

ELIGIBILITY RATES OF INCOME SUPPORT MEASURES FOR UNEMPLOYED. **THE CASE OF VENETO**

by Bruno Anastasia, Gianluca Emireni, Letizia Bertazzon, Massimo Disarò, Maurizio Rasera

The problem

Our research aims to evaluate the impact of the most general instrument of income support: the ordinary unemployment benefit (OUB).

Some questions:

- Among those who terminate their jobs, how many are eligible to social safety measures (**potentially eligibles**)?
- Among those who meet the necessary requirements to access unemployment benefits, how many implements them (**actually eligibles**)?
- Which are the main reasons for exclusion? How much they can be reasonably modified?

Current income support measures



- A. Ordinary unemployment benefit (OUB):**
1. 12 months of seniority (even discontinuous) in the previous 24 months (**contributive requirement**)
 2. Insurance contribution of over 24 months (**insurance requirement**)
 3. Enrollment in an employment center
 4. Job ending due to dismissal or fixed-term job expiration
 5. Particular cases:
 - Some cooperative associated are excluded
 - Apprentices: experimental regulations 2009-2011
- B. Labour mobility benefit (LMB):**
1. Companies with more than 15 employees
 2. 12 months of seniority
 3. Open-ended contract
 4. Enrollment in the "labour mobility lists"
 5. Job ending due to dismissal
- C. Unemployment benefit with reduced requirements:**
1. 78 days worked in a year are required
 2. Delayed supply
- D. Special treatments for agriculture and construction sectors.**

INTRODUCTION

Eligibility rates of income support facilities for unemployed. The case of Veneto.

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Available results in literature

- In the last years different research tried to estimate the eligibility rate to income support treatments based on the following subjects:
- A. Employed people or "potentially unemployed" (**employed stock**)
 - B. Unemployed people and workers that actually benefits of income support allowances (**unemployed stock**).

Veneto Lavoro research



- Our research assume the flow of those who - intentionally or unintentionally - actually lose their jobs as object of study, rather than employed or unemployed stocks.
- These outgoing flows constitute the main audience of possible candidates for accessing income support benefits.
- Results can be used to estimate actual cost of income support measures and their potential enlargement.

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Available results in literature (A)

Covering rate for the stock of employed



Research	Data source and year	Subjects studied	Estimated number of subjects	Covering rate					
				Average	Open-ended	Fixed-term	Temporary	Apprenticeships	Collaborations
Fondazione de Benedetti (Boeri, Garibaldi)	Istat, Isfol and Whip, 2008	Dependent workers, including measures for collaborators and trainees established with L.2/2009.	17,7 millions	78%	90%	62%		21%	13%
Banca d'Italia (Relazione 2009, pages 102-103)	Istat-Rfi and Eu-Silc, 2008	Dependent workers, excluding public administration	14,2 millions	82%	91%	48%	35%		
Laboratorio Revelli (Berton, Richiardi, Sacchi)	Inps, 2003	Dependent workers, excluding public administration		76%	87%	43%	34%		

Drawback: covering rate estimates doesn't take into account the different probabilities in work relationships' endings.

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Available results in literature (B)

Covering rate for the stock of unemployed



Research	Data source and year	Subjects studied	Estimated number of subjects	Average covering rate for Italy
Monitoring reports of Ministry of Labour	Istat-Rfi data on unemployed, 2005	Stock of unemployed workers in Italy searching for a job	1,9 millions	28,5%
Fondazione de Benedetti (Boeri, Garibaldi)	Istat, Isfol and Whip, 2008	Stock of unemployed people in Italy		30%
Veneto Lavoro Labour Market Watch, 2009	Inps and Istat-Rfi, 2007	Stock of unemployed workers in Italy searching for a job		39%
Cies, 2010	Istat-Rfi, 2009	Stock of unemployed people in Italy		15%

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Source used and its characteristics



The source used to carry out this research is the administrative database of Labour Information System of Veneto (**Silv**), used by operators of employment agencies.

Silv database stores and organizes data related to:

- Companies and workers registries
- Work relationships and associated movements
- Occupational status
- Enrollment in “unemployment lists” or “labour mobility lists”

The information system is continuously feeded by the mandatory communications system (**Co**) – both regional and national ones.

