



ESPN Thematic Report on integrated support for the long-term unemployed

Italy

2015

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EUROPEAN SOCIAL POLICY NETWORK (ESPN)

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Summary

In Italy, few measures have specifically addressed the needs of the long-term unemployed (LTU), particularly after their eligibility (based on contribution history) to unemployment benefits (UB) has ended. However, the LTU are eligible for the measures available to all unemployed persons. Unfortunately, the effectiveness of UB was limited in terms of coverage (and presumably of take-up).

Significant reforms (in 2012 and 2014) improved the UB system and relaxed eligibility conditions, thereby improving coverage. At present, recipients are largely 'dependent workers', including apprentices, members of cooperatives, art workers, those employed in the public sector with fixed-term contracts and collaborators. The reforms also addressed the interaction between benefits to avoid overlaps between different types of unemployment as well as the amount and length of UB. Maximum monthly amounts of UB are above the at-risk-of-poverty threshold (except the supplementary unemployment allowance for those experiencing longer spells of unemployment). To avoid disincentives to returning to work, UB were strengthened along with mandatory conditionality requirements (and sanctions) for activation (job search).

Activation support is provided by customised plans (agreed upon between the unemployed and the employment services) and is concentrated in the first year of unemployment according to minimum standards defined at a national level. The 2014 reform introduced a re-placement (or reallocation) contract that further linked activation and bonuses for the employed.

The LTU may access all regular social services and are eligible for measures aimed at persons at risk of poverty. This includes the "new social card", an experimental mechanism implemented in large metropolitan areas. The card recipients are required to participate in customised plans for social activation. In both cases (i.e. employment services and/or social services), requirements for job-seeking and for social activation are applied in a flexible manner to meet the needs of the persons concerned as well as respecting general criteria.

However, there is a lack of coherent and systematic connection between courses of action provided by employment services and those pertaining to social assistance services. Coordination between authorities and agencies in charge of social security, employment and social services does not follow a coherent and systematic approach throughout the national territory. Activities carried out by employment services are separated from activities developed by social services. Fragmented work tasks are assigned to counsellors and practitioners. Duplication and overlap of activity may also be at play. As a result, the existing organisational solutions are inconsistent and far from a one-stop shop model. There are gaps and a limited organisation in the exchange of data between employment services and social services, when it is occasionally implemented to suit the needs of specific unemployed persons.

Although there are very active municipalities and provinces where social services and employment services jointly implement customised plans, nationally, cooperation between them is generally scarce and often hampered by overlaps. The new social card opened up new perspectives for "integration contracts" that associate social assistance with income benefits and job-search requirements by means of a close coordination between social services, employment services and the national social insurance institute. However, low levels of information and collaboration between these agencies resulted in significant gaps. On the contrary, municipalities with a solid experience of active cooperation were better equipped for preparing customised projects according to the requirements of the new social card. A social impact assessment of policy measures (benefits and services) has yet to be developed but would provide input to understanding key weaknesses and opportunities.

1 Benefits and services supporting the long-term unemployed

In Italy, as a percentage of total unemployed persons, the long-term unemployed (LTU) were 61.4% in 2014, i.e. 11.9 percentage points (pp) above the EU-28 average and with an increase of 15.7 pp compared to 2008¹.

The LTU are eligible for benefits and services offered to all Italian unemployed persons. Assistance provisions specifically devoted to the LTU still do not exist (EP, 2014), nor do stable national schemes aimed at providing income benefits to the LTU after the end of unemployment benefits. Persons without previous employment experience and the self-employed are not eligible for unemployment benefits. Benefits vary according to workers' category, insurance contribution requirements and economic sector (e.g. the agricultural sector, for which a separate unemployment allowance exists)².

Mobility allowance (*Indennità di Mobilità*, introduced in 1991 as an unemployment scheme for collectively dismissed workers) supported redundant workers facing long periods of unemployment, but in a limited number of economic sectors.

A structural reform (Law No 92/2012) extended eligibility and coverage of unemployment benefits via: a social insurance for employment (*ASPI, Assicurazione Sociale per l'Impiego*) that substituted previous unemployment benefits (except in the agricultural sector) and mobility allowances; a reduced benefit (*Mini-Aspi*) for those who have reduced social contribution requirements; a one-off allowance for continuous and coordinated project collaborators (so-called *co.co.pro*).

