



LABOUR REFORMS IN ITALY

Structure, main contents and first results

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British Chamber of Commerce in Italy

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Eight decrees implementing the delegation law

1. No. 22 on **unemployment benefits** (NASPI)
4th March, 2015
2. No. 23 on the new discipline of **dismissals**
4th March, 2015
3. No. 80 on **work and family care balance**
15th June, 2015
4. No. 81 on **free lances, fixed term, part-time, job on call, spot jobs, temporary work and apprenticeship**
15th June, 2015
5. No. 148 on the **temporary lay-offs benefit scheme**
14th September, 2015
6. No. 149 on the **inspection services aggregation**
14th September, 2015
7. No. 150 on **employment services** (institution of the new public agency ANPAL)
14th September, 2015
8. No. 151 on **disabled people placing services, remote worker check *et al.***
14th September, 2015

Discussions on the effects of the reforms

- Sharp rise in share of **new hiring by open-ended contracts** (including conversions of fixed-term contracts to open-ended)
 - These are **flow data** (Department of Labour, INPS)
 - Is this due to the reforms or to the contribution reliefs?
- Significant increase of **employed workers**
 - These are **flow data** (Department of Labour, INPS)
 - Is this due (and to what extent) to the reforms, to the contribution reliefs, or to restarting growth in Italy?

The employment figures seemingly affected by the reforms

HIRING FLOW in January-August timeframe

- Hiring by open-ended contracts**

2014: 865,491

2015: 1,164,866 + 299,375 + 34.6%

(Hiring by fixed-term contracts: + 29,377 + 1.3%)

- Conversions of fixed-term contracts to open-ended**

2014: 235,704

2015: 276,658 + 49,954 + 17.4%

Source: INPS, Data on new hirings, Monthly Report, Sept. 2015, table 1

THE CONTENT OF THE EIGHT DECREES

in brief

one by one



1 - Decree no. 22/2015 regarding unemployment benefits

The provisions by "Fornero Law" 2012
concerning ASPI are refined,
its **duration** is longer
and its **scope** further extended

NASPI: 75% of the last compensation for up to 24 months (reduced by 3% starting from the 4^o month)

AN INSURANCE COVERING UNEMPLOYMENT
ACCORDING TO THE BEST EUROPEAN STANDARDS

New ASPI (last monthly compensation = € 1,000)



Unempl. benefits: what has changed compared to 2012 "Fornero Law"

2012 ASPI

Required: 104 weeks of contribution, 52 thereof within the last 104 weeks

Max. duration: 12 months for under 55
18 months for over 55

Amount: 75% for 6 months, reduced by 15% each 6-month timeframe

Condition: in case of refusal of a reasonable job offer, the benefit is forfeited

New ASPI

Required: 13 weeks of contribution within the last 4 years

Max. duration: ½ of contribution paid in the last 4 years, up to a maximum of 24 months

Amount: 75% for 3 months, then reduced by 3% each month

Condition: same as in 2012 + obligation to participate in retraining initiatives

2 - Decree no. 23/2015

A work contract gradually raising employee's protection

Aimed to align the regulations on layoffs
to most common standard policies
in the European Union

