

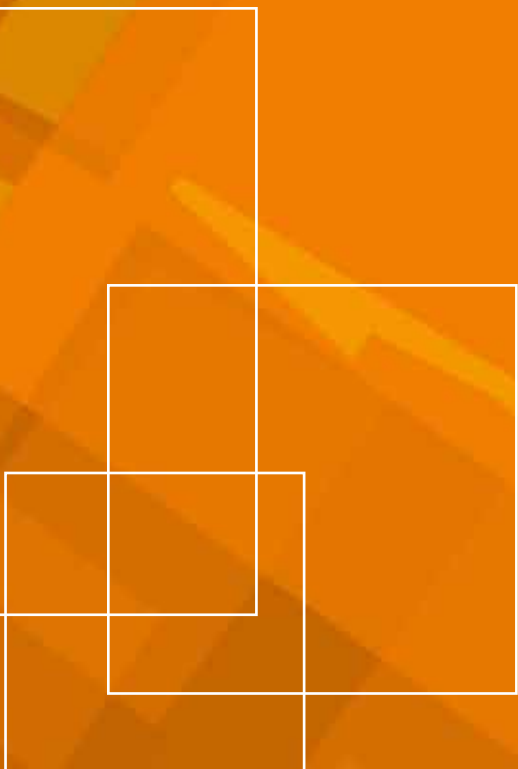


International
Labour
Organization

LAB/ADMIN

Labour Reform in Italy and its implications for Labour Administration

Giuseppe Casale, Mario Fasani



**Labour Administration and Inspection Programme
LAB/ADMIN**

**Labour Reform in Italy and its implications for
Labour Administration**

**Giuseppe Casale
Mario Fasani**

International Labour Organization – Geneva

Copyright © International Labour Organization 2012
First Published 2012

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to the ILO Publications (Rights and Permissions) International Labour Office, CH-1211 Geneva 22, Switzerland, or by e-mail: pubdroit@ilo.org. The International Labour Office welcomes such applications.

The libraries, institutions and other users registered in a reproduction rights organization may make photocopies in accordance with the licences issued to them for this purpose. Information on the organization of reproduction rights in your country are posted on www.ifrro.org.

ILO Cataloguing in Publication Data

Casale, Giuseppe; Fasani, Mario

Labour reform in Italy and its implications for labour administration / Giuseppe Casale, Mario Fasani ; International Labour Office, Labour Administration and Inspection Programme (LAB/ADMIN). - Geneva: ILO, 2012

1 v. (Working document, ISSN: 2227-7560; 2227-7579 (web pdf), No.23)

International Labour Office; Labour Administration and Inspection Programme

labour contract / employment security / social insurance / older worker / women workers / disabled worker / migrant worker / irregular migrant / employment service / labour administration / Italy

12.05.4

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org.

Visit our website: www.ilo.org/publns.

Printed in Switzerland

Table of contents

Preface.....	v
1. Introduction.....	1
2. Types of contracts.....	1
2.1. Fixed-term contract.....	2
2.2. Placement contract.....	3
2.3. Apprenticeship.....	3
2.4. Part-time work.....	3
2.5. Intermittent employment contract.....	3
2.6. Project work contract.....	4
2.7. VAT registration.....	5
2.8. Joint venture with work contribution.....	5
2.9. Accessory work.....	5
2.10. Internship.....	5
3. Rules on the external flexibility and protection of workers.....	5
3.1. Revision of the terms on individual dismissals.....	6
3.2. Provisions relating to collective redundancies.....	8
3.3. Fast track procedures for disputes regarding dismissal.....	9
4. Social safety net.....	10
4.1. Social Insurance for employment (ASPI) - Scheme.....	11
4.1.1. Scope.....	11
4.1.2. Requirements.....	11
4.1.3. Maximum duration.....	11
4.1.4. Amount.....	11
4.1.5. New employment.....	12
4.2. Social Insurance for Employment - short-term treatments (Mini-ASPI).....	12
4.3. Contribution.....	13
4.4. Repeals.....	13
4.5. Extraordinary Wage Fund.....	14
4.6. Municipal surcharge on boarding fees.....	14
4.7. ASPI - Transition.....	14
4.7.1. Amount.....	14
4.7.2. Duration.....	14
4.8. Social Insurance for Employment - short-term treatments (Mini-ASPI) – Transition.....	14
4.9. Mobility allowance.....	15
4.9.1. Duration.....	15
4.9.2. Amount.....	15

4.10.	Contribution of funding	15
5.	Extension of protection in continuation of the employment relationship	15
5.1.	Forecast of solidarity funds for bilateral protection while continuing to work in areas not covered by the interventions of wage integrations	15
5.1.1.	Procedure for the establishment of funds	15
5.1.2.	Operating funds	16
5.1.3.	Obligations	16
5.2.	Inter-professional Funds for Continuous Training	16
5.3.	Set up of the extraordinary wage fund for some sectors.....	17
5.4.	Compensation for workers of enterprises created after the transformation of the port companies - Start-up system.....	17
6.	Protection of ageing workers	17
6.1.	Additional protection in the event of job loss - Legal framework	17
6.1.1.	Requirements for workers	17
6.1.2.	Business Requirements.....	17
6.1.3.	Procedure.....	17
6.1.4.	Contribution.....	18
6.1.5.	Performance.....	18
6.1.6.	Contribution.....	18
6.1.7.	Transition.....	18
6.1.8.	Establishment of funds for complementary interventions	18
7.	Interventions for greater inclusion of women in economic life	18
7.1.	Protection of parenthood and fight against the phenomenon of blank resignations .	18
7.2.	Conciliation and discipline of mandatory paternity leave	19
7.3.	Measures to promote life-work balance.....	19
8.	Effective implementation of the right to work for disabled	20
9.	Interventions to combat irregular work of migrant workers	20
10.	Active labour market policies and employment services	20
10.1.	Objectives	20
10.2.	General Principles.....	21
10.3.	The role of employment services.....	21
10.4.	Interventions for lifelong learning	22

Preface

In this paper, we want to present the highlights of the recent labour market reform in Italy, as proposed by the Monti Government in April 2012. The reform deals with the entire spectrum of topical issues concerning the modernization of the labour market in the country with a view to aligning the system to other European countries.

At the centre of the strategy, there is the introduction of elements balancing flexibility and security. In particular, there is a common sense that due to the economic crisis and the current recession of several economies in Europe, it is time to introduce elements of flexibility especially for what concerns the external labour market aspects.

The reform is now in parliament for a final discussion and approval that should take place in the coming weeks/months. However, it is worth presenting in this very first document what are the main issues at stake and what they will represent for the future of the Italian labour administration.

The key issues addressed by the reform, as they have been explained by the Italian government, can be summarised as follows:

Reducing segmentation in the labour market

The introduction a decade ago of different types of fixed-term contracts has made the Italian labour market more flexible, a feature that the present reform safeguards while removing scope for abuses and promoting the use of permanent contracts (open ended contracts). The aim is to reduce the segmentation in the labour market which is recognized internally and internationally as one of the main reasons why productivity and economic growth in Italy have lagged behind the EU average. To achieve this, the government proposes, in particular, to increase the value of apprenticeship contracts as the main entry point into the labour market. Once equipped with the skills that an employer needs, a good apprentice ought to be offered a labour contract as opposed to being replaced at length as a source of cheap labour. The reform also aims to curb the abuse of “partite IVA” (VAT) or disguised independent work, as a person who works for more than six months in an enterprise from which it derives most of his or her revenue, ought to be an employee of that enterprise unless proven otherwise. In this regard, professional service providers are excluded.

