

ARTICLE

# Implementation arrangements and policy success in active social policies: evidence from Italy's minimum income scheme

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## Abstract

Implementation arrangements are increasingly recognized as a decisive factor in the success of contemporary welfare policies, particularly those that combine income support with activation requirements. This paper examines the Italian case of minimum income schemes - the *Reddito di Inclusione* and the *Reddito di Cittadinanza* - to explore how local implementation arrangements shape one of their core objectives: reintegrating beneficiaries into the labour market. Drawing on an original dataset that integrates administrative data with a unique INAPP survey of local institutions, we operationalize “implementation arrangements” along three dimensions: institutional capacity, alignment between organizational missions and policy goals, and the quality of institutional cooperation within a multilevel governance framework. Using regression models at the municipal level, we find that implementation strength matters, but horizontal cooperation and effective communication between Public Employment Services (PES) and Local Social Planning Institutions (LSPIs) emerge as the strongest predictors of successful outcomes. While PES performance is central due to their policy mandate, LSPIs' ability to foster integrated networks also contributes positively when well-coordinated. These findings highlight that policy success depends less on formal design than on the quality of local governance and institutional complementarities. The results provide new evidence for the literature on implementation, underscoring the importance of horizontal multilevel governance in active social policies.

**Keywords:** policy implementation; minimum income schemes; institutional cooperation; implementation arrangements; implementation polity

## Introduction

Since its seminal contributions, the concept of policy implementation has emerged as a phase of both centrality and cogency within the policy cycle. Its centrality lies in its role as the critical link between the “setting of goals and the actions geared to achieving them” (Pressman and Wildavsky, 1973), highlighting its function as the operational bridge for translating policy design into practice. Its cogency stems from its function as the stage where values, priorities, and resources are operationalized, ultimately determining the success or failure of public policies (Lipsky, 1980). Already in what is considered the foundational work in implementation studies, Pressman and Wildavsky (1973) highlighted the inherent complexity of the process: not a straightforward, linear sequence, but a fragmented one shaped by numerous decision points. Additionally, it is a political process, involving street-level bureaucrats whose

discretion and actions significantly influence policy outcomes (Lipsky, 1980). Implementation, therefore, stands as both the engine and the battleground of policy realization.

Specifically, the “implementation issue” in social policy analysis is more relevant today than ever, following the transformation of welfare systems over the past decades. Particularly in Europe, and Western societies more broadly, the shift from compensatory mechanisms to active social policies has been intensifying for the past 30 years (Hemerijck, 2013; Busilacchi and Giovanola, 2023).

Several recent studies have examined the relationship between compensatory policies and more active or Social Investment-oriented approaches within the welfare state. Some of this literature has explored the degree of integration between these policy components, conceptualizing welfare state change as a “double movement” (Ferragina, 2022). Another important line of research focuses on the distinction between stock, flow, and buffer policies, where the latter correspond to compensatory measures (Hemerijck, 2017). This perspective highlights that, in many cases, countries that invest more heavily in social investment policies also tend to sustain high levels of traditional social assistance and compensatory spending (Hemerijck et al., 2023). This process has significantly transformed some traditionally compensatory policies, such as minimum income schemes, which are the focus of this study, by combining income support with activation services. While implementation challenges have always existed in social policy, the shift toward integrated approaches that require beneficiaries’ active engagement has brought new layers of complexity. As a result, scholarly attention to implementation issues has grown, particularly in relation to these types of conditional and service-intensive policies. Despite its importance, social policy implementation remains one of the least explored stages of the policy cycle in both academic and political spheres. Scholars and policymakers have often prioritized agenda-setting and formal policy design over the practical aspects of implementation.

One of the main reasons why scientific research has paid relatively little attention to the implementation of social policies is the analytical difficulty it presents, particularly due to two factors: the complexity of operationalization and the reproducibility of results.

The first aspect can be linked to a broader issue inherent to the study of the welfare state, of which the implementation of social policies represents a specific subset, commonly referred to as the “dependent variable problem” (Pierson, 2001). This problem arises from the challenge of analysing and operationalizing complex, multidimensional concepts as dependent variables, especially when available data fail to capture their full complexity. Similarly to the concept of the welfare state, implementation encompasses a wide range of dimensions and variables (O’Toole, 1986; Goggin, 1986), making it particularly difficult to operationalize and assess effectively.

The second reason why the study of social policy implementation is relatively “unattractive” from an empirical research perspective concerns the limited reproducibility of results. As classic and contemporary implementation literature has shown (Pressman and Wildavsky, 1973; Winter, 2012), the inherently context-dependent nature of social policy implementation limits the reproducibility of empirical findings and contributes to its relative unattractiveness as a field of quantitative research. The implementation phase is an arena where multiple actors, various administrative levels, and different institutional contexts interact, resulting in highly heterogeneous processes at the local level. This condition, known in the social sciences as the ‘small N problem’, makes it challenging to identify a sufficient number of comparable cases to generate inductive generalizations that can provide meaningful explanations of phenomena related to the implementation of social policies.

Despite the increasing number of contributions on social policy implementation in recent years (Sager and Gofen, 2022; Steinebach, 2022; Hill and Hupe, 2002; Fernández-i-Marín et al., 2024), there is still a gap in the literature regarding attempts to address the two theoretical issues described above, particularly by simplifying the relevant “implementation variables” and enabling inductive generalization.

This paper aims to address this gap by focusing on social policies that require active beneficiary engagement and operational collaboration among local institutions within a framework of horizontal multilevel governance. Its primary objective is to identify the key drivers of successful performance in achieving specific policy outcomes. Our specific research question is: what are the drivers of success or failure in the implementation of social policies at the local level?

More specifically, we focus on how implementation arrangements – namely the institutional setting and organizational design (Sager and Gofen, 2022), implementation capacity (Fernández-i-Marín et al., 2024), and institutional cooperation and communication among the various local bodies involved in policy implementation – affect the achievement of one of the policy’s primary objectives: returning capable individuals to the labour market. Our aim, therefore, is to understand how local-level implementation, particularly the cooperation and communication among the local institutional bodies involved, influences this policy outcome.

The chosen case is Italy’s minimum income policies. This case is particularly suitable for broader generalization for several reasons. First, it exemplifies a contemporary active policy where local institutions play a crucial role in shaping beneficiaries’ reintegration into the labour market. Second, it is a national policy implemented in a decentralized manner and overseen within a horizontal multilevel governance framework by two local institutions responsible for different domains, including social needs, social inclusion, and labour market activation. In addition, few studies have explored the local heterogeneity in labour market re-entry outcomes for income support beneficiaries in Italy, making this analysis a novel contribution to the literature. Finally, since our aim is to examine how the implementation process and communication among local actors influence policy outcomes, our findings can offer valuable insights not only for the Italian context but also for countries with similar institutional frameworks.

The paper is structured as follows: the next section provides a review of the literature on the “implementation issue”; the second section contextualises the specific features of minimum income policy implementation in Italy; the third section presents the empirical methodology and data; the following section details the empirical results; and the final section concludes with policy recommendations.

## Implementation: the cornerstone of policy effectiveness

### *A literature review*

Implementation is a complex process in which policy designs take shape on the ground. The effectiveness of a policy and its chances of achieving its objectives rely heavily on its implementation. Successful implementation also depends on the more or less complex structure of the delivery system and the degree of centralization (Salamon and Lund, 1989). For this reason, implementation arrangements have become a critical focus in public policy and public administration research. Over time, the study of implementation has revealed its decisive role in bridging the gap between policy design and outcomes, shaping the trajectory of public interventions.

The literature on policy implementation is often described as developing in three waves: an initial phase in the 1970s marked by exploratory, qualitative case studies; a second phase in the 1980s characterized by theory-driven, hypothesis-testing research; and a third, more recent wave focused on scientifically rigorous research design (Goggin et al., 1990; Lester, 1987; Hill and Hupe, 2002; Saetren, 2014).

The classical phase was defined by two seminal contributions that paved the way for distinct approaches to implementation research: Pressman and Wildavsky (1973) laid the foundation for the top-down approach, while Lipsky (1980) did so for the bottom-up one.

Pressman and Wildavsky’s case study of the Oakland Project (1973) was among the first systematic analyses of this process of implementation<sup>1</sup>. They demonstrated how complex institutional structures, bureaucratic inefficiencies, and local-level interactions could derail even the best-designed policies. Their analysis revealed that implementation is not simply an extension of policy design but a complex process involving numerous actors, decision points, and contextual factors, illustrating how chains of reciprocal interactions often complicate the achievement of intended outcomes.

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<sup>1</sup>Although Pressman and Wildavsky are conventionally regarded as the founding fathers of implementation studies, Saetren (Saetren, 2005, p. 569) identifies a “substantial number of books, journal articles, and doctoral dissertations using implementation or implementing as a title-word can be traced back to, at least the mid-1950s and even earlier.”

This approach framed implementation as the second stage in a linear process, following decision-making with the primary focus on compliance and fidelity to central directives (Elmore, 1980). Mazmanian and Sabatier (1989) expanded on this perspective, offering an analytical framework that identified key conditions for successful implementation, including clarity of objectives, resource allocation, political commitment, and institutional capacity. This model was instrumental in systematizing the study of implementation, providing a structured way to analyze the conditions under which policies succeed or fail. Their approach, like that of Pressman and Wildavsky, reflected the *top-down paradigm*, which viewed implementation as a hierarchical process requiring local compliance with centrally defined goals.

In contrast, Lipsky (1980) introduced the *bottom-up approach*, shifting the focus to the agency of frontline workers—"street-level bureaucrats"—such as teachers, social workers, and police officers. Lipsky emphasized how these actors exercise significant discretion in their interactions with the public, effectively becoming co-creators of policy outcomes and often shaping them in ways that deviate from the original design. This work marked a significant shift in focus from high-level decision-making to the operational level, emphasizing the need to consider the behaviours and motivations of implementing agents in understanding policy success or failure.

Hjern and Porter (1981) further advanced the bottom-up perspective by highlighting the importance of local contexts and the adaptability of policies during implementation. They argued that implementation often depends on structured interactions between implementing agents and the public, emphasizing the role of networks and collaborative arrangements in delivering services. Together with Lipsky's earlier work, these perspectives paved the way for more nuanced understandings of implementation, recognizing it as a process shaped by both central directives and local dynamics.

Recognizing the strengths and limitations of both approaches, scholars like O'Toole (1986) advocated for a synthesis, combining top-down and bottom-up perspectives to provide a more comprehensive understanding of implementation. This integrative framework underscored the need for central coordination alongside local flexibility, marking the transition to more multidimensional approaches to studying implementation, emphasizing the importance of multilevel governance in ensuring consistent outcomes across diverse institutional and territorial contexts. It is during this period that implementation studies become more rigorous in terms of hypothesis testing and increasingly theory-driven.

As the field matured, researchers began addressing the "too many variables" problem, highlighted by Matland (1995) and Meier (1999): these works stressed the need for parsimonious models that could account for the complexity of implementation without becoming overly unwieldy.

In particular, Matland (1995) offered a solution by categorizing policies based on their levels of ambiguity and conflict to explain variations in implementation outcomes. This model became one of the most used contributions in the field, providing a valuable tool for understanding why some policies succeed while others fail and demonstrating the importance of integrating contextual factors into implementation studies. Similarly, Winter (1989, 2012) contributed to this evolution by developing an integrative model that combined top-down directives with bottom-up discretion, emphasizing the interaction between central policy design and local implementation practices. These contributions underscored the importance of adopting multidimensional approaches to studying implementation, moving beyond the dichotomy of top-down versus bottom-up to capture the complexity of real-world processes. Hill and Hupe (2002) consolidated these developments by introducing the concept of "operational governance," which connects decision-making and operational levels to better understand implementation. Their work emphasized the importance of viewing implementation as an integral part of broader governance dynamics and offered a comprehensive overview of the field, bridging theoretical insights with practical considerations and reinforcing the centrality of implementation in public policy research.

In the context of social policy, Barrett (2004) and Brodtkin (2007) explore how changes in governance models, such as the rise of new public management, have influenced implementation processes, often complicating the roles of street-level organizations. These studies collectively underscore that

implementation is not merely a technical process but a political and organizational one, shaped by the interactions among design, execution, and context.