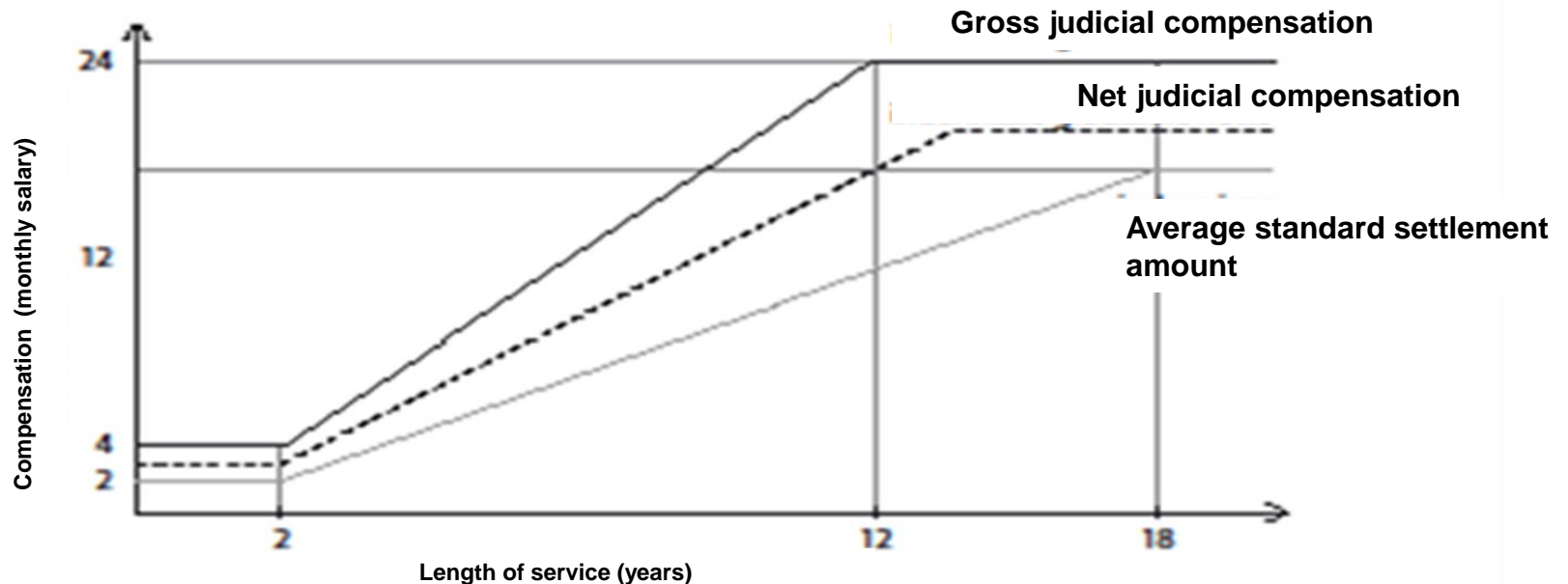
moving from a system based on
job property to one based on *liability rule*

The new sanctions relative to unfair and unlawful dismissals

- A brief and readable wording of the law...
- ... aimed to **minimize the discretion** of the Courts...
 - to reduce unpredictable outcome of litigation
 - to reduce, thus, litigation
- ... and to **promote conciliation for settlement** in every cases of dismissal (dismissal is no longer regarded as *extrema ratio*, or as intrinsically negative)

The new costs of dismissals in the Italian law system

COMPENSATION ORDERED BY THE COURT AND AVERAGE SETTLEMENT AMOUNT



In Italy, the set maximum *severance cost* (24 months salary) is still much higher than EU average



3 - Decree no. 80/2015 Work-family balance

Aimed to align the regulations
on paid leaves for parental care
to the best practices in Europe
concerning the **balance** between **work**
and **parental care**

(now only for testing, though, until 31.12.15)

The main provisions by the Decree

- More paid and unpaid leave for **natural parents** of children aged up to 12
- More paid and unpaid leave for **adoptive or foster parents**
- Reliefs relative to adoption and foster care extended also to **long-term free-lances or collaborators**
- Up to 3 months leave for victims of **gender violence**, for protection
- Incentives (to the employers) to promote **teleworking**

4 - Decree no. 81/2015

on free lances, fixed term, part-time, job on call, spot jobs *et al.*

The boundaries of subordinate employment to which protection is granted are better defined

The regulations of part-time work, seasonal work, fixed-term work contracts, job on call, temporary work through job agencies, and apprenticeship are better laid down, in a clear and consistent wording

A simplified rewriting
of the regulations governing
eight essential types
of employer/employee relationship
according to
a new principle of flexibility
and repealing
dozens of previous statutes

A new definition of the scope of labour law (sect. 2)

- Sect. 2 of the fourth decree: a **new definition** based on
 - **exclusively personal** work performance
 - **continuing** work performance over time
 - discretion of the principal to determine **the time and the place** of the work rendered, *i.e.* **absence of self-organization**
- It can be derogated by NCBA of the relevant sector
- Members of corporation bodies, professional rolls, scientific research, and some others are excluded
- Possibility of a individual self-employment contract **validated** by a competent Commission

Other most important provisions of the decree

- New regulations relative to **change of job duties**
- **Part-time**: more flexibility and adaptability
- **Spot jobs**: maximum allowed individual income from spot jobs raised up to € 7,000 per year
- **Fixed-term contracts**: March 2014 reforms substantially confirmed
- **Temporary work through job agencies**: same regulations as in 2014; *staff leasing*: allowed for no more than 20% of the company staff

5 - Decree no. 148/2015

temporary lay-offs benefit scheme

(Cassa integrazione guadagni)

The new **law collection** regarding CIG
Its scope has been broadened, while
conditions and durations have been
severely reduced.