A universal social safety net

The reform provides for a universal unemployment social benefit (“Assicurazione Sociale per l’Impiego-ASPI”) to which all enterprises will contribute. The current system applies only to a limited number of people, mostly in large enterprises. At the beginning of the crisis, the Bank of Italy warned that as many as 1.5 million workers would not be entitled to any unemployment benefits in the event they lost their job. Under the reform, all jobless workers will receive unemployment benefit but for a period of less time – 12 months for those less than 55 years and 18 months for more senior workers, as opposed to four years at present. The unemployed will also receive advice and assistance to ensure their quick return into the labour market.

To help finance the introduction of a universal social safety net, most fixed-term contracts will be subject to an additional 1.4 per cent social security contribution. For the reform, this is a fair option, since fixed-term contracts cost more to society, a person on a fixed-term contract is more likely to be unemployed and on benefits compared to one on a permanent contract. This is also in line with the international practice. In addition,

enterprises will be able to reclaim up to six months of the additional levy if the worker is given a stable contract.

A flexible labour market for all

The reform aims to make it easier for employers to hire and, when justified, fire, building on the experience of other countries where flexible markets have led to lower structural unemployment.

Dismissals on the grounds of race, gender or other forms of discrimination are and remain illegal. This applies to all enterprises, for the issue of non-discrimination is a fundamental right. Disciplinary dismissals can also be appealed within limits regarding both time and financial compensation, which did not exist before.

Finally, the reform introduces a more predictable and speedier procedure to handle disputed dismissals for economic or other objective reasons. First, it introduces a fast, compulsory, out-of-court settlement procedure at local level (“Commissione Provinciale di Conciliazione”). Secondly, if conciliation fails, the worker can take the case to a judge as in France, Germany or other European countries. The judge will be able to decide for reinstatement (plus a maximum 12 months’ wages) only where economic or other objective reasons for dismissal were found “manifestly inexistent” (manifestamente insussistenti), which is expected to happen only in extreme cases. In all other cases, where the judge ascertains that the economic dismissal is simply not justified, the compensation will be capped at a maximum of 24 months’ wages.

The provision of a compensation cap both for disciplinary and for economic dismissal is new in the Italian system and is aimed to push parties into a settlement rather than taking the case to Court. This will have direct implications in the organization of the labour administration system.

Active labour policies

As part of a policy to help and protect individuals, as opposed to the job held at all costs in their working lives, the reform puts in place active labour policies to help young people acquire the skills necessary for them to enter the market and, for those who lose their job, to get back into work rapidly. This is a task and challenge for both the State and the regions.

Besides the better qualification for young people, the policies involve life-long learning and training; a better evaluation of companies’ work needs; improved matching of offer and demand and other active policies.

To finance such policies the State and the regions will make more efficient use of available resources as well as of European funds, which are being re-directed to promote job creation and more efficient working labour markets.

Special thanks go to Mr. Mario Fasani, ILO expert, who co-authored this study and to Ms. Caroline Augé and Ms. Susan Bvumbe for their assistance in the editing and formatting of this document.

Giuseppe Casale
Director
Labour Administration and
Inspection Programme (LAB/ADMIN)

1. Introduction

The reform aims to create a dynamic labour market, flexible and inclusive, capable of contributing to growth and creation of quality jobs, while restoring the consistency between flexibility and security.

The interventions of the reform are aimed at:

1. redistributing more equitably the protection of employment, specifying the appropriate use of flexibility which has been gradually introduced over the last twenty years and adapting the regulation of individual dismissals for economic/objective reasons, some specific to the needs dictated by the changed context;
2. more efficient, consistent and equitable framework of social safety nets and active labour market policies;
3. rendering more rewarding the establishment of more stable employment relationships;
4. contrasting the non payment of taxes and indemnities.

The real implementation will require commitment by all sides to increase the effectiveness and efficiency of all the structures that are in charge now, at regional and national levels, of the various institutions dealing with the labour market. The Italian Government proposes such a reform with a view to improving the functioning of the labour market, the development and competitiveness of enterprises, employment protection and employability of citizens. In this context, there will be a continuous monitoring of the status of implementation of the reform. It will also assess the effects of its individual components on the efficiency of the labour market, the employability of workers, the means to enter and exit the labour market. It will be subject to constant evaluation.

This reform applies for the time being only to the private sector while the public sector will be the subject of a reform to be introduced at a later stage.

2. Types of contracts

The first area of this intervention concerns the existing contractual terms. The reform aims to keep the virtuous uses of them while limiting their improper uses that aim at reducing the labour costs by violating the inherent obligations of the contract of employment.

The reform identifies a preferred route which sees apprenticeships –understood in its widest meaning– the starting point towards the gradual establishment of an employment relationship without limit of time. While aiming to facilitate the establishment of stable labour relations, the reform seeks to preserve the flexibility required to efficiently cope with both normal economic fluctuations and enterprise reorganization. To this end are provided:

- specific interventions that limit the misuse and distortion of some contractual benefits and, therefore, the resulting insecurity;

-
- a redefinition of the economic advantages of the different contracts taking into account their degree of flexibility and –consequently– the expected cost associated with the insurance system;
 - a more equitable distribution of protection, with interventions on the external flexibility with a view to eliminating the abuses (for example, the so-called resignation in “white”), to strengthen protections for discriminatory dismissals, to adapt the individual dismissals in particular those for economic reasons to the changed economic scenario;
 - an adequate adaptation of the institutions to the changes.

Following are the main lines of action on the regulation of contractual arrangements and the regulation of the use of flexible contract forms.

2.1. Fixed-term contract

Employment relationships regulated by this institution have a higher propensity to the activation of insurance services, compared to the employment contract of indefinite duration. Consistent with this feature, it is expected to increase its contributory cost (a rate of 1.4 per cent) that will be used to finance ASPI (see below).

In the spirit of the European Directive 99/70/EC, the contrast to excessive repetition of a fixed-term contract between the same parties is pursued by extending the interval between a contract and the other at 60 days in the case of a contract of less than 6 months and 90 days in the case of a contract of longer duration (currently, 10 and 20 days).

At the same time, taking into account the possible organizational needs of the enterprises with respect to the completion of the activities for which the contract was entered into, an extension of the period is provided during which the relationship can continue beyond the expiration date to meet organizational needs, from 20 to 30 days for contracts lasting less than 6 months and from 30 to 50 days for those over 6 months.

In the logic of contrasting the improper use of fixed-term contracts, it is expected that the first contract term –meaning by this the agreement between a worker and an enterprise for any type of job– should no longer be justified by specific reasons as per article 1 of Decree No. 368/01. It also states that for the purpose of determining the maximum period of 36 months (including extensions and renewals thereof) provided for the conclusion of contracts with a single employee any temporary and/or intermittent work periods between the employee and the employer/user are counted.

In the case where the fixed-term contract is declared illegal by the court, the legal regime will continue to be based on the double track of the “conversion” of such a contract into an open ended contract and recognition to the employee of a compensation of an amount between 2.5 and 12 months’ salary, according to Art. 32, paragraph 5, of Law no. 183/2010 (known as *Collegato Lavoro*), recently declared valid by the ruling no. 303/2011 of the Constitutional Court.

