

(Re)training and qualification of Whirlpool's and satellite activities' dismissed employees in the area of Trento

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1 Description

Timespan

The instrument operated in the period 2014-2016.

Stage

NO LONGER OPERATIONAL

The instrument was expected to terminate its operations in June 2016 and this happened.

Focus area



MATCHING SKILLS FOR TODAY'S JOB MARKET

2 Foundations

Policy area



ACTIVE LABOUR MARKET POLICIES

A combination of interventions on both supply and demand sides were implemented to support the re-employment of Whirlpool dismissed workers. In addition, the reindustrialisation of the Whirlpool area was defined through a local agreement to increase the occupational opportunities for those who lost their jobs.

Policy goal

The European Globalisation Adjustment Fund mission is to help workers losing their jobs, due to the impact of globalisation or the global financial and economic crisis to find new jobs as soon as possible. The instrument addressed the problem of the closing of the Trento Whirlpool plant (with about 600 employees) and the need to re-employ the workers who lost their jobs, possibly in Trento areas. The rationale of the intervention is that the combination of both demand (companies) and supply (dismissed workers) side actions could increase the employment opportunities for the workers who lost their jobs. In addition, on the workers' side, the possibility to use more than one type of action (information, counselling, training, coaching, etc), and to be involved in training actions designed in accordance to specific occupational opportunities could result in a higher employability level. The instrument, as implemented in Trento, contributed to achieving EGF's goals, because the objectives and the structure of the instrument was absolutely consistent with EGF's objectives and fundamentals.

Mismatch

PART OF BROADER PROGRAMME, YET WITH EXPLICIT FOCUS

The instrument's main aim is to help workers, who lost their jobs because of the closure of Whirlpool's plant, to find new jobs as soon as possible. For this purpose, a relevant part of the instrument was dedicated to the delivery of training courses (general, specialist and technical) specifically targeted at skills considered useful for re-employment in the local industry.

Aim of policy instrument



UPSKILL AND MATCH SKILLS OF UNEMPLOYED

Legal basis

OTHER

Administrative level

LOCAL

Main responsible body

Ministry of Labour and Social Policies; Employment Agency of the Autonomous Province of Trento

Stakeholders



GOVERNMENT (CENTRAL & REGIONAL)



TRAINING PROVIDERS (PUBLIC/PRIVATE)



EMPLOYER FEDERATIONS



TRADE UNIONS



GUIDANCE COUNSELLORS



SOCIAL PARTNERS



OTHER

The European Commission paid 60% of the instrument cost through the EGF; the Ministry of Labour and Social Policies co-funded the instrument, applied for the EGF intervention to the EC and signed an agreement with the Province for supporting the dismissed workers re-employment; the Autonomous Province of Trento co-funded the instrument and signed an agreement for managing the employment effects of the Whirlpool plant closure with local Social Partners and the Ministry of Labour; the local Social Partners defined and signed an agreement aimed at re-employing Whirlpool's workers with the Province and the company; the closing company co-funded the instrument in addition to EGF; the Employment Agency of Autonomous Province of Trento coordinated, supervised and monitored the interventions aimed at re-employment of Whirlpool's workers and directly delivered a part of the interventions themselves; Trentino Sviluppo (owned by the Autonomous Province of Trento) supported the settlement of new companies in the industrial site once occupied by Whirlpool; many accredited providers delivered the training, counselling, guidance services to the dismissed workers.

Funding

The European Globalisation Adjustment Fund paid €1.9m in addition to €1.3m from the Italian Ministry of Labour and Social Policies and by the Autonomous Province of Trento. This funding added to an initial allocation of €3m given by the closing company to support the re-industrialisation of its productive site and the re-qualification and re-employment of its dismissed workers.

Intended beneficiaries

The intended direct beneficiaries of the instrument are the Whirlpool's former employees who, after the closure of Trento's plant, have been left unemployed. Thanks to the combination of the reindustrialisation of the site once occupied by Whirlpool on the one side (which had to lead to workers' re-employment in the new established companies), and of the delivery of a wide and integrated range of re-employment support services and subsidies to the dismissed workers, the Whirlpool's former workers were expected to find new job opportunities and to be hired by both the new established companies or in other companies placed in the area of Trento. These companies (those hiring the dismissed workers and for this reason also benefitting from monetary subsidies) may be considered as indirect intended beneficiaries, as well as the closing company (which had the possibility to manage the closing of its Trento's plan in a socially acceptable manner).

3 Processes

Use of labour market intelligence



DESIGN TRAINING PROGRAMMES TO ACTIVATE UNEMPLOYED



INFORM JOB-SEARCH DECISIONS OF UNEMPLOYED

Administrative data on employees' hiring/termination coming from the Public Employment Services of the Province of Trento (which are managed by the Province's Employment Agency) have been used for defining the focuses and the contents of training, aimed at developing general skills and at obtaining professional certifications, specifically relevant for the local labour market. In addition, evidence coming from the Agency's observation of local labour market dynamics, also in prospective terms, were used for a better definition of this part of training.

Financial schemes

Training and re-training, information, job-search assistance, coaching and case management have been paid through standard-costs schemes (based on standard costs for hour of activity or for unit of service). Hiring subsidies (whose amount was defined in the initial agreement between Province, Social Parts and the closing company) have been paid to companies that hired Whirlpool's dismissed employees after the signing, for each worker, of a regular and formal employment contract. The individualised assistance to job-placement was paid through vouchers. Finally, training participants were given a "training attendance allowance".