Another structural reform (Law No 183/2014, the so-called Jobs Act implemented by legislative decree No 22/2015) introduced a new scheme (*NASPI, Nuova prestazione di Assicurazione Sociale per l'Impiego*). NASPI replaced ASPI and Mini-Aspi as the main unemployment benefit. A supplementary unemployment assistance (*ASDI, Assegno di disoccupazione*) was introduced on an experimental basis (limited to 2015) for those who are still unemployed at the end of the duration of NASPI, as well as an unemployment allowance (*DIS-COLL, Indennità di disoccupazione per collaborazione coordinata*) devoted to continuous and coordinated collaborators (so called *co.co.co*) and project-based contracts (*co.co.pro*).

A comparative analysis between EU Member States showed a low level of adequacy of unemployment benefits (i.e. net replacement rates) in Italy³. Following the 2012 and 2014 reforms, the maximum amounts of unemployment benefits (i.e. the monthly ceilings defined by law) are above the at-risk-of-poverty threshold (except ASDI). This includes the monthly ceiling of the specific unemployment allowance for agricultural workers. As these regulations may constitute a disincentive to return to work, i.e. the unemployment trap⁴, a progressive tapering of NASPI was created to incentivise activation for job search.

Unfortunately, there are no reliable estimates or actual data on take-up rates of unemployment benefits, defined as the ratio between the number of individuals receiving benefits and the total number of those who are eligible for these benefits. As a result, it is not possible to identify categories of workers most affected by low take-up (the LTU included), or the main reasons for this.

Some estimates confirmed a low coverage of unemployment benefits (i.e. beneficiaries relative to all unemployed people)⁵, but reported that coverage increased after eligibility requirements were relaxed, following the increase in the minimum duration of benefits extended to the most vulnerable unemployed categories (EC, 2015).

¹ Data from EUROSTAT: Ifsa_upgan. Date of extraction: 04.05.2015.

² See Annex: [Tables 1, 2, 3 and 4](#) that summarises the characteristics of the unemployment benefits (schemes, beneficiaries, amount, length and insurance contribution requirements).

³ See Annex: [Box 1](#).

⁴ See Annex: [Box 2](#).

⁵ See Annex: [Box 3](#).

As an effect of the aforementioned reforms, recipients of the unemployment benefits are dependent workers, including apprentices, members of cooperatives, art workers, those employed in the public sector with fixed-term contracts, collaborators. The interaction between benefits seems to avoid overlaps between different types of unemployment.

Access to social services, childcare services, health services and so on is granted to all persons, including the LTU. Therefore data are not available to estimate to what extent these services are effective (in terms of take-up, coverage, accessibility, quality, etc.) for the LTU. Measures for persons at risk of poverty are also available to the LTU, but are very limited given the lack of a nation-wide minimum income scheme. An experimental mechanism (called "new social card") was implemented in July 2013 in major metropolitan areas. Again, no LTU-specific data are available, while a general low take-up was recorded, mainly because of a lack of information⁶.

At a local level, employment services provide activation support linked to income benefits. Following minimum standards defined at a national level (Law No 92/2012), activation is concentrated in the first year of unemployment. This includes: vocational guidance interview (within 3 months); counselling activities of collective vocational guidance (within the following 3 months); not less than two weeks of training (within the following six months); placement initiatives within the conclusion of income benefits. Regional experiences confirm progress in the provision of these services (ISFOL and Italia Lavoro, 2010 and 2013; De Vincenzi R. and Iadevaia V., 2014) and some data reveal that active labour market policies were devoted to the LTU⁷.

The new unemployment schemes (NASPI and ASDI) will strengthen the participation of recipients in personalised activation plans. Recipients of the new social card should participate in customised plans for social activation, including job counselling and job search for adults, schooling and health protection for children.

The requirement for job-seeking is applied in a flexible manner to meet the needs of the persons concerned and to respect general criteria. However, there is no coherent and systematic connection between courses of actions provided by employment services and those offered by social assistance services.

Other means of linking activation and benefits consist in bonuses for employers to hire the LTU. This was the case for the insertion contract (*Contratto di inserimento*) in favour of vulnerable categories including the LTU (Law No 276/2003). The structural reform of labour legislation (Law No 92/2012) abolished the insertion contract, but introduced employment incentives for the LTU aged 50 years and over. Some benefits are also present in regional initiatives.

The legislative decree (No 22/2015), which enforced the Jobs Act, introduced a reallocation contract (*Contratto di ricollocazione*). This consists in a voucher with a monetary amount proportionate to the employability profile of the unemployed individual concerned. The voucher is used to receive tailored job search support from public or authorised private employment services. The unemployed person has the obligation to participate in the initiatives organised and implemented by the employment services.

