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### Income Support at the Nexus of Job Security and Labour Market Transitions

Claudia Carchio \*

**Abstract.** This paper explores the intersection of labour market dynamics and income support instruments. While unemployment benefits are traditionally understood as mechanisms for mitigating the economic risks associated with partial or total job loss, this analysis considers their potential proactive function. Specifically, it investigates whether – and in what ways – such measures might contribute to promoting employment opportunities by supporting and accelerating transitions within the labour market.

**Keywords:** Social safety nets; Income support; Employment protection; Conditionality; Occupational transitions.

## 1. Rethinking Social Welfare: Can Income Support Drive Employment?

The central question underpinning this analysis – namely, whether social welfare benefits can serve not merely as compensatory mechanisms but as instruments actively contributing to employment creation – may initially appear deceptively straightforward. This perception is particularly prevalent given the traditional characterisation of income-support mechanisms within labour law as protective devices. Historically, such instruments, whether triggered by the temporary suspension or permanent termination of employment, have been conceived primarily as safeguards

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intended to mitigate the socio-economic consequences of exclusion from the labour market.

Anchored in Article 38, paragraph 2, of the Italian Constitution, incomesupport measures are designed to secure the material subsistence of individuals confronted with involuntary unemployment, thereby guaranteeing a standard of living sufficient to meet essential needs. These measures encompass both full unemployment benefits<sup>1</sup> – provided upon the cessation of an employment relationship – and partial income-support schemes, such as those deployed in response to reductions in working hours resulting from enterprise crises or organisational restructuring<sup>2</sup>.

From this normative and functional standpoint, it might seem axiomatic that income-support benefits are not inherently conducive to the expansion of employment. Their principal function appears to reside in the *ex post* compensation for income lost as a consequence of labour market contraction, rather than in the *ex ante* promotion of new employment opportunities.

In this respect, social welfare benefits are frequently framed as quintessential passive labour market policies – interventions that collectivise the risk of unemployment and operate reactively, addressing only the consequences of job loss without engaging its structural antecedents. By contrast, active labour market policies (ALMPs) are explicitly designed to foster labour market participation, promote reintegration, and increase employment rates through targeted interventions, including vocational training, job placement services, and hiring incentives.

This binary conceptualisation – between passive and active measures – remains deeply entrenched within both legal scholarship and policy discourse. Whereas active measures are directed towards the proactive generation of employment, income-support schemes are perceived as fulfilling a distinct, reactive role: namely, the provision of temporary economic relief to workers undergoing occupational displacement, without directly contributing to job creation.

However, such a dichotomous framework appears increasingly inadequate when confronted with the operational realities of modern welfare systems.

<sup>&</sup>lt;sup>1</sup> For the legal framework on unemployment benefits, see Legislative Decree No. 22/2015. See also M. Miscione, *Le indennità di disoccupazione. NASpI, Disoccupazione agricola, Dis-Coll, Idis, Iscro*, Giappichelli, Turin, 2025.

<sup>&</sup>lt;sup>2</sup> The regulation concerning wage supplementation schemes is set out in Legislative Decree No. 148/2015. See C. Carchio, *Le prestazioni integrative del reddito. Funzione sociale e sostenibilità finanziaria*, Adapt Labour Studies e-book series No. 97, Bergamo, 2023.

Despite their formal classification as passive instruments, income-support measures are, in practice, deeply intertwined with employment dynamics in at least two critical respects. First, mechanisms such as wage guarantee funds and supplementary allowances provided through bilateral solidarity funds not only offer financial support but also serve to stabilise existing employment relationships during periods of economic turbulence. Second, the regulatory frameworks governing unemployment benefits increasingly incorporate conditionality requirements, obliging recipients to engage with ALMPs – such as job search assistance, training schemes, or work placements – as a prerequisite for continued eligibility.

Against this backdrop, the question of whether social welfare benefits can contribute to employment creation demands a more nuanced, integrated, and systemic response. When examined holistically, these measures cannot be adequately characterised solely as compensatory tools for labour market exclusion. Rather, they constitute dynamic components within a broader employment policy architecture – interacting with and, in some instances, complementing active measures – by facilitating employment retention, enabling transitions, and supporting reintegration pathways.

A thorough examination of the relevant legal frameworks, institutional designs, and the functional interdependence between passive and active policy instruments is therefore essential to fully apprehend the strategic role that income-support measures may play within the governance of contemporary labour markets.

### 2. Balancing Welfare and Work: The Right to Work and Subsistence between Safeguards and Responsibility

The perspective outlined above cannot be meaningfully isolated from a broader theoretical framework that reflects the progressive extension of worker protections beyond the confines of the individual employment relationship to encompass the labour market in its entirety. This evolution entails the gradual incorporation – alongside the traditional safeguards of unemployment, understood as protections triggered by the loss of employment – of a system of protection against unemployment<sup>3</sup>, aimed at

<sup>&</sup>lt;sup>3</sup> See D. Garofalo, Le politiche del lavoro nel Jobs Act, in F. Carinci (ed.), Jobs Act: un primo bilancio. Atti del XI Seminario di Bertinoro-Bologna del 22–23 ottobre 2015, Adapt Labour Studies, E-Book series No 54, 2016, p. 122.

its prevention and mitigation through structured public intervention in the design and implementation of employment policies.

This conceptual shift, theorised by the more incisive strands of legal scholarship in the final decades of the twentieth century<sup>4</sup>, is grounded in the premise that the right to work, enshrined in Article 4, paragraph 1, of the Italian Constitution, cannot be reduced to a mere negative liberty – that is, the absence of coercion or constraint in the choice of one's occupation<sup>5</sup>. Nor can it be interpreted solely through its dimension as a social right, as the legitimate expectation that public authorities will adopt measures to preserve employment levels. Historically, this expectation has materialised in defensive interventions, including legislation governing individual dismissals and wage supplementation schemes, particularly of the extraordinary type.

Rather, the right to work must be understood as encompassing both dimensions: the guarantee of job stability, on the one hand, and the recognition of a positive freedom, on the other – namely, the right to be supported in accessing employment and, by extension, to exercise one's freedom to develop professional capabilities<sup>6</sup>.

In this light, the right to work emerges as a constitutional guarantee not only for those in employment but also for those excluded from it, requiring public policies to facilitate access to suitable work opportunities. Such policies include vocational training, personalised career counselling, and public employment services. Accordingly, the right to work transcends its conventional interpretation as the right to hold employment and assumes a broader function as a safeguard of personhood, ensuring meaningful participation in the economic and social life of the polity<sup>7</sup>.

