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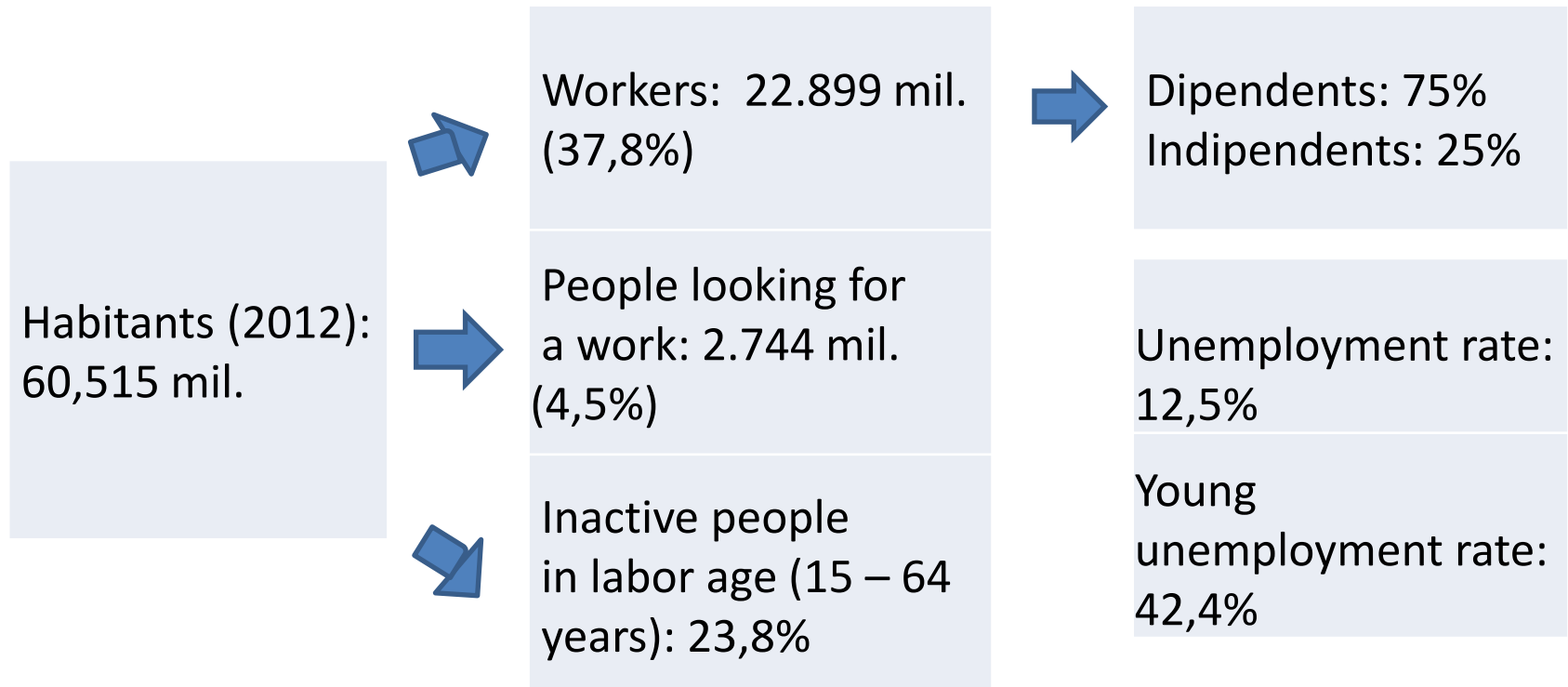
ITALIAN POLICIES FOR LABOR FLEXIBILIZATION: THE ROLE OF DIGITALIZATION AND THE CHANGES IN ITALIAN JOB MARKET

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Last 10 years: many problems in Italian Labor Market

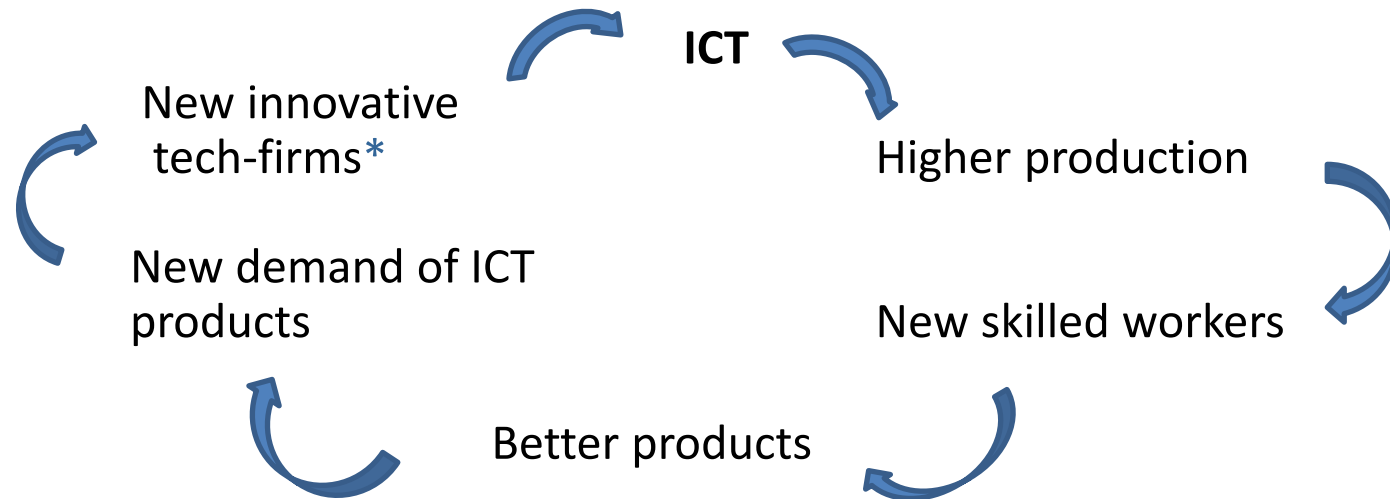
- Low labor demand by Italian firms
- Negative conjuncture / mk depression
- Labor over-taxation
- ICT diffusion 
- Radical changes in Italian labor market
(demand and supply side) (Atasoy, 2013):
 - » More interconnections and workers/firms matches
 - » Quicker information diffusion and new job search methods
 - » New job opportunities, higher wages

Some data on Italian labor market (ISTAT, 2013)



- ***Changes in labor types, layouts, relationship , times***

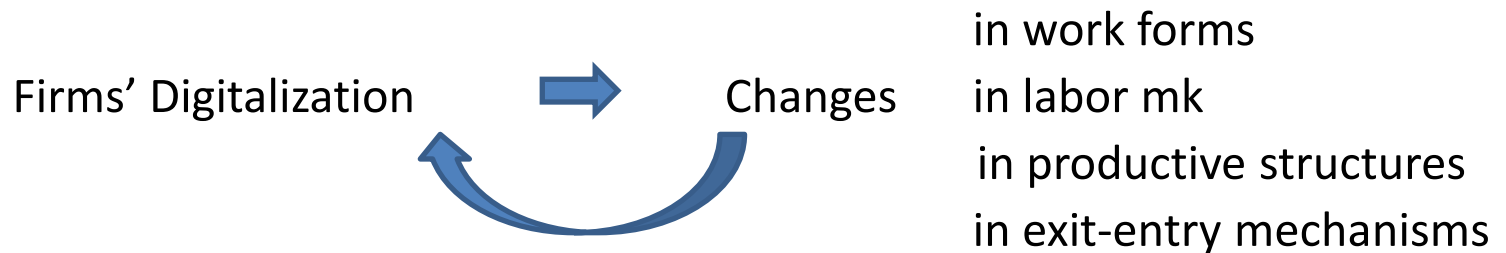
- **New labor types/layouts because of circular connection (Atasoy, 2013):**



*** Firms opened to new mk needs, able to catch directly the consumers' new preferences, managing information flowing from smartphones, social networks and “apps”**

- **New relationships / lower times:**

- More **interconnections** (through social networks too)
- A **double tie** (Parisi, Confindustria Digitale, 2014):



- **Bureaucracy simplification** → Lower work times → increase of informal relationships
- Higher flexibility → **money saving** (videoconferences)
- **Higher wages** and revenue / Growing targets (Atasoy, 2013)
- Acceleration of the instruction system → **high-skilled task** (broadband results complementary to labor market skills – Atasoy, 2013)
- Better **training processes**
- Higher **labor productivity** (Kochan, 2013)
- increases the firms' capacities on **research and innovation** (Kochan, 2013) (increase of **start-up firms** and recruitment incentives – Atasoy, 2013)

Pessimist interpretation:



Labor productivity increase
(Kochan, 2013)



Reduction of job positions,
because of system authomatization
(Jamet, Chalaux, Koen, 2013; OECD, 2011)

Negative effects
on local market
business
(Atasoy, 2013)

ICT – Broadband effect:

It depends by the overall firms' ecosystem
(Kochan, 2013; Kanter 2012; Pisano and Shih 2012)

but:

Digitalization advantages risks to be lost if (Parisi, 2014):

- firms' digital alphabetization is not increased
- the flexibility in labor market entry is not increased



New Labor Policies in Italy (different impacts on labor flexibility)

- **Fornero Labor reform (June, 2012)** (good attention on ICT):
 - Higher labor flexibility (entry / exit solutions)
 - New labor policy instruments:
 - ✓ Institution of a new **dole** (named ASPI) -  workers flex
 - ✓ New **apprenticeship** contracts -  workers fx /  firms fx
 - ✓ Work **temporary** contracts -  workers fx /  firms fx
 - ✓ **Fixed term** contracts -  mk flex
 - ✓ Longer times to contest not agreed interruption of fixed term contract / shorter time for appeal / faster processes
 - ✓ New regulations for “VAT Number” contracts / a new contract named Co.Co.Pro -  mk flex
 - ✓ Changes in dismissal regulation (Art.18) / Lower legal compensation for illegittimated dismissal -  flex
 - ✓ Reduction of the obliged interruption between sequents stagional contracts -  flex
 - ✓ Free health tickets for unemployments and their familiars
 - ✓ New rules for (beforehand) retirement -  flex

- **Digitalia decree (October, 2012)**: first step for Italian Digital Agenda realization
- **Letta Government** (April 2013 – February 2014) Labor Reform (lower attention on ICT)
 - ✓ Simplification Apprenticeship contracts
 - ✓ unication labor market rules,
 - ✓ reduction labor taxation

} Labor flexibility increase
- **Renzi Government** (February 2014 – still active) **Jobs Act** (good attention on ICT)
 - ✓ Extension of the fixed term contracts limit from 1 to 3 years,
 - ✓ Complete elimination of obligatory stop between fixed-term contracts,
 - ✓ Limitation of the n° of fixed-term contracts for firms (less than the 20% of the total contracts),
 - ✓ Elimination of compulsory assumption of 30% of apprentices.
 - ✓ Reduction firm/labor taxation – Creation new dole
 - ✓ Creation National Employment Agency

} Labor flexibility increase

- **Destinazione Italia decree** (February 2014):
 - Firms competition on network construction
 - Tax credit voucher for firms which invest in broadband
 - Voucher for staff training



1° point: Labor flexibility: indirectly increased
by policy for firms' digitalization
(it triggers the Parisi double tie)



**New work forms, organization,
layouts and times**



- **Already existing new works**
 - ***New professionals of the (social) networks***
 - ***Technicians working on digital engines***
quality and security
 - ***New employments managing on-line shops***
 - ***New employments realizing services which require the use of electronic engines*** (transport, waitress, digital TV managers, ad mk)
 - ***New specialists in digital e-books***
 - ***Health doctors which have digital competencies / new technicians which have medical informations***
 - ***Specialists in the Cloud Computing***
 - ***Technicians which work at the excavations/fiber cables laying***
 - ***TeleWork***

- **Future new works**
 - *Broadband architect*
 - *Memory augmentation surgeon*
 - *Body part makers / Nano-doctor*
 - *Bioinformationist*
 - *Geomicrobiologist*
 - *Virtual set designer / Broadband architect*
 - *Concierge / Expert of 3D printer*
 - *Cloud controller*
 - *Technological recycler*
 - *Citizen journalist*
 - *New art restorer, artisan and chefs*

- **Digitalization impact on new work organization and layouts**
 - time flexibility and freedom,
 - experts with transversal knowledge,
 - Informal, decentralized models,
 - inter-firm collaborations ➡ international innovative projects



More flexible and collaborative networked world

Digitalization impact on work time

- Accelerated bureaucratic practices (on-line bookings and payments, switch on/off of documents)
- Easier flow of informations
- No choose between private and labor contest online workplaces
- businesses on demand, as answer to fluctuating needs



Time saving



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2° point: although the existence of several problems (risk to lose data and labor positions; risk of digital breakdowns; risk to efface the human contribution)



General estimation of digitalization effect
on labor market = positive