In the more recent phase of implementation studies, attention has shifted to the growing complexity of governance systems and the challenges posed by multilevel governance. This perspective acknowledges that policy implementation frequently involves interactions across multiple levels of government or various local institutions, as well as between public and private actors. Kazepov and Cefalo (2022) emphasize the territorial dimensions and local capacities required for effective implementation, arguing that these factors are often overlooked in discussions of social policy effectiveness. They stress that successful implementation depends not only on national directives but also on the ability of local institutions to adapt policies to their specific contexts.

### *Implementation polity and arrangements: an updated state of the art*

Despite the growing attention to multilevel governance in implementation processes, its operationalization remains an unresolved issue in the literature. Recent contributions have sought to address these gaps by focusing on the “*implementation arrangements*” that shape policy outcomes. Steinebach (2022) demonstrates the importance of well-designed implementation structures in achieving better outcomes, while Sager and Gofen (2022) reinforce the idea that implementation arrangements – including institutional settings, organizational structures, and inter-agency collaboration – are key determinants of success. These authors identify three key dimensions for future research: vertical and horizontal cooperation in multilevel settings, emphasizing the interaction between central authorities and local implementers; public-private partnerships, focusing on how collaboration with non-state actors influences implementation success; and organizational identities, exploring how the self-perception of implementing agencies shapes their approaches to operationalizing policies. These dimensions reflect the increasing complexity of implementation arrangements in contemporary governance systems and the need to better understand their operation within multilevel systems (Casula, 2024). They argue that policy implementation is not only a technical process but also a formative stage in the policy cycle, lying at the intersection of politics, policy, and the public. In fact, Sager and Gofen (2022) refer to the concept of *implementation polity*, suggesting that arrangements should not be understood merely as technical-administrative tools, but rather as genuine political institutions, with their own internal dynamics and the capacity to actively influence policy outcomes. This perspective underscores the need for a more integrated approach to studying implementation, one that combines theoretical rigor with practical relevance.

In recent years, the literature has increasingly emphasized “implementation arrangements” as the institutional, organizational, and procedural configurations that shape how policies are operationalized on the ground. This shift reflects a broader recognition of the role of governance architectures and coordination mechanisms in influencing implementation effectiveness, particularly in multilevel and polycentric systems (Casula and Steinebach, 2025).

Implementation arrangements encompass a wide variety of factors: the degree of central coordination (Casula and Steinebach, 2025), the legacy of past policy models (Nesti and Graziano, 2025), the use of pilots (Nesti et al., 2025), and the interplay between formal institutions and informal practices in participatory processes (Schröder and Watson, 2025). They affect both upstream dynamics (agenda-setting, strategic planning) and downstream execution (street-level discretion, local adaptations) (Di Mascio et al., 2025).

Recent empirical studies have employed this analytical framework, yielding insightful findings on the implementation polity process. For instance, Waheed (2025) highlights how absorptive capacity and coordination – two specific features of implementation arrangements – influence the performance of environmental projects. Green and Koebele (2025) demonstrate the importance of state-brokered implementation support for improving school outcomes within multilevel governance systems. Ran et al. (2025) develop a dynamic framework linking institutional control and policy mobilization with

collective action logic to explain implementation in the context of farmland protection in China. Together, these contributions suggest that implementation arrangements should not be seen merely as background variables but as active components of policy capacity.

Despite growing interest in implementation structures – or “implementation polity” as defined by Sager and Gofen (2022) – research in this area still suffers from major gaps. In particular, as highlighted by Casula and Steinebach (2025), we know little about why different implementation arrangements are chosen across contexts and what effects these choices have on policy effectiveness.

Accordingly, this paper explores the hypothesis that variations in implementation arrangements – including multilevel (horizontal) coordination, institutional legacies, and the discretionary space at the local level – can significantly shape policy outcomes.

By focusing on a nationally designed but locally implemented policy, this study empirically investigates how local variation in institutional capacity, inter-institutional cooperation, and organizational design leads to divergent implementation models, even within a shared governance framework. It shows that these arrangements are not neutral or random but are deeply embedded in existing administrative structures, historical legacies, and horizontal governance dynamics.

In doing so, the paper makes three key contributions to the literature. First, it offers an empirical operationalization of the concept of *implementation polity*, going beyond abstract theorization. Second, it identifies concrete structural and organizational drivers behind the selection of different implementation arrangements. Third, and most importantly, it demonstrates how these arrangements directly affect policy effectiveness, particularly in terms of labour market reintegration outcomes. By shedding light on the mechanisms that link governance structures to policy performance, this article helps close a critical gap in the implementation literature and advances a more nuanced understanding of policy delivery in multilevel systems.

### Empirical strategy

In this paper, we examine how the implementation arrangements affect the expected outcomes of income support policies, focusing on the dimensions of institutional settings and organizational design, which Sager and Gofen (2022) described as “implementation polity.” Specifically, we address the gaps identified by Sager and Gofen, emphasizing horizontal cooperation within multilevel governance systems. We aim to explore how these arrangements influence the effectiveness of policy implementation and the achievement of policy goals.

To this end, we operationalize the concept of implementation polity by focusing on three specific dimensions. First, the *implementation strength* of local institutions, measurable in terms of organizational capacity, experience derived from policy legacy, and the robustness of the public administration. Second, the degree to which the *mission* of local institutions aligns with the policy goal. For example, if the final objective set by the policy design is labour market integration rather than social inclusion, the quality of Public Employment Services may prove more effective than that of local social service institutions (Ambiti Territoriali Sociali). Third, the capacity of local institutions to build networks among themselves in order to ensure effective implementation, an aspect we can define as *the strength of institutional ties within multilevel governance*.

Our research hypothesis is that the greater these three dimensions of implementation polity, the better the expected policy implementation outcomes – in our case, successful reintegration into the labour market.

### The selected case study

The Italian case of minimum income policies provides a valuable context for examining the multilevel implementation of social policies, especially given the significant evolution of these policies in Italy. Over the past decades, the Italian welfare state has undergone a complex and fragmented transformation,

marked by the slow and discontinuous development of a universalistic minimum income scheme (MIS). While several European countries introduced comprehensive MISs during the expansion of the welfare state, in Italy, this process faced strong institutional and political resistance, due to a historically categorical and fragmented social assistance system (Jessoula and Natili, 2020). From the late 1980s onward, various expert commissions proposed MIS reforms aimed at restructuring assistance and promoting selective universalism, such as the “reddito minimo di inserimento” and the later “minimo vitale.” However, these initiatives were often abandoned or limited in scope, particularly under centre-right governments (Busilacchi and Valbruzzi, 2023). A more substantial shift occurred only in the 2010s, with the introduction of the *Sostegno per l’inclusione attiva* (SIA) and, later, the *Reddito di inclusione* (Rei), which for the first time established a statutory right to a national MIS. This development coincided with increasing European pressure on social inclusion and growing social mobilization. However, the broader evolution of MIS policies in Italy cannot be understood without considering the parallel liberalization of the labour market, characterized by increasing segmentation and flexibility, particularly affecting outsiders. As noted by Ferragina and Arrigoni (2021), this selective neoliberal trajectory reshaped the balance between protection and activation. In 2019, Rei was replaced by the *Reddito di Cittadinanza* (RdC), a more expansive program with greater financing and a stronger emphasis on active labour market policies (ALMPs) (Busilacchi et al., 2021).

Despite differences in policy design, both measures share the same local implementation structure, making Italy an interesting case for analyzing how horizontal institutional cooperation impacts implementation. The short period between the two measures limits potential exogenous factors like labour market fluctuations, providing a controlled environment to test the consistency of implementation hypotheses.

Both schemes aim to combat poverty and promote labour market reintegration, and their implementation has exposed significant challenges in coordinating central and local institutions. The delivery system for these measures involves two core components: economic benefits and personalized family projects to support beneficiaries’ reintegration into society and the workforce. Under the ReI, social services played a central role in diagnosing the multidimensional aspects of family poverty, referring only employable beneficiaries to Public Employment Services (PES), which are in charge of labour market re-entry. The RdC introduced an algorithm to streamline this division, highlighting a shift towards a more systematic, workfare-oriented approach.

Italy’s social service infrastructure operates in the implementation of both the ReI and RdC through ‘Local social planning institutions’ (LSPI), which oversee the governance of social services, coordinating their management across territories. These institutions, often composed of multiple municipalities, aim to enhance connectivity and support social policy implementation at the local level (D’Emilione and Giuliano, 2022). In the design of the ReI and RDC policies, PES are responsible for assisting employable beneficiaries in their journey towards re-entering the labour market. Given that both measures under analysis pursue a dual objective – to combat poverty and promote labour market reintegration – the local institutions considered in the analysis, PES and LSPI, must cooperate at the territorial level, each within its primary sphere of competence:

LSPI coordinates social care services, while PES focuses on employment-related interventions.

Despite the delayed introduction of minimum income schemes, Italy’s integrated system of social services has a long history of managing social inclusion policies. However, this contrasts with PES, where integrating beneficiaries of social policy measures into the labour market represents a relatively new area of intervention<sup>2</sup> (Busilacchi et al., 2021). This divergence highlights the uneven institutional capacity between the two bodies. For LSPI, the recognition of essential service levels in social care, formalized through ReI and RdC, did not introduce significant operational changes. In contrast, PES faced

<sup>2</sup>Before the introduction of these minimum income policies, social inclusion measures for the poor were managed exclusively by the LSPI and were primarily oriented towards social rather than labour market integration. With the ReI, PES began to be involved in the implementation process, albeit in a secondary role. Under the RdC, however, their involvement became more structured, increasing the need for horizontal multilevel coordination between local institutions.

considerable shifts, with the Ministry of Labour and Social Policy defining a specific package of essential services to ensure equitable treatment nationwide. These services included labour market reintegration activities aligned with the minimum income schemes. However, as shown in government data, the activation of these services has varied significantly across regions, reflecting territorial disparities in PES capacity and resources (Anpal, 2021).

The degree to which PES activated the essential services package provides a robust proxy for assessing their implementation capacity. The significant variation across regions underscores the well-documented challenge of territorial inequalities in Italy's public administration. On the other hand, the absence of a defined package of essential services for LSPI has shifted attention to their role in planning and organizing local service delivery. The ReI law emphasizes integrated management, requiring LSPI to coordinate activities within and between institutional bodies across healthcare, social care, and active labour market services. Additionally, the law promotes structured networks between public, private, and non-profit stakeholders to develop multidisciplinary and integrated local service systems (Gori, 2017).

Two critical areas of intervention emerge for LSPI. The first involves fostering an integrated system of services among territorial institutions, ensuring coordination across healthcare, social care, and active labour market services. The second focuses on building local networks among diverse stakeholders to create a holistic and multidisciplinary service framework. These interventions aim to address fragmentation and enhance the effectiveness of policy delivery at the local level. In assessing effective implementation, it is also important to consider that, after four years of RdC implementation and at the end of its cycle, experts estimate that the measure's take-up rate has been low and, more importantly, that the outcomes achieved through active and social inclusion programmes have been limited and highly uneven across regions (Nesti and Graziano, 2025). The reasons behind this relatively unsatisfactory performance are still under examination, but preliminary evaluations attribute it to both the policy design and structural constraints rooted in past institutional legacies (Sacchi et al., 2023; Nesti and Graziano, 2025). The Italian case illustrates the complexity of implementation polity and arrangements related to the two measures under consideration. While LSPIs have a well-established tradition in terms of implementation strength and network-building – particularly in managing integrated social care services – PES has faced the dual challenge of taking on new responsibilities and addressing territorial disparities in capacity, while also ensuring alignment with the measures' policy goals, especially that of the RdC.

By analyzing the interplay between local institutional bodies, this case sheds light on the drivers of successful implementation and the barriers posed by institutional heterogeneity. These insights contribute to broader discussions on how to optimize implementation arrangements in multilevel governance systems, particularly in the context of social policies that aim to balance poverty alleviation with active labour market integration.

