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**(8) IMPROVING QUALITY AND PERFORMANCE OF SOCIAL SERVICES THROUGH A TARGETED VOUCHERS POLICY (France)**

**Accor Services; Orseu, France**

**Co-presenter: Francesca Pasquini, CEFASS - Lombardy Region, Italy**

### **The case study presentation**

Since 2005, the Lombardy Region has implemented a radical reform of the whole education, training and labour regional system. The main tool chosen is the so-called "DOTE", a mix of financial resources and services assigned to the citizens through a targeted voucher system. The "DOTE" is based on the integration of different funds and legislation instruments that converge on one process of booking, resource allocation and control of results. Lombardy Region has developed this innovative approach with the important input of the international know-how of *Accor Service*. We are pleased to present the relevant results of the first stage of our new policy.

### **The main social issues for the Workshop debate**

#### **1. Efficiency of the provision of social services at local level**

The Lombardy Regional Government<sup>1</sup> has adopted a comprehensive reform package comprising *both* vocational education and training *and* labour market policies (three-fold reform: DOTE School, DOTE Education & Training, DOTE Labour). This *integrated* policy approach takes into account the shift in the role of the citizen from a *passive* service user – traditionally deeply embedded in the centralized public administration since Napoleon had conquered parts of Italy – to an *active* co-producer with individual needs.

With the broad *Support Programme 'DOTE 2009'*, the regional governance approach seeks to increase the *self-responsibility of the individuals* by empowering them to take advantage of the opportunities of the market. The reform imposes a paradigm shift from 'financing the offer' to the 'support of the citizens' demand'. A broad flexible *voucher system* in the area of education, vocational training and job placement has been put in place allowing, the freedom of choice between public or private school education, individualised training and counselling, integration in the labour market, vocational (re)qualification courses and promoting entrepreneurial education for start-up businesses. The new policy objective is to give all citizens a direct voice at local level in shaping the service they want *and* the money to back it up. For this purpose, Lombardy has made available 333 million €. On top of that, a huge 'social buffer/stabilizer package' has been made available for the workers hit by the economic crisis ('ammortizzatori sociali' as temporary employment subsidies).

#### **2. Quality increase through a voucher system**

- *Innovativeness* of the *Support Programme*: Lombardy is the only Italian region providing a vast network of decentralised operators entitled to provide services within the voucher system.
- *New principle of choice*: every citizen can choose her/his tutoring service, financial help or benefits in kind.
- *Integrated* policy approach: overcoming the division of financial benefits, benefits in kind and other services.
- *Service delivery close to the customer*: according to the principal of horizontal subsidiarity, 512 vocational and educational training entities, 122 labour market operators with 396 service desks are providing personalised counselling plans, training programmes, job placement services and apprenticeships geared to the needs of the citizens.<sup>2</sup>
- *Self-directed services*: the participatory approach of a 'personalised budgeting' place the citizen into the centre of interest who 'feels more in control of her/his life'.

<sup>1</sup> Some key data regarding the Lombardy Region: 9,6 million citizens; GDP per capita of 29.000 €; 750.000 enterprises; 500 technology and research institutes; 12 universities. The City-Region Milan will host the EXPO 2015 "Feeding the Planet, Energy for Life". Since 2003, Lombardy has been the avant-garde region implementing a *dual* vocational education system that puts *work-based training courses* on equal footing with the traditional school education, a reform process which has been built on a strong regional tradition of cooperation between industry and the world of education and training. The reform currently undertaken is bearing the fruits of a systematic collaboration between national, regional and local governments (multi-level governance), social partners and stakeholders from the civil society.

<sup>2</sup> In the case of training for unemployed people, the beneficiaries are requested to stay *actively* enrolled in training schemes ("mutual obligation approach").



- *Simplification* of the service delivery through a 'one-stop-shop' approach and 'dematerialization' of processes.
- Increase of *control and visibility* of the flows of services.
- Higher *social inclusion* of households whose annual income is inferior to 20.000 €.
- Improving *competitiveness*: the principle of choice between different suppliers in the area education/training/employment services triggers market effects and delivery of competing quality services.

### **3. Lessons learnt from the voucher system of Lombardy providing financial support to school and out of school activities**

While it is too early for a comprehensive assessment of the new regional system, results from prior reforms have shown that the new voucher system is the appropriate policy in order to respond to the following challenges:

- Counter-crisis measures: unemployment rates – traditionally on an extremely low level – have been going up recently; the (re)integration of people into the labour market has to be enforced
- Improving the *matching* of training programmes with labour market needs (*school-work process*)
- Overcoming the *skills shortages* and sustaining innovation and the growth of the knowledge society
- Recognition of the need for *informal learning* ('out of school activities')

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