

Neoliberalization 2.0 Trajectories Post-COVID-19: Divergent Paths of Italy and Spain

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"The welfare models of Southern European countries share similar functional and distributive polarisations, characterised by asymmetries in the coverage of different risks and social groups (Ferrera, 1996; Guillén et al., 2021). However, since the Great Recession and the sovereign debt crisis, some countries like Spain and Portugal have embarked on recalibration trajectories towards new social risks, such as possessing obsolete skills and reduced access to social protection systems due to job insecurity (Bonoli, 2010). Conversely, Italy and Greece appear to be lagging in protecting against new social risks (Guillén et al., 2021) due to the significant political obstacles associated with retrenchment and recalibration trajectories (Natili and Jessoula, 2019). Specifically, in Italy's case, despite three decades of labour-market deregulation aimed first at liberalising atypical contracts and later even open-ended workers, active labour-market policies have always remained underdeveloped (Sacchi & Vesan, 2015).

However, following the COVID-19 crisis, Italy seems to have embarked on a labour policy trajectory that gradually shifts from income protection for workers towards a social investment approach, more oriented towards developing workers' skills through greater investment in active labour market policies (Tassinari, 2022). This trajectory change is particularly evident in the content of the Industry 4.0 Plan and subsequent measures, especially in the Recovery and Resilience Plan. In the latter, the government's action in labour policies is almost exclusively oriented towards training workers' skills (i.e., active policies), completely neglecting worker income protection. This paradigm shift is even more surprising when considering that—even in the case of the Industry 4.0 plan—it was also endorsed by union positions.

This study aims to trace the paradigm shift in Italy's labour policies through a comparison with the Spanish case and to investigate the factors that determined it. The comparison with Spain is particularly interesting when considering how the Sanchez government, after the pandemic crisis in the 2022 labour reform, specifically addressed the expansion of income protection systems for workers during ongoing employment (short-time work schemes). Meanwhile, in Italy, the Catalfo reform proposal, which aimed in a similar direction, was strongly opposed and not implemented (Tassinari, 2022; Guarascio, 2021).

In particular, the work focuses on three main factors to explain the shift in Italy's trajectory towards active labour market policies and the differences compared to the Spanish case. The first is the external pressure exerted by supranational institutions, such as the European Commission's recommendations to Italy regarding the expansion of active policy systems, which, following the example of the 2015 Jobs Act (Sacchi, 2015), may have influenced the content of these interventions. The second factor concerns the partisan composition of the government coalitions that developed the Industry 4.0 Plan and the Recovery and

Resilience Plan from an ideological and electoral competition standpoint. The third factor regards the (different) effectiveness of employers' associations and unions in shaping these regulatory interventions in line with their demands.

The study also questions what types of active policies have been introduced, whether oriented towards introducing a stronger workfare type (Dingeldey, 2007), as requested by employers' associations, or towards genuine training of workers' human capital, also requested by employers' associations. Should the former scenario emerge, we would be facing what Tassinari (2022) defines as a sort of 'neo-liberalization 2.0,' that is, a second step that—after the wave of EPL deregulation to facilitate dismissals—provides increasingly stronger conditionalities in active policies to instead facilitate hiring under more favourable terms for employers.

The methodology combines documentary analysis of the last ten years' main labour market policy interventions, starting with the Industry 4.0 Plan and ending with the latest budget law (2022), with elite interviews with representatives of the incumbent governments, relevant parliamentary committees, and social actors.