In conclusion, it was possible to identify three deficiencies in the Italian LTU context: LTU measures are not well integrated; benefits have low coverage (and presumably a low take-up); there is no social impact assessment of the actual impacts of the benefits which has led to an insufficient availability of systematic data.

⁶ See Annex: [Box 4](#).

⁷ In 2012, throughout the national territory, 44% of courses of actions related to active labour market policies carried out by public employment services were targeted for the long-term unemployed (MLSP, 2013).

2 Coordination between services towards a one-stop shop approach

According to the Italian Constitution, exclusive legislative powers are granted: to the State for social insurance policy and the definition of basic levels of the quality of services throughout the national territory and; to the Regions (and then to their provinces and municipalities) for employment, training and social services.

The operational system is made up of three authorities: the national institute of social insurance (INPS), which delivers unemployment benefits (from the beginning of unemployment) and the new social card throughout the national territory; public employment services (PES), which are managed by the provinces and provide activation services; social services managed by the municipalities which include measures against poverty and social exclusion.

Coordination between PES and INPS increased following the requirement that all unemployed workers (the LTU included) register at the PES to receive unemployment benefits from INPS. This obligation starts with a declaration of immediate availability (*Dichiarazione di immediata disponibilità – DID*) to find and perform a job according to procedures defined by PES (a rule made mandatory by Laws No 181/2001, 2/2009 and 92/2012).

To face the global financial and economic crisis, agreements between the State and the Regions (initiated in February 2009) allowed a series of regional initiatives to combine income support provided by INPS with active labour market measures (namely vocational guidance and training courses for increasing the employability of concerned workers) provided by the Regions and supported by the European Social Fund (ISFOL and Italia Lavoro, 2013a).

Authorised private employment agencies also play an important role, depending on the region. Regionally, there are three governance models: an exclusively public model, a mixed system and an exclusive private model. In general, cooperation between public and private employment services has been scarce and often hampered by overlaps and a lack of synergy (ISFOL and Italia Lavoro, 2013b).

Examples of coordination between PES and social services can be found in a series of experimental initiatives devoted to the disadvantaged unemployed (including the LTU). These include (ISFOL, 2010) local plans (*piani di zona*) envisaged in the framework reform for an integrated system of social services (Law No 328/2000). The subsidiarity principles of the reform fostered mixed local welfare systems, which resulted in a constellation of different organisational models stemming from the heterogeneity of municipal structures.

In this context, the role played by authorised non-profit social organisations (i.e. the third sector, mainly cooperatives) must be highlighted. Their role was amplified by the global economic crisis, which triggered a reduction in public financial resources and a focus on outsourcing public service activities. Social cooperatives provide services for the employment reinsertion of persons at risk of social exclusion, managed in collaboration with PES. Notwithstanding regional and local differences, social cooperatives act as an important link in the construction of networked systems for the direct and constant relationship with recipients (as well as with formal and informal organisations of citizens and households), which is a powerful lever for promoting integration between services (ISFOL, 2015).

Coordination between INPS and social services is at the basis of the experiment with the new social card. Applications for the card must be presented at the municipal level. The latter, respecting the requirements laid down in law, may decide additional criteria according to the capacity of existing services. Upon completion of the requirement checks (jointly made by the municipality and INPS), INPS identifies the final number of beneficiary households within the limits of the resources allocated to each municipality, as well as the benefit amount based on household size.

In conclusion, the importance of and cooperation between the authorities in charge of social security, employment and social services is highly variable. Cooperation

between INPS and other authorities is mainly of an administrative nature. Coordination between employment services and social services does not exist in a coherent and systematic way throughout the national territory. Activities carried out by employment services are separate from activities developed by social services. Work tasks assigned to counsellors and practitioners are fragmented. There are areas of duplication and overlap of actions for similar target groups.

Some experimental initiatives to strengthen cooperation have been implemented, and a system of integrated employment centres between INPS and PES has been attempted⁸. However, the existing organisational solutions are geographically heterogeneous, far from the one-stop shop model.

Minimum standards for employment services were defined throughout the national territory for all unemployed people (including the LTU). They consist of general rules that were progressively improved over time (Marocco M., 2013): from initial provisions (Laws No 181/2000 and 297/2002) to the current four basic levels (Law No 92/2012) for activation services, concentrated in the first year of unemployment (see Section 1); from an initial national "master plan" (agreed upon by the Ministry of Labour, Regions, provinces and social partners in 2000) to updated regional master plans to adapt the general rules to territorial conditions and emerging needs. Generally, the plans aim to foster integrated and networked systems, based on PES and involving authorised private employment agencies.