In this regard, there are two types of interventions. On the one hand, with a view to discouraging litigations on the subject, it is reaffirmed that the benefits mentioned above, are considered by law as “omni-comprehensive”, and cover all the indemnities and contribution of the fixed-term contract considered illegitimate. On the other hand, it is proposed that, given the new deadline for the renewal period for the extra-judicial procedure due to the termination of the contract term (from 60 to 120 days), the term for the judicial appeal court remains the same (330 days).

2.2. Placement contract

Subject to public finance constraints, resources from contributory benefits of fixed-term contracts will be rationalized for contracts aimed at workers with an age of over 50 years and unemployed for at least 12 months. Facilities correspond to the reduction by 50 per cent of pension contributions due by the employer for a period of 12 months in the case of a fixed-term contract (and an additional six months for subsequent stabilization following a trial period if requested) and for 18 months if the employee is hired for an indefinite period of time.

2.3. Apprenticeship

It has been identified that apprenticeship is the privileged access of youth to the labour market; the reform complies substantially with the Legislative Decree. No. 167/2011, according which regions and social partners should promote the implementation by the 25th of April 2012.

These include a training component:

- introduction of a mechanism by which the recruitment of new apprentices is linked to the percentage of stabilization done during the last three years (50 per cent) with the exclusion of that percentage of the interrupted relationships during the trial period, resignation or dismissal for just cause;
- raising the ratio of apprentices and skilled workers from the current 1/1 to 3/2;
- minimum of six months of the apprenticeship period, subject to the possibility of a shorter duration for seasonal activities and subject to legal exceptions.

The contract of apprenticeship continues to apply also during the notice period at the end of the training period. Until the training recording booklet is operational, the training registration is done through a declaration by the employer. In this sense, it may constitute an administrative pattern that would guide the employer in the future.

2.4. Part-time work

In order to encourage the virtuous use of such a contract, avoiding their use as a cover for illegal utilisation of workers, it is proposed to set up, only in cases of vertical or mixed part-time, an obligation to disclose administrative communications in a lean and not expensive manner (sms, fax or PEC), along with the already planned 5 days' notice to the worker in case of changed schedule in application of "elastic" and flexible clauses.

It also intends to foresee, in the event of significant personal reasons as specified by law and by collective agreements, the right of the employee to express an "afterthought" in case of flexible or elastic part-time.

2.5. Intermittent employment contract

In order to minimize the risk that the type of intermittent employment contract, or "on call", can be used to disguise an employment relationship, it is suggested to introduce the requirement for prior administrative communications, using lean methods such as sms, fax or PEC, every time the worker is requested to work.

The objective is to restore the original function of this kind of contract, in accordance to Article 34, paragraph 2, of Legislative Decree No. 276/2003, that states: “the intermittent employment contract may be concluded in each case with reference to services rendered by persons with less than 25 years of age or by workers over 40 years, as well as retired.”

In addition, the reform wants to repeal Article 37 of Legislative Decree No. 276/2003, pursuant to which “in the case of intermittent work for services during the weekend and during the summer holidays or Christmas and Easter holidays the worker shall receive the availability allowance only in case of an actual call from the employer. Further predetermined periods can be provided by collective agreements signed by workers’ and employers’ organizations comparatively most representative at the national or local level.”

2.6. Project work contract

The actions proposed by the reform on the utilisation of project work try to rationalize such a type of contract, in order to prevent abuses of the application of a genuine employment relationship. This objective is pursued by providing both legal and financial disincentives.

Among the former, it is introduced a more stringent definition of “project”, which cannot consist in a mere repetition of the undertaking’s main tasks. The limitation of this kind of contract is only for genuine executive or repetitive tasks as defined by collective agreements with a view to emphasizing the professional character of the contract. There is also the introduction of the presumption of the existence of the employment relationship when the worker’s activities under a project work are similar to those carried out by other workers, with the exception of highly qualified professional services. In addition, there is the elimination of the possibility of introducing individual clauses in the contract that allow the withdrawal of the purchaser, prior to the expiration of the term and/or completion of the project work (yet it remains the possibility to interrupt the contract for just cause, for professional incompetence that makes impossible for the worker to implement the project, and for cessation of the project itself). Lastly, there is the abolition of the concept of “program”.

It is also proposed a rule of interpretation on the sanctions regime, which clarifies, in agreement with the most prevalent jurisprudence (and going beyond the Ministry of Labour’s previous circular No. 1/2004), that in case of absence of a specific project, the project work contract is considered without limit of time.

On the financial side, the reform wants to increase the contribution of Invalidity, old age and survivor’s insurance (IVS) members to the INPS (National Pension System) with a view to aligning the rates of the dependent employees, as described below:

Year	Rate is not enrolled in other management	Rate management or other members to pensioners
2013	28	19
2014	29	20
2015	30	21
2016	31	22
2017	32	23
2018	33	24

2.7. VAT registration

To rationalize the use of professional collaboration enlisted with VAT numbers and to prevent abuses of such a utilisation with a view to disguising an employment relationship, a number of standards will be introduced to establish the presumption, unless proven otherwise (the possibility for the employee to prove that the work done is genuinely an autonomous and/or self-employed work), of the nature of coordinated and continuous (and not autonomous and occasional) work every time it lasts for more than six months within a year, and that the employee receives a financial remuneration for a total of more than 75 per cent of fees (even if received from different sources due to the same business), and involves the use of a workstation at the HQ office or at any place of the customer's business. These presumptive indicators can be separately used during the inspection/verification activities.

If the utilisation of the VAT registration (contract) is deemed inappropriate, it is recognised as the existence of a genuine employment relationship of a co-ordinated and continuous nature and the consequent application of the relevant sanction of Article 69, para.1 of the Legislative Decree No. 276/03.

2.8. Joint venture with work contribution

It is expected to maintain such a form of employment only in the case of joint ventures among family members of first degree or spouses.

2.9. Accessory work

There will be measures to correct art. 70 of Legislative Decree No. N. 276/2003, as amended by Law No. 33/2009 and No. 191/2009, aimed at narrowing the field of operation of such a form of contract and adjust the system of working time through the utilisation of vouchers. It will also allow vouchers to be counted in the income necessary for applying for a residence permit.

2.10. Internship

In compliance with the regional competences, measures will be identified in co-operation with the regions with a view to outlining a more rational and efficient job training and guidance framework by increasing the employability of youth and preventing abuses, including the distorted use of the norms, in competition with the apprenticeship contract. This will be done through the provision of guidelines for the establishment of uniform minimum standards for the entire country.

In any case, measures can be issued by the State for regulating the periods of employment which are not considered internship periods with a view to avoiding a distorted use of the work assignments during the internship periods.

3. Rules on the external flexibility and protection of workers

The reform introduces some substantial changes to the current regulations concerning the external flexibility, both in substance and procedure. This goes hand in hand with the relevant system of guarantees for the workers. In particular, under the section dealing with "provisions on individual dismissals", it operates a major intervention in the system of individual dismissals, (in particular on Art. 18 of the Workers' Statute (Law

No. 300/1970), aiming at bringing that system in line with the changed environment. Also under the section dealing with “provisions on collective redundancies”, there are some changes to the current legal regulation of collective dismissals, in accordance to Law No. 223/1991, aimed at harmonizing the rules as a consequence of the modified regulations concerning individual dismissals. From a point of view of the role of labour administration, there are changes proposed at introducing a “special trial for labour disputes regarding dismissals”, especially for those dealing with cases falling under Art. 18 of Law No. 300/1970, and characterized by a reduction of the trial period.

Let’s see more into detail the aspects of the reform dealing with the above mentioned issues.

