

# EDITORIAL

# LABOUR

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## “WHAT THERE IS AND WHAT THERE IS NO LONGER?”, CHANGES IN THE JOB MARKET FOR 2017

*2016 sees the end of an era. The Legislator dismantles the differentiation between workers dismissed by ex-industrial companies and does not devise a shared system of income support: unified, decreasing and fixed term.*

The beginning of the year sees the effect of the “new model” for managing redundancies and the correlated unemployment that leads to the creation of a single social safety net to help all workers regardless of how their employment relationship was terminated, whether as a result of collective or individual redundancies.

This inevitably also leads to a change in the management methods of the personnel reduction processes that have a significant impact on workers and the majority of employers.

This change is only the last step of the job market reform which started with the Monti Government – on a warning from the ECB – with the introduction of the ASpl (then the NASpl) and continued gradually with the changes adopted by the controversial Jobs Act.

It seems interesting after some time has passed to analyse the changes relating to the implementation of the legislative provisions contained in the equally controversial Fornero Law.

In fact, as known, workers laid off from 31 December 2016 as part of a collective dismissal procedure can no longer be placed in “mobility” or benefit from the related allowances, which guaranteed an income support by replacing wages, and promotes reintegration into the job world.

This repeal also results in the cessation of the legislative provision on the financing of the mobility system by employers (equal to 0.30% of taxable wages) and in the replacement of the “entry contribution” payable in the event of collective dismissal (formerly consisting of 3 times the mobility pay in case of a trade union agreement or 6/9 times in its absence) with the so-called “dismissal ticket” which also multiplied by three times in the absence of a trade union agreement.

The NASpl (New Social Insurance for Employment) therefore becomes the only income support tool for workers who have lost their jobs involuntarily.

But even more of an impact for the ordinary management of personnel is the removal of the tax breaks given to employers who hire workers from the labour mobility lists which – deemed extremely onerous by the Legislator they consisted of a well-defined and effective series of interventions relating to the reduction in the contribution rate and

to a “financing” consisting of a monthly sum for the employer.

The new system does not neglect holders of a collaboration relationship.

In fact, from 1 January 2017, the so-called “Dis-Coll” is no longer operational: the unemployment benefit was introduced – as an experiment and only until 31 December 2016 – with last year’s budget package for coordinated and continued collaborators, as well as project-based collaborators, registered exclusively in the separate management at INPS, not retired and without VAT number, who involuntarily lost their jobs.

In the overall design of the reductions relating to workers, the Ministry of Labour has recently announced that it is willing to guarantee the continuation of the DIS-COLL benefits, even after 31 December 2016.

Indeed, it should be noted that the reform introduces a single benefit which can be accessed by companies that hire – on a full-time and permanent basis – workers who use the NASpl, which consists of a monthly contribution of 20% of the remaining monthly allowance that would have been paid to the worker.

This residual accompanies holders of unemployment benefits who are hired through a professional apprenticeship contract (with no age limit – therefore also over 29 years), thus enjoying not only the relative contribution relief and the benefits applicable to individual dismissals referred to in Leg. Decree no. 23/2015.

*For all those who will be involved in collective dismissal, starting from January 2017 only “NASpl”, the new social insurance for employment introduced in May 2015, will become the one remaining universal social shock absorber in case of unemployment.*



### INTRODUCTION OF “DISMISSAL TICKET”

THE AMOUNT OF THE “DISMISSAL TICKET” IS EQUAL TO

**41%**

*of the maximum amount for unemployment treatment for every three months of seniority in the three years prior to termination of employment.*

### NASpl

THE ONLY INSTRUMENT FOR INCOME SUPPORT

**20%**

*of its amount as incentive for new hires.*

On the one hand, the above innovations represent the legislator’s effort to adapt to the transformation taking place in the job market, equipping all workers, not just those orphans of companies not belonging to the industrial sector and/or large-sized companies, with useful tools to manage situations of surplus personnel; while on the other hand, these innovations seem to be correctly placed in an area of already consolidated employment, and maybe it is a bit premature with respect to the current situation in Italy.

In substance, the legislator removed what was a real system for the circular movement of the job market (dismissal allowance, employment benefits) and opted for financing to support the unemployment status whose results can only be evaluated in the medium term; or perhaps earlier when considering

the failure of the welfare system, which for example, in the Netherlands has created a fast verticalisation employment system, but at the same time, a substratum of structural unemployment that has no chance of re-entering the job market.

In fact, the absence of “qualities” speeds up the reintegration of workers with specialist and extensive knowledge, on the other hand, but it also segregates key workers and workers with highly competitive know-how who for various reasons are less appetising for employers.

Therefore, we are waiting for the effects of a reform that undoubtedly will produce significant impacts, observing the ability of employers to adapt and modify their development and management activities, from

recruitment to dismissal... like thinking that the job world can really be considered circular.