However, human and financial resources allocated to PES have often been insufficient for achieving the current four basic levels, while difficulties arose from spending review processes. As an example, provincial authorities (which have managed the PES) were restructured (law No 56/2014) which resulted in institutional uncertainty in their role in PES tasks (Olivieri L., 2012).

While sporadic interactions exist between employment services and social services, the latter are characterised by a large variability in the quality standards between regions. Basic levels of social services harmonised throughout the national territory were not defined, despite the criteria initially provided by the reform for integrated social services aimed at combining policy measures, recipients and service typology (Law No 328/2000).

The exchange of data between employment and social services is not systematic. Improvements in information systems have been initiated through new agreements between INPS and the Regions with the objective of standardising accounting procedures for income benefits delivery linked to activation measures.

INPS has implemented (Law No 2/2009) a national database of income support beneficiaries (e.g. including NASPI from May 2015). Access to this database shall be extended to employment services, but a mutual data exchange (e.g. to check benefit eligibility, or to monitor activation measures) is not yet fully operational.

Data exchange between INPS and social services does not exist (apart from the experimentation with the new social card in a few municipalities).

However, the Jobs Act envisaged improvements in information flows between employment services, INPS and social services in relation to the delivery of the ASDI.

⁸ The one-stop shop approach was the objective of a memorandum prepared by INPS to promote synergies with PES at a territorial level (INPS, Circolare No 136, 28 Novembre 2006). See also, Baronio G. and Marocco M., 2008.

3 Individualised approaches

A declaration of immediate availability (DID; see Section 2) made by an unemployed person (the LTU included) is followed by a service agreement (*Patto di servizio, PDS*; Laws No 247/2007 and 2/2009). This pact between employment services and the unemployed person specifies mutual responsibilities, duties and rights, as well as conditionality (e.g. participation in training activities and job-seeking, job-acceptance). The pact translates into an individual action plan (*Piano di azione individuale, PAI*) or customised intervention plan (*Piano di intervento personalizzato*).

Embedded in rules and procedures laid down by law, customised plans are tailored to the needs of individuals and households through sufficient administrative flexibility. Conditional requirements are adjusted over time to take into account changes in needs and capacities (e.g. new skills acquired by individuals) and follow connected steps: welcome (registration); guidance, counselling and training; actions towards insertion into the labour market. However, there is no evidence that conditional requirements were linked to lower or higher take-up of benefits or activation.

Similar features are present in the provision of social services, especially for disadvantaged persons (such as the disabled). Customised plans are agreed upon between social services and recipients (individuals and households) with specified duties, rights and conditionality (participation in training courses, work opportunities, and so on) according to municipal regulations, but respecting principles of regional acts that conform to national rules (Law No 328/2000).

There are very active municipalities⁹ where customised plans are implemented by social services. For instance, a team was created by the Bologna municipality (with social services, training agencies, social cooperatives and voluntary associations) to deal with social inclusion and the labour insertion of unemployed persons (such as the LTU) in economic difficulty, including housing hardship. Activities included collective "laboratories" of vocational guidance and training, job search (also via the internet), as well as local employment initiatives. Customised plans were supported by cooperation between agencies at different levels of government: social services (i.e. municipality) and PES (i.e. the new metropolitan city that corresponds to the previous provincial territory; Law No 56/2014).

Unfortunately, deficiencies can be found in most local contexts where practitioners of PES are not well informed of actions implemented by practitioners of social services (and vice versa).

Municipalities have experimented with the new social card application principles (i.e. to overcome the conditions of poverty and to promote labour reinsertion and social inclusion) and procedures (i.e. an application form for households), which were originally nationally defined but flexibly adapted to customised projects. The new social card opened a new perspective for "integration contracts" and "individual action plans" that associate social assistance with income benefits and job-search requirements by means of a close coordination between social services, employment services and INPS. However, municipalities characterised by low levels of collaboration between social services and employment services have often had discrepancies. Conversely, municipalities with a solid experience of active cooperation between different agencies (such as Bologna) were more equipped for preparing customised projects according to the requirements of the new social card.