Operational choices



- Object of study: dependent workers who lost their jobs, domiciled in Veneto. Any field and contract are examined (open-ended, fixed-term, temporary, apprenticeship, domestic) excluding job on call and collaborations.
- Statistical units: independent subjects per month. That means that when more job endings happen in the same month for the same worker, only the last one is considered.
- Period: from january 2008 until june 2010.
- Considering the available data source and due to the complexity of regulations, the following approximations have been used:
 - Voluntariety/Involuntariety of job loss is determined by motivation communicated by companies through mandatory communications.
 - In calculating contributive and insurance requirements, part-time jobs are handled like full-time jobs.
 - Periods worked as apprentice or ~~collaborator~~ are excluded from the computation.

New Veneto Lavoro research Results (1) (absolute values in thousands)

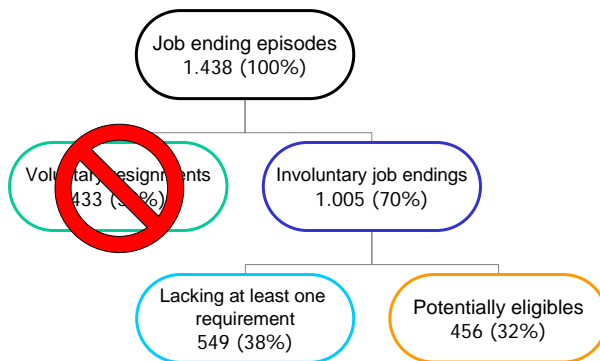


RESULTS OF THE ELABORATION

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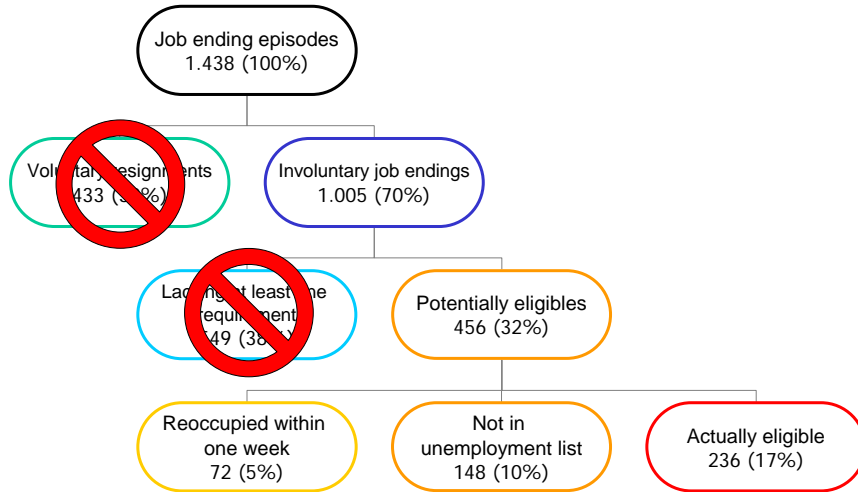


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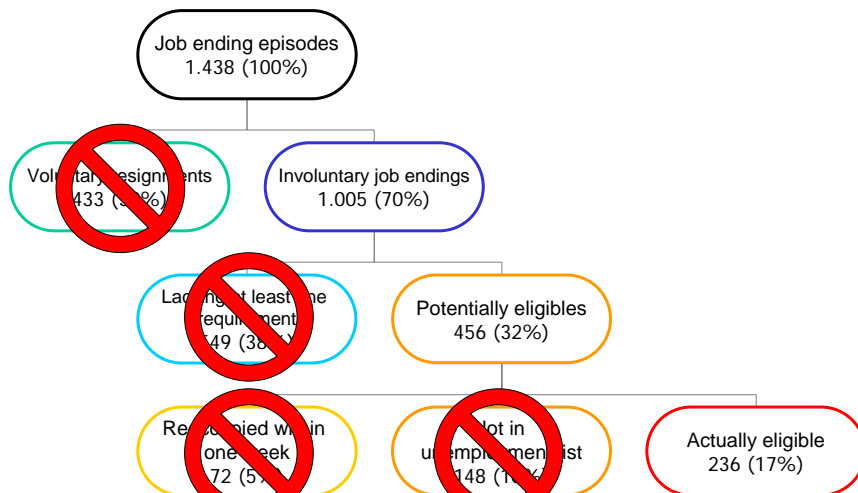


