February 15, 2012

In Italy, Facing the End of the Lifetime Job

By ELISABETTA POVOLEDO

ROME — It was just an off-the-cuff quip during a television interview this month. But when Prime Minister Mario Monti remarked that having a job for life in today's economy was no longer feasible for young people — indeed, it was "monotonous" — he set off a barrage of protests, laying bare one of the sacrosanct tenets of Italian society that the euro zone crisis has placed at risk.

Reaction was fast, furious, bipartisan and intergenerational. "I think the prime minister has to be careful with the words he uses because people are a little angry," Claudia Vori, a 31-year-old Rome native who has had 18 different jobs since graduating from high school in 1999, said of Mr. Monti's "monotonous" moment.

That anger has grown as job prospects have shrunk. Youth unemployment in December hit 31 percent, more than 10 percentage points higher than five years ago.

Mr. Monti has touched a nerve, undermining a principle as certain as death and taxes in most of Western Europe, where politicians often deride the Anglo-American model as outmoded and cruel even as economists cite its market flexibility as desirable.

In Italy in particular, every major political force after World War II subscribed to the idea of guaranteeing the work of the male breadwinner to preserve the traditional family structure, said Elisabetta Gualmini, a labor expert who teaches at the University of Bologna. This social doctrine was also blessed by the Roman Catholic Church, which still holds much sway in Italy.

"The problem is that this model is myopic" in a global marketplace, Professor Gualmini said. "But Italy has entrenched itself on this model, which became a strong ideology and so rooted in beliefs that it cannot be challenged."

Challenging ingrained convictions and longstanding practices is exactly what many Italians want of Mr. Monti and his government of technocrats, theoretically free from vested political interests.

Indeed, what got lost in the heated debate over the monotony of a guaranteed job was the larger picture, which Mr. Monti tried to illustrate during the interview on “Matrix,” a late-night television news magazine.

Changes in labor law under consideration by his government, he said, were intended to restore the balance between those already in the labor market — who are “hyperprotected,” he said — and those struggling to enter it, redressing “the terrible apartheid” between older workers and young Italians working with contracts that offer fewer rights and little job security. The government has said it wants to pass its proposals by the end of March.

But Italy’s labor unions have taken the lead in resisting many changes to existing law. Debate has been especially intense over Article 18 of the 1970 Workers Statute, which forbids companies with more that 15 employees from firing people without just cause. The unions say that line cannot be crossed.

The government, on the other hand, argues that the restrictions imposed by Italy’s tightly regulated labor market make companies reluctant to hire new workers because they cannot be fired once they have been given regular contracts. Italian labor laws have also held foreign investors at bay, Mr. Monti said.

Past changes in the labor market introduced short-term employment contracts and internships. But critics say these changes mostly benefited employers, allowing them to hire people at low costs without offering any benefits.

And many Italians are more than willing to accept exploitative conditions. Indeed, for many young people who have already experienced the precariousness of the current labor market, the debate over lifetime tenure derails discussion from other, more worrisome issues.

“The problem is actually getting a job, not being fired from one,” said Antonio De Napoli, 27, spokesman for the National Youth Council, a nonpartisan grouping of organizations, who argues that his generation has already accepted the flexibility imposed by current market laws. “What we want is greater support when we’re not working.”

If anything, many young Italians have sought work outside of Italy, he said, causing a brain drain. “We must interrupt this trend,” he said.

Luca Nicotra, the 29-year old secretary of Agora Digitale, which lobbies for Internet freedom, said the kind of job mobility found in the U.S. or British labor markets “just doesn’t exist in Italy.”

“The notion of lifetime employment is central to a country that doesn’t offer any work alternatives,” Mr. Nicotra said. Entrepreneurship could offer another path, he said, “but in Italy that spirit is rare, because it isn’t taught” outside of business schools.

Michele Tiraboschi, a professor of labor law at the University of Modena and Reggio Emilia, said Italy’s education system did not match supply with demand. “We are not preparing students for the demands of businesses,” he said. “Education is too theoretical, offering few real skills.”

Mr. Monti’s government has stated that lifting employment among young people and women is central to its agenda, and in its three months in office it has proposed initiatives including simplified procedures to start a business for those under 35, including the possibility of opening a business with €1.

But Mr. De Napoli pointed out that legislation is only one part of the equation, and he gave voice to widespread criticism of national lenders. “We are happy with these initiatives, but if banks don’t give young people credit, what good is opening a company with €1?” he said. “Flexibility is fine, but banks have to be open when we ask for a mortgage or access to credit. Otherwise, the young generation risks being slaughtered.”

And for all the debate on what is called “flexi-security” here, the old models still have their appeal. One survey published Sunday in the Milan daily Corriere della Sera disclosed that 84 percent of Italians aged 18 to 34 would be willing to accept less pay in exchange for job security, and a third placed a lifetime protected contract as a job’s top attraction.

Maurizio Di Lucchio, 30, a Milan-based freelance journalist who started a communications company that barely pays his rent and living expenses, said he would like nothing more than a fixed job and was “actively seeking one, or at least to guarantee as many rights as I can through a contract.”

He acknowledged that there was “widespread pessimism” among his generation about “finding work with a minimum of stability.” But he described himself as moderately optimistic.

“Italians are creative,” he said. “I think it’s part of our DNA.”