Over time, this conceptual framework has undergone significant transformation, particularly under the influence of European integration processes<sup>8</sup>, culminating in the emergence of an active welfare state

<sup>&</sup>lt;sup>4</sup> See, inter alia, M. Cinelli, La tutela del lavoratore contro la disoccupazione, Franco Angeli, Milano, 1982; M. Napoli, Il lavoro e le regole. C'è un futuro per il diritto del lavoro?, in Jus 1998, pp. 51-68; M. D'Antona, Il diritto al lavoro nella Costituzione e nell'ordinamento comunitario, in Riv. Giur. Lav. 1999, No. 3 suppl., pp. 15 ff.; M. Rusciano, Il lavoro come diritto: servizi per l'impiego e decentramento amministrativo, ibid., pp. 25 ff.

<sup>&</sup>lt;sup>5</sup> On the constitutional interpretation, see Corte cost. (Constitutional Court), 9 June 1965, No. 45, which affirms that *«the right to work is a fundamental freedom of the human person, expressed in the choice and exercise of work activity»*.

<sup>&</sup>lt;sup>6</sup> See also F. Liso, Il diritto al lavoro, in Giorn. Dir. Lav. Rel. Ind. 2009, No. 1, p. 147.

<sup>&</sup>lt;sup>7</sup> See M. D'Antona, *Il diritto al lavoro nella Costituzione e nell'ordinamento comunitario*, cit., p. 23.

<sup>&</sup>lt;sup>8</sup> On the enhancement of active labour policies in Europe, see R. Rogowski, T. Wilthagen (eds.), Reflexive Labour Law: studies in industrial relations and employment regulation, Kluwer Law

paradigm – or "welfare-to-work" model<sup>9</sup>. Within this model, the unemployed are no longer conceived as passive recipients of public support but rather as co-responsible agents whose entitlement to incomesupport measures is conditional upon their active participation in the pursuit of employment.

At the normative core of this shift lies the principle of conditionality<sup>10</sup>, which operates as a regulatory bridge between passive and active labour market policies. Conditionality requires that beneficiaries of unemployment benefits engage in prescribed activation measures and enter into a cooperative and reciprocal relationship with the state as the guarantor of social protection<sup>11</sup>.

Accordingly, the enjoyment of social rights is no longer predicated solely on passive eligibility criteria; it now entails an obligation of active engagement. This is operationalised through a set of conditional mechanisms that impose behavioural requirements on benefit recipients, enforced through sanctions in cases of non-compliance. These mechanisms, intrinsic to the design of social rights given their dependence on finite public resources<sup>12</sup>, influence not only the exercise of such rights but also their very entitlement. Access becomes contingent upon both meeting formal eligibility conditions and demonstrably fulfilling activation

and Taxation Publishers, Deventer–Boston, 1994; T. Wilthagen, Flexicurity: A New Paradigm for Labour Market Policy Reform?, Social Science Research Center Discussion Paper No FS I 98-202, 1998; G. Di Domenico, Le politiche di workfare in Europa. Esperienze di integrazione tra servizi al lavoro e sistemi di welfare, ISFOL, Roma, 2005; M. Marocco, La "doppia anima" delle politiche attive del lavoro e la Riforma Fornero, WP C.S.D.L.E. "Massimo D'Antona".IT, 192/2013.

<sup>&</sup>lt;sup>9</sup> On the concept of welfare to work, see T. Boeri, R. Layard, S. Nickell, Welfare to work and the fight against long-term unemployment, Research Report (Great Britain Department for Education and Employment) No. 206, 2000; A. Marsala (ed.), Il welfare to work: modelli di intervento europeo, Italia Lavoro Edizioni, Roma, 2006; N. Paci, La tutela dei disoccupati e le politiche di workfare, in Riv. Giur. Lav. 2006, No. 4, pp. 819 ff.; R. Lodigiani, Welfare attivo. Nuove politiche occupazionali in Europa, Erickson, Trento, 2008; A. Alaimo, Servizi per l'impiego e disoccupazione nel "welfare attivo" e nei "mercati del lavoro transizionali". Note sulla riforma dei servizi all'occupazione e delle politiche attive nella l. 28 giugno 2012, n. 92, in Riv. Dir. Sic. Soc. 2012, No. 3, pp. 555 ff.

<sup>&</sup>lt;sup>10</sup> See also C. Garbuio, *Politiche del lavoro e condizionalità*, Giappichelli, Torino, 2021.

<sup>&</sup>lt;sup>11</sup> On the notion of mutual obligations, see A. Alaimo, *Politiche attive del lavoro, patto di servizio e "strategia delle obbligazioni reciproche"*, in *Dir. Lav. Rel. Ind.* 2013, No. 139, p. 507.

<sup>&</sup>lt;sup>12</sup> See E. Ales, Diritti sociali e discrezionalità del legislatore nell'ordinamento multilivello: una prospettazione giuslavoristica, in Dir. Lav. Rel. Ind. 2015, No. 147, p. 457; G. Loy, Una Repubblica fondata sul lavoro, in Dir. Lav. Rel. Ind. 2009, No. 122, pp. 197 ff.; C. Pinelli, Lavoro e progresso nella Costituzione, ibid., p. 401.

obligations, with failure to comply potentially resulting in the suspension or withdrawal of benefits.

The normative foundations of this regulatory architecture are located in Article 4 of the Constitution, which juxtaposes the right to work (paragraph 1) with the duty to work (paragraph 2)<sup>13</sup>. They are further reinforced by Article 38, paragraph 2, which places upon the state a positive obligation to protect individuals deprived of work for the period strictly necessary to secure new employment, thereby enabling the full realisation of the principle of equality – both formal and substantive – enshrined in Article 3.

Article 38 must thus be interpreted as establishing a dual mandate: first, to guarantee financial subsistence through income-replacement measures; and second, to promote functional reintegration into the labour market. This reintegration is to be effected in accordance with the principles laid out in Articles 4 and 35<sup>14</sup> of the Constitution, which frame labour not only as a source of individual income but also as a central pillar of democratic citizenship and human dignity.

In this context, a form of occupational protection emerges alongside economic safeguards – a protection articulated through institutional mechanisms aimed at job matching, vocational reintegration, and the creation of enabling conditions for the effective exercise of the right to work. This system presupposes not merely the provision of state support but also the active involvement of recipients, who are expected to participate in training, reskilling, and activation programmes. Such participation is framed as part of a broader constitutional duty to contribute to the collective effort to overcome unemployment and underemployment<sup>15</sup>.

<sup>13</sup> In contrast, some scholars argue that conditionality conflicts with the constitutional provision, specifically Article 4 of the Constitution and the freedom it affords in choosing one's profession. See M. Cinelli, La previdenza che cambia: appunti su «relatività» e variazioni fisiognomiche dei diritti sociali, in Rivista del Diritto della Sicurezza Sociale, No. 1, 2020, p. 14; id., Gli ammortizzatori sociali nel disegno di riforma del mercato del lavoro, Rivista del Diritto della Sicurezza Sociale, 2012, p. 237 ff.; F. Liso, Brevi appunti sugli ammortizzatori sociali, in Scritti in onore di Edoardo Ghera, Vol. I, Cacucci, Bari, 2008, p. 597 ff.; A. Vallebona, La riforma del lavoro 2012, Giappichelli, Torino, 2012, p. 110 ff.

