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Titolo: Labor mobility in bad times: Evidence from a discontinuity in the Italian short-time work scheme

We study job-to-job mobility in the context of firms' crises. How many workers leave firms during a crisis and when? How much is their willingness to pay for finding a new, possibly more stable, job? We answer these questions by leveraging the variation in the generosity of a short-time work scheme widely popular in Italy during the double dip recessions of 2008-2012. In particular, we exploit a discontinuity in the replacement rate occurring around an monthly-wage threshold which raises it by around 10 p.p. (or, a 20 percent increase in the benefit). Identical workers on either side of the threshold thus have differential incentives to move out of a distressed firm. We aim to study the heterogeneity of the estimated effects according to the type of short-time working scheme used, to the type of firm crisis (i.e., whether it ends in the closure of the firm or is short-lived) and to the likelihood for a worker to find a more stable job (i.e., whether she works in a labor market with stronger demand). In future works, we plan to evaluate whether and how the exit of workers from the firm affects its crisis and to study the career prospects of the workers who early exited the distressed firm vis à vis those of workers who stayed in the firm for longer periods of time.