3.1. Revision of the terms on individual dismissals

A significant step in the reform is the project dealing with the regulation of individual dismissals, for what concerns in particular the system of sanctions and remedies of illegitimate dismissal (art. 18 of Law 20 May 1970, No. 300, the so-called Workers’ Statute).

Article 13 (“Amendments to Law No. 604 of 15 July 1966”) concerning certain changes to the rules on individual dismissals, pursuant to Law No. 604/1966. In particular, paragraph 1, by amending Article 2, para. 2, provides that the notice of dismissal must state in detail the reasons for the dismissal. In this regard, it is suppressed the current situation in which the employer might give notice of the dismissal of an individual without providing any reasons. This was allowed by the current text of Article 2, para. 2 and the reform introduces the obligation for the employer to communicate the reasons why the worker is dismissed. The proposed amendment, by modifying Article 6, para. 2 of Law No. 604/1966, reduces from 270 days to 180 days the period within which the appeal must be filed at the Tribunal.

Para. 3 replaces Art. 7 of Law No. 604/1966 and introduces a conciliation procedure before the Conciliation Commission of the Provincial Labour Directorate. The employer, following the legal requirements prescribed by the new Art. 18 of the Workers’ Statute must first bring the dismissal notice for just cause, namely the reasons for the termination of employment related to industrial production, work organisation and the smooth operation of the enterprise, in accordance to Art. 3, as prescribed in Law No. 604/1966. During the procedure, the parties may be assisted by their trade union representatives, lawyers and labour consultants. This process is characterized by less formality and speed. In case of violation of the procedure in question, the dismissal is ineffective, according to the provisions of the new Art. 18 of the Workers’ Statute.

It should be noted that the scope remains unchanged. It applies to business units with more than 15 employees in the municipal territory, or more than 60 employees at national level. This implies that in micro enterprises the legal regime applicable to unlawful dismissals continues to be regulated by art. 8 of Act n. 604 of July 15, 1966

The first paragraph of Article 14 (“Workers’ safeguards in cases of illegitimate dismissals”) replaces the first six paragraphs of Article 18 of the Workers Statute. It introduces changes to the consequences in cases of illegitimate individual dismissals. In this regard, it should be noted that the scope of application of Art. 18 will remain unchanged. This means that it applies to undertakings occupying more than 15 workers in the unit production or at the municipal level, or more than 60 workers at national level. This implies that the legal regime applicable to unlawful dismissal in micro/small undertakings continues to be regulated by Art. 8 of Law No. 604 of July 15, 1966 (except for discriminatory dismissals, see below).

That said, the new proposed text of Art. 18 foresees, essentially, the articulation of three types of individual illegitimate dismissal, depending on whether the judge would find:

- the discriminatory nature or reason that have determined the illegal dismissal;
- the absence of justification or subjective (disciplinary) just cause given by the employer;
- the absence of objective justification by the employer for economic dismissals.

a) For discriminatory dismissals, the legal consequences are those of the text of Art. 18 currently in force. In fact, in case of a discriminatory dismissal the rules apply to any contractor or entrepreneur or business owner, regardless of the number of employees employed. The judge reinstates the worker in the workplace and obliges the employer to compensate the damage suffered by the worker (with a minimum of 5 months' salary). In this regard, the monetary compensation is measured on the basis of the last total remuneration gained the day of dismissal up to the actual reinstatement at the workplace, less the amount received during the period of separation from the undertaking, for working elsewhere including the payment of the social security contributions.

There is always the possibility for the worker to ask for the payment maximum of 15 months' salary rather than accepting the reintegration at the workplace. Such request determines the resolution of the employment relationship. The same rules apply for redundancies carried out in violation of the prohibitions set to protect motherhood and fatherhood in accordance to Law No. 151/2001, and in conjunction with the marriage. In this case the resignation is considered null and void in accordance to Art. 1345 of the Civil Code.

The same protection also applies for the dismissal declared invalid because it was ordered in an oral form. The court by assuming that there is no justification of the requirements for a subjective or just cause dismissal, or for lack of the alleged offense, or because the fact falls within the conduct punishable with a penalty disciplined by law, collective agreements or by the applicable disciplinary codes, may declare null the dismissal and condemns the employer to the worker's reinstatement and compensation for damages. For the latter, the court establishes an allowance up to a maximum of 12 months' salary with the various deductions as mentioned above. The employer is also ordered to pay social security contributions, plus interests due to failure or delay in the payment of contributions (such as an amount equal to the difference of contributions between the ones that would have been gained during the employment relationship). Also in this case, the worker retains the right to choose, in lieu of reinstatement, the payment of maximum 15 months' salary.

b) For the subjective or disciplinary dismissal, the sanctions regime provides an internal articulation. Assuming the judge finds no justification for the dismissal in this particular case, the court annuls the dismissal and condemns the employer to reinstate the employee and to pay compensation for the damages suffered, less the amount received or receivable by the employee, within a maximum of 12 months' salary. In addition, there is the payment of social security contributions. Also in this case, the employee keeps the right to choose, in lieu of reinstatement, the payment of 15 salary months.

The reinstatement also applies to dismissals asked for by the employer before the expiration of the so called trial period, due to the illness of the worker or for physical or mental diseases of the worker, and that are found to be illegitimate by the court.

In all other cases of illegitimate subjective or disciplinary dismissal, there is no reinstatement but the payment for compensation of damages that may be modulated by the court between 15 and 24 months' salary, taking into account various parameters depending on the seniority of the employee and taking into account the number of employees, the size of economic activity, the behaviour and attitudes of the parties.

This scheme (compensatory allowances) also applies to flawed assumptions in the form of dismissal, or in terms of the disciplinary procedure. However, in these cases if the findings of the court are limited to the detection of the defect of a form or a procedure, it entails by giving the worker an allowance that ranges between seven and 14 months' salary, unless the judge considers that there is a lack of justification for dismissal, in that case the above mentioned protections are applied.

c) For economic or objective dismissals, the court may sentence the reinstatement of the worker if it is found out that it is based on discriminatory (and not economic) reasons. The worker –with the same legal effects as described above with reference to the most severe cases of unlawful disciplinary dismissal– keeps the right to prove that the dismissal was due to discriminatory or disciplinary and present his/her reasons and justifications (for example, a dismissal based on the physical or mental status of the worker; the dismissal was ordered before the expiration of the trial period; a dismissal following the illness or injury by the worker; a dismissal with no substantial evidence of a just cause). In cases of economic/objective reasons, the judge considers the employment relationship with effect from the date of dismissal and orders the payment in favour of the worker, inclusive of compensation for damages, which can be modulated between 12 and 24 months' salary, taking into account the assessments made and following the guidelines as described above. If, during the dismissal proceedings, and following a request made by the worker, the dismissal appears determined by discriminatory or disciplinary reasons rather than economic ones, the reinstatement applies as well as in the other cases. In addition, for economic dismissals, there is a fast track conciliation procedure before the local directorates of labour. It is expected that the dismissal's notice is preceded by a prior notification to the local Labour Directorate, as mentioned in Art. 13 free of special formalities, in which the worker may be assisted by trade unions' representatives. This should encourage the conciliation procedures between the parties and decrease the number of cases in front of the courts.

Paragraph 2 of Art. 13 modifies Law No. 183/2010 (so called *Collegato Lavoro*) and states that a failure to apply the provisions concerning the participation of trade unions in the technical, organizational and production in the undertakings constitutes grounds in front of the court for violation of law.

The above mentioned scheme should be coordinated also with that of collective redundancies, in so far as art. 18 of the Workers' Statute apply, with the application of the sanction regime as provided in the case of the economic dismissals.