<sup>&</sup>lt;sup>14</sup> See S. Renga, *La tutela del reddito: chiave di volta per un mercato del lavoro sostenibile*, paper delivered at XX Congresso Nazionale AIDLASS, *Il diritto del lavoro per una ripresa sostenibile*, Taranto, 28–30 October 2021, pp. 28-29.

<sup>&</sup>lt;sup>15</sup> On integrated social rights systems, see E. Ales, *Diritto del lavoro, diritto della previdenza sociale, diritti di cittadinanza sociale: per di un "sistema integrato di microsistemi"*, in *Arg. Dir. Lav.* 2001, No. 3, pp. 981 ff.; C. Alessi, *L'art. 4 della Costituzione e il diritto al lavoro*, in *Jus* 2006,

It is within this dialectical relationship – between the protection of existing employment and the proactive realisation of potential employment – that the contemporary system of social security for involuntary unemployment acquires its full normative and functional significance. It serves not only as an immediate guarantee of "adequate means of subsistence" but also as a forward-looking commitment to ensure that access to employment is secured as swiftly as possible. In doing so, it enables not merely material survival but the broader conditions for active citizenship and substantive equality – objectives that can be achieved only through the fulfilment of the right to work, as constitutionally enshrined in Article 4<sup>16</sup>.

### 3. Activation through Conditionality: Reinserting the Unemployed into the Labour Market

The transition from the constitutional foundations of social protection to its concrete regulation through ordinary legislation reveals that the nexus between income-support measures and active labour market policies is not a recent innovation within the Italian legal system<sup>17</sup>. This connection was explicitly codified as early as Law No. 223 of 1991, which introduced the mobility allowance<sup>18</sup>. It was subsequently reaffirmed in the reorganisation of public employment services under Legislative Decree No. 181 of 2000<sup>19</sup>, and further consolidated through the "mini-reform" of

pp. 127 ff.; A. Topo, Obbligo di lavorare e libertà di lavoro: quando lavorare è un dovere "sociale", in M. Brollo, C. Cester, L. Menghini (eds.), Legalità e rapporti di lavoro: Incentivi e sanzioni, EUT, Trieste, 2016, pp. 171 ff.; S. Stacca, Il dovere di lavorare per il progresso materiale o spirituale della società, in Riv. trim. dir. pubbl. 2021, pp. 29 ff.

<sup>&</sup>lt;sup>16</sup> See M. Miscione, *Gli ammortizzatori sociali per l'occupabilità, in Disciplina dei licenziamenti e mercato del lavoro*, Atti delle Giornate di studio AIDLaSS, Venezia 25–26 maggio 2007, Giuffrè, Milano, p. 701.

<sup>&</sup>lt;sup>17</sup> The earliest conditionality forms are found in "cantieri di lavoro" and "cantieri scuola", where benefit eligibility required attendance – see post-war regulation (Decreto-legge del Capo provvisorio dello Stato No. 1264/1947; Law No 264/1969) and F. Longobucco, *La perdita del diritto nel sistema delle pene private*, in *Politica del Diritto* 2019, No. 3, p. 399 ff.

<sup>&</sup>lt;sup>18</sup> See Art. 9, Law No. 223/1991; Art. 8, para. 4, Law No. 196/1997.

<sup>&</sup>lt;sup>19</sup> See, among others, F. Dini, Dichiarazione di responsabilità e accertamento dello stato di disoccupazione, in Lav. Giur., 2003, No. 4, pp. 343 ff.; N. Paci, Protection of the Unemployed and Workfare Policies, in Riv. Giur. Lav., 2003, No. 4, pp. 819 ff.; S. Spattini, a nuova condizionalità all'accesso ai trattamenti di sostegno al reddito: potenzialità e criticità nella prospettiva della riforma degli ammortizzatori sociali, in Dir. Rel. Ind., 2010, No. 2, pp. 377 ff.; N. Forlani, Le prospettive delle politiche di norkfare in Italia, ibid., pp. 364 ff.

unemployment benefits in 2003<sup>20</sup>. Within this legislative framework, both full and partial unemployment benefits were expressly made conditional – under penalty of forfeiture – upon recipients' participation in training programmes and labour reintegration initiatives<sup>21</sup>.

The most significant normative shift in the evolution of conditionality – from a "soft" to a "strong" model – occurred with the 2012 labour market reform (commonly referred to as the Fornero Reform)<sup>22</sup>, and, most decisively, with the reform initiated by Delegated Law No. 183 of 2014, implemented through a series of legislative decrees collectively known as the Jobs Act<sup>23</sup>. A central objective of this legislative effort was to reinforce the link between the receipt of social transfers and the beneficiary's active engagement in the labour market. This linkage was no longer confined to periods of complete unemployment but was extended to circumstances involving the temporary suspension or reduction of working hours within ongoing employment relationships<sup>24</sup>.

<sup>&</sup>lt;sup>20</sup> Art. 13, Legislarive Decree No. 276/2003; art. 3, para. 137, Law No. 350/2003; art. 1-quinquies, Decree-Law No. 249/2004; art. 1, para. 7, Decree-Law No. 68/2006 conv. in Law no. 127/2006; art. 13, para. 2, Decree-Law No. 35/2005; see also D. Garofalo, *La riforma degli ammortizzatori sociali tra continuità e discontinuità*, in *Prev. Assist. Pubb. Priv.*, 2005, No. 1, pp. 35 ff.

<sup>&</sup>lt;sup>21</sup> This aspect was also emphasized by the (unimplemented) delegation for social safety net reform ex art. 1, para. 29, lett. h, Law No. 247/2007; see generally V. Filì, *Le delegbe per il riordino della normativa in materia di servizi per l'impiego e incentivi all'occupazione*, in F. Carinci & M. Miscione (eds), *Il Collegato lavoro 2008*, Ipsoa, Milano, 2008, pp. 19 ff.

<sup>&</sup>lt;sup>22</sup> On this point see, among others, N. Paci, *La condizionalità*, in M. Cinelli, G. Ferraro & O. Mazzotta (eds), *Il nuovo mercato del lavoro*, Giappichelli, Torino, 2013, pp. 429 ff.; V. Fili, *Politiche attive e servizi per l'impiego 2012*, in *Lav. Giur.*, 2012, No. 10, pp. 990 ff.; P. Pascucci, *Servizi per l'impiego, politiche attive, stato di disoccupazione e condizionalità nella l. n. 92 del 2012*, in *Riv. Dir. Sic. Soc.*, 2012, No. 3, pp. 453 ff.; V. Pasquarella, *Gli interventi di raccordo tra politiche attive e passive*, and A. Olivieri, *Condizionalità ed effettività nella l. n. 92/2012*, both in P. Chieco (ed), *Flessibilità e tutele nel lavoro*, Cacucci, Bari, 2012, pp. 639 ff. and 647 ff. respectively.

