The Italian Jobs Act: State action, path alteration and the abolition of Article 18.

Tod Rutherford; Lorenzo Frangi
Marta...versus Article 18?

Marta: a low paid, precarious worker with few if any, employment rights

Employees under the article 18 (law 30/1970) (public administration and employees in big firms).
Path dependency and alteration

VoC: complementarities and path dependency.

Path alteration: the state as central, especially in changing in EPL (Harvey, 2005; Howell, 2006).

State autonomy under exogenous and endogenous pressures to change EPL? (Amyot, 2004; Meardi, 2012).

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The Italian state highly permeable to different pressures and has principally protected or compensated different social actors (Hassel, 2014); ‘state-influenced’ or a form of ‘dysfunctional state capitalism’ (Colli and Rinaldi, 2012; Schmidt and Gualmini, 2013; Hassel, 2014; Schmidt and Gualmini, 2013).
### Changes to EPL

<table>
<thead>
<tr>
<th>Period</th>
<th>Changes in EPL</th>
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<tbody>
<tr>
<td>1980s</td>
<td>Competitiveness declines in the wake of increasing international competition, and the rising influence of neoliberal policy advisors on the state to reduce the EPL. Abolish the article 18 as part of public debate</td>
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<td>1990s</td>
<td>Political scandal and Tripartite Agreements</td>
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<td>2000s</td>
<td>Soft and partial social dialogue</td>
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<td>Crisis 2008</td>
<td>Weak social dialogue and political crisis (end of Berlusconi era)</td>
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<td>2012</td>
<td>Fornero reform; no social dialogue</td>
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<td>2014</td>
<td><em>Jobs Act</em>; abolition of Article 18 (all workers hired after March, 2015)</td>
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Exogenous and endogenous pressures

**Exogenous:**
*Roll out and roll back:* "fast transfer" of neoliberal policy ideas (IMF, OECD).

**EU pressures:** reduction of EPL as a condition of support for Italy. (e.g. Meardi, 2012)

**Endogenous:**
**Trade unions:** plurality; loss of the structural links with Parties; declining representation of precarious workers (e.g. Culpepper and Ragan, 2014).

**Business associations:** plurality, reduced national orient (more internationally projected).

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Multiple sources and multi-key actors’ narrative (government business, unions)

Preliminary data (documentary analysis) and core data (semi-structured interviews):
- 3 Italian academics who study Italian employment relations and who also are closely observing the Jobs Act.
- 5 CGIL and 1 Confindustria leaders respectively in charge of the labour market politics
- 2 government officials (one former minister of Labour and one involved in the development, and writing of the Job Act).

Respondents were asked to explain the position of their institutions and the respondent's perception about possible motivations that lead to the Jobs Act and the abolition of Article 18.

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Exogenous pressures:
- significant but Italy has different relationship to EU than Greece and Spain:

“Italy is not a peripheral nation and the Italian elite did not want IMF money. Nations with high debts have relinquished sovereignty and for Italy to recover it they need to share it with EU institutions and keep the Troika and IMF out”. ( Academic respondent 1).

-Italian state uses exogenous pressures strategically:

“The Jobs Act is a neoliberal reform in its consequences and the abolition of Articlo 18 is an important symbol. Italy was helping Draghi versus his opponents to get quantitative easing to signal commitment irrespective of their functional value. Renzi can go to the Trioka and has ‘credibility’”(Government respondent).
Results

Endogenous pressures:
- weakening influence of employer associations:
  “Renzi doesn’t want to get rid of them (corpi intermedi) but can by pass in order to make efficient decisions. It makes the decision-making process ‘less messy’. He wants to take a decision fast even if it is not the best one, since it is more important that decisions are taken”. (Academic respondent 1)

Path alteration?
Articolo 18 “was already very weak, and monetary compensation was very common” (CGIL respondent II).
“the abolition of Articolo 18 is one of hundreds of instruments to solve Italy’s problems, but only one” (CONFINDUSTRIA respondent)
“if you force an employer to reintegrate, the judge can in effect rule on the organization of the firm. Now the judge cannot” (CGIL respondent II)

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Exogenous and endogenous pressures but Italian state able to act strategically e.g. Draghi/Trichet letter August, 2011

Have emphasized critical political role of Italian state in EPL reform.

While necessary, state autonomy is tenuous --increasingly bounded by holders of capital (Regini, 2014)

Article 18 abolition both cumulative and path-altering

Institutions like Article 18 are a source of power but ultimately subject to shifts in power.
Suggestions

Thank you very much for your attention!

Tod Rutherford
trutherf@maxwell.syr.edu

Lorenzo Frangi
frangi.lorenzo@uqam.ca