### Data

The analysis draws on four distinct data sources to comprehensively gather the extensive information required to address our research hypotheses. These sources include: administrative microdata from the National Social Insurance Agency (INPS); administrative data from the *Sistema Informativo Statistico delle Comunicazioni Obbligatorie (SISCO)* (Statistical Information System of Mandatory Communications) provided by the Ministry of Labour and Social Policy; the archive of municipal indicators from the Italian National Institute of Statistics (ISTAT); and an innovative dataset from a recent INAPP survey conducted on local social planning institutions (LSPI) and public employment services (PES) responsible for implementing both the ReI and RdC. This survey, conducted using CAWI methodology, covered 80% of LSPI and PES and aimed to investigate how national anti-poverty

**Table 1.** Sources of data used: overview, characteristics, and relation to empirical strategy

Nature and characteristics	Role in the empirical strategy
<b>INPS Rel archive</b>	
Administrative micro-data from the National Social Insurance Agency (INPS). They contain detailed information on the subgroup of the Italian population who applied for the ISEE (Equivalent Economic Situation Indicator), the Italian means-testing indicator used to access a large number of means-tested welfare services, among which are the two income support measures analysed (Rel and RdC).[1] The archive mainly covers households and their members with an ISEE value below 6000 euros. This archive provides all the administrative information related to the history of Rel (and RdC) beneficiaries. Furthermore, the archive provides data at the individual and household levels regarding the socio-economic characteristics (i.e. income, savings and real estate assets) of those who benefitted from the RdC and those who did not.	Counterfactual framework. Identification of two groups[2] in the subgroup of the Italian population with an ISEE value below 6000 euros: households and individuals who benefitted from the Rel and/or RdC (the treated group); and households and individuals who did not benefit from either of these measures (the control group). In addition, this archive informs the analysis by providing the indicator of take-up of the first measure analysed, Rel.
<b>SISCO archive</b>	
An administrative micro-data archive that registers the daily labour market flows for the entire Italian population. Starting in January 2009, it provides individual-level data on each job contract transformation, meaning activation, modification, or termination of each employment contract. It is a linked employee-employer panel archive that, for each job spell, provides information on both workers and their firms. For the workers, several pieces of information are provided, among which are the start and end dates of each occupation. The self-employed are excluded from this archive.[3] The archive covers all individuals who entered the labour market and allows us to find the working history of all individuals in the INSP Rel archive. Furthermore, due to its detailed and ongoing informative structure, it is a primary data source with which to assess labour market phenomena in Italy.	Policy outcome: for capable individuals to re-enter the labour market. For each individual included in the Rel INPS archive in the period 2017–2021, the SISCO archive allows the total number of days worked per year to be computed. Interpolation between the SISCO and INPS Rel archives is performed using the unique individual identifier information available in both archives.
<b>ISTAT archive</b>	
This database comprises several municipal indicators collected from different ISTAT archives of both survey and administrative data. The archive provides the main demographic, socio-economic infrastructure, and labour market indicators for each Italian municipality. The indicators collected refer to the years of the analysis, namely 2019 and 2021. This archive, provided by the Italian National Statistics Institute, is the only data source able to provide indicators for all the Italian municipalities.	Controls for municipal heterogeneity. The indicators in this archive allow us to control for significant heterogeneity characterising the Italian municipalities, which can directly affect the policy outcome under analysis.
<b>INAPP survey archive</b>	
This survey was designed to evaluate the implementation processes of Rel and RdC and the related capacity and organizational models in the three institutions involved in these measures: municipalities, public employment services (PES), and local social planning institutions (LSPI). The survey covered all PES and LSPI (with a survey response rate of around 80% in both cases) and a sample of the municipalities (the questionnaires were addressed to the person in charge of each local body (LSPI and PES) and treated them as representatives of the local bodies. Due to the policy design of the measure analysed and to ensure an equal institutional level in the multilevel governance structure, the archive focuses on the PES and LPSI surveyed, for each of them providing a set of indicators related to the implementation process. The INAPP survey is the first nationally representative survey to assess the implementation arrangements for Rel and RdC. It is, therefore, the only data source available for our purpose.	Independent variables. This archive provides our main predictors related to the implementation constellations at the local level (arrangements, capacity and institutional cooperation and communication abilities) of the two institutions analysed, PES and LSPI (see below).

\*See the INPS site for more information: <https://www.inps.it/it/dati-e-bilanci/osservatori-statistici-e-altre-statistiche/dati-cartacei—rdc.html>

\*\*The matching procedure between the control and the treatment groups employs the propensity score technique. The propensity score is estimated using separate logistic regression models for each group on the probability of being included in the treatment group according to

several covariates (individual level: region of residence, age, family composition, family size, the household equivalized income indicator; temporary employment; employment in a standard occupation; receiving unemployment benefits; presence of retired people in the household, presence of inactive individuals in the household; and presence of minors in the household). For each individual treated, seven controls are identified and ranked in terms of proximity to the treated individual using the radius-caliper technique, assuming a radius threshold of 0.03. \*\*\*Furthermore, a small group of workers – maritime personnel – are not included in the archive as their communications take place via a template (unimate) not included in the data extraction. For a complete description, see the publications of the Ministry of Labour (2020, 2021, 2022).

measures in Italy were implemented at the local level through the welfare network (Ancora and Giuliano, 2022).

Table 1 summarizes these data sources, detailing their nature, characteristics, and relevance to the adopted empirical strategy.

As explained in the following section, the final dataset, which integrates the four data sources presented in Table 1, uses Italian municipalities as the unit of analysis rather than individuals or households. Consequently, data from the INPS, SISCO, and ReI archives are aggregated at the municipal level. Variables from each archive are then merged into a single database using the unique identifiers of the municipalities.

## Methodology

### *Dependent variable and main predictors*

This study examines the impact of implementation polity and arrangements on the re-entry of capable individuals into the labour market through Italy's income support measures. We analyze two key measures, the *Reddito di Inclusione* (ReI) and the *Reddito di Cittadinanza* (RdC), over the period 2017–2021. This timeframe allows us to evaluate implementation effects using the pre-ReI year (2017) as a baseline, capturing the transition between the two measures and their long-term outcomes. Within our selected population<sup>3</sup>, four subgroups are identified: individuals benefiting exclusively from ReI, those benefiting exclusively from RdC, those receiving both measures, and a control group with similar characteristics who did not benefit from either measure.

The dependent variable for this analysis is a proxy for municipal-level<sup>4</sup> success in reintegrating individuals into the labour market. Using data from the SISCO archive, we identify individuals who increased their annual working days between 2017 and subsequent years (2019 and 2021). Ratios are calculated for each subgroup and municipality, indicating the proportion of individuals with increased working days. These ratios form the dependent variables, enabling a comparative analysis of implementation effectiveness across different institutional and policy contexts. In other words, the effects of different LSPI and PES implementation polity and arrangements on the reintegration of beneficiaries into the labour market are measured at the municipal level using this proxy.

To address the potential effects of external shocks, including the COVID-19 pandemic, we analyze two timeframes (2017–2019 and 2017–2021). While the pandemic introduced significant disruptions, its impact is treated as a latent and exogenous factor. Recent studies (Ancora and Giuliano, 2022) suggest that the pandemic affected both implementation capacity – especially within Public Employment Services (PES) – and labour market outcomes, exacerbating pre-existing challenges in income support measures. However, our analysis focuses primarily on the role of local implementation processes and institutional cooperation, minimizing the confounding effects of policy design limitations or external crises.

<sup>3</sup>The population of interest is identified using the INPS ReI archive and includes individuals with an ISEE below 6,000 euros in 2018 – essentially, all individuals who were potentially eligible for the ReI. The ISEE is the indicator of the equivalent economic situation that allows for assessing the economic condition of families in the Italian Republic.

<sup>4</sup>Although PES and LSPI share a similar area of competence in administrative terms (province), we chose the municipality as our unit of analysis rather than the broader provincial level. Our approach preserves the variance of the data, not only in terms of dependent variables but also concerning the control variables presented below, ensuring more accurate results.

Control variables include municipal characteristics such as size, dependency ratio, foreign population share, educational attainment, and geographic classification (e.g., inner areas). Socioeconomic factors like employment rates, self-employment prevalence, income inequality (Gini index), and income distribution are also considered. Additionally, labour market composition by sector (NACE classifications) and ReI take-up rates are included to account for local economic contexts and policy adoption variations.

The primary predictors for implementation polity and arrangements are categorized into two dimensions: the *implementation strength* and the capacity of local institutions to build institutional networks at the local level.

First, implementation *strength* is measured separately for LSPI and PES. For Local Social Planning Institutions (LSPI), implementation strength is measured using a clustering approach – previously developed in *Author* (2021) – based on their ability to meet organizational and management requirements under ReI law. These requirements include creating integrated service systems, establishing stakeholder networks, coordinating territorial institutional bodies, and activating organizational modalities for local service delivery (see [Table A1b](#)). Based on these criteria, municipalities are classified into three groups: scarce capacity (reference category), medium capacity, and good capacity. For Public Employment Services (PES), implementation capacity is assessed through a categorical indicator measuring the number of essential services adequately activated<sup>5</sup> (see [Table A1a](#)). These services, defined under ReI law, aim to ensure uniformity in policy implementation across municipalities. The indicator categorizes PES into three levels: fewer than three services provided (reference category), three to five services, and more than five services. This approach highlights the variation in PES performance across territories, reflecting differences in resource allocation, infrastructure, and administrative capacity.

Second, to capture the capacity of LSPI and PES to build institutional networks among themselves we use four predictors assessing the quality of information exchange between these bodies within the same territorial area. The quality of communication and coordination is evaluated separately for ReI and RdC, with categories of poor, moderate, and high quality (reference category: poor quality). These predictors help assess how collaboration and data-sharing practices influence policy outcomes.

### *Models and sample size*

The econometric analysis proceeds as follows. For each reference period (2017–2019 and 2017–2022), a series of regression models (OLS) is conducted. To address potential endogeneity among the covariates and account for varying sample sizes, the first set of models evaluates the effects of municipal infrastructure and socio-economic characteristics on the LSPI and PES capacity to reinsert individuals into the labour market. Subsequently, the models are extended to include the variables related to implementation polity and arrangements presented above.

Combining data from different sources inevitably reduces the sample size. The first set of models, focusing solely on infrastructure and socio-economic characteristics, includes 3,810 municipalities. However, incorporating survey data into the analysis reduces the sample size to 1,588 municipalities. Additionally, the population is divided into five groups to reflect different interactions with the two policy measures under study, leading to variations in group-specific sample sizes<sup>6</sup>. To address these differences, municipality size weights are applied to all descriptive statistics and regression analyses<sup>7</sup>.

<sup>5</sup>The INAPP survey collected information not only on the type of essential services that PES have implemented, considering the full list of essential services recognised by law, but also on whether the services activated were adequately implemented or not.

<sup>6</sup>The sample of ReI beneficiaries covers 312 municipalities, that of ReI and RdC beneficiaries involves 583 and the model for the population who benefited from RdC concerns 1028 municipalities.

<sup>7</sup>It must be acknowledged that the selection of municipalities included in the final set of models – where implementation polity and arrangements are tested – is not fully representative of the entire Italian territory. However, two considerations are relevant: (i) to our knowledge, the INAPP survey is the only available source providing quantitative data on the implementation process of both the ReI and the RdC; (ii) for each subgroup included in the analysis (those benefiting only from ReI, only from RdC, from both measures, and the control group), the selected municipalities cover all Italian regions. Although the data does not ensure full representativeness, it nonetheless guarantees an adequate territorial coverage.