<sup>&</sup>lt;sup>23</sup> On conditionality under the Jobs Act see among many V. Filì, L'inclusione da diritto a obbligo, in M. Brollo, C. Cester & L. Menghini (eds), Legalità e rapporti di lavoro. Incentivi e sanzioni, cit., pp. 117 ff.; A. Olivieri, Le tutele dei lavoratori dal rapporto al mercato del lavoro. Dalla postmodernità giuridica verso la modernità economica?, Giappichelli, Torino, 2016, pp. 153 ff.; idem, La condizionalità nel d.lgs. n. 150/2015: luci e ombre, and V. Filì, Il patto di servizio personalizzato, both in E. Ghera & D. Garofalo (eds), Organizzazione e disciplina del mercato del lavoro nel Jobs Act 2, cit., pp. 185 ff. and 176 ff. respectively; M. Tiraboschi, Jobs Act e ricollocazione dei lavoratori, in Dir. Rel. Ind., 2016, No. 1, pp. 119 ff.; L. Valente, La riforma dei servizi per il mercato del lavoro, Cedam, 2016, pp. 106 ff.

<sup>&</sup>lt;sup>24</sup> See A. Occhino, *Il sostegno al reddito dei lavoratori in costanza di rapporto tra intervento pubblico e bilateralità*, in *Dir. Lav. Merc.*, 2016, No. 3, p. 505; M. Miscione, *La Cassa integrazione dopo* 

In particular, Legislative Decree No. 150 of 2015 introduced a fundamental reorientation: from a model of conditionality that passively linked benefits to the persistence of unemployment, eligibility for wage supplementation (*Cassa Integrazione Guadagni*), or mobility status, to a system in which access to both monetary and service-based entitlements is contingent upon demonstrable, active job-seeking behaviour. In this context, inactivity is not only discouraged but sanctioned – potentially to the point of the withdrawal of social security entitlements<sup>25</sup>.

Notably, conditionality in this reformed framework affects not only access to benefits but also the legal recognition of unemployment status itself<sup>26</sup>. The legislature now stipulates that such status be predicated not merely on the involuntary nature of job loss, but also on the individual's immediate availability for work and their participation in active labour market measures, as agreed with public employment services<sup>27</sup>. In doing so, the legislator integrates the constitutional notion of involuntary unemployment – as articulated in Article 38, paragraph 2 of the Italian Constitution - with the principle of laboriousness:28 that is, an individual's willingness to engage in work as a precondition for entitlement to public support. This principle embodies a heightened form of personal responsibility, whereby individuals are expected to contribute actively to their own reintegration into the workforce.

Thus, *laboriousness* operates as a form of counter-performance embedded in the reciprocity underlying social protection schemes. It redefines the very nature of the protected risk: the system does not compensate for job loss *per se*, but for involuntary unemployment – understood as a condition

<sup>26</sup> See L. Corazza, Il principio di condizionalità (al tempo della crisi), in Dir. Lav. Rel. Ind., 2013, No. 139, pp. 490 ff.; M. Ricci, I servizi per l'impiego dopo le modifiche legislative tra luci e ombre, in Arg. Dir. Lav., 2017, pp. 340 ff.

il Jobs Act, in F. Carinci (ed), Jobs Act: un primo bilancio, Proceedings of the XI Seminario di Bertinoro-Bologna, 22-23 October 2015, p. 934.

<sup>&</sup>lt;sup>25</sup> Art. 7, Legislative Decree No. 22/2015..

<sup>&</sup>lt;sup>27</sup> Art. 19, para. 1, Legislative Decree No. 150/2015, which includes among the unemployed those without employment who declare electronically to the Sistema Informativo Unitario delle Politiche del Lavoro (SIUPOL) their immediate availability to undertake work and participate in agreed active labour market measures.

<sup>&</sup>lt;sup>28</sup> On the concept of laboriousness ("laboriosità") see P. Sandulli, *Intervento*, in *Interessi e tecniche nella disciplina del lavoro flessibile. Atti delle Giornate di studio AIDLaSS*, Pesaro-Urbino, 24-25 maggio 2002, Giuffrè, Milano, 2003, p. 562; P. Bozzao, Dal «lavoro» alla «laboriosità». Nuovi ambiti della protezione sociale e discontinuità occupazionale, in Riv. Dir. Sic. Soc., 2003, No. 2, p. 535.

not attributable to the worker and coupled with a demonstrated effort to regain employment<sup>29</sup>.

Involuntariness and laboriousness, taken together, serve as filtering criteria for determining eligible recipients, ensuring that unemployment protection does not devolve into passive assistance. They aim to preserve the integrity of the system against opportunistic behaviour and moral hazard, which would be antithetical to the constitutional imperative to work enshrined in Article 4, paragraph 2<sup>30</sup>.

A further dimension of conditionality arises from the obligation not only to engage in activities designed to enhance employability but also to accept suitable job offers<sup>31</sup>, with refusal potentially triggering loss of

<sup>29</sup> See F. Liso, La recente giurisprudenza della Corte costituzionale in materia di stato di disoccupazione, in Dir. Rel. Ind., 2008, No. 2, p. 336, who notes that, although in a different historical and regulatory context, conditionality – which has always existed in unemployment benefits, albeit in attenuated form – tends to shift from being an element strictly inherent to the logic of the insurance system to becoming a tool of policies aimed at giving concrete effect to the right to work enshrined in the Constitution.

<sup>&</sup>lt;sup>30</sup> See P. Bozzao, Reddito di cittadinanza e laboriosità, in Dir. Lav. Rel. Ind., 2020, No. 1, p. 9, who highlights the connection with Article 4, paragraph 2 of the Italian Constitution, which establishes a duty to contribute to the material or spiritual progress of society, and Article 2 of the Italian Constitution read in its bidirectional connotation, where the community takes responsibility for liberating the individual from actual need, and the latter responds by fulfilling the duty of being socially useful, active and responsible. Also see M. Cinelli, La previdenza che cambia: appunti su «relatività» e variazioni fisiognomiche dei diritti sociali, cit., pp. 12-13, who attributes to laboriousness the merit of combating unacceptable parasitism or abuse in employment services but critically observes that in the area of income protection it ends up as a factor of exclusion, while the natural balance of rights and duties is already realized in the insurance model, which acts as a self-sufficient mechanism for selecting the deserving, since it conditions benefit entitlement on minimum employment and contribution requirements, adjusts benefit duration and amount according to wages, and caps the maximum indemnity period.