Frequency of updates

Three different types of dismissed workers were covered by the instrument: those appointed on the basis of their skills and willingness to be hired by a new company established in the area of the closed company; those appointed to be hired by companies operating outside the province; and those who had no employment opportunities at that time. Skills and competences needs data were used for programming the training courses targeted at the first two groups of workers (for these workers training contents were defined by the destinations companies on the basis of their specific production processes and related needs). For the third group of the dismissed workers (beneficiaries of training aimed at developing non-sectors professional skills and at obtaining professional certifications), training contents referred to the provincial labour market tendencies, as emerging from the Province of Trento Employment Agency analysis of administrative data concerning hiring/terminations, taking also into account the European Council and Parliament Key-Competences for Lifelong Learning. In addition, evidence from the Agency's ordinary observation of local labour markets dynamics were used. Therefore, data updating was regular and continuous.

Development

Three main adjustments have been introduced during the instrument's implementation: the extension of some services (e.g. skills' self-assessment) to all the dismissed workers and not only to the most vulnerable; the increase of the number of professional training courses delivered outside the province (because the dismissed workers were expected to be hired in companies located outside of Trento's province); and the increase in the amount of hiring subsidies for companies delivering pre-hiring training outside of Trento's province.

Barriers

The main barrier to the instrument's implementation was represented by the mismatch between the implementation timing of the instrument, as required by the closing of the Trento's company's plant (with the need of immediate and urgent answers to the dismissed workers' occupational situations) and the timing of EGF intervention formal approval and operation. In the meanwhile, this mismatch was overcome by the use of national and provincial (Province of Trento) funding.

Success factors

The success of the policy instrument was improved by: the integration of training, guidance and hiring subsidies at the recipient's level; the provision of both active and passive employment support measures; the involvement of the closing company in co-funding the re-training of their dismissed employees; the individualization of re-employment pathways; the use of "re-employment" vouchers within the instrument's mechanism; the link between the instrument and an intervention aimed at supporting the establishment of a new company (hiring a certain number of dismissed workers) in the site left free by the closing company.

Monitoring

The main indicator is represented by the number of dismissed workers re-employed thanks to the instrument (at the end of the instrument's operating period, 51% of the dismissed workers had new employment and among them 53% had an open-ended subordinate contract). Other indicators are: the workers participation rate in the different actions supplied by the instrument; the recipients' satisfaction for the instrument's actions; the number and volume (in hours) of the delivered actions; and funding/payment progression rates. All these indicators were used for monitoring the instrument's progress until its conclusion.

Innovativeness

VERY INNOVATIVE

The instrument is innovative (not only at a local level, but also at the national level) for many reasons: it was activated in a very short time after the company decided to close Trento's plant; it included an individualized combination of active and passive employment measures within a framework of recipients' activation and conditionality; it deeply involved the closing company in the funding of their former workers re-employment services; it implemented a new measure called "re-employment voucher" (for the first time) at the local level, which was considered very innovative for Italy; and it used innovative methods for individual counselling, skills-balances and coaching.

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Sustainability

Evidence of effectiveness

The dismissed workers to be re-employed were 608 in total. At the end of the instrument's operation (June 2016), 27% were re-employed with an open-ended subordinate contract and 24% were back at work with a fixed-term contract or were next to be hired. The company (Vetri Speciali) replacing Whirlpool in its industrial site is proceeding ahead of the agreed hiring schedule. The dismissed workers still unemployed at the end of the instrument's operation have been involved in and supported by the Employment Agency of the Province of Trento ordinary re-employment services. The beneficiaries were exactly those expected (which is not surprise considering the origin and motivations of the instrument, tailored on Whirlpool's and satellite companies' dismissed workers). As for the benefits, mainly consisting in the rapid re-employment of the 608 dismissed workers, the re-employment rate must be considered quite positive also taking into account the persistence of the economic crisis' effects in 2016 and of a still weak labour demand (at least in the province of Trento). There were no relevant unexpected benefits or costs derived from the instrument's implementation.

Engagement of stakeholders

The main condition is represented by the availability of a provincial model of industrial crisis management. This model includes several leverages: re-industrialization and companies' attraction interventions; passive and active labour markets measures; re-employment support services; and demand-side operating subsidies. In the model, the role of the Autonomous Province of Trento and its agencies (the Employment Agency and Trentino Sviluppo) is pivotal (in programming, implementing and funding the interventions), together with the contribution of Social Partners. Thanks to this very strong engagement at local level (also supported by provincial laws and dedicated programmes), it was possible to also involve the Ministry of Labour and the EGF in the instrument.

Transferability

EASILY TRANSFERABLE

The instrument was funded by EGF, which means that its logic, structure and functioning fitted the EGF EC-level rules, making the transfer easier. Any context, as it is very common throughout EC, where active and passive re-employment individualized measures are available and deliverable by networks of private and public services' providers is right for transferring the instrument. Its general structure and the actions/services targeted to the unemployed are the elements that could best be transferred together with an implementation mechanism involving both institutions and services' providers.

Sustainability

The EGF Fund will continue to operate at EU level until 2020, but the instrument tailored on the Whirlpool's plant closure ended in June 2016. The intervention model implemented through the instrument has become part of the labour market measures available for the Autonomous Province of Trento. In case of similar situations to the one that affected Whirlpool, it will certainly be used again. In the same way, the specific services delivered and qualified through the instrument (training, counselling, guidance etc) is part of the ordinary activity of the Employment Agency of the Trento Province.