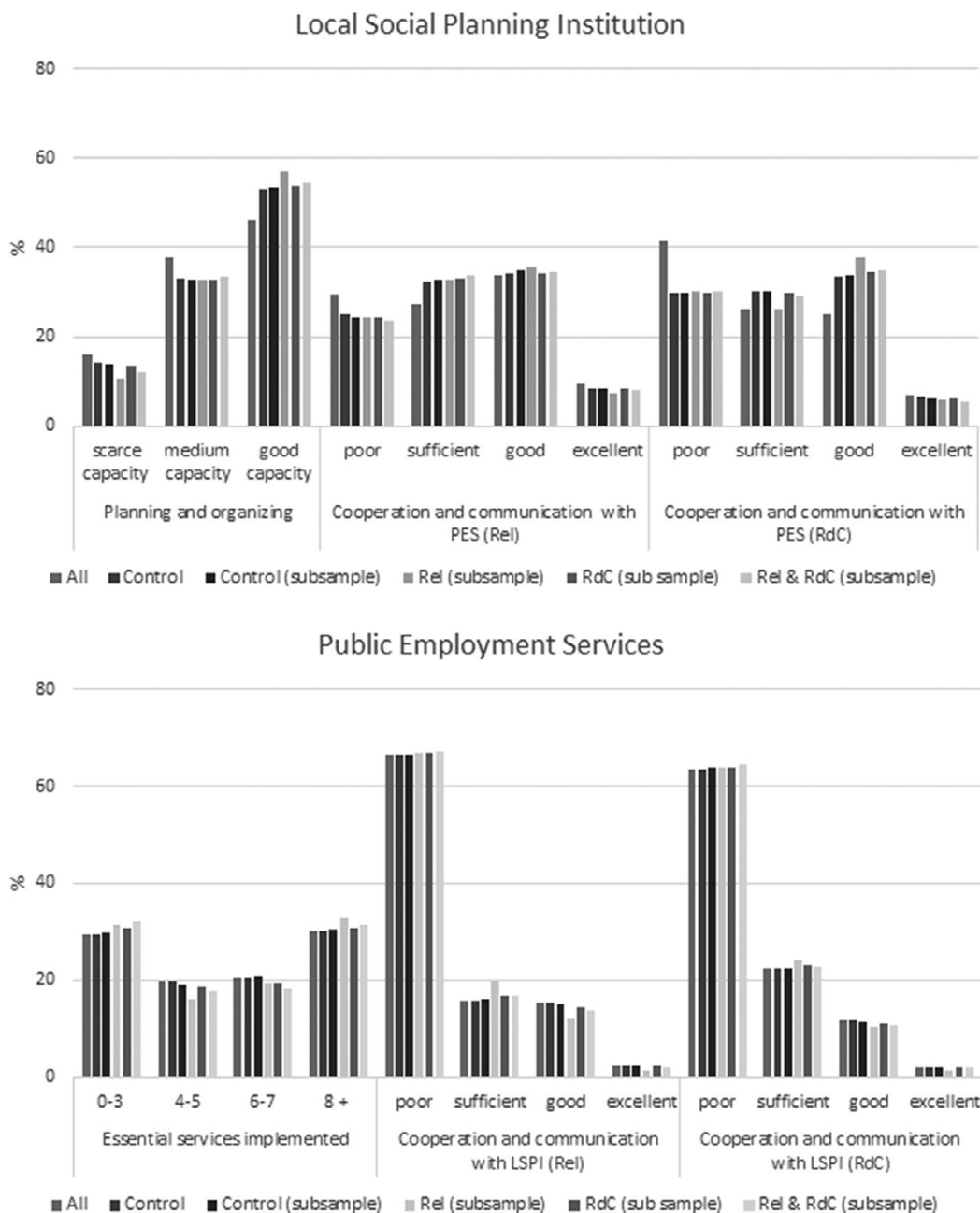


Figure 1. Distribution of Italian municipalities by the implementation process and institutional cooperation, and communication indicators. Local Social Planning Institutions and Public Employment Services. Source: authors' elaboration of INPS, INAPP, ISTAT, and Ministry of Labour and Social Policy data, weighted by municipal size.

### Empirical results

#### Descriptive statistics

The descriptive statistics indicate that the distribution of indicators concerning the implementation strength planning and organizing and essential services implemented in Figure 1 and capacity to build

institutional networks (cooperation and communication in [Figure 1](#)) remains stable across the different population subgroups analyzed. This suggests that different implementation models are consistent across the various subgroups (see [Table A2](#) and [Figure A1](#) in the Appendix). However, significant differences emerge between the two institutional bodies examined. LSPI (Local Social Planning Institutions) perform better than PESs (Public Employment Services) regarding implementation arrangements, particularly in terms of institutional cooperation and communication. A significant proportion of LSPI demonstrate medium-to-good implementation capacity. Conversely, more than half of PESs show limited capacity to implement the essential services required.

Regarding labour market re-entry for individuals capable of working, the descriptive data reveal a counterintuitive result. Given the greater distance from the labour market of individuals who benefited from the two measures, the treated subgroups exhibit lower performance on average—measured as the increase in the number of annual working days – compared to the control group. This is observed at the municipal level between the reference year and the year analyzed. [Figure A1](#) in the Appendix presents kernel density plots showing the distribution of municipalities based on the dependent variables for the two observed periods (2019 and 2021). The distributions remain relatively constant across all subgroups analyzed during the two periods (2017–2019 and 2017–2021).

Descriptive statistics ([Table A2](#)) show that, at the municipal level, around half of the individuals in the control subgroup increased their annual working days (47.4% to 48.3% from 2017 to 2019; 50.4% to 50.8% from 2017 to 2021). In contrast, these figures are slightly lower across the treated subgroups. Among all municipalities included in the analysis (pooled sample for model 1), the average proportion of individuals increasing their annual working days was 40.6% for 2017–2019 and 43.4% for 2017–2021.

These values are even lower for the subgroup benefiting from both measures (ReI and RdC), with only 32.5% (2017–2019) and 34.6% (2017–2021) showing improvements. As expected, these beneficiaries are more marginalized and further removed from the labour market. This distance is clearly reflected in the data: despite the matching procedure controlling for individual and household labour market proxies, micro-level analysis indicates that control group individuals tend to perform better across several labour market dimensions. Nevertheless, as our primary objective is to assess the effects of different implementation processes at the local level on policy outcomes – rather than evaluating policy outcomes themselves – we consider our data and empirical strategy suitable for this aim.

[Figure 1](#) illustrates the distribution of Italian municipalities based on LSPI and PES implementation processes for the two measures (ReI and RdC).<sup>8</sup>

Three indicators assess LSPI performance (upper quadrant), and three others evaluate PES performance. For LSPI, more than 50% of municipalities across all groups demonstrate good implementation strength, with the exception of the overall group, where this share falls to 46.3%. Evaluations of LSPI institutional cooperation and communication abilities with PESs are similarly consistent, with 33% to 35% of municipalities rating this factor as good for ReI beneficiaries, while excellent evaluations range between 7% and 9%. A similar trend is observed for RdC beneficiaries. Overall, LSPI receives positive evaluations, with only 15% of municipalities reporting low implementation capacity and around one-third rating institutional cooperation and communication abilities with PESs as poor.

In contrast, PESs encounter substantial challenges concerning implementation strength and their capacity to build an institutional network. Among all groups analysed, 29% to 32% of municipalities are associated with PESs implementing fewer than three essential services required by the Ministry of Labour and Social Policy. Meanwhile, 30% to 32% of municipalities are linked to well-performing PESs capable of providing more than eight essential services. The disparity with LSPI arises from lower evaluations of PESs' institutional cooperation and communication abilities. Over 80% of municipalities rate PES cooperation with LSPI for ReI beneficiaries as sufficient or poor, a figure that rises to over 86% for RdC beneficiaries. Overall,

<sup>8</sup>As stated above, in our empirical analysis, the observations are Italian municipalities, while our main predictors pertain to the implementation processes of the two relevant institutional bodies, which operate at a higher level within the multilevel governance structure. In other words, municipalities assigned to the same LSPI or PES – institutional bodies that almost always share the same jurisdictional area – share identical values for our main predictors.

**Table 2.** Changes in numbers of working days between 2017 and 2019 for selected subgroups: municipality determinants. Linear regression models

	Period 2017–2019		
	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup
LSPI implementation arrangement: medium capacity	−0.032	−0.001	−0.004
LSPI implementation arrangement: good capacity	−0.065	0.029	0.021
Institutional cooperation and communication ability – Rel LSPI to PES: sufficient	0.162**		0.026
Institutional cooperation and communication ability – Rel LSPI to PES: good	−0.019		−0.024
Institutional cooperation and communication ability – Rel LSPI to PES: excellent	0.107		−0.033
Institutional cooperation and communication ability – Rdc LSPI to PES: sufficient		0.003	−0.112***
Institutional cooperation and communication ability – Rdc LSPI to PES: good		−0.021	−0.059
Institutional cooperation and communication ability – Rdc LSPI to PES: excellent		−0.041	0.043
PES: essential services implementation: 4–5	−0.034	0.011	0.084*
PES: essential services implementation: 6–7	−0.007	0.024	0.091**
PES: essential services implementation: 8+	−0.049	−0.012	0.083*
Institutional cooperation and communication ability – Rel PES to LSPI: sufficient	0.094		−0.079*
Institutional cooperation and communication ability – Rel PES to LSPI: good	0.196***		−0.059
Institutional cooperation and communication ability – Rel PES to LSPI: excellent	0.080		−0.115
Institutional cooperation and communication ability – Rdc PES to LSPI: sufficient		−0.004	0.002
Institutional cooperation and communication ability – Rdc PES to LSPI: good		0.053	0.049
Institutional cooperation and communication ability – Rdc PES to LSPI: excellent		0.178**	0.158*
Macro region: North-East	0.052	0.091**	0.066
Macro region: Central	−0.046	0.103**	0.011
Macro region: South and Islands	−0.032	0.057	−0.122
Constant	0.043*	−0.664*	1.193*
Observations	312	1,028	583
R-squared	0.158	0.077	0.139

Source: author elaboration of INPS, INAPP, ISTAT and Ministry of Labour and Social Policy data weighted by municipal size. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

Note: Full models are reported in Table A3 in the Appendix.

**Table 3.** Changes in numbers of working days between 2017 and 2021 for selected subgroups: municipality determinants. Linear regression models

	Period 2017–2021		
	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup
LSPI implementation arrangement: medium capacity	-0.092	0.065**	-0.044
LSPI implementation arrangement: good capacity	-0.103*	0.033	-0.052
Institutional cooperation and communication ability – Rel LSPI to PES: sufficient	0.045		0.081
Institutional cooperation and communication ability – Rel LSPI to PES: good	-0.063		0.095**
Institutional cooperation and communication ability – Rel LSPI to PES: excellent	0.095		0.065
Institutional cooperation and communication ability – Rdc LSPI to PES: sufficient		0.050**	-0.063
Institutional cooperation and communication ability – Rdc LSPI to PES: good		0.011	-0.096**
Institutional cooperation and communication ability – Rdc LSPI to PES:excellent		0.044	-0.020
PES: essential services implementation: 4–5	0.180***	0.034	-0.081*
PES: essential services implementation: 6–7	0.126	0.015	-0.004
PES: essential services implementation: 8+	0.013	-0.032	0.044
Institutional cooperation and communication ability – Rel PES to LSPI: sufficient	0.067		-0.025
Institutional cooperation and communication ability – Rel PES to LSPI: good	0.089		-0.049
Institutional cooperation and communication ability – Rel PES to LSPI: excellent	0.006		0.048
Institutional cooperation and communication ability – Rdc PES to LSPI: sufficient		0.020	-0.007
Institutional cooperation and communication ability – Rdc PES to LSPI: good		-0.010	0.083
Institutional cooperation and communication ability – Rdc PES to LSPI: excellent		0.280***	0.075
Macro region: North-East	0.147	0.055*	0.081
Macro region: Central	0.025	0.011	-0.044
Macro region: South and Islands	-0.006	-0.002	-0.131
Constant	-1.287*	-0.613*	4.049*
Observations	312	1,028	583
R-squared	0.291	0.093	0.132

Source: author elaboration of INPS, INAPP, ISTAT and Ministry of Labour and Social Policy data weighted by municipal size. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

Note: Full models are reported in Table A4 in the Appendix.

PES evaluations indicate relatively poor implementation capacity, with few municipalities associated with PESs demonstrating effective cooperation with LSPI or ensuring adequate service levels.

### *Empirical analysis*

Tables A3 and A4 in the Appendix present the results of linear regression models for the two reference periods analysed: 2017–2019 and 2017–2021. Initially, reduced models were estimated, including only aggregated territorial characteristics for all groups analysed (models 1 to 6). Subsequently, information on the implementation arrangements of PES and LSPI was incorporated (models 7–10). To improve readability, Tables 2 and 3 summarize the regression outputs for the three subgroups of treated individuals, namely ReI beneficiaries, RdC beneficiaries, and ReI-RdC beneficiaries. Given that demographic, socio-economic, and infrastructure indicators at the municipal level remain stable across models, these tables focus solely on the results related to our main predictors: implementation strength and the capacity for institutional networking between the two local bodies considered<sup>9</sup>.

While it is not possible to identify a general positive effect of high-quality implementation processes (implementation strength and capacity for institutional networking) on the reintegration of individuals into the labour market at the municipal level, some notable findings emerge. Public Employment Services (PES) that effectively activate the essential services required by law and/or demonstrate excellent institutional cooperation and communication with LSPI show significant positive effects on policy outcomes. These results are particularly noteworthy given that PES bodies are primarily responsible for the policy outcome analysed here. In other words, the mission of PES aligns with the policy goal of reintegrating individuals into the labour market, which was the primary objective of the RdC measures. Moreover, although the descriptive analyses indicate only limited differences in implementation models across population subgroups, the empirical findings confirm the relevance of implementation polity.