Devolution of power has allowed local governments to develop interesting examples of customised approaches. The province of Trento, benefitting from higher autonomy with respect to other provinces and regions, introduced a minimum income scheme (MIS, provincial law No 14/1991; now called "income guarantee", *reddito di garanzia*;

⁹ This report was based on information derived from interviews with practitioners (i.e. public officials and consultants) of PES (in Arezzo, Firenze, Siena and Torino), social services (Bologna) and the Employment Agency of the Province of Trento. Interviews were carried out between the end of February and the beginning of April 2015.

provincial Law No 13/2007). At a municipal level, social services provide customised assessment and support for delivering the MIS when it is necessary to go beyond automatic procedures that also apply for households with dependent workers who are no longer beneficiaries of unemployment allowances. While the MIS is regulated by provincial rules, the Employment Agency (*Agenzia del Lavoro*, which is a department of the Province) coordinates the territorial PES according to minimum standards defined at a national level (see Section 2). However, the provincial government approved rules that make conditionality flexible and adaptable to the needs of the person concerned. In any case, regulations (from the declaration of immediate availability – DID – to the service agreement and the individual action plan, respectively PDS and PAI), whether they are defined at national or provincial level, are mandatory for the agencies involved and their recipients.

In the territorial examples (Bologna and Trento), information system, direct contacts and group meetings between services practitioners are tools that facilitate the adaptation of solutions to the specific needs of the recipients. All the unemployed (including the LTU) are eligible for measures provided by both employment services and social services. For example, the provincial MIS managed by social services obliges participants to register at the PES and to participate in activation measures. Changes are introduced to the customised plans (PAI) throughout their duration via cooperation between PES and social services, while each individual plan is monitored over time and includes sanctions (namely the loss of benefits). Capitalising on several results (e.g. from individual interviews, meetings, training courses, workshops and experiences of job placement), social services further assess individual conditions before admitting the unemployed person to a specific programme. Therefore, additional support is provided to persons with very specific problems to improve their ability to accept work and cope with risks of social exclusion.

The interaction of many components makes it difficult to identify the budget actually attributable to these “integration contracts”. Moreover, the share of the budget devoted to the unemployed and that devoted to those unable to work cannot be separated. In the Bologna municipality, the total budget allocated by the national government to the experimentation with the new social card was €1.6 million, 52% of which was already committed to 221 beneficiary households in September 2014, corresponding to a monthly average per household of €312¹⁰. The total budget allocated by the Trento provincial government in 2013 to the MIS was €15.5 million for nearly 5,000 beneficiary households for a monthly average of €381 (not all households received this benefit for the entire duration of 1 year)¹¹.

A comparative assessment of the effectiveness of the “integration contracts” does not yet exist at a national level. It is too early to analyse outcomes of the experimentation with the new social card. Practices similar to the Trento MIS are not found elsewhere (e.g. those attempted at regional and local levels were fragmented or temporary; EMIN, 2014). However, the Trento MIS was assessed as a structural measure to fight poverty and social exclusion, capable of meeting the basic needs of the most deprived groups of the population, although the effects on labour market participation have yet to be demonstrated (IRVAPP, 2011).

¹⁰ Total national budget was €38.2 million, 69% committed for 6,517 households in September 2014 and corresponding to a monthly average per household of €334 (MLSP, 2014).

¹¹ See press release of the Trento Province No 1917/2014;

<http://www.regioni.it/dalleregioni/2014/07/28/reddito-di-garanzia-assegnati-13-milioni-per-lassistenza-e-la-previdenza-integrativa-358994>.

4 Overview table

		Please put an X in the column that best represents the situation in your country			Please summarise in a few words and in order of priority the 3 key gaps that need to be addressed to improve effectiveness (if only one gap just complete one column)		
		Very good	Medium	Weak	Gap 1	Gap 2	Gap 3
Effectiveness of benefits & services supporting the long-term unemployed	Income benefits		X		Not well developed measures devoted to the LTU	Low coverage of benefits	Lack of social impact assessment of the benefits
	Social services			X	Lack of systematic relationships with income benefits		
	Activation services			X	Lack of activation services after the first year of unemployment		
Effectiveness of coordination between employment, social assistance and social services				X	Sporadic coordination between services	Scarce availability of common databases	Fragmented work organisation with risks of duplication and overlap
Extent of individualised support				X	Very few initiatives of integration contracts	Low levels of information and collaboration between services	Lack of comparative analysis at a national level

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Annex: unemployment benefits (and the new social card) in Italy

Table 1: 2015 reform (Law No 183/2014 and legislative decree No 22/2015)