3.2. Provisions relating to collective redundancies

Article 15 (Amendments to Law No. 223 of 23 July 1991) reforms some provision relating to collective redundancies and it is aimed at making changes essentially into two types.

A first type of change concerns the procedure that auditors must follow when the employer intends to give notice of collective dismissal under the above mentioned Act. Specifically, it is contemplated that the communication of the list of workers to be on mobility does not occur simultaneously (as provided at the moment by Art. 4, para. 9 of Law No. 223/1991), but within seven days of the notification to each of the employees concerned. It is also stated (by inserting an additional para. of Art. 4, para. 12 of the Law),

that any deficiencies in the respect of the prior notice to the enterprise's workers' representatives and their respective trade unions can be considered illegal.

A second type of modification concerns Art. 5, para.3 of Law No. 223/1991 and aims to harmonize the sanctions of illegal dismissal for individual workers to the collective dismissal (as introduced by the new Art. 18 of the Workers' Statute). In this regard, there are several possible scenarios. If termination is ordered without observing the written form, it is applied to the sanctions regime under the new para. 1 of Art. 18. If termination of employment is ordered without compliance with the procedure laid down in Art. 4 of Law No. 223/1991, the protection provided for economic dismissals in the new Art.18, para. 7 of the Workers' Statute is applied. Finally, if the cancellation notice is in violation of the criteria for the selection of workers to be placed on mobility, according to Art. 5 of Law No. 223/1991, the protection provided for severe cases of unlawful disciplinary dismissal, as provided for by the new Art. 18, para. 4 is applied. It is further provided that in such cases the provisions of Art. 6 of Law No. 604/1966 (as amended by Law No. 183/2010) are applicable, according to which any dismissal should be challenged by any written document, including an extrajudicial procedure, within 60 days of its received written communication, and that in the next 270 days –now 180 days as provided by the reform (Art. 13 of the bill)– the appeal must be filed at the Tribunal or should be communicated to the other party for a conciliation attempt.

3.3. Fast track procedures for disputes regarding dismissal

In order to reduce the time duration of judicial proceedings with respect to dismissal's disputes, it is proposed, in concertation with the Ministry of Justice, the introduction of a special procedure for dealing with such disputes.

As part of this procedure, once the terms of the dispute are presented in the introductory phase, it is up to the judge to decide on the timing of the trial, in accordance to the principle of due process and equality between the parties during the judicial procedure. It is a procedure characterised by speed and less formalities, and that due to its peculiar nature –traditionally aimed at establishing the material truth– would need further education by the parties. In other words, it would need a change of culture when dealing with such procedures.

Namely Section III of the Bill as presented by the Monti government to the parliament includes administrative procedures for the introduction of a speedy trial in relation to labour disputes regarding dismissals.

Article 16 ("Scope") introduces a special ritual applicable to disputes relating to the dismissal as regulated by the new text of Art. 18 of the Workers' Statute, including the issues dealing with the qualification of the employment relationship.

This is a particularly slim trial procedure that by providing the elimination of non-essential formalities to the establishment of a full-contradictory between the parties, allows obtaining a rapid and effective protection of the law. The trial procedure of the first degree is divided into two phases: a) a first necessary stage of urgent nature, in which the court, by order, accepts or rejects the claim of the worker; b) a second phase that follows the order of acceptance or rejection of the judgment and is comparable to the trial proceeding first instance court's proceedings.

Art. 17 of the Bill ("Protection urgent") regulates the first phase of the new trial procedure. It provides that the hearing of summons must be fixed not later than 30 days after filing the application. The judge, after hearing the parties and applying the necessary

formalities, proceeds as s/he deems appropriate by order immediately enforceable, the acceptance or rejection of the judgement.

Article 18 (“Opposition”) of the Bill, which governs the second phase of the new trial procedure, states that the opposition must be filed within 30 days of notification of such measures. The judge, after hearing the parties, and reducing to the minimum the formalities, proceeds as most appropriate by providing a judgment that can be accepted or rejected.

Article 19 (“Complaint and Appeal to Supreme Court”) of the Bill also regulates the complaint in front of the Appeal Court against the judgment given under Art. 18. As regards the complaint, it is expected that the Court of Appeal, after hearing the parties, and limiting the formalities, proceed as deemed appropriate to the judgment. The ruling court is motivated and must be filed with the clerk within 10 days from the hearings of the parties.

With regard to the Supreme Court’s appeal, it is fixed that the hearings of the parties should take place no later than six months from the commencement of the action. The appeal’s complaint can also state the deadlines for the appeal procedure (respectively, 30 and 60 days) and it shall run from the judgment communication or of its notification – whichever is earlier– and that only in case of failure of communication or notification that the limitation period of 6 months to such an appeal (under Article. 327 c.p.c.) applies.

Under Article 20 (“Priority in the settlement of disputes”) of the Bill, it is proposed that all disputes related to the dismissals should be reserved special hearings sessions in the annual calendar of the tribunals. Finally, through Article 21 (“Transitional Rules”) the Bill provides that the new special trial procedure for disputes regarding dismissals apply to labour disputes established after the entry into force of the law.

4. Social safety net

The reform will restore consistency between flexibility and social insurance coverage, and expand and make more equitable the protections provided by the current system by limiting the number of spaces for distortion and abuses inherent in some of the existing legal means. To this end, the reform rearranges and enhances the protections in the event of involuntary loss of jobs; extend the protections while continuing to work in areas not currently covered by the ordinary and extraordinary Redundancy Fund (Cassa Integrazione Ordinaria e Cassa Integrazione Straordinaria) and are expected to facilitate the enterprise in managing the crisis, especially in relation to those workers who are close to retirement.

The reform proposal is based on three pillars:

- Social Insurance for Employment (ASPI) which has a universal character;
- Protections while continuing to work (Cigo, CIGS, solidarity funds);
- Management tools of structural redundancy.

Such a system is considered essential to ensure adequate coverage against the risk of unemployment (total or partial), thus eliminating the need to intervene with ad hoc measures, characterized by a wide margin of discretion (exemptions).

4.1. Social Insurance for employment (ASPI) - Scheme

The reform will increase the scope of coverage of the current insurance system on involuntary unemployment.

From the point of view of the amounts and duration, there is a convergence compared to current treatments of ordinary unemployment and mobility.

The new ASPI is intended to replace the following institutions now in force:

- Allowance mobility;
- Ordinary unemployment benefits (excluding agriculture);
- Unemployment benefits with reduced requirements;
- Special construction unemployment benefits (three different variations).

4.1.1. Scope

The scope is extended to all categories of workers, including apprentices and artists who are currently excluded from the application of any instrument of income support. All private sector workers and public employees continue to be covered with the new insurance (Article 1, para. 2 of Legislative Decree No. 165/2011) for employment contracts such as fixed-term, training cum work. With reference to coordinated and continuous collaborators, although they are excluded from the scope of ASPI, the reform will strengthen the rules and will enforce the one-off mechanism that is currently provided by law.

4.1.2. Requirements

Admission requirements to ordinary unemployment benefits (excluding agriculture) are two years of registered insurance and at least 52 weeks in the last two years.