For PES, results indicate a clear link between implementation strength, institutional networking and policy efficiency. Conversely, LSPI results only partially support this reasoning, though they highlight the positive effects of institutional cooperation and communication and the ability to establish an integrated system of services at the territorial level (implementation strength). These latter findings are noteworthy, considering that LSPI mission is not primarily aligned with achieving labour market re-entry outcomes, as their mission is more focused on beneficiaries' social inclusion. However, these results suggest, particularly in light of the integrated nature of the measures' policy design at the local level, an interesting element for policymakers that supports the importance of an integrated approach for the implementation of social policies at the local level.

In summary, the results indicate that implementation polity significantly impacts outcomes, with exemplary implementation delivering better results. Moreover, the findings suggest that within a horizontal multilevel governance framework, efficient cooperation among local authorities operating within the same territory can generate positive spillover effects, transcending the specific missions of individual institutions.

Given the marginalized characteristics of the population studied, aggregate territorial features show limited explanatory power in predicting labour market reintegration. Furthermore, the nature of our dependent variables – focused on increases in working intensity rather than employment rates – reduces the explanatory utility of aggregated indicators. This approach, however, allows us to better evaluate the territorial-level effects of implementation processes on policy outcomes. Despite this limitation, certain results align with expectations and the literature. For instance, a high prevalence of income-poor households (ISEE = 0) is consistently associated with negative effects on the dependent variables across

<sup>9</sup>In the tables, the predictors related to implementation strength for LSPI is “LSPI implementation arrangement”, while for PES it is “PES: essential services implementation”. Regarding institutional networking capacity, the predictors for LSPI are “Institutional cooperation and communication ability – ReI LSPI to PES” and “Institutional cooperation and communication ability – RDC LSPI to PES”. Conversely, for PES the corresponding predictors are “Institutional cooperation and communication ability – ReI PES to LSPI” and “Institutional cooperation and communication ability – RDC PES to LSPI”.

both reference periods. Similar patterns are observed for the share of self-employed individuals, the percentage of poorly educated individuals, the dependency ratio, and the proportion of foreign-born residents at the municipal level, particularly over the longer time span (2017–2021). Additionally, in the same period, municipalities with higher shares of workers in arts, entertainment, and recreation (R) and other service activities (S) sectors show negative effects on the dependent variables (see [Tables A2 and A3](#) in the Appendix for detailed results).

Regarding LSPI indicators, results from the 2017 to 2019 period suggest that their implementation polity does not significantly influence increases in working days for either treated or control groups at the territorial level. Similarly, indicators of institutional cooperation and communication abilities for the same period show mixed results, with a few statistically significant coefficients related to sufficient-quality cooperation. However, over the longer period (2017–2021), the quality of LSPI institutional cooperation and communication begins to impact outcomes. Municipalities with LSPI positively evaluating their cooperation and communication abilities under the ReI measure exhibit positive effects on the dependent variable for both the ReI (excellent category) and ReI-RdC (good category) groups. However, this trend does not extend to RdC-specific cooperation, where good-quality cooperation is associated with adverse effects on the ReI-RdC group. A robustness check, substituting the LSPI implementation arrangements indicator with the original variables used to derive the clusters (see [Table A1b](#) in the Appendix), reveals an interesting finding. Specifically, the ability of LSPI programming acts to enhance an integrated social services system significantly affects outcomes for the group of ReI and RdC beneficiaries in both reference periods. This result further underscores the importance of an integrated approach involving public, private, and nonprofit stakeholders in achieving more efficient policy implementation with positive spillover effects.

For PES, the findings reveal a different picture. In the short term, their capacity to provide essential services mandated by law is directly linked to policy outcomes, particularly for the most marginalized beneficiaries (ReI and RdC). Compared to municipalities with PESs implementing fewer than three essential services, those with better-performing PESs are more effective in increasing the number of working days for treated individuals. Additionally, high-quality institutional cooperation and communication (rated good under ReI and excellent under RdC) are positively associated with labour market reintegration. For instance, in the 2017–2019 period, PESs with positively evaluated cooperation under the ReI measure demonstrated a 19-percentage-point improvement in the ratio of individuals increasing their working days compared to those in poorly rated areas. This result is replicated for the RdC and ReI-RdC groups, confirming the importance of networking in institutional building. In the 2017–2021 period, municipalities with PESs rating their cooperation and communication abilities under the RdC measure as excellent showed an approximately 28-percentage-point increase in the dependent variable compared to poorly rated areas.

To account for the high degree of heterogeneity across Italian territories, [Tables A5a, A5b, A6a, and A6b](#) in the Appendix present the results of the main models replicated for macro-territorial areas as a robustness check<sup>10</sup>.

The findings confirm the role of implementation polity in achieving the observed outcomes for PES, particularly regarding implementation strength in the north-west and central regions of Italy during the 2017–2019 period. Furthermore, the significance of institutional networking is validated across all regions and both periods analysed, with the only adverse effects observed in the north-east.

Conversely, the implementation strength of LSPI appears to play an additive role in achieving the policy goals, especially in the central regions and, to a lesser extent, in the north-west. In contrast, in the north-east as well as in the south and islands, negative effects are associated with this dimension. Moreover, the south and islands deviate from the national pattern, as during the 2017–2019 period, adverse effects are also observed in relation to PES implementation strength. This latter finding indirectly

<sup>10</sup>Given the small sample size resulting from dividing the data into four macro-regional subsamples, the results presented in the tables should be interpreted as indicative, particularly with regard to the ReI subgroup.

confirms the considerable heterogeneity among Italian regions, particularly in the South, and highlights the need for further in-depth analysis of regional effects.

In summary, these findings underscore the critical role of PES in supporting labour market reintegration for income support beneficiaries, and confirm the importance of aligning the missions of local institutions with the overarching policy goals.

Notably, implementation polity and arrangements, in all three dimensions considered, emerge as key drivers of efficient policy outcomes.

## Conclusions

The effectiveness of public investment in combating poverty is intricately linked to the capacity of institutional systems to implement policies effectively. In the Italian case, the dual nature of minimum income measures – offering economic support while fostering social and labour market reintegration – operates within a complex multilevel governance framework characterized by significant regional heterogeneity and frequent policy shifts (Busilacchi and Fabbri, 2024; D’Emilione and Giuliano, 2022). These structural challenges make the implementation phase a decisive battleground where policy success or failure is ultimately determined, as emphasized by Lipsky’s (1980) seminal work on the discretion of street-level bureaucrats and by Pressman and Wildavsky’s (1973) exploration of the intricacies of local-level interactions.

By leveraging a rich combination of administrative data and findings from a recent INAPP survey specifically designed to evaluate the implementation of Italy’s minimum income schemes (Reddito di Inclusione and Reddito di Cittadinanza), this study has sought to address gaps in the literature by exploring how implementation polity and arrangements affect policy outcomes.

Using a counterfactual framework, we analyzed Italy’s minimum income policies over the period 2017–2021, focusing on the capacity of local institutions to achieve labour market reintegration for marginalized beneficiaries. By integrating data on institutional capacity, cooperation, and communication between two primary implementing bodies – Public Employment Services (PES) and Local Social Planning Institutions (LSPI) – our analysis provides a nuanced understanding of the drivers behind policy success or failure.

Our findings demonstrate that the quality of implementation at the local level is a decisive factor in bridging the gap between policy design and policy outcomes, echoing the arguments of Mazmanian and Sabatier (1989) on the importance of clarity, resources, and institutional commitment.

The analysis reveals that public employment services (PES) play a central role in achieving the labour market objectives of income support measures. Municipalities where PES demonstrated high implementation *strength* – measured by the activation of essential services mandated by law – achieved significantly better outcomes in terms of labour market reintegration. This finding supports Steinebach’s (2022) emphasis on the importance of well-equipped delivery systems and underscores the necessity of addressing territorial disparities in institutional resources. By contrast, the broader implementation capacity of Local Social Planning Institutions (LSPI) showed limited direct effects on labour market outcomes, confirming the minor alignment of the institution with the policy goal analysed. However, when LSPI actively engaged in fostering integrated service systems at the territorial level, their efforts contributed positively, reflecting the value of multidisciplinary approaches and collaboration among diverse stakeholders, as highlighted by Kazepov and Cefalo (2022). In this regard, it is essential to consider that the policy design of both Rei and RdC envisions an integration of LSPI and PES activities to define the beneficiaries’ paths.

Perhaps the most striking finding of the study is the pivotal role of horizontal institutional cooperation and communication between PES and LSPI. The quality of information exchange between these bodies emerged as the most significant determinant of policy success. High-quality institutional communication facilitated the alignment of social services and employment-related interventions, allowing institutions to better address the multidimensional nature of poverty and to coordinate efforts

for the socio-economic reintegration of beneficiaries. This cooperation allowed for a more comprehensive understanding of beneficiaries' needs, strengthening the capacity of local systems to address the socio-economic reintegration of disadvantaged families effectively.

This study contributes to filling several gaps identified by Sager and Gofen (2022), particularly the need for more research on horizontal cooperation in multilevel governance systems. Institutional networking has critical implications for policymakers. Strengthening institutional cooperation and communication should be a top priority, particularly in policies targeting highly disadvantaged populations. Investments in technical and relational tools, such as digital platforms for information sharing, joint training programs, and formal communication protocols, can enhance the capacity of local systems to deliver integrated and effective services. Additionally, addressing the territorial disparities in PES performance through targeted resource allocation and capacity-building initiatives is essential to ensuring equity and consistency in policy implementation. In conclusion, this paper provides evidence that the design of implementation arrangements significantly affects the success of income support policies. By addressing gaps in the literature and offering insights into the drivers of policy outcomes, our findings contribute to the broader understanding of multilevel governance in social policy. As Pressman and Wildavsky (1973) aptly noted, implementation is the bridge between goals and outcomes – a bridge that must be robust, adaptive, and well-coordinated to ensure that policies truly make a difference in the lives of the most vulnerable. For Italy and other countries grappling with similar challenges, the lessons from this study underline the need for sustained investment in institutional capacity, collaboration, and a governance framework capable of delivering equitable and effective results.

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## APPENDIX

**Table A1a.** Degree of activation of the PES services recognised as essential levels by the Ministry of Labour and Social Policy in relation to Rel and RdC implementation, year 2021 (%)

<i>Essential services</i>	Not activate	Partially activated*	Fully activated	Do not know	Observations (PES)
Services of initial assistance and information	0.5	13,8	85,4	0,2	426
Guidance	6.6	35,0	58,0	0,5	426
Counselling	46.7	33,6	16,7	3,1	426
Competence and skills assessment	43.9	36,4	18,1	1,6	426
Job coaching	13.6	45,8	39,2	1,4	426
Matching supply and demand service	1.6	23,7	74,4	0,2	426
Internship (activation and guidance)	2.6	11,7	85,4	0,2	426
Enterprise creation/self-employment support service	43.2	31,2	24,2	1,4	426
Firms support services	9.4	31,7	57,7	1,2	426
Training courses for the unemployed	45.5	26,8	26,3	1,4	426
Job placement for vulnerable groups	18.1	33,8	46,5	1,6	426

Source: authors' elaboration of INAPP data, weighted used.

**Table A1b.** Degree of activation for the LPSI of the integrated management of the activities both within and between local institutional bodies in relation to Rel and RdC implementation, year 2021 (%)

Dimensions	Indicators		%
Integrated system of services between the different institutional bodies operating at the territorial level	Activation of organizational and management modalities to coordinate the local delivery system	None/do not know	12.9
		Low	71.2
		Medium	14.6
		High	1.3
	Meeting the required organizational modalities required by the Rel law related to the creation/strength of an integrated system of services	No	34.2
		Yes	65.8
Structured local network between the various stakeholders	Activities related to building a stakeholder network (favour the participation of a plurality of local stakeholders)	None/do not know	2.4
		Low	55.8
		Medium	35.3
		High	6.5
	Activities related to creating a structured network among territorial institutional bodies: scale and importance (use/recourse)	None/do not know	11.5
		Low	32.2
		Medium	30.1
		High	26.1
Observations (LSPI)			459

Source: authors' elaboration of INAPP data, weighted used.