Scheme	Beneficiaries	Amount	Length	Insurance contribution requirements
ASDI (Assegno di disoccupazione). As from the 1 st May 2015, supplementary unemployment assistance on an experimental basis, limited to 2015.	Dependent workers still unemployed at the end of the duration of NASPI and in need of economic support. Priority given to households with children and to older workers still not entitled to pension.	75% of the last received NASPI benefit. Monthly ceiling: €449, equal to the amount of the "old age social allowance" (assegno sociale) for retired persons over 65 without sufficient income and pension contribution.	For a maximum of 6 months.	Those of NASPI
NASPI (Nuova prestazione di Assicurazione Sociale per l'Impiego). As from the 1 st May 2015, main unemployment benefit that replaced ASPI and Mini-Aspi.	Dependent workers, except those employed in the public sector with open-ended contracts and in the agricultural sector.	75% of monthly wage up to €1,195, plus an additional 25% of the portion of wage exceeding the above amount. Monthly ceiling: €1,300. Benefits reduced by 3% each month from the 4 th month onwards.	Half of the contribution weeks in the previous 4 years, i.e. for a maximum of 24 months (reduced to 18 months from 2017 onwards).	At least 13 weeks during the previous 4 years and 30 worked days in the previous year.
DIS-COLL (Indennità di disoccupazione per collaborazione coordinata). As from the 7 th March 2015, benefit on an experimental basis, limited to 2015.	Continuous and coordinated collaborators (co.co.co) also through project-based contracts (co.co.pro).	Same criteria as NASPI applied to the monthly medium income.	Half of the months covered by insurance contributions, but within a maximum of 6 months.	At least 3 months from the 1 st of January of 2014 and at least 1 month in 2015.

The new unemployment benefits compared with the 2012 reform (see [Table 2](#)).

Maximum monthly amount of NASPI (€1,300) increased with respect to ASPI (€1,168) in 2015. Calculation of monthly amounts was the same as for ASPI (e.g. 75% of previous wage up to €1,195, corresponding to €896), both benefits increasing with respect to the previous ordinary unemployment allowance (60%).

Same criteria of NASPI were applied to DIS-COLL.

For ASDI a reduced amount was established (equal to 75% of the last received NASPI) within a monthly ceiling (€449) already fixed for the old age social allowance (assegno sociale, devoted to retired people over 65 without sufficient income and pension contribution).

As a general average excluding ASDI, these monthly amounts can be considered as sufficiently above the at-risk-of-poverty threshold (€787 per month in 2013 according to Eurostat "ilc_li01" indicator corresponding to 60% of median equivalised income).

Significantly, a progressive tapering of NASPI was introduced to incentivise activation for job search: a 3% monthly reduction starting from the 4th month, corresponding for example to a 45% abatement of the initial benefit (75% of monthly wage) by the end of the maximum length (18 months) envisaged from 2017 onwards.

Requirements for accessing NASPI were reduced (at least 13 weeks during the previous 4 years and 30 worked days in the previous year) with respect to ASPI, for which requirements were the same as for the previous ordinary unemployment benefits (at least 2 years of insurance seniority and at least 52 weeks of contribution in the previous 2 years).

Duration of unemployment benefits was made proportional to the individual insurance contribution history and no longer linked to the worker's age.

Length of NASPI was potentially defined up to a maximum of 24 months in the first two years (2015 and 2016) and to 18 months in the following years (i.e. starting from 2017), an increase with respect to the ASPI duration (between 10 and 16 months according to age) and to that of the previous ordinary unemployment allowance (between 8 and 12 months according to age).

Duration of DIS-COLL was established as 6 months at a maximum, as an experiment (in 2015) designed to create a permanent unemployment benefit for collaborators (co.co.pro and co.coc.co) by replacing previous one-off allowances.

Always on an experimental basis (in 2015), workers still unemployed after the utilisation of NASPI (i.e. the LTU) have been entitled to ASDI for a maximum of 6 months with priority given to households with children and to older workers waiting for pension. A ministerial decree (expected by June 2015) will define criteria to identify workers (and households) in need of economic support.