4.1.3. Maximum duration

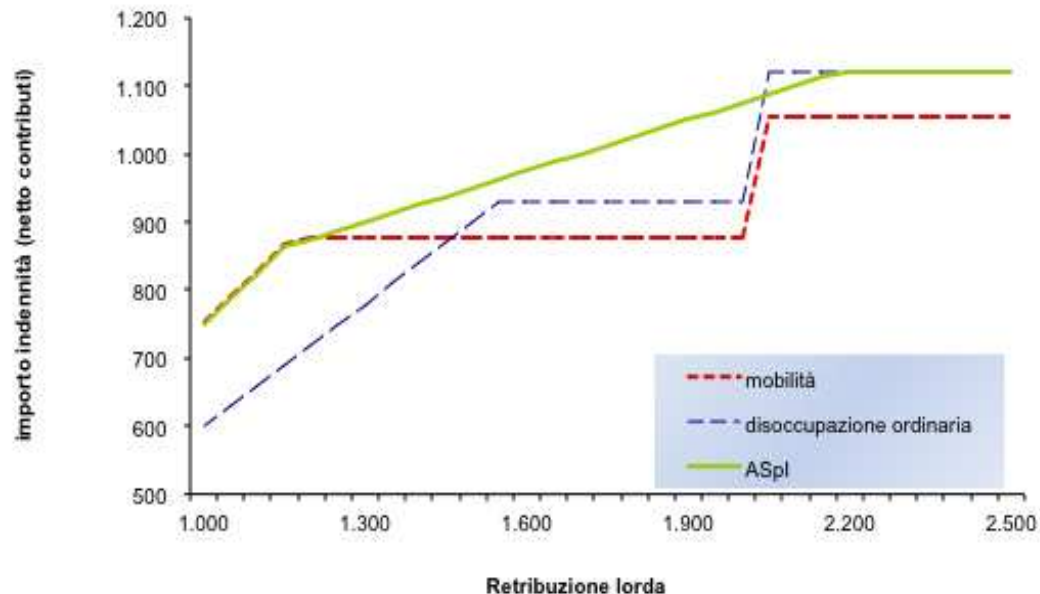
- 12 months for workers under 55 years of age.
- 18 months for workers with at least 55 years of age (in the limit of the working weeks in the last two years).

4.1.4. Amount

- elimination of the down ceiling (931.28 Euros(€)), the high ceiling is kept (€1,119.32, reevaluated annually based on the index of prices - FOI);
- percentage of commensuration in stages:
 - 75 per cent of the wage of €1,150 (reevaluated annually based on the index of prices - FOI);
 - 25 per cent for the portion of the wage exceeding €1,150 and up to the ceiling.
- Reduction of 15 per cent of the allowance after the first six months and a further 15 per cent after six months;

- Remuneration linked to the entire reference pay period of two years of contribution.

Amounts of compensation in relation to the reference pay under the old method of calculation and the new one



The new ASPI allows initial treatments almost similar to the mobility allowance for those with wages up to €1,200 per month (inclusive of accrued additional months), and significantly higher for those above that level. In comparison to the ordinary non-agricultural unemployment indemnities they are more favourable exceptions made for wages comprising between 2,050 and 2,200 Euros per month.

4.1.5. New employment

It is expected that work periods of less than six months suspend the treatment, with a recovery at the end of the work period. The work periods exceeding six months re-start the treatment (including the required contributions).

4.2. Social Insurance for Employment - short-term treatments (Mini-ASPI)

It is proposed to change the entire system of unemployment benefits by reducing the requirements, and linking them to the presence and permanence in the unemployment status. The allowance is paid at the time of occurrence of the period of unemployment and not in the following year. The admission requirement is the presence of at least 13 weeks contribution in the last 12 months (mobile). The allowance will be calculated in a similar manner to that for the ASPI. The maximum duration is set equal to half of the weeks' contribution in the last 12 months less the period of indemnities that may be received in the the same period. It will, however, suspend the payment of benefit for periods of less than five working days.

4.3. Contribution

The contribution will be extended to all workers who fall within the scope of the new allowance, in accordance to the following terms:

- Rate of 1.31 per cent for permanent workers (the current rate of unemployment insurance coverage is maintained)¹.
- Additional rate of 1.4 per cent for non permanent workers.

The additional rate will not apply to workers who are employed in substitution of other workers. There will also be excluded from the additional rate, the seasonal workers in accordance to DPR October 7, 1963, n. 1525 and subsequent amendments and additions, evaluating also what is regulated by contracts and collective agreements.

The additional rate will not apply to apprentices (since these will be considered contracts without limit of time).

With reference to the administration of fixed-term workers, the additional rate of 1,4 per cent will be offset by an equal reduction in accordance to art.12, par.1 of Legislative Decree No. 276/2003.

In the case of transformation of the contract into a permanent contract, a refund equal to the additional rate with a maximum of six months' salary will be paid.

There will also be a contribution to be paid to INPS (Pension Fund) for the dismissal of open-ended contracts that are equivalent to 0.5 monthly salary for every 12 months seniority accumulated in the last three years (including periods of fixed term contracts). This also applies to apprentices in cases other than resignations and it also applies in case of withdrawal at the end of the apprenticeship.

This contribution replaces the following rates that are now paid by the employers:

Involuntary unemployment	.31	1
Additional rate of unemployment in the construction industry	.80	0
Mobility	.30	0

4.4. Repeals

The reform will repeal the following standards:

- Mobility allowance (Law No.223/1991, Art. 4 to 7, Art. 4, paras 2 to 12 and Art. 15-bis. and Art. 5, paras 1 to 5, are incorporated in Art. 24);
- Incentives for workers registered in the mobility lists (Art. 8 and Art. 25, para. 9);
- Unemployment allowances in the cases of suspension (Law No.185/2008, Art. 19, para. 1, insertion A) b));

¹ The possible reductions of labour cost are still valid in accordance to Law No.388/2000 (art. 120) and Law No. 266/2005 (art. 1, para. 361) and the compensatory measures in accordance to Law No. 203/2005.

-
- Unemployment allowances for apprentices (Law No.185/2008, Art. 19, para.1, insertion C);
 - Incentives for public and private partnership (Art. 13, Law No.276/2003).

4.5. Extraordinary Wage Fund

Starting from 2014, there will be a systematic elimination of cases in which the Extraordinary Wage Fund (CIGS) covers situations not related to the maintaining of the workplace. It is suggested to reform the bankruptcy proceedings dealing with the cessation of the economic activity (Art. 3 of Law No.223 / 1991).

4.6. Municipal surcharge on boarding fees

With effect 1 January 2016, the amounts referred to in Art. 6 quater, para. 3 of Decree-Law No. 7 of 31 January 2005, converted with amendments into Law No. 43 of 31 March 2005, are returned to the management of INPS, representing a partial refunding for expenditure increases resulting from the reform of social safety nets.

4.7. ASPI - Transition

4.7.1. Amount

Enter into force immediately.

4.7.2. Duration

Growing over the years as shown below:

	2013	2014	2015	2016
<i>up to 50</i>	8	8	10	steady-state (12)
<i>50-54</i>	12	12	12	steady-state (12)
<i>55 and over</i>	12	14	16	steady-state (18)

4.8. Social Insurance for Employment - short-term treatments (Mini-ASPI) - Transition

By 2013 it will be calculated by using the new method, also with reference to the 2012 (the year starting in January 2013 will also cover 2012).

4.9. Mobility allowance

4.9.1. Duration

Maximum periods decreasing by the year of liquidation, according to the following schedule:

	2013	2014	2015	2016	2017
up to 39 years	12	12	12	ASPI (12)	ASPI (12)
40 to 49 years	24	24	18	ASPI (12)	ASPI (12)
50 to 54 years	36	30	24	18	ASPI (12)
more than 55 years	36	30	24	ASPI (18)	ASPI (18)
South up to 39 years	24	18	12	ASPI (12)	ASPI (12)
South from 40 to 49 years	36	30	24	18	ASPI (12)
South from 50 to 54	48	42	36	24	ASPI (12)
South from 55 years	48	42	36	24	ASPI (18)

4.9.2. Amount

According to the rules now in force.