**Table A2.** Descriptive statistics of variables included in the models (%)

Variables	Model: 1	Model: 2	Model: 3,7	Model: 4,8	Model: 5,9	Model: 6,10
<i>Dependent variable 2017–2019</i>	40,6	47,4	48,3	43,8	35,8	32,5
<i>Dependent variable 2017–2021</i>	43,4	50,4	50,8	42,9	38,7	34,6
Municipality size: less than 2000	17,2	18,3	13,3	13,3	13,4	7,2
Municipality size: 2000–5000	27,3	30,8	27,9	27,9	25,7	20,8
Municipality size: 5000–10000	24,7	23,1	24,6	24,6	23,4	21,4
Municipality size: 10000–20000	17,2	14,5	17,2	17,2	17,6	20,1
Municipality size: more than 20000	13,6	13,4	17,0	17,0	19,9	30,5
Dependency ratio	55,6	57,3	57,3	57,2	56,3	57,3
% of foreign background individual	8,8	8,5	8,6	9,1	8,6	8,7
% of low-educated individuals	8,6	8,4	8,4	8,2	8,4	8,3
Not the inner area	46,7	49,6	53,0	71,2	56,3	63,8
Inner area	53,3	50,4	47,0	28,7	43,7	36,2
% of tax-payers	66,7	68,0	67,9	67,1	67,7	67,4
% of self-employment individual	1,9	1,9	1,9	2,2	2,0	2,1
Gini index	9,7	9,5	9,7	10,3	9,7	10,0
% households with ISEE = 6000	7,8	7,6	7,4	8,6	7,9	8,3
% households with ISEE = 0	21,7	21,6	21,9	23,2	22,0	22,7
Female employment rate	36,5	36,5	36,5	35,8	36,2	35,8
Employment rate	44,5	44,6	44,6	44,1	44,3	44,0
% Nace C	19,5	19,8	19,8	19,8	19,8	19,8
% Nace D	0,5	0,5	0,5	0,5	0,5	0,5
% Nace E	1,2	1,3	1,3	1,3	1,3	1,3
% Nace F	8,2	8,2	8,2	8,2	8,2	8,2
% Nace G	21,8	21,4	21,4	21,4	21,4	21,4
% Nace H	6,6	6,8	6,8	6,8	6,8	6,8
% Nace I	9,1	9,2	9,2	9,2	9,2	9,2
% Nace J	2,9	2,5	2,5	2,5	2,5	2,5
% Nace K	3,2	3,1	3,1	3,1	3,1	3,1
% Nace L	1,6	1,7	1,7	1,7	1,7	1,7
% Nace M	7,5	7,5	7,5	7,5	7,5	7,4
% Nace N	7,2	7,1	7,1	7,1	7,1	7,1
% Nace P	0,7	0,7	0,7	0,7	0,7	0,7

(continued)

Table A2. Continued

Variables	Model: 1	Model: 2	Model: 3,7	Model: 4,8	Model: 5,9	Model: 6,10
% Nace Q	5,7	5,7	5,7	5,7	5,7	5,7
% Nace R	1,1	1,1	1,1	1,1	1,1	1,1
% Nace S	3,0	3,1	3,1	3,1	3,1	3,1
Rel take-up	35,0	34,6	34,6	34,6	34,6	34,6
LSPI implementation arrangement: scarce capacity	15,97	14,17	13,7	10,42	13,53	12
LSPI implementation arrangement: medium capacity	37,8	32,96	32,86	32,54	32,56	33,59
LSPI implementation arrangement: good capacity	46,23	52,88	53,44	57,03	53,9	54,41
Interpolation* Rel LSPI to PES: poor	29,41	24,94	24,37	24,48	24,3	23,59
Interpolation Rel LSPI to PES: sufficient	27,25	32,42	32,62	32,56	33,04	33,76
Interpolation Rel LSPI to PES: good	33,95	34,07	34,75	35,57	34,27	34,5
Interpolation Rel LSPI to PES: excellent	9,39	8,58	8,27	7,39	8,39	8,15
Interpolation RdC LSPI to PES: poor	41,5	29,96	29,72	30,23	29,75	30,36
Interpolation RdC LSPI to PES: sufficient	26,13	30,23	30,04	26,09	29,7	29,23
Interpolation RdC LSPI to PES: good	25,23	33,31	33,95	37,89	34,44	34,81
Interpolation RdC LSPI to PES: excellent	7,14	6,5	6,29	5,79	6,12	5,61
PES: essential services implementation:0–3	29,5	29,52	29,87	31,39	30,93	32,25
PES: essential services implementation:4–5	19,7	19,69	19,18	16,08	18,7	17,71
PES: essential services implementation:6–7	20,59	20,59	20,64	19,59	19,52	18,46
PES: essential services implementation:8 or more	30,21	30,2	30,31	32,94	30,85	31,58
Interpolation Rel PES to LSPI: poor	66,48	66,49	66,38	66,85	66,72	67,28
Interpolation Rel PES to LSPI: sufficient	15,75	15,77	15,99	19,76	16,7	16,88
Interpolation Rel PES to LSPI: good	15,32	15,29	15,25	12,01	14,3	13,72
Interpolation Rel PES to LSPI: excellent	2,45	2,45	2,38	1,39	2,28	2,12
Interpolation RdC PES to LSPI: poor	63,61	63,62	63,7	63,72	63,88	64,42
Interpolation RdC PES to LSPI: sufficient	22,46	22,48	22,52	24,2	23,03	22,87
Interpolation RdC PES to LSPI: good	11,75	11,71	11,58	10,51	11,14	10,77
Interpolation RdC PES to LSPI: excellent	2,19	2,19	2,19	1,57	1,96	1,93
Macro regions: North-West	22,51	20,06	19,4	14,2	18,48	15,98
Macro regions: North-East	19,28	24,39	24,28	22,67	23,2	22,46
Macro regions: Central	23,93	21,51	22,29	24,74	22,37	23

(continued)

Table A2. *Continued*

Variables	Model: 1	Model: 2	Model: 3,7	Model: 4,8	Model: 5,9	Model: 6,10
Macro regions: South and Islands	34,28	34,04	34,02	38,39	35,96	38,56
Observations	3810	1588	1211	312	1028	583
Model codebook:						
Model 1:	All municipalities, entire sample	Model 6:	Rel-Rdc subsample, municipality demographic, socio-economic, and infrastructural indicators			
Model 2:	All municipalities, subsample	Model 7:	INAPP survey subsample, municipality demographic, socio-economic, and infrastructural indicators, and survey indicators			
Model 3:	Controls, aggregate variables	Model 8:	Rel subsample, municipality demographic, socio-economic, and infrastructural indicators and survey indicators			
Model 4:	Rel subsample, municipality demographic, socio-economic and infrastructural indicators	Model 9:	RdC subsample, municipality demographic, socio-economic and infrastructural indicators and survey indicators			
Model 5:	Rdc subsample, municipality demographic, socio-economic and infrastructural indicators	Model 10:	Rel-RdC subsample, municipality demographic, socio-economic and infrastructural indicators and survey indicators			

Source: author elaboration on INPS, INAPP, ISTAT and Ministry of Labour and Social Policy data. Municipal size weight used. \*: the terms interpolation refers to the Institutional cooperation and communication ability.

**Table A3.** Incrementing working days between 2017 and 2019 of a selected population: municipalities determinants. Linear regression models

	model: 1	model: 2	model: 3	model: 4	model: 5	model: 6	model: 7	model: 8	model: 9	model: 10
Municipality size: 2000–5000	0.028	0.026	–0.017	0.045	0.047	–0.024	–0.013	0.115	0.042	–0.013
Municipality size: 5000–10000	–0.012	–0.019	0.001	–0.117	–0.062	–0.057	0.004	–0.116	–0.065	–0.061
Municipality size: 10000–20000	–0.006	0.001	–0.010	0.035	–0.019	0.053	–0.013	0.052	–0.021	0.050
Municipality size: more than 20000	–0.035*	–0.024	–0.023	–0.048	–0.041	–0.059	–0.025	–0.052	–0.050	–0.048
Dependency ratio	0.000	–0.000	–0.001	–0.008	–0.001	0.002	–0.001	–0.011	–0.001	0.001
% of foreign background individuals	–0.000	–0.002	–0.003	–0.007	–0.004	–0.008*	–0.003	–0.012	–0.003	–0.007
% of low-educated individuals	–0.003	–0.005	–0.004	0.007	–0.006	0.010	–0.006	0.006	–0.008	0.019*
Inner area	–0.007	0.015	–0.019	–0.023	0.023	–0.045	–0.027	–0.033	0.026	–0.027
% of taxpayers	–0.001	0.003	0.007**	–0.001	–0.003	0.004	0.006*	–0.005	–0.002	0.003
% of self-employed individuals	–0.008	–0.004	0.005	–0.037	–0.014	–0.013	–0.008	–0.014	–0.021	–0.010
Gini index	0.000	0.003	–0.002	0.015	0.007	0.003	–0.001	0.012	0.008	0.007
% households with ISEE = 6000	–0.002	0.006	0.006	0.004	0.003	0.014	0.004	0.009	0.005	0.017*
% households with ISEE = 0	–0.001	–0.003*	–0.002	–0.003	–0.003	–0.007**	–0.003	–0.000	–0.003	–0.007**
Female employment rate	0.004*	–0.001	–0.002	–0.008	0.002	0.003	–0.004	–0.010	0.003	0.002
Employment rate	–0.005*	–0.001	–0.000	0.008	–0.001	0.002	–0.000	0.013	–0.003	0.001
% Nace C	–0.005	0.004	–0.003	0.022	0.017	–0.022	–0.001	0.013	0.014	–0.015
% Nace D	–0.006	–0.009	0.004	0.009	0.008	–0.046	0.007	–0.034	0.005	–0.034
% Nace E	–0.005	0.007	0.001	0.006	0.021	–0.013	0.002	0.000	0.018	–0.009
% Nace F	–0.006	0.003	–0.002	0.015	0.016	–0.023	–0.001	0.007	0.015	–0.016
% Nace G	–0.006	0.001	–0.003	0.019	0.012	–0.019	–0.002	0.008	0.010	–0.013

(continued)

Table A3. *Continued*

	model: 1	model: 2	model: 3	model: 4	model: 5	model: 6	model: 7	model: 8	model: 9	model: 10
% Nace H	-0.005	0.002	-0.004	0.024	0.015	-0.021	-0.002	0.011	0.013	-0.012
% Nace I	-0.005	0.005	-0.001	0.029	0.018	-0.020	0.001	0.014	0.016	-0.012
% Nace J	-0.008	0.003	-0.013	0.017	0.017	-0.022	-0.010	0.015	0.014	-0.019
% Nace K	-0.007	0.003	-0.005	0.001	0.017	-0.008	-0.004	-0.007	0.014	0.003
% Nace L	-0.007	-0.002	-0.004	0.060	0.017	-0.023	0.002	0.067	0.011	-0.028
% Nace M	-0.005	0.003	-0.007	0.022	0.017	-0.025	-0.004	0.012	0.015	-0.016
% Nace N	-0.005	0.003	-0.001	0.028	0.016	-0.020	0.001	0.019	0.013	-0.013
% Nace P	-0.003	0.008	-0.021	0.028	0.018	-0.010	-0.019	0.034	0.018	-0.015
% Nace Q	-0.007	0.002	-0.004	0.013	0.018	-0.020	-0.002	0.001	0.016	-0.013
% Nace R	-0.011**	-0.006	-0.015	-0.018	0.004	0.002	-0.015	-0.028	0.003	0.024
% Nace S	-0.004	0.005	-0.002	0.027	0.029*	-0.038	0.001	0.037	0.026	-0.032
Rel take-up	-0.000	-0.001	0.000	-0.003	-0.002	-0.000	0.000	-0.002	-0.002	-0.000
LSPI implementation arrangement: medium capacity							-0.035	-0.032	-0.001	-0.004
LSPI implementation arrangement: good capacity							-0.022	-0.065	0.029	0.021
Interoperability* Rel LSPI to PES: sufficient							-0.050**	0.162**		0.026
Interoperability Rel LSPI to PES: good							-0.011	-0.019		-0.024
Interoperability Rel LSPI to PES: excellent							0.019	0.107		-0.033
Interoperability RdC LSPI to PES: sufficient							0.011		0.003	-0.112***