<sup>&</sup>lt;sup>31</sup> See Art. 25, Legislative Decree No. 150/2015, which established the criteria for determining the suitability of job offers, later specified by the parameters set forth in Ministerial Decree of 10 April 2018, No. 42. This decree is particularly noteworthy for combining qualitative aspects – such as the "consistency with the experiences and skills acquired" by the individual (Art. 4, which differentiates this parameter based on the duration of the unemployment period) –with quantitative aspects. These include, first, the length of unemployment and, based on that, the distance between the individual's residence and the workplace, as well as the travel time using public transportation, which increases proportionally with the length of inactivity (Art. 6); and second, the difference between the proposed wage and the unemployment benefit received (Art. 7). Furthermore, for a job offer to be deemed suitable, it must concern specific types of employment relationships (Art. 5), and it may be legitimately refused under a set of clearly defined circumstances (Art. 8).

entitlement<sup>32</sup>. It is precisely in the legal construction of *suitability* – and in delineating the boundaries of acceptable refusal – that one observes a key point of tension and convergence between the freedom to work and the duty to work.

Accordingly, the intensity of activation demanded – through vocational training, reskilling programmes, and the acceptance of suitable employment – serves as a benchmark for evaluating whether conditionality mechanisms strike an appropriate equilibrium. This involves assessing whether such mechanisms operate as legitimate instruments of mutual responsibility, or whether they impose disproportionate burdens on recipients, thereby shifting from protection to punishment.

In evaluating this framework, another critical factor must be considered: namely, the effectiveness of employment services available to benefit recipients. Indeed, it is inherent in the social insurance model underlying unemployment benefits that access to such provisions — and consequently, the allocation of public financial resources — should be reserved for individuals who have not contributed to their condition of need and who demonstrate a willingness to reactivate themselves in pursuit of a free and dignified existence through paid employment.

Nevertheless, the obligation for individuals to engage in activation pathways in order to maintain access to passive labour market benefits must be understood in connection with the State's broader responsibility to ensure their effective reintegration into the labour market. Put differently, the requirement for beneficiaries to engage actively in the job search cannot be meaningfully imposed in the absence of employment services capable of offering real and appropriate job opportunities<sup>33</sup>. Only under such conditions can conditionality genuinely function as a safeguard for the right to work<sup>34</sup>.

Otherwise, what is presented as an activation requirement risks degenerating into a mere obligation to work – its actual aim no longer the

<sup>&</sup>lt;sup>32</sup> See C. Garbuio, L'offerta congrua di lavoro nel prisma del principio di condizionalità: tra parametri oggettivi e necessarie implicazioni soggettive, in Riv. Dir. Sic. Soc., 2019, No. 3, pp. 575 ff.; E. Villa, Attivazione e condizionalità al tempo della crisi: contraddizioni di un modello (almeno formalmente) improntato alla flexicurity, in Arg. Dir. Lav., 2018, No. 2, pp. 477 ff.

<sup>&</sup>lt;sup>33</sup> See similarly D. Garofalo, Le politiche del lavoro nel Jobs Act, cit., p. 118; more generally, on the need for efficient employment services, see among many others M. Cinelli, Il welfare tra risparmio e razionalizzazione. Gli interventi di riforma 2011–2012 su pensioni e ammortizzatori sociali, in G. Ferraro, O. Mazzotta (eds.), Il nuovo mercato del lavoro. Dalla riforma Fornero alla legge di stabilità 2013, Giappichelli, Torino, p. 425.

<sup>&</sup>lt;sup>34</sup> See also V. Filì, L'inclusione da diritto a obbligo, cit., p. 119.

cooperative engagement of the insured within a solidaristic framework of social protection, but rather the artificial compression of periods of inactivity, as a means of reducing welfare expenditure. This would result in a restriction of access to benefits through an expansion of obligations<sup>35</sup>. Should this objective prevail, it would not only compromise the dialectic between the right and the duty to work but also generate long-term inefficiencies in the allocation of public resources. Active labour market policies focused solely on immediate job placement – without adequate consideration of the individual's professional background, realistic employment prospects, and sustainable integration into the labour market – could produce suboptimal outcomes. In such cases, short-term savings may ultimately lead to renewed demands for social protection, due to persistent employment instability.

# 4. Employment Suspension in Business Crises: Pathways to Reskilling and Re-employment through Transitional Labour Strategies

The conditionality associated with income-support measures in the context of employment suspension presents notable specificities. Here, the primary objective of linking wage supplementation to active labour market policies is not merely to provide economic security but also to promote the professional stability of individuals at risk of unemployment. This is pursued through their integration into employment services, aimed at maintaining and enhancing their skills – either with a view to resuming their original positions, should the suspension prove temporary, or to facilitating reallocation to new employers.

Simultaneously, the intention to reintegrate surplus workers also serves to expose instances of "genuine" unemployment, by making visible employment relationships that, while formally suspended, lack any realistic prospect of resumption. Conversely, it enables the reactivation of regular employment for those who can be effectively reintegrated, thereby

<sup>&</sup>lt;sup>35</sup> See S. Renga, La tutela del reddito: chiave di volta per un mercato del lavoro sostenibile, cit., p. 28; E. Gragnoli, Gli strumenti di tutela del reddito di fronte alla crisi finanziaria, paper presented at the XVII Congresso nazionale AIDLaSS, Il diritto del lavoro al tempo della crisi, Pisa, 7–9 June 2012, in Giorn. Dir. Lav. Rel. Ind., 2012, No. 136, p. 573 ff.

preserving the temporary nature of wage support and preventing its transformation into a *de facto* unemployment benefit<sup>36</sup>.

The objectives outlined in Legislative Decree No. 148/2015 were only partially achieved in its original formulation. A significant step forward was taken with the reform introduced by Law No. 234/2021, which – as rightly observed – marked a decisive acceleration towards the long-anticipated but never fully realised integration of passive measures (social welfare) with active labour market policies (primarily vocational training, though not exclusively)<sup>37</sup>.

This legislative development signalled a shift from a unidimensional approach – where wage supplementation served solely to preserve existing jobs – towards a bidimensional logic. In this revised framework, wage supplements are also conceived as proactive instruments supporting the reallocation of workers deemed surplus following the suspension or reduction of economic activity<sup>38</sup>.

Consequently, these income-support instruments now serve both compensatory and complementary functions: ensuring income continuity during periods of suspension, while simultaneously facilitating reemployment. As with unemployment benefits, public intervention guarantees both economic protection and the right to work. However, the duty to work plays a less prominent role here, as the protected event is not unemployment per se, but underemployment or insufficient income.

Accordingly, activation obligations primarily take the form of requirements to engage in professional retraining, aimed at mitigating the risk of unemployment and at preserving and enhancing individual competences.