Table 2: 2012 reform (Law No 92/2012). Reference year: 2015

Scheme	Beneficiaries	Amount	Length	Insurance contribution requirements
ASPI (Assicurazione Sociale per l'Impiego). Benefit repealed from 1st May 2015 and that replaced: ordinary unemployment allowance; special unemployment allowance in the construction sector; mobility allowance (see Table 3).	Dependent workers, including apprentices, members of cooperatives, art workers and those employed in the public sector with fixed-term contracts. Excluded: employees in the public sector with open-ended contracts; agricultural workers; non-EU seasonal workers.	75% of monthly wage up to €1,195, plus an additional 25% of the portion of wage exceeding the above amount. Monthly ceiling: €1,168. Benefits reduced by 15% after six months and by a further 15% after 12 months.	10 months for workers younger than 50 years; 12 months up to the age of 55; 16 months for workers aged over 55 years.	At least 2 years of insurance seniority and at least 52 weeks (i.e. 1 year) of insurance contribution in the previous 2 years.
Mini-Aspi. Benefit repealed from 1st May 2015 and that replaced the unemployment allowance with reduced requirements (see Table 3).	Dependent workers as for ASPI, but with reduced insurance contribution requirements.	Equal to ASPI.	Half of the contribution weeks in the previous year.	At least 13 weeks in the previous year.
One-off allowance for collaborators (Una tantum per i collaboratori). Benefit repealed from the 7th March 2015.	Continuous and coordinated project collaborators (co.co.pro).	7% of the minimum taxable income paid for social security.	Lump sum in a single payment if lower than €1,000; if higher paid in monthly rates.	At least 3 months as a total and 1 month in the concerned year.

In 2013, beneficiaries of ordinary unemployment allowance and ASPI were more men (53%) than women (47%), a difference that increased in the case of recipients of mobility allowance (65% men and 35% women). However, there were more women (53%) than men (47%) as beneficiaries of Mini-Aspi. Young people (aged up to 34 years) prevailed (52%) on other age groups in the case of Mini-Aspi. Adult workers (aged between 35 and 54 years) prevailed (57%) in the case of ASPI and ordinary unemployment allowance. Adult workers were the largest proportion (53%) in the case of mobility allowance, followed (36%) by older workers (aged 55 years and over).

The different natures of these unemployment benefits motivated these trends, e.g.: ASPI and ordinary unemployment allowance devoted more to workers with open-ended contracts; mobility allowance devoted to workers of large companies in industrial sectors; Mini-Aspi generally devoted to fixed-term labour contracts.

The present analysis was based on elaboration of data from annexes to: Ministry of Labour and Social Policies (2014), Gli ammortizzatori sociali [Shock-absorbing mechanisms], Quaderno No 2.

Table 3: Previous legislation

Scheme	Beneficiaries	Amount	Length	Insurance contribution requirements
Ordinary unemployment allowance (<i>Indennità di disoccupazione ordinaria</i>). Benefit repealed from 1 January 2013.	Dependent workers, except: apprentices; members of cooperatives; art workers; non-EU seasonal workers; those employed in the public sector with open-ended contracts; agricultural workers.	60% of monthly wage for 6 months, 50% up to 8 th month and 40% for the following months. Monthly ceiling: €1,119 in 2012.	8 months for workers younger than 50 years and 12 months for those aged over 50 years.	At least 2 years of insurance seniority and at least 52 weeks (i.e. 1 year) of insurance contribution in the previous 2 years.
Unemployment allowance with reduced requirements (<i>Indennità di disoccupazione a requisiti ridotti</i>). Benefit repealed from the 1 st January 2013.	Dependent workers (generally employed in temporary and seasonal jobs) not entitled to the ordinary allowance due to the lack of the minimum requirement of 52 weekly payments of social contribution.	35% of the average daily wage for the first 120 days, and to 40% for the remaining days. Monthly ceiling: €1,090 in 2012.	Number of days actually worked in the previous year, with a maximum of 180 days.	At least 2 years of insurance seniority and 1 week of insurance contribution and 78 worked days in the previous year.
Special unemployment allowance in construction sector (<i>Indennità di disoccupazione speciale edile</i>). Benefit repealed from 1 January 2017.	Dependent workers in the construction sector (members of cooperatives included). Excluded: apprentices and non-EU seasonal workers.	80% of the average daily wage in the last 4 weeks of work. Monthly ceiling: €598 in 2015.	For a maximum of 90 days.	At least 10 months or 43 weeks in the previous 2 years.
Mobility allowance (1) (<i>Indennità di mobilità</i>). Benefit repealed from 1 January 2017.	Dependent workers (except the construction sector) with open-ended contracts.	80% of last monthly wage for the first 12 months; 60% for the following months. Monthly ceiling: €1,168 in 2015.	12 months for workers younger than 40 years; 18 months (24 in the South) between 40 and 49 years of age; 24 months (36 in the South) for workers aged over 50 years.	Company seniority of at least 12 months, of which at least 6 actually worked.
One-off allowance (<i>Una tantum per i collaboratori</i>). Benefit repealed from the 1 st January 2013.	Continuous and coordinated project collaborators (<i>co.co.pro</i>).	30% of income received in a year. Amount ceiling: €4,000.	Lump sum in a single payment.	At least 3 months in the previous year and 1 month in the concerned year.