As regards insurance premiums
a ***bonus/malus*** rule is now applied

The main changes concerning CI G

- In case of **final closing down** of the employing company, CI G is not available
- New **limits to the duration** of CI G have been set, in accordance with its essential function
- Also **apprentices** may now avail of CI G as the case may be
- **Contribution**: **a)** no longer depending on company size **b)** increasing proportionally to actual usage

“Less work hours, work for all” schemes have been enhanced

- It has been stressed that solidarity contracts are **a special kind of CIG scheme**, subject to the general discipline thereof
- So called «expansive» solidarity contracts ("less work hours, work for *more* people") have been retrieved
- Solidarity contract is taken into account and enhanced also relative to total CIG duration allowed (see next slide)

New CIIG duration limits

NEW MANDATORY LIMITS

Examples:

- 12 months ordinary CIIG + 12 months extraordinary CIIG (*) : **maximum 24 months**
- 12 months ordinary CIIG + 24 months solidarity contract (*) : **maximum 36 months**
- 12 months CIIG special scheme + 24 months solidarity contract (*) : **maximum 36 months**
- solidarity contract without other CIIG (*) : **maximum 36 months**

(*) within the last 60 months



6 - Decree no. 149/2015

Inspection service integration

A **sole inspection agency**
is now in charge of inspection services
by the Department of Labour
by INPS and by INAIL
so as to **prevent any duplication** and
increase the effectiveness of inspections
by their coordination

7 - Decree no. 150/2015

New employment services : ANPAL

Moving up before Constitution reforms, it provides that these services be **centralized** and rendered by a **State-Regions-hold agency** **Cooperation between public and private service providers** has been enhanced as the normal way of carrying out the service

The Constitution reforms in process

- The central Government will have again legislation and administrative powers relative to labour market services...
- ... whilst the Region will just have these powers relative to vocational training...
- ... however, the Government may delegate the other labour market services to the Regions concerned (as capable they be)

Decree no. 150: a centralized agency for active policies (ANPAL)

- A State-Regions-hold body (thus moving up before the Constitution reforms)
- It takes in a part of the staff of the Dpt. of Labour, of *Italia Lavoro*, and of ISFOL (no new hiring)
- ISFOL should be in charge of **control and evaluation** (scepticism on the actual independence and capability required for performing effectively this function)

Cooperation between public and private providers of job services

- A national register of licenced private agencies has been created, with equal requirements
- After 4 months under NASPI, the unemployed will chose the provider of intensive services, whose compensation, the “reskilling and repositioning voucher”, is a success-fee
- National register and equal requirements also regarding vocational training providers

8 - Decree no. 151/2015

Disabled people placing services, remote worker check *et alia*

All **communications** will be on line,
and the regulations on **disabled job-**
seekers placement, **resignations**,
remote worker check are simplified.

From now on, all procedures will be on line

- **All administrative communication** (including those regarding work abroad, placement and training, employment of extra-EU immigrants, show business sector) **will be on line**
- Starting from 2017, a **centralized labour register on line** too
- Placement of **workers at sea** simplified
- **Register of work-related injuries** abolished

New regulations on placement for disabled people

- Job-seekers **may be individually selected and hired** (not directly, though) from official employment lists
- The hiring of **job-seekers with disabilities** may be taken into account for economic incentive purpose even if they are **not hired from any official employment list**
- **Economic incentives for hiring job-seekers with disabilities** have been enhanced, and the relevant procedures simplified

New regulations concerning resignations, transfer of paid leave rights, etc.

- Termination by the employee and by mutual consent filed on line on the relevant forms provided by the Department of Labour (back to 2007: it is part of the political compromise on which the reform is based)
- Paid leave rights exceeding the minimum set by law may be transferred by one colleague to another in case of serious family problems

New regulations relative to remote worker check

- **Mobiles, laptop** networks or **GPS systems** did not exist in 1970; hardly ever has any **preventive negotiation** concerned them (however, no such negotiations have ever been considered as mandatory in any other Countries)
- By the new regulation, **the 1970 provisions does not apply to them ...**
- ... however, general **privacy protection regulations do apply...**
- ... and **previous information must be provided to the employees** about any usage of the data

The background is a stylized, low-poly illustration of a village scene. It features several houses with dark roofs and light-colored walls, nestled among green trees. In the foreground, there is a body of water reflecting the scene. The overall style is modern and artistic, with a muted color palette.

Thank you for listening

*These slides may be downloaded from the site
www.pietroichino.it*