Assessing the implementation of the right to work during corporate crises and restructuring thus entails identifying which individuals are subject to activation obligations, the sanctions applicable in cases of noncompliance, and the criteria used to define training activities. These elements must be examined with reference to local labour market needs and with consideration for the involvement of key stakeholders, particularly the social partners.

<sup>&</sup>lt;sup>36</sup> Cf. Art. 1, para. 2, lett. *a*, Law No. 183/2014, which includes, among the guiding principles of the labour market reform, the separation between protections during employment and those after termination of the employment relationship.

<sup>&</sup>lt;sup>37</sup> See also D. Garofalo, *Gli strumenti di gestione della crisi di impresa. Un quadro d'insieme*, Working Paper ADAPT, 2022, No. 8, p. 6.

<sup>&</sup>lt;sup>38</sup> On this point, see also C. Carchio, *Le prestazioni integrative del reddito. Funzione sociale e sostenibilità finanziaria*, cit., p. 238 ff.

In this regard, Article 25-ter of Legislative Decree No. 148/2015, introduced by the 2022 Budget Law<sup>39</sup>, is a key reference. This provision replaced the previous regulatory framework, which was simultaneously repealed. While the earlier framework did foresee conditionality obligations for recipients of income-support measures (such as ordinary and extraordinary wage supplementation and solidarity funds), implementation was deferred to Legislative Decree No. 150/2015<sup>40</sup>, effectively assimilating these recipients to those receiving unemployment benefits.

By contrast, Article 25-ter – further specified through ministerial decrees governing both the structure of training activities and the sanctions for non-compliance<sup>41</sup> - introduced more detailed provisions aimed at integrating recipients of income-support measures into active labour market policies.

Among the most significant innovations is the limitation of the training obligation to recipients of *extraordinary* wage supplementation – specifically, those who may be classified as surplus following a corporate crisis, restructuring process, or solidarity agreement. This approach enhances the internal coherence of the system, excluding recipients of ordinary benefits from re-employment programmes, given their more concrete prospects of returning to work in the short term due to temporary or cyclical market conditions.

As regards the content of training and retraining initiatives – whether mandated by legislation or agreed through collective bargaining <sup>42</sup> - these programmes must be carefully tailored to the specific needs of the affected workers and to the broader realities of the business environment and labour market.

<sup>&</sup>lt;sup>39</sup> Art. 1, para. 202, Law No. 234/2021, which introduced Art. 25-ter into Legislative Decree No. 148/2015.

<sup>&</sup>lt;sup>40</sup> Art. 8, Legislative Decree No. 148/2015, which referred to Art. 22, Legislative Decree No. 150/2015, and was later repealed by Art. 1, para. 203, Law No. 234/2021; on the original provisions see, among others, V. Fili, Servizi per il lavoro e misure di workfare nel d.lgs. n. 150/2015, in Dir. Merc. Lav., 2015, No. 3, p. 511 ff.; R. Fabozzi, Misure di sostegno al reddito e obblighi di attivazione dei beneficiari, in Riv. Dir. Sic. Soc., 2016, No. 4, p. 723 ff.; L. Valente, I diritti dei disoccupati. Le politiche del lavoro e il welfare dal Johs Act al reddito di cittadinanza, Cedam, Padova, 2019.

<sup>&</sup>lt;sup>41</sup> See respectively Ministerial Decree 2 August 2022 (GU No. 227, 28 September 2022) and Ministerial Decree 2 August 2022 (GU No. 253, 28 October 2022); cf. L. Barbieri, L. Mariani, *Intervento straordinario di integrazione salariale e nuovi obblighi formativi*, in *Dir. Prat. Lav.*, 2022, No. 46, p. 2820 ff.

<sup>&</sup>lt;sup>42</sup> Art. 2, Mnisterial Decree 2 August 2022 (GU No. 227, 28 September 2022).

Accordingly, the training must correspond to the concrete requirements identified in connection with the extraordinary wage supplementation plan. The focus should be on developing or enhancing competences essential for reintegration into the current place of employment or, alternatively, for improving employability in light of potential mobility or reallocation to new positions<sup>43</sup>.

At the conclusion of such training pathways, workers are awarded certifications, validations, or transparency attestations verifying the competences acquired, in accordance with prevailing minimum certification standards<sup>44</sup>.

A noteworthy development, effective from 2025<sup>45</sup>, is the extension of access to training under the GOL programme (*Garanzia di Occupabilità dei Lavoratori*) to all recipients of extraordinary wage supplementation. Previously, this opportunity had been restricted to workers covered by occupational transition agreements pursuant to Article 24-bis of Legislative Decree No. 148/2015. While this broadening of eligibility is certainly welcome, it comes relatively late, given that the GOL programme has been operational since 2021<sup>46</sup>. The prior exclusion of these workers appears to have stemmed more from budgetary constraints than from any regulatory rationale<sup>47</sup>.

This legislative development significantly expands the range of continuing vocational training opportunities available to affected workers. In addition to initiatives financed through interprofessional training funds<sup>48</sup>, workers may now benefit from substantial public funding allocated to the GOL programme.

Moreover, Law No. 234/2021 introduced a further important amendment to Legislative Decree No. 148/2015 by extending the grounds for

<sup>&</sup>lt;sup>43</sup> Art. 3, paras. 1–3, Ministerial Decree 2 August 2022 (GU No. 227, 28 September 2022).

<sup>&</sup>lt;sup>44</sup> See Legislative Decree No. 13/2013 and Interministerial Decree 5 January 2021.

<sup>&</sup>lt;sup>45</sup> Art. 4, para. 4, Decree-Law No. 208/2024, converted into Law No. 20/2025, which amended Art. 25-ter, para. 2, Legislative Decree No. 148/2015.

<sup>&</sup>lt;sup>46</sup> See Ministerial Decree 5 November 2021 adopting the National Programme for the Guarantee of Employability of Workers (GOL).

<sup>&</sup>lt;sup>47</sup> This conclusion is confirmed by Art. 5, Ministerial Decree 2 August 2022 (GU No. 227, 28 September 2022), which established a financial invariance clause for training projects during periods of wage supplementation, limiting funding to interprofessional training funds and regional or autonomous provincial resources.

<sup>&</sup>lt;sup>48</sup> See Art. 25-ter, para. 1, Legislative Decree No. 148/2015.

corporate reorganisation to include transition processes<sup>49</sup>. Within this framework, substantial employment recovery may be pursued through retraining and skill enhancement measures implemented as part of broader strategies to address inefficiencies in the managerial or production structure, or to manage transitional phases of corporate life<sup>50</sup>.

As a result, the regulatory definition of the grounds for extraordinary wage supplementation now recognises training and retraining measures – whether for internal redeployment or external re-employment – as fundamental tools for managing structural redundancies in a non-disruptive manner.