*(continued)*

Table A3. Continued

	model: 1	model: 2	model: 3	model: 4	model: 5	model: 6	model: 7	model: 8	model: 9	model: 10
Interoperability RdC LSPI to PES: good							-0.016		-0.021	-0.059
Interoperability RdC LSPI to PES: excellent							-0.060		-0.041	0.043
PES: essential services implementation:4-5							0.009	-0.034	0.011	0.084*
PES: essential services implementation:6-7							-0.001	-0.007	0.024	0.091**
PES: essential services implementation:8+							0.032	-0.049	-0.012	0.083*
Interoperability Rel PES to LSPI: sufficient							0.017	0.094		-0.079*
Interoperability Rel PES to LSPI: good							0.012	0.196***		-0.059
Interoperability Rel PES to LSPI: excellent							0.003	0.080		-0.115
Interoperability RdC PES to LSPI: sufficient							-0.007		-0.004	0.002
Interoperability RdC PES to LSPI: good							-0.003		0.053	0.049
Interoperability RdC PES to LSPI: excellent							-0.009		0.178**	0.158*
Macro regions: North-East	0.036***	0.023	-0.025	-0.043	0.069**	0.078*	-0.026	0.052	0.091**	0.066
Macro regions: Central	-0.014	0.007	-0.065*	-0.017	0.091**	0.027	-0.068*	-0.046	0.103**	0.011
Macro regions: South and Islands	-0.007	-0.022	-0.049	0.051	0.020	-0.040	-0.041	-0.032	0.057	-0.122
Constant	1.216**	0.145**	0.629**	-1.055*	-0.753*	1.873*	0.603**	0.043*	-0.664*	1.193*

(continued)

Table A3. *Continued*

	model: 1	model: 2	model: 3	model: 4	model: 5	model: 6	model: 7	model: 8	model: 9	model: 10
Observations	3,810	1,588	1,211	312	1,028	583	1,211	312	1,028	583
R-squared	0.031	0.039	0.049	0.083	0.057	0.098	0.061	0.158	0.077	0.139
Model codebook:										
Model 1:	All municipalities, entire sample		model 6:	Rel-Rdc subsample, municipality demographic, socio-economic and infrastructural indicators						
Model 2:	All municipalities, subsample		model 7:	INAPP survey subsample, municipality demographic, socio-economic and infrastructural indicators and survey indicators						
Model 3:	Controls, aggregate variables		model 8:	Rel subsample, municipality demographic, socio-economic and infrastructural indicators and survey indicators						
Model 4:	Rel subsample, municipality demographic, socio-economic and infrastructural indicators		model 9:	RdC subsample, municipality demographic, socio-economic and infrastructural indicators and survey indicators						
Model 5:	Rdc subsample, municipality demographic, socio-economic, and infrastructural indicators		model 10:	Rel-RdC subsample, municipality demographic, socio-economic, and infrastructural indicators and survey indicators						

Source: author elaboration on INPS, INAPP, ISTAT and Ministry of Labour and Social Policy data. Note \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ , Municipal size weight used. \*: the terms interpolation refers to the Institutional cooperation and communication ability.

**Table A4.** Incrementing working days between 2017 and 2021 of a selected population: municipalities determinants. Linear regression models

	Model: 1	Model: 2	Model: 3	Model: 4	Model: 5	Model: 6	Model: 7	Model: 8	Model: 9	Model: 10
Municipality size: 2000–5000	0.023	0.040	0.009	0.265	0.017	0.013	0.011	0.353**	0.011	0.025
Municipality size: 5000–10000	0.022	0.065*	0.052	0.054	–0.002	0.054	0.053	0.020	–0.004	0.044
Municipality size: 10000–20000	–0.015	–0.008	–0.023	0.011	–0.049	0.034	–0.023	–0.054	–0.043	0.035
Municipality size: more than 20000	–0.019	0.006	–0.007	0.051	–0.054	–0.024	–0.009	–0.042	–0.057	–0.022
Dependency ratio	0.001	–0.000	–0.001	–0.011*	0.002	–0.007*	–0.001	–0.015**	0.003	–0.006
% of foreign background individual	–0.001	–0.003	–0.001	–0.014*	–0.006*	0.001	–0.001	–0.012	–0.006*	0.000
% of low educated individuals	–0.004	–0.007	–0.014**	0.016	–0.001	0.003	–0.013**	0.026	–0.003	0.005
Inner area	–0.007	0.004	–0.014	–0.007	–0.027	0.036	–0.023	–0.010	–0.026	0.027
% of taxpayers	0.001	0.002	0.004	–0.011	–0.004	0.011*	0.003	–0.011	–0.003	0.005
% of self-employment individual	–0.020**	–0.015	–0.027	–0.057	–0.019	0.053	–0.036	–0.052	–0.020	0.047
Gini index	0.002	0.002	0.003	0.022	0.005	–0.004	0.005	0.026**	0.006	–0.004
% households with ISEE = 6000	0.000	0.000	0.005	–0.017	–0.007	0.004	0.001	–0.013	–0.002	–0.002
% households with ISEE = 0	–0.001	–0.002*	–0.004**	–0.002	–0.004	0.001	–0.004**	0.003	–0.003	–0.001
Female employment rate	0.001	–0.001	–0.002	–0.031*	0.003	0.001	–0.001	–0.034*	0.005	–0.001
Employment rate	0.001	–0.002	–0.002	0.035	–0.005	–0.005	–0.005	0.033	–0.007	–0.005
% Nace C	–0.005	0.002	–0.018	0.017	0.013	–0.029	–0.019	0.031	0.012	–0.036
% Nace D	0.002	–0.001	–0.012	0.032	0.011	–0.032	–0.014	0.036	0.010	–0.045
% Nace E	–0.006	0.001	–0.019	0.005	0.017	–0.025	–0.021	0.015	0.017	–0.033
% Nace F	–0.005	0.001	–0.019	0.008	0.012	–0.021	–0.022*	0.020	0.012	–0.028
% Nace G	–0.003	0.003	–0.015	0.008	0.015	–0.025	–0.016	0.020	0.015	–0.032

(continued)

Table A4. *Continued*

	Model: 1	Model: 2	Model: 3	Model: 4	Model: 5	Model: 6	Model: 7	Model: 8	Model: 9	Model: 10
% Nace H	-0.006	-0.001	-0.021	0.019	0.012	-0.027	-0.021	0.030	0.012	-0.032
% Nace I	-0.006	0.001	-0.019	0.011	0.012	-0.031	-0.020	0.023	0.011	-0.038
% Nace J	-0.007	0.003	-0.018	0.008	0.008	-0.021	-0.022	0.033	0.006	-0.031
% Nace K	-0.006	0.005	-0.010	0.004	0.019	-0.038	-0.013	0.012	0.019	-0.044
% Nace L	-0.004	0.012	-0.005	0.055	0.032*	-0.030	-0.002	0.077	0.026	-0.027
% Nace M	-0.007	-0.007	-0.033**	0.010	0.010	-0.043	-0.033**	0.028	0.008	-0.047
% Nace N	-0.003	0.005	-0.016	0.013	0.017	-0.024	-0.017	0.027	0.016	-0.029
% Nace P	-0.003	-0.001	-0.018	0.113*	0.001	-0.041	-0.017	0.111*	0.004	-0.046
% Nace Q	-0.005	0.004	-0.016	0.023	0.013	-0.023	-0.017	0.038	0.013	-0.031
% Nace R	-0.010**	-0.009	-0.028*	-0.009	0.002	-0.014	-0.029**	0.016	0.004	-0.026
% Nace S	-0.011*	-0.008	-0.028*	0.021	0.012	-0.056	-0.029*	0.048	0.010	-0.059
Rel take-up	-0.000	-0.001	-0.001	-0.000	-0.001	0.001	-0.000	0.001	-0.001	0.001
LSPI implementation arrangement: medium capacity							0.007	-0.092	0.065**	-0.044
LSPI implementation arrangement: good capacity							0.002	-0.103*	0.033	-0.052
Interoperability* Rel LSPI to PES: sufficient							-0.020	0.045		0.081
Interoperability Rel LSPI to PES: good							0.025	-0.063		0.095**
Interoperability Rel LSPI to PES: excellent							0.077*	0.095		0.065
Interoperability RdC LSPI to PES: sufficient							0.029		0.050**	-0.063

(continued)

Table A4. Continued

	Model: 1	Model: 2	Model: 3	Model: 4	Model: 5	Model: 6	Model: 7	Model: 8	Model: 9	Model: 10
Interoperability RdC LSPI to PES: good							-0.004		0.011	-0.096**
Interoperability RdC LSPI to PES: excellent							-0.035		0.044	-0.020
PES: essential services implementation:4-5							-0.023	0.180***	0.034	-0.081*
PES: essential services implementation:6-7							0.038	0.126	0.015	-0.004
PES: essential services implementation:8+							0.035	0.013	-0.032	0.044
Interoperability Rel PES to LSPI: sufficient							-0.021	0.067		-0.025
Interoperability Rel PES to LSPI: good							-0.022	0.089		-0.049
Interoperability Rel PES to LSPI: excellent							-0.022	0.006		0.048
Interoperability RdC PES to LSPI: sufficient							0.008		0.020	-0.007
Interoperability RdC PES to LSPI: good							0.027		-0.010	0.083
Interoperability RdC PES to LSPI: excellent							-0.079		0.280***	-0.075
Macro regions: North-East	0.034***	0.027	-0.025	0.043	0.025	0.088*	-0.035	0.147	0.055*	0.081
Macro regions: Central	-0.006	0.005	0.009	0.009	-0.004	-0.005	0.008	0.025	0.011	-0.044
Macro regions: South and Islands	0.047*	0.018	0.048	0.048	-0.024	-0.080	0.052	-0.006	-0.002	-0.131
Constant	0.882*	0.415*	2.497*	-0.028*	-0.414	2.936*	2.769**	-1.287*	-0.613*	4.049*

(continued)

Table A4. *Continued*

	Model: 1	Model: 2	Model: 3	Model: 4	Model: 5	Model: 6	Model: 7	Model: 8	Model: 9	Model: 10
Observations	3,810	1,588	1,211	312	1,028	583	1,211	312	1,028	583
R-squared	0.042	0.059	0.053	0.216	0.058	0.090	0.066	0.291	0.093	0.132
Model codebook:										
model 1:	All municipalities, entire sample			Model 6:	Rel-Rdc subsample, municipality demographic, socio-economic, and infrastructural indicators					
model 2:	All municipalities, subsample			Model 7:	INAPP survey subsample, municipality demographic, socio-economic, and infrastructural indicators and survey indicators					
model 3:	Controls, aggregate variables			Model 8:	Rel subsample, municipality demographic, socio-economic, and infrastructural indicators and survey indicators					
model 4:	Rel subsample, municipality demographic, socio-economic, and infrastructural indicators			Model 9:	RdC subsample, municipality demographic, socio-economic, and infrastructural indicators and survey indicators					
model 5:	Rdc subsample, municipality demographic, socio-economic, and infrastructural indicators			Model 10:	Rel-RdC subsample, municipality demographic, socio-economic, and infrastructural indicators and survey indicators					

Source: author elaboration on INPS, INAPP, ISTAT and Ministry of Labour and Social Policy data. Note \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ , Municipal size weight used. \*: the terms interpolation refers to the Institutional cooperation and communication ability.

**Table A5a.** Incrementing working days between 2017 and 2019 of a selected population: municipalities determinants. Linear regression models. North-West Italy and North-East Italy are main predictors

Variables	North-West Italy			Nord-East Italy		
	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup
LSPI implementation arrangement: medium capacity	-0.537	0.017	-0.078	-0.614***	-0.014	-0.293
LSPI implementation arrangement: good capacity	-0.245	-0.106	-0.087	-0.298	0.057	-0.208
Institutional cooperation and communication ability – Rel LSPI to PES: sufficient	-0.104		-0.191*	0.204		0.253
Institutional cooperation and communication ability – Rel LSPI to PES: good	-0.223		-0.107	0.315***		0.058
Institutional cooperation and communication ability – Rel LSPI to PES: excellent	0.614		-0.205	-0.098		0.070
PES: essential services implementation: 4–5	0.161	0.237**	0.234		-0.073	-0.085
PES: essential services implementation: 6–7	0.002	0.085	0.215		-0.068	0.024
PES: essential services implementation: 8+	-0.333	0.123*	-0.057		-0.115	0.080
Institutional cooperation and communication ability – RdC LSPI to PES: sufficient	0.573		-0.257	-0.108	-0.236**	0.145
Institutional cooperation and communication ability – RdC LSPI to PES: good	0.560***		-0.196	0.334	-0.088	0.273
Institutional cooperation and communication ability – RdC LSPI to PES: excellent	0.468		-0.226	0.334	-0.173*	0.297
Institutional cooperation and communication ability – Rel LSPI to PES: sufficient		0.062	-0.068	0.134		-0.090
Institutional cooperation and communication ability – Rel LSPI to PES: good		-0.024	0.110	0.063		-0.263
Institutional cooperation and communication ability – Rel LSPI to PES: excellent		-0.027	-0.052			-1.016**
Institutional cooperation and communication ability – RdC PES to LSPI: sufficient		-0.048	0.253		0.015	0.031
Institutional cooperation and communication ability – RdC PES to LSPI: good		-0.018	0.159		0.012	0.352

(continued)

Table A5a. *Continued*

Variables	North-West Italy			Nord-East Italy		
	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup
Institutional cooperation and communication ability – Rdc PES to LSPI: excellent		-0.138				-
Constant	2.380	1.333	2.476	2.612	7.104	4.187
Observations	73	275	136	82	274	152
R-squared	0.742	0.238	0.552	0.738	0.163	0.299

Source: author elaboration on INPS, INAPP, ISTAT and Ministry of Labour and Social Policy data. Note \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ , Municipal size weight used.