4.10. Contribution of funding

From 2013, there will be new rules (including the addition for fixed-term and the contribution of dismissals)

5. Extension of protection in continuation of the employment relationship

5.1. Forecast of solidarity funds for bilateral protection while continuing to work in areas not covered by the interventions of wage integrations

In order to extend protection under the regime of the employment relationship as well as to economic sectors that are not covered by the legislation for what concerns the integration of supplementary wages, the reform proposes the introduction of a legal framework for the establishment of a Pension Fund (INPS) of solidarity funds. The latter is to finance the difference in cases of wage reduction or suspension of work due to casual reasons. A particular way of ensuring this protection comes from the current defensive and expansive solidarity contracts.

This will not affect the current rules dealing with ordinary and extraordinary wage funds (with few exceptions, see section 4.5 above) and the solidarity contracts in accordance to Law No. 863/1984.

5.1.1. Procedure for the establishment of funds

The solidarity fund will be established by decree of the Minister of Labour and Social Affairs, in consultation with the Minister of Economy and Finance, based on collective

agreements, including cross-sectoral ones, signed by national comparatively representative organizations and will have an erga omnes effect. The agreement will determine the scope of the fund with reference to the sector and size of the employers. The overcoming of any threshold limit for participation in the fund will occur on a monthly basis and make reference to the average of the previous semester.

5.1.2. *Operating funds*

- Requirement of a balanced budget (including administration costs);
- Inability to provide benefits due to lack of resources;
- Changes of the regulation in relation to the amount of benefits or of the rate are adopted, even during the year, by decree of the Ministries of Labour and Social Policy and Economy and Finance on the basis of a proposal of the Administrative Committee;
- Determination (or modification) of the contribution rate, so as to ensure a balanced budget on the basis of 8 years calculated on the macroeconomic scenario;
- In case of ensuring a balanced budget or of meeting objectives already approved or to be approved, the competent Ministries can adjust the contribution rate in the absence of a proposal from the Administrative Committee;
- Contribution paid by the employer and workers (2/3 and 1/3).

5.1.3. *Obligations*

The establishment of the funds must be mandatory for all sectors, including inter-sectoral formulas, in relation to enterprises with more than 15 workers. There will be a deadline for the adaptation to the criteria that are established by decree. For enterprises with less than 15 workers, it will be established, after consultation with the social partners, a policy extension of the funds and how best to promote such experiences.

For sectors where collective agreements are not concluded for the establishment of the solidarity fund, through an inter-ministerial decree, a residual solidarity fund is created with the following rules:

- benefit will be equal to the integration wage;
- contribution by the employer and workers (2/3 and 1/3);
- no more than 1/8 of total working hours to be calculate on a two-year mobile basis;
- indemnities provided by the law on ordinary and extraordinary wage funds.

5.2. Inter-professional Funds for Continuous Training

The agreements may provide for the re-conversion of funds for long learning policies. In this case, the yield of 0.30 per cent will be given to the solidarity fund, with the obligation to earmark a share for the financing of life-long learning education during periods of suspension or reduction of work.

5.3. Set up of the extraordinary wage fund for some sectors

The reform foresees the extension of the extraordinary wage fund that will be adjusted on a yearly basis to:

- trade enterprises between 50 and 200 workers;
- travel agencies with more than 50 workers;
- security firms with more than 15 workers.

To these undertakings, it is proposed to extent the contribution of 0.9 per cent. It is also confirmed as an extension of the extraordinary wage fund (CIGS) to the aviation and airport services.

5.4. Compensation for workers of enterprises created after the transformation of the port companies - Start-up system

- Set up of the allowance for the non-working days for workers in enterprises created by the transformation of the port companies (most recently contained in art. 19, para.12, Law No.185/2008).
- Obligation for enterprises created by the transformation of the port companies, to pay a contribution in an amount equal to that provided for CIGS (0.9 per cent of which 0.3 per cent is paid by the workers).

6. Protection of ageing workers

6.1. Additional protection in the event of job loss - Legal framework

The reform would introduce a legal framework for early retirement with costs borne by employers, along the lines of the solidarity funds as described in Law No.662/1996. It is encouraged that enterprises enter into agreements with the most representative trade unions, aimed at encouraging the exodus of ageing workers.

6.1.1. Requirements for workers

Workers who reach the requirements for retirement in the next 4 years, based on the current law.

6.1.2. Business Requirements

Presentation of appropriate guarantees from the enterprise (e.g. bank/credit guarantees).

6.1.3. Procedure

Applications to be submitted to INPS, which makes the investigation in the presence of the worker and the employer.

6.1.4. Contribution

Enterprise's obligation to pay monthly salary for the work provided to INPS and any other contribution.

6.1.5. Performance

Benefits should amount equally to the pension in accordance to the rules in force.

6.1.6. Contribution

Contribution of IVS benchmarked on the basis of average earnings over the last five years.

6.1.7. Transition

For the exodus up to 2016 the first period may be covered (for redundant workers with mobility procedure) with the mobility compensation, subject to the requirement of four years from the time of the exodus and the retirement age.

6.1.8. Establishment of funds for complementary interventions

Simultaneously with the progressive reduction of the mobility and the corresponding rate, it is expected that a part of this rate can be gradually released after an agreement between the parties, a solidarity fund for partial funding of additional services to ASPI. The use of ASPI and other income support benefits remain conditional to specific requirements. Similarly, different arrangements can be made for the special unemployment benefits in the construction sector.

7. Interventions for greater inclusion of women in economic life

The reform envisages as well administrative and legal interventions with a view to promoting greater inclusion of women in working life by reducing the gap between male and female percentage in the labour market. This is particularly true in the South of Italy and among the less skilled groups of the workforce, even though such a situation can be found among the top qualified positions. Seeing that the lack and the high cost of support services in the care activities represent a barrier for women to work full time and for entry into the labour market, the reform will introduce measures that will ensure more services and a work organization that would enable parents to better take care of their children, and at the same time to strengthen the protection of parenthood.

7.1. Protection of parenthood and fight against the phenomenon of blank resignations

Among the administrative rules that the reform wants to introduce for the benefit of women workers, there are provisions to combat the practice of the so-called "blank resignations", with simplified procedures than those provided by the repealed Law No. 188/2007, and at no cost for the employer and the worker. Moreover, the proposed reform strengthens the legal aspects of validation of the resignation that are made by working mothers.

In particular, there is a fight against the use of the agreed termination of employment, which is used to circumvent the rules of resignation. The reform proposes the extension for

duration from one to three years of life of the children (with corresponding adjustments) the period within which the resignation of the worker (male or female) must be validated by the inspection services of the Ministry of Labour, in order to be enforceable. The period covered by the prohibition of dismissal remains unchanged, which is always one year after the birth of the child, art.55, para.1 of Legislative Decree No. 151 of 26 March 2001. If during this period there is a resignation by the worker, who qualifies for maternity/paternity leave, s/he receives benefits and allowances as provided by law in the case of a just cause dismissal.

