

**WORKER MOBILITY, JOB DISPLACEMENT, REDEPLOYMENT  
AND WAGE DYNAMICS in ITALY**

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*In this paper we investigate the relation between wage levels and growth, labour mobility and firm size among Italy's dependent workers between 1986 and 1991. We intend to ascertain: (1) whether job changes have improved the position of movers vis-à-vis the stayers' over the five-year observation window; (2) whether firm size affects the outcome of workers' mobility across jobs and firms; and (3) to what extent did job displacement and redeployment inflict wage losses to downsized workers.*

We use an employer-employee linked database developed from Italian Social Security (INPS) administrative