Table A5b. Incrementing working days between 2017 and 2019 of a selected population: municipalities determinants. Linear regression models. Central Italy and South Italy and Island, main predictors

Variables	Central Italy			South Italy and Island		
	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup
LSPI implementation arrangement: medium capacity	0.041	0.093	0.373*	-0.150	-0.050	-0.088
LSPI implementation arrangement: good capacity	-0.060	-0.024	0.083	-0.020	0.023	-0.060
Institutional cooperation and communication ability – Rel LSPI to PES: sufficient	-0.736		-0.065	0.193		0.022
Institutional cooperation and communication ability – Rel LSPI to PES: good	-0.504		-0.167	0.079		0.003
Institutional cooperation and communication ability – Rel LSPI to PES: excellent	-0.311		-0.698**	0.074		-0.025
PES: essential services implementation: 4–5	0.179	0.163***	0.315*		0.047	-0.127*
PES: essential services implementation: 6–7	-0.202	0.285*	0.050		0.058	-0.179**
PES: essential services implementation: 8+	0.442	0.225***	0.172		0.084*	-0.214**
Institutional cooperation and communication ability – Rdc LSPI to PES: sufficient	0.050		0.166	-0.043	-0.075*	0.092
Institutional cooperation and communication ability – Rdc LSPI to PES: good	-0.155		0.259	-0.207	-0.092	0.104

(continued)

Table A5b. Continued

Variables	Central Italy			South Italy and Island		
	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup
Institutional cooperation and communication ability – Rdc LSPI to PES: excellent	-0.420		0.147	-0.149	0.073	0.051
Institutional cooperation and communication ability – Rel LSPI to PES: sufficient		-0.136	0.139	0.054		0.005
Institutional cooperation and communication ability – Rel LSPI to PES: good		-0.114	0.088	0.435		-0.290
Institutional cooperation and communication ability – Rel LSPI to PES: excellent		-0.222***	0.854**			0.069
Institutional cooperation and communication ability – Rdc PES to LSPI: sufficient		0.020	-0.251		-0.051	-0.036
Institutional cooperation and communication ability – Rdc PES to LSPI: good		0.201**	-0.076		0.218*	0.263
Institutional cooperation and communication ability – Rdc PES to LSPI: excellent		0.339*	0.337		0.219*	0.061
Constant	-5.100	1.866	-6.694*	3.110	0.289	-1.789
Observations	59	174	103	98	305	192
R-squared	0.680	0.323	0.526	0.464	0.176	0.296

Source: author elaboration on INPS, INAPP, ISTAT and Ministry of Labour and Social Policy data. Note \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ , Municipal size weight used.

**Table A6a.** Incrementing working days between 2017 and 2021 of a selected population: municipalities determinants. Linear regression models. North-West Italy and North-East Italy are main predictors

Variables	North-West Italy			Nord-East Italy		
	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup
LSPI implementation arrangement: medium capacity	0.242	0.026	0.127	-0.351	0.029	-0.329*
LSPI implementation arrangement: good capacity	0.613*	-0.027	-0.029	0.224	0.070	-0.284**
Institutional cooperation and communication ability – Rel LSPI to PES: sufficient	0.140		0.031	-0.077		0.148
Institutional cooperation and communication ability – Rel LSPI to PES: good	-0.162		-0.121	0.078		0.138
Institutional cooperation and communication ability – Rel LSPI to PES: excellent	-0.331		-0.272*	0.019		0.162
PES: essential services implementation: 4–5	0.056	0.023	-0.096		0.015	0.035
PES: essential services implementation: 6–7	-0.351	-0.067	-0.088		-0.099**	-0.011
PES: essential services implementation: 8+	-0.170	-0.048	-0.123		-0.031	0.087
Institutional cooperation and communication ability – Rdc LSPI to PES: sufficient	0.863*		0.160	-0.589	-0.081	-0.180
Institutional cooperation and communication ability – Rdc LSPI to PES: good	0.245		0.037	-0.127	-0.116	0.041
Institutional cooperation and communication ability – Rdc LSPI to PES: excellent	0.279		-0.073	-0.454	-0.240*	0.019
Institutional cooperation and communication ability – Rel LSPI to PES: sufficient		0.099*	-0.275**	0.363***		-0.102
Institutional cooperation and communication ability – Rel LSPI to PES: good		0.034	-0.119	0.309**		0.076
Institutional cooperation and communication ability – Rel LSPI to PES: excellent		0.192	0.227			-0.402
Institutional cooperation and communication ability – Rdc PES to LSPI: sufficient		0.151	-0.271		-0.001	0.008
Institutional cooperation and communication ability – Rdc PES to LSPI: good		0.073	0.271**		0.073	-0.147

(continued)

Table A6a. Continued

Variables	North-West Italy			Nord-East Italy		
	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup
Institutional cooperation and communication ability – Rdc PES to LSPI: excellent		0.377***				-
Constant	3.508	1.484	5.358*	4.263	1.658	2.686*
Observations	73	275	136	82	274	152
R-squared	0.723	0.220	0.501	0.742	0.189	0.334

Source: Author elaboration on INPS, INAPP, ISTAT and Ministry of Labour and Social Policy data. Note \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ , Municipal size weight used.

Table A6b. Incrementing working days between 2017 and 2021 of a selected population: municipalities’ determinants. Linear regression models. Central Italy and South Italy and Island are main predictors

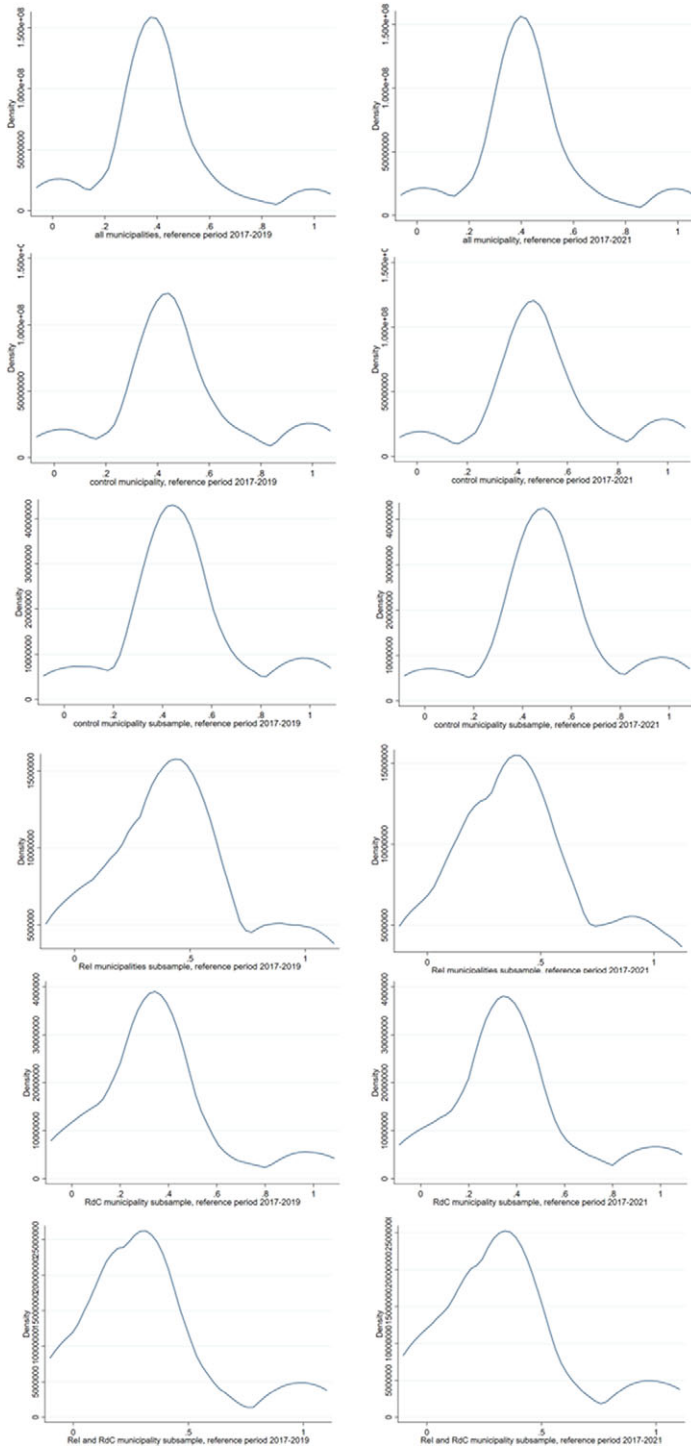
Variables	Central Italy			South Italy and Island		
	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup
LSPI implementation arrangement: medium capacity	0.262	0.298***	0.043	-0.287**	0.056	-0.152**
LSPI implementation arrangement: good capacity	-0.439	0.113**	-0.034	-0.037	0.005	-0.059
Institutional cooperation and communication ability – Rel LSPI to PES: sufficient	-0.805		-0.654		0.096**	0.198**
Institutional cooperation and communication ability – Rel LSPI to PES: good	-0.716**		-0.313		0.073*	0.016
Institutional cooperation and communication ability – Rel LSPI to PES: excellent	-0.764*		-0.097		0.084	0.084
PES: essential services implementation: 4–5	0.538	0.102	0.085	0.180	0.014	-0.111
PES: essential services implementation: 6–7	0.372	0.039	-0.377	0.036	0.025	-0.010
PES: essential services implementation: 8+	0.680	0.032	0.222	0.086	-0.044	-0.098
Institutional cooperation and communication ability – Rdc LSPI to PES: sufficient	0.178		-0.015		0.012	-0.111**
Institutional cooperation and communication ability – Rdc LSPI to PES: good	0.275		-0.183		-0.095	-0.119*

(continued)

Table A6b. *Continued*

Variables	Central Italy			South Italy and Island		
	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup	Rel subgroup	Rdc subgroup	Rel-Rdc subgroup
Institutional cooperation and communication ability – Rdc LSPI to PES: excellent	–0.696*		–0.230		0.294**	–0.063
Institutional cooperation and communication ability – Rel LSPI to PES: sufficient		0.019	0.201	–0.024		0.039
Institutional cooperation and communication ability – Rel LSPI to PES: good		0.087	0.157	0.204		0.237**
Institutional cooperation and communication ability – Rel LSPI to PES: excellent		0.080	–0.258	0.428***		0.212
Institutional cooperation and communication ability – Rdc PES to LSPI: sufficient		–0.002	–0.022	–0.017		–0.066
Institutional cooperation and communication ability – Rdc PES to LSPI: good		0.005	0.111	0.033		–0.249*
Institutional cooperation and communication ability – Rdc PES to LSPI: excellent		0.327	0.508		0	0.522*
Constant	–7.702	–0.638	–6.218**	–0.960	–0.145	–0.960
Observations	59	174	103	98	305	192
R-squared	0.849	0.285	0.552	0.656	0.165	0.357

Source: author elaboration on INPS, INAPP, ISTAT and Ministry of Labour and Social Policy data. Note \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ , Municipal size weight used.



**Figure A1.** Distribution of municipalities in relation to municipalities’s ability to activate individuals in the labour market (proxy) between 2017–2019 (right) and 2017–2021(left) by identified groups.  
 Source: author elaboration on INPS, INAPP, ISTAT, and Ministry of Labour and Social Policy data. Municipal size weight used.