Within the broader system of passive labour market policies and measures to enhance employability, another significant regulatory development concerns the compatibility between wage supplementation and remunerated employment undertaken during the benefit period. Although such compatibility does not constitute conditionality *stricto sensu*, as it does not involve mandatory activation, it nonetheless incentivises occupational reintegration into other sectors, thereby discouraging inactivity.

In this regard, a form of voluntary or "self-imposed" conditionality emerges, whereby the suspended or underemployed worker independently seeks re-employment outside of institutional activation pathways.

On this point, Article 8 of Legislative Decree No. 148/2015, as amended by Article 6 of Law No. 203/2024<sup>51</sup>, now stipulates that engagement in self-employment or subordinate employment during wage supplementation results in the suspension of benefit entitlement solely for the days worked<sup>52</sup>.

Furthermore, in line with settled case law<sup>53</sup>, such concurrent employment does not entail the loss of the entire benefit for the relevant period; rather,

<sup>&</sup>lt;sup>49</sup>Art. 21, para. 1, lett. *a*, Legislative Decree No. 148/2015, as amended by Art. 1, para. 199, lett. *a*, Law No. 234/2021; see also Ministerial Decree No. 94033/2016, as amended by Ministerial Decree No. 33/2022.

<sup>&</sup>lt;sup>50</sup> Art. 21, para. 2, Legislative Decree No. 148/2015, as amended by Art. 1, para. 199, lett. c, Law No. 234/2021.

<sup>&</sup>lt;sup>51</sup> On the subject, see C. Carchio, *Integrazioni salariali e attività lavorativa concomitante: le novità del Collegato Lavoro 2024*, in *Lav. Giur.*, 2025, No. 3, p. 219 ff.

<sup>&</sup>lt;sup>52</sup> This constitutes, in technical terms, a suspension; see Court of Cassation, Labour Section, 1 June 2005, No. 11679, in Riv. It. Dir. Lav., 2006, II, p. 391 ff., with note by E. Tarquini, Cassa integrazione guadagni straordinaria e attività incompatibili: l'attività lavorativa svolta dal socio di società di persone.

<sup>&</sup>lt;sup>53</sup> See among others Cass. 12 December 2023, No. 34750, in *DeJure*; Cass. 9 February 2021, Nos. 3116 and 3122, in *Giust. Civ. Mass.*, 2021 and *DeJure* respectively; Cass. 28 May 2003, No. 8490, in *Giust. Civ. Mass.*, 2003, No. 5; Cass. 14 June 1995, No. 6712, in

it triggers a proportional reduction in the allowance based on the income earned<sup>54</sup>.

This regulatory arrangement serves a dual purpose: it discourages undeclared employment and reduces the financial burden on the welfare system, while also promoting the reactivation of beneficiaries. Re-entering the labour market during the suspension period enables workers to preserve their professional skills and enhance their chances of securing long-term employment, thereby mitigating the adverse consequences of partial unemployment.

Within the bidimensional architecture of the current supplementation system – addressing both income protection and reemployment - numerous complementary provisions now support not only the temporary management of suspended employment but also the transition to new job opportunities. These provisions offer more effective tools for addressing surplus labour.

Among them, particular importance is accorded to the possibility of extending extraordinary wage supplementation by up to 12 additional months where the corporate reorganisation plan includes worker reallocation or retraining (Article 22-bis, Legislative Decree No. 148/2015). Similar extensions are available to support restructuring processes in particularly critical economic circumstances (Article 44, paragraph 11-ter).

Other relevant instruments include the occupational transition agreement (Article 22-ter), the expansion contract (Article 41) - though no longer renewable<sup>55</sup> - and various support measures for labour mobility. Also noteworthy are the re-employment agreement (Article 24-bis) and employment incentives for recipients of social welfare measures<sup>56</sup>. Although not constituting wage supplementation per se, these instruments play a complementary role in supporting occupational transitions for individuals engaged in passive labour market policies.

Further support is provided by corporate-level agreements permitting employers to access the "New Skills Fund" to finance hours of non-

extended it until 2023.

55 This experimental measure is no longer active as it was not refinanced after Art. 26quater, para. 4, Decree-Law No. 34/2019, converted into Law No. 58/2019, had

Lav. Giur., 1996, p. 329 ff.; Cass. 14 April 1993, No. 4419, in Giust. civ., 1993, I, p. 2992 ff.; Cass. 8 November 1990, No. 10755, in Giust. Civ. Mass., 1990, No. 11.

<sup>&</sup>lt;sup>54</sup> Cf. INPS Circular No. 3, 15 January 2025, § 1.1.

<sup>&</sup>lt;sup>56</sup> For a comprehensive overview, see C. Garofalo, Le politiche per l'occupazione tra aiuti di Stato e incentivi in una prospettiva multilivello, Cacucci, Bari, 2022.

working time dedicated to training, thereby allowing employees to acquire or upgrade competences in response to organisational, technological, or production-related changes (Article 88 of Decree-Law No. 34/2020, converted with amendments by Law No. 77/2020).

Taken together – and notwithstanding the specific characteristics of each measure – these provisions contribute to redefining the role of wage supplementation: no longer merely a mechanism for preserving existing employment, but increasingly a policy tool for fostering future employment opportunities where financial compensation alone is insufficient to address employment discontinuities<sup>57</sup>.

The contexts in which these instruments are deployed highlight their predominant focus on recipients of extraordinary wage supplements who are involved in structural corporate crises or long-term reorganisation. Through training pathways, these measures seek to prevent extended periods of partial unemployment – a condition that entails substantial social costs and risks of professional exclusion, alongside a significant financial burden on both public and private welfare systems<sup>58</sup>.

What has emerged, in fact, is a paradigm shift: the non-traumatic management of structural redundancies is no longer conceived merely as a last resort, to be postponed through prolonged reliance on exceptional benefits, but as a central objective of the wage supplementation system<sup>59</sup>. This evolution has led to a reconfiguration of income-support policies. Their functional dimension has become increasingly prominent, contributing – alongside the gradual universalisation of access<sup>60</sup> - to

<sup>&</sup>lt;sup>57</sup> Contra P. Bozzao, E. D'Avino, Gli ammortizzatori sociali in costanza di rapporto di lavoro: passato e futuro alla luce della recente riforma, in Var. Temi Dir. Lav., No. 4, 2022, p. 713 ff., which argue that the aforementioned provisions undermine the original purpose of the wage supplementation and blur the distinction between wage supplementation schemes for ongoing employment relationships and those for unemployment, misusing incomesupport measures as instruments of economic policy aimed solely at reallocation.