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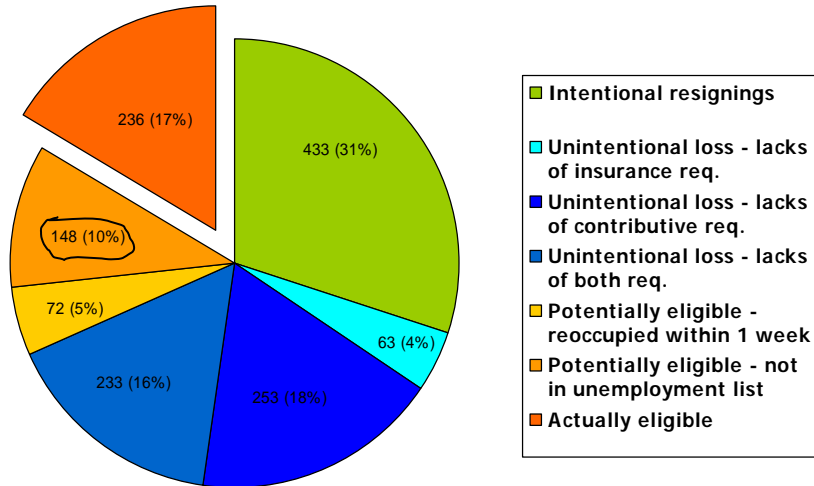


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New Veneto Lavoro research Results (2) (absolute values in thousands)



RESULTS OF THE ELABORATION

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Jointed and disjointed effects of necessary requirements



Insurance requirement	Absolute values				Incidence %		
	No	Yes	Total	%	No	Yes	Total
A. Unintentional loss							
No	217.599	57.627	275.226	20%	22%	6%	28%
Yes	240.684	456.451	697.135	52%	25%	47%	72%
Total	458.283	514.078	972.361	72%	47%	53%	100%
B. Intentional resign							
No	70.439	25.659	96.098	7%	19%	7%	25%
Yes	42.514	239.404	281.918	21%	11%	63%	75%
Total	112.953	265.063	378.016	28%	30%	70%	100%
C. Total							
No	288.038	83.286	371.324	27%	21%	6%	27%
Yes	283.198	695.855	979.053	73%	21%	52%	73%
Total (*)	571.236	779.141	1.350.377	100%	42%	58%	100%

(*) 87.980 apprenticeships are excluded from computation.
Source: processing of Veneto Lavoro on Silv data

FURTHER ANALYSIS

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Characteristics of eligibles according to personal data

Rates of actually eligibles subjects over number of unintentional job endings (january 2008-june 2010) for sex, citizenship and age.

		Young (under 30)	Adults (30-49)	Elderly (50 and over)	Total
Non-Italians	Women	11%	20%	25%	17%
	Men	14%	28%	27%	22%
	Total	13%	24%	26%	20%
Italians	Women	17%	31%	23%	26%
	Men	16%	34%	23%	26%
	Total	17%	32%	23%	26%
Total	Women	16%	28%	24%	24%
	Men	15%	31%	24%	25%
	Total	16%	30%	24%	24%

Source: processing of Veneto Lavoro on Silv data.

Characteristics of eligibles according to work contract

Rates of actually eligible subjects over number of total job endings and involuntary job endings, for type of contract of the terminated job.

	Absolute values				% of potentially eligibles		% of actually eligibles	
	Total job endings	Unvoluntary job endings	Potentially eligibles	Actually eligibles	on total endings	on involuntary endings	on total endings	on involuntary endings
Open-ended	439.593	165.444	132.007	77.446	30%	30%	18%	47%
Apprenticeship	87.980							
Fixed-term	685.194	595.230	241.786	114.887	35%	41%	17%	19%
Temporary	200.282	197.936	78.418	41.869	39%	40%	21%	21%
Domestic	25.308	13.751	4.240	2.367	17%	31%	9%	17%
Total	1.438.357	972.361	456.451	236.569	32%	47%	16%	24%

Source: processing of Veneto Lavoro on Silv data

Characteristics of eligibles according to activity sector



Rates of actually eligible subjects over number of total job endings and involuntary job endings, for operating sector of the terminated job.

	Absolute values				% of potentially eligibles		% of actually eligibles	
	Total job endings	Involuntary job endings	Potentially eligibles	Actually eligibles	on total endings	on involuntary endings	on total endings	on involuntary endings
Agriculture	116.810	95.261	29.000	6.201	25%	30%	5%	7%
Industry	368.919	247.522	141.629	89.017	38%	57%	24%	36%
Constructions	103.229	49.322	27.538	16.354	27%	56%	16%	33%
Total	473.448	297.533	169.575	105.595	36%	57%	22%	35%
Services	348.601	235.078	100.026	58.524	29%	43%	17%	25%
Commerce and tourism	198.847	117.355	58.613	27.286	29%	50%	14%	23%
P.A., school, health	171.343	142.746	70.836	25.104	41%	50%	15%	18%
Services for families	128.803	83.884	28.353	13.739	22%	34%	11%	16%
Total	847.594	579.063	257.378	124.653	30%	44%	15%	22%
Total	1.438.357	972.361	456.451	236.569	32%	47%	16%	24%

Source: processing of Veneto Lavoro on Silv data.

