Mobile health assistance; Rural festivals; Community and childcare centers; Consulting to agricultural firms
Education initiatives preventing and reducing drop out rates	Education initiatives preventing and reducing drop out rates	Preventing and reducing drop out rates by providing and expanding infrastructures to be used for extra-curricula activities promoting the development of new vocations and skills as well as the links between schools and enterprises	Renew and expansion of labs, libraries and school recreational centers; Tutoring to students and families; Incentives for internships; Interventions of support (socio-economic studies, advertisement of initiatives and training of PA officials)
Education initiatives promoting civic education and legal behaviors	Education initiatives promoting civic education and legal behaviors	Creation of new professions in the Policing forces and promotion of community policing	Workshops and training for non governmental and PA employees working in detention centers hosting young and illegal immigrants; Workshops with merchants against rackets; Free telephone lines for reporting illegal activities; Infrastructure facilitating non-governmental and police personnel collaboration

## Annex 2

**Annex 2. Weight of each type of projects in each category of intervention**

Type of interventions	type of projects	Total resources spent in 2005	Projects / Intervention by intervention
Disadvantaged groups	incentives for balanced work-life	22,362	0%
	initiatives of support	88,243	0%
	incentives to social enterprises	92,962	0%
	Advertisement	1,445,931	1%
	Apprenticeship	2,255,913	1%
	extra activities in school	3,892,447	2%
	Counseling	15,917,975	8%
	incentives for self employment	16,921,094	8%
	training for adults	164,377,065	80%
Disadvantaged groups Total		205,013,993	
Women	Counseling	5,728,848	20%
	initiatives of support (reform of PA)	6,900,783	24%
	training for adults	16,631,813	57%
Women Total		29,261,443	
Urban areas	Extra activities in school	8,217	0%
	training for adults	15,464,227	19%
	social center	67,912,795	81%
Urban areas Total		83,385,239	
Support to social economy	training for adults	516,457	1%
	Advertisement	2,271,987	4%
	Initiatives of support (reform of PA)	21,418,061	33%
	incentives to social enterprises	40,517,464	63%
Support to social economy Total		64,723,969	
Rural areas	cultural activities in rural areas	420,407	2%
	services of transportation in rural area	1,038,814	4%
	incentives to farmers	2,000,000	8%
	social center	21,851,820	86%
Rural areas Total		25,311,040	
Edu. interventions. promoting civic edu. and legal behaviors	Advertisement	649,741	2%
	Initiatives of support	1,124,634	3%
	integrated training	1,271,001	4%
	Counseling	3,611,350	10%
	Initiatives of support (reform of PA)	9,630,420	27%
	training for adults	18,981,086	54%
Edu. init. promoting civic ed. and legal behaviors Total		35,268,232	
Edu. initiatives preventing and reducing drop out rates	Initiatives of support	623,447	0%
	Advertisement	900,000	0%
	Counseling	12,621,240	5%
	initiatives of support (reform of PA)	18,288,187	7%
	school equipment	31,200,517	11%
	extra activities in school	212,062,734	77%
Ed. init. preventing and reducing drop out rates Total		275,696,124	
Grand Total		718,660,041	

Source: Italian Ministry of Treasury, Department of Development Policies

## Annex3

Employment rate								
	1999	2000	2001	2002	2003	2004	2005	2006
<i>Center North</i>	59.3	60.5	61.6	62.4	63.6	63.5	63.7	64.7
<i>South</i>	43.0	43.6	44.7	45.6	45.7	45.4	45.1	45.9
Unemployment rate								
	1999	2000	2001	2002	2003	2004	2005	2006
<i>Center North</i>	7.0	6.1	5.3	5.1	5.0	5.0	4.9	4.5
<i>South</i>	20.2	19.5	18.0	16.9	16.7	15.5	14.8	12.7
Activity rate								
	1999	2000	2001	2002	2003	2004	2005	2006
<i>Center North</i>	63.7	64.5	65.1	65.8	66.9	66.9	67.1	67.8
<i>South</i>	53.9	54.3	54.6	55.0	55.0	53.9	53.0	52.6
Long-term unemployment								
	1999	2000	2001	2002	2003	2004	2005	2006
<i>Center North</i>	40.8	38.8	37.1	34.7	38.1	38.2	38.4	40.5
<i>South</i>	57.6	57.5	58.0	55.4	57.2	55.2	56.5	58.0
Long-term unemployment - Women								
	1999	2000	2001	2002	2003	2004	2005	2006
<i>Center North</i>	39.6	37.7	35.7	33.7	38.5	40.8	41.4	42.9
<i>South</i>	57.8	58.2	58.6	55.4	62.2	59.7	59.8	60.6
Difference between male and female activity rate								
	1999	2000	2001	2002	2003	2004	2005	2006
<i>Center North</i>	21.3	20.7	19.8	19.3	19.8	19.6	19.3	19.3
<i>South</i>	33.9	33.5	32.4	32.6	31.9	32.2	33.1	32.5
Poverty rate								
	1999	2000	2001	2002	2003	2004	2005	2006
<i>Center North</i>	6.3	7.3	6.5	6.1	5.8	5.5	5.6	---
<i>South</i>	25.1	25.5	26.2	23.6	22.4	26.7	26.5	--
Rate of elder (+65) served with health domiciliary assistance								
	1999	2000	2001	2002	2003	2004	2005	2006
<i>Center North</i>	---	---	2.5	3.0	2.9	3.4	3.5	---
<i>South</i>	---	---	0.9	1.0	1.1	1.3	1.5	---

<b>Rate of people +14 volunteered in non-profit organizations</b>								
	1999	2000	2001	2002	2003	2004	2005	2006
<i>Center North</i>	11.9	13.1	12.9	11.7	13.1		13.3	13.2
<i>South</i>	6.2	6.8	7.0	6.3	6.4		7.2	6.8

<b>Drop out rate in the 2nd year of high school</b>								
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
<i>Center North</i>	---	3.3	3.0	2.9	2.8	2.4	1.8	---
<i>South</i>	---	4.8	4.6	5.5	4.8	4.5	4.2	---

<b>Drop out rate in the 1st year of high school</b>								
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
<i>Center North</i>	---	9.4	10.9	11.1	11.3	10.2	9.2	---
<i>South</i>	---	10.5	12.6	15.0	14.5	13.7	13.2	---

<b>Violent crimes (for 10,000 inhabitants)</b>								
	1999	2000	2001	2002	2003	2004	2005	2006
<i>Center North</i>	12.0	11.9	11.8	11.5	12.1	---	---	---
<i>South</i>	16.0	15.2	16.4	16.8	17.5	---	---	---

<b>Acts of micro-criminality per (for 1,000 inhabitants)</b>								
	1999	2000	2001	2002	2003	2004	2005	2006
<i>Center North</i>	31.0	24.0	23.8	23.3	23.4	---	---	---
<i>South</i>	22.6	18.7	17.4	16.8	16.5	---	---	---

<b>Rate of diffuse criminality (thefts and unarmed robbery for 1.000 citizens)</b>								
	1999	2000	2001	2002	2003	2004	2005	2006
<i>Center North</i>	29.8	27.3	25.9	25.9	26.4	---	---	---
<i>South</i>	20.4	19.3	18.8	18.6	18.3	---	---	---