<sup>&</sup>lt;sup>58</sup> See also E. Ales, La garanzia dei mezzi adeguati alle esigenze di vita dei disoccupati ovvero dell'adeguatezza sistemica, in Var. Temi Dir. Lav., special issue, 2022, p. 277 ff.; P.A. Varesi, Crisi aziendali: sostegno al reddito e formazione dei lavoratori, in Dir. Prat. Lav., 2021, No. 1, p. 35 ff

<sup>&</sup>lt;sup>59</sup> In the original structure of Legislative Decree No. 148/2015, professional retraining for external mobility was not directly provided for, but rather mediated through ministerial implementation decrees of the statutory framework. In particular, Decree No. 94033/2016 included among the objectives related to the causes of extraordinary wage supplementation the re-employment of suspended workers in other enterprises (Art. 1, para. 1, lett. f).

This development is attributable to the amendments introduced by Law No. 234/2021, which added para. 3-bis and 3-ter to Art. 20, para. 7-bis to Art. 26, para. 4-bis

advancing the dual goals of greater social inclusion and more efficient allocation of public resources.

By combining wage supplementation with proactive employment services, these measures promote a more rational and strategic use of financial support. Passive labour market policies, thus integrated with active ones, are assuming an increasingly promotional – rather than merely compensatory<sup>61</sup> - role in ensuring employment continuity and quality.

### 5. Conclusions: How Post-2021 Special Income Measures Disrupted Labour Transitions

The central question posed at the outset of this analysis – whether social

welfare benefits, in and of themselves, generate employment – was addressed from the beginning. As argued throughout, while such benefits do not directly create jobs, they can contribute significantly to enhancing the employability of individuals who are wholly or partially unemployed. The current system of conditionality mechanisms and employment transition tools has redefined the traditional understanding of the constitutional guarantee enshrined in Article 38, paragraph 2, of the Italian Constitution, which protects those unable to work and without the means

necessary to live. This reconfiguration does not merely seek to mitigate the consequences of involuntary unemployment – namely, the absence or insufficiency of income – but instead aims to address its root cause: the scarcity or inadequacy of employment opportunities.

In this regard, income-support mechanisms now operate across two interrelated dimensions. On the one hand, social security benefits perform a passive function, ensuring economic stability; on the other, reallocation and activation measures serve as instruments of active protection, aimed at promoting reintegration into the labour market<sup>62</sup>. Ultimately, this latter dimension reaffirms that employment security is to be guaranteed not solely through monetary transfers, but primarily through access to remunerated work, as stipulated by Article 36 of the Constitution.

to Art. 27, para. 2-bis to Art. 29, and para. 1-bis to Art. 40 of Legislative Decree No. 148/2015.

<sup>&</sup>lt;sup>61</sup> On the anticipatory function of welfare, see M. Franzini, La difficile conciliazione tra finanza pubblica e welfare state, in Riv. Dir. Sic. Soc., No. 4, 2019, p. 681 ff.; P. Sandulli, Quale e quanto welfare dalla finanza pubblica? Rileggendo Maurizio Franzini 2019, in Riv. Dir. Sic. Soc., No. 1, 2022, p. 119 ff.

<sup>62</sup> See S. RENGA, La tutela del reddito: chiave di volta per un mercato del lavoro sostenibile, cit., p. 62 ss.

The evolution of both the objectives and instruments underpinning the non-employment protection system is closely connected to structural changes in the dynamics of labour demand and supply, both of which have become increasingly fluid. In the current economic context, employment stability requires the support of mechanisms capable of facilitating labour mobility in response to shifting market conditions.

The transformation of the national production system – driven by technological innovation and the broader ecological and economic transitions – has rendered the prospect of stable, long-term employment increasingly difficult to guarantee, especially for vulnerable groups such as older workers, young people, persons with disabilities, and individuals with chronic health conditions.

The integration of income-support measures with activation obligations has served to reinforce the architecture of social security by acknowledging the intrinsic fluidity of the modern labour market – a condition further exacerbated by ongoing economic volatility. The emergence of new productive sectors and the proliferation of non-standard forms of employment – beyond full-time, open-ended contracts – have created demand for novel skill sets. These developments have compelled the legislature to rethink the existing social protection framework to better respond to contemporary realities.

The strategy adopted – correctly – has been to integrate passive and active labour market policies within a welfare system that is universal, solidarity-based, and more inclusive. The goal is not only to support labour market entry but also to facilitate transitions between jobs.

Such mobility-oriented measures are essential not only for supporting individual workers but also for assisting firms in adapting to the modernisation of the national economy, steering it towards a model of sustainable development that is socially inclusive. Indeed, these interventions transcend the boundaries of the traditional labour market and enter the broader domain of social protection measures aimed at combating economic hardship<sup>63</sup>.

Yet, within this otherwise virtuous cycle – aimed at harmonising passive and active policy tools – a potentially disruptive element has emerged: the increasing reliance on *special income-support measures*. These instruments are frequently renewed, refinanced, and extended, reflecting a persistent commitment to preserving employment "at all costs" <sup>64</sup>.

<sup>63</sup> See D. GAROFALO, Gli interventi sul mercato del lavoro nel prisma del PNRR, cit., p. 124.

<sup>&</sup>lt;sup>64</sup> On the repeated use of special wage supplementation measures introduced by Law No. 207/2024 (Budget Law for 2025), see C. Carchio, *Measures on Social Welfare Instruments and* 

It is in this context that a critical shift must be acknowledged: namely, the transformation in the function of wage supplementation provided on an exceptional basis. Prior to the reforms introduced by Law No. 234/2021 – when the income-support framework for workers in active employment did not yet extend to all employers regardless of sector or workforce size – such exceptional measures played a compensatory role. They filled protection gaps affecting workers excluded from ordinary or extraordinary wage supplementation schemes (Cassa Integrazione Guadagni ordinaria e straordinaria) or bilateral solidarity funds, serving both to preserve existing employment and to enable the eventual reallocation of surplus labour.

This compensatory function was significantly reduced following the 2021 reform, which extended wage supplementation coverage to all employers, including those with a single employee. As a result, exceptional measures no longer served to broaden the scope of protection but instead began to operate primarily as mechanisms for extending the duration of benefits beyond the standard legal limits<sup>65</sup>, typically for selected categories of workers, determined on a discretionary basis.

This reorientation of exceptional wage supplementation – characterised by targeted eligibility and, in some cases, benefit periods extending over several years – has a dual effect. On the one hand, it improves official labour market statistics, as beneficiaries continue to be formally counted among the active labour force. On the other hand, it may inhibit actual prospects for re-employment: prolonged access to these benefits risks "crystallising" workers within specific occupational roles and sectors, without any meaningful reassessment of whether those contexts still offer viable reintegration opportunities.

When such extraordinary support measures are repeatedly extended, they risk undermining the long-term employability of the recipients. Rather than fostering adaptability and professional mobility, they may instead reinforce patterns of occupational stagnation and contribute to social exclusion.

65 Artt. 4 and 22, Legislative Decree No. 148/2015.

Training for the Implementation of the GOL Programme (Paragraphs 188–197), in D. Garofalo, A. Olivieri (eds), Commentary on Law No. 207/2024, forthcoming.

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