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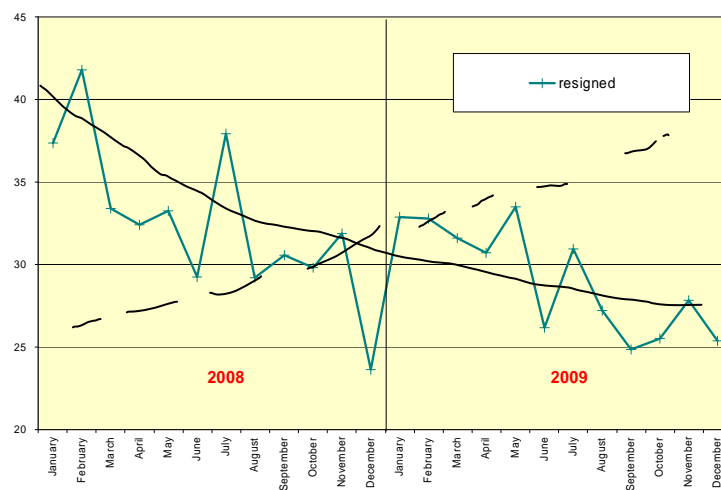
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The crisis impact (1)



Rate of resigned per month over total job endings



Source: elaborations by Veneto Lavoro on Silv data

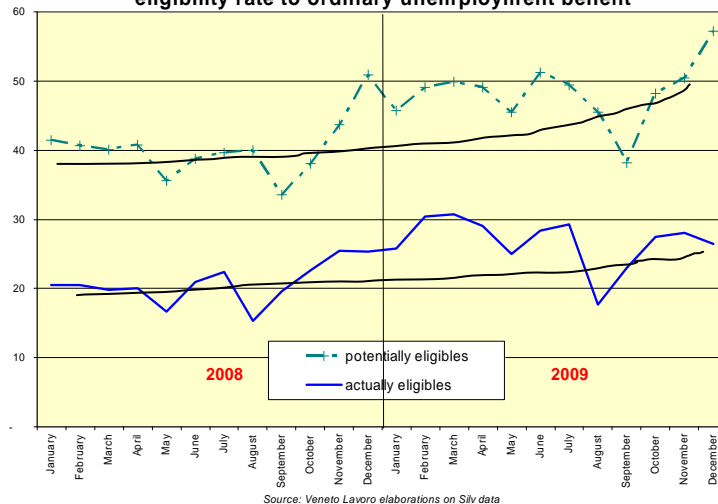
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The crisis impact (2)

Unintentionally dismissed workers per month: eligibility rate to ordinary unemployment benefit



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From potentially eligibles to actually eligibles

Elaboration results show that 10% of the total workers whose work relationships have terminated (32% of the potentially eligibles) are not enrolled at employment agencies. Possible causes:

- Incomplete database (i.e. for territorial problems).
- Lack of eligibility for unconsidered reasons.
- Workers' lack of information on their own rights.
- Indifference due to fast reoccupation.

The group of workers whose didn't reoccupy within one week and didn't register at employment agencies are 148 thousands:

- 50 thousands of them reoccupy within 3 months.
- 30 thousands were involved in work relationship endings referable to sectors with their specific regulation (agriculture, construction, education).

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Extending the set of potentially eligibles

- **National regulation:**
 - Apprentices (introduced with L.2/2009 and L.191/2009)
 - allowance last for 3 months
 - 2.400 recipients (2009/2010)
 - Collaborators
 - maximum allowance is 4.000 euros (one-time)
- **Regional regulation:**
 - Special labour mobility (2009)
 - allowance lasts for 4 months, 6 months for retiring people
 - 1.840 recipients until now
 - Special labour mobility (2010)
 - allowance lasts for 4 or 6 months
 - 660 recipients until now
 - Project collaborators (2010)
 - value of allowance il 600 euros per months, for 4 months
 - Temporary workers
 - one-time allowance of 1.300 euros

Conclusions

- The requirements determining actually eligible workers are:
 - Voluntariety of job ending
 - Achievement of contributive requirement
 - Enrollment at the employment agency (a focus on this is still needed)
- The established interventions made until today did not modify this general system. They were only limited to some special "ad hoc" actions (also with non intuitive effects) related to apprentices and collaborators.