The proposed provision leads to the effectiveness of the resignation and consensual termination of employment. Such termination should be justified through the authenticity and genuine will of the worker to terminate the employment relationship. This can be done through a first method that provides the parties to contact the inspection services of the Ministry of Labour for validation of such will at terminating the employment relationship. An additional method is the signature of a special declaration at the bottom of the receipt of transmission of the notice of termination of employment that the employer is required to submit to the Employment Service, in accordance to Art.21 of Law No. 264/1949. Such a submission can be done through an electronic form.

The new administrative procedure tries to strike a balance between the protection of the worker and the interest of the employer. On the one hand, it protects the worker, as there is a true test concerning the resignation or termination of employment; on the other hand, it protects the expectations of the employer vis-à-vis the worker's conduct. In addition, other ways dealing with functional simplification can be identified by ministerial decrees taking into account the evolution of technology.

In any event, the reform provides administrative sanctions if there is the utilisation of paper resignation signed in blank by the worker. If it is found out that there are blank resignations, the latter are to be considered as discriminatory dismissals with all the legal and financial consequences that this entails.

7.2. Conciliation and discipline of mandatory paternity leave

To foster a culture of sharing the tasks of child care to parents, there are some changes to the Law on maternity and paternity leave, with the introduction of mandatory parental leave, in line with the EU Directive 2010/18. In particular, the mandatory paternity leave for the father will be three consecutive days to be taken within five months after the birth of the child. In order to match the costs that arise from such interventions, there will be the partial use of the resources allocated to the fund for financing interventions in favour of youth and women employment (para. 27, Art. 24, Law No. 214/11).

7.3. Measures to promote life-work balance

In order to promote women's participation in the labour market, the reform intends to have the introduction of vouchers for the provision of baby-sitting. The new mothers are entitled to request payment of such vouchers by the end of compulsory maternity leave for the next 11 months as an alternative to the use of the optional maternity leave period. The vouchers are paid by INPS. This administrative rule will be modulated according to the ISEE (National Institute of Statistics) parameters concerning the family. Resources in support of this action will be found under the already mentioned fund to finance interventions in favour of youth and women employment.

8. Effective implementation of the right to work for disabled

In order to further facilitate the inclusion and integration into the labour market of disadvantaged groups such as disabled workers, there are interventions that will impact on the existing legislation (Law No. 68/99), by extending its scope of application.

In particular, the reform includes the number of workers as a basis for calculating the percentage for the recruitment of disabled workers with the exclusion of certain types (people with disabilities already in force, the executives, members of cooperatives, contracts of reintegration, employees hired for activities abroad, temporary workers employed by the user enterprise, socially useful workers employed, home workers, workers who participate in the emersion program).

With a view to implementing the provision for a guaranteed number of jobs for disabled workers –in accordance to Art. 3 of Law No.68/99–, the reform introduces means to facilitate a more intensive supervision by the labour inspection services of the Ministry of Labour. These are aimed at verifying the accuracy of the application of the quota in both public and private enterprises.

9. Interventions to combat irregular work of migrant workers

To prevent an increase of the irregularity of foreign workers who lose their jobs during the economic crisis, the reform introduces a set of measures that facilitate the re-entry into the labour market, by facilitating the offer that comes from the pool of immigrants already on the country's territory rather than hiring new flows from abroad.

Therefore, the loss of jobs may not result in the revocation of residence permits of non-EU workers and their families, but there is a need to extend the period in which a worker can be registered as unemployed, even extending it to the entire period in which there was an unemployment benefit. In this sense, the administrative rules will be delineated in cooperation with the Ministry of Interior.

10. Active labour market policies and employment services

10.1. Objectives

A further area of this action concerns the active labour market policies and employment services. In this area there is a need for strong agreement between the State and the regions. It is proposed to renew the active labour market policies, adapting them to the new economic conditions and assigning them the role of effectively increasing the employability of the persons and the employment rate of the entire system by:

- The activation of the person looking for work, who has never worked, expelled or is a particular beneficiary of social welfare, in order to encourage him/her for an active research for a new job;
- vocational qualifications for young people who enter the labour market;
- continuous training of workers;
- requalification of those who were expelled from the market;

-
- placement of individuals with difficult conditions vis-à-vis their employability.

Through the new system of active labour market policies, there will be new channels of convergence between labour supply (new or related to job loss) and labour demand (needs assessment of enterprises and consistency of training and qualification of available workers), with a view to facilitating the matching point between those offering and those demanding for work. The administrative and economic interventions must be based on a pact of mutual responsibility/obligation among the entities providing services for employment, workers and employers.

A good functioning of a system of unemployment benefits reinforces the need to take into account the government intervention, which is the general assistance to vulnerable people at risk of social exclusion. This means that in many cases there will be a set of services (which otherwise the logic of the market cannot provide or is not able to provide), but that wants to “impose” concrete actions, with a view to preventing possible abuses and serious risks of marginalization of parts of society.

10.2. General Principles

In this regard, it would be necessary to foster cooperation among the State, regions and the social partners with regard to mechanisms, including institutional reforms that enable an efficient synergy among active labour market policies, training and income support, and concentrating on the identification of those most in need. It is also envisaged that there will be further consultation between the State and the regions and that any agreement reached will then be reviewed during the institutional State-Regions Conference.

10.3. The role of employment services

A key intervention, in this context, is the renewal of the role of employment services and the reorganization of their structures. It is necessary to establish new governance through the reference to national criteria. For the employment agencies, it is necessary to identify the essential levels of adequate service. The agencies can provide services directly or outsource them to private agencies. Awards and sanctions must be well defined with a view to promoting the efficiency of employment services; the final objective being the installment of a virtuous behaviour in both parties: those who provide assistance/services, and the workers who benefit from such services and subsidies.

In this regard, there should be an agreement between State and regions (in consultation with the social partners) for the full realization of a single information database and the use of combined flows coming out not only from the database users, but especially through the labour information systems already operating in the regions. Such an information system, characterized by uniform and encoded standard statistical data, is an essential condition for the correct and effective use of the information flows on the labour market and, consequently, the only instrument to achieve convergence between passive and active labour market policies. Thus, a first step must consist in accelerating the process of computerization of the employment services for functions such as the issuing of certificates or the creation of the personal web file.

To strengthen the governance of the system and ensure its effectiveness and efficiency, the reform intends to investigate some possible interventions that emerged in some of the regions at administrative level. In particular, it will consider the creation of a single site, locally established, for access to passive and active labour market policies (INPS agreements; administrative bodies involved in the management of employment services). From such a perspective, the current institutional framework requires that active labour market policies be assigned to the concurrent legislative competence of both the

State and the regions (such as those included in the national legislation under the notion of “protection and safety at work”), while the passive ones (as mentioned in the notion of “social security”), be the sole responsibility of the State.

In this regard, the State and the regions have agreed that further strategies and policies, including general objectives and principles, will be discussed in the institutional State-Regions Conference to be held on 30 June 2012. This, hopefully, would identify a new reform and possible rearrangement and organization of administrative bodies, including the discussion on the government’s proposal to create a Single National Agency to manage in an integrated manner both the active labour market policies and ASPI, with the participation of the State, Regions and Autonomous Provinces.

10.4. Interventions for lifelong learning

Finally, the reform introduces the principle of lifelong learning. This is designed to define the right of every person to lifelong learning and to connect, in a systemic way, the strategies of economic growth to job access to young people, welfare reform, aging population, active exercise of citizenship, and migrant workers. To this end, guidelines will be identified for the construction, in cooperation with the regions and the social partners, of regional integrated systems, characterized by organizational flexibility and performance, close to the workers and capable of recognizing and certifying the skills acquired by them.