(1) The mobility allowance (*Indennità di Mobilità*) was introduced by the framework reform of shock-absorbing mechanisms (Law No 223/1991) as an unemployment scheme for collectively dismissed workers already covered by CIGS (*Cassa Integrazione Guadagni Straordinaria*). The latter is an extraordinary wage compensation fund that provides income support to workers in case of temporary working-time reduction during industrial crises and company restructuring plans (industrial firms with more than 15 employees and large-scale retail companies). The mobility allowance was also used to accompany transition to retirement age.

Table 4: Agricultural sector (Law No 264/1949 and following modifications)

Unemployment allowance in agricultural sector (<i>Indennità di disoccupazione agricola</i>)	Workers in the agricultural sector and small farmers, excluding non-EU seasonal workers.	40% of the average daily wage. Monthly ceiling: €1,166 in 2015.	Proportional to the number of days actually worked during the previous year.	At least 2 years of insurance seniority and 102 days of insurance contribution in the previous 2 years.
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Box 1: Net replacement rates

Net replacement rate: unemployment benefits relative to the wage previously earned (net of taxes) in the initial period (2 months) and after 12 months of unemployment (case taken: single person, no children, average wage).

In 2011, net replacement rates were in Italy 57% in the initial period and zero after 12 months, whilst the EU-28 averages were respectively 58.8% and 37.7%. Source: Social Protection Committee and European Commission (2015), *Social protection systems in the EU: financing arrangements and the effectiveness and efficiency of resource allocation*.

Box 2: Unemployment trap

The unemployment trap considers the effect of increased taxes and social contributions combined with benefits withdrawal for persons moving from unemployment to employment.

As an example, in 2013 the unemployment trap was 80% of additional earnings at employment for a single person without children (who earned 67% of average worker's gross earnings – AW). This means that €0.80 for every € of gross earnings went for taxes, social contributions and reduced social transfers, while the concerned person received the remaining €0.20 as a net income, lower than the EU-28 average (€0.25, i.e. an unemployment trap equal to 75%). However, in the case of one-earner-couple with two children, the Italian unemployment trap was equal to the EU-28 average (78%). Data from the tax and benefits indicator database of the EC DG ECFIN (Economic and Financial Affairs): 31.3.2015.

Box 3: Coverage

Regardless of the unemployment duration, 7.7% of all those who lost their previous job were beneficiaries of unemployment and/or mobility allowances in 2013. Source: Italia Lavoro (employment agency of the Ministry of Labour and Social Policies) (2014), *I beneficiari di ammortizzatori sociali, bozza di lavoro* [Beneficiaries of shock-absorbing benefits, working draft].

Considering the share of unemployed people (all lengths of unemployment) receiving unemployment benefits (both registered and not registered at a public employment office) as a share of all unemployed people, the coverage of those receiving unemployment benefits was low (6.6%) in Italy compared to the EU-28 average (31%) in 2011. Source: Social Protection Committee and European Commission (2015), *Social protection systems in the EU: financing arrangements and the effectiveness and efficiency of resource allocation*.

In Italy, only 2% of the LTU received unemployment benefits (or assistance) in 2013. Source: European Commission (2015), *Employment and Social Developments in Europe 2014*.

Box 4: The “new social card”

An experimental mechanism for income support (“new social card”) was introduced (Law No 35/2012) in 12 municipalities with more than 250,000 inhabitants: Bari, Bologna, Catania, Firenze, Genova, Milano, Napoli, Palermo, Roma, Torino, Venezia, Verona.

Recipients were defined as low-income households by combining the following requisites: jobless households with at least a member unemployed in the previous 36 months, or employed with flexible and low-paid labour contracts; households with at least one child (i.e. aged less than 18 years) with priority to housing hardships, single parents with children, households with three or more children, households with one or more children with disabilities. Households with a LTU member can apply for the new social card managed by the concerned municipality.

The monetary amount of the new social card varies in relation to household size and hardships (e.g. from €231 to €404 per month).

Beneficiaries as of September 2014) were 6,517 households with respect to 129,398 eligible households. This excluded data not yet available from Rome. A general low take-up (5%) was recorded mainly because of a lack of information on this measure (data on the LTU are not available). Source: Ministry of Labour and Social Policies (2014), *Primi dati sulla sperimentazione del sostegno per l’inclusione attiva (SIA) nei grandi comuni*, [First data on the experimentation with active inclusion support (SIA) in large municipalities], Quaderni della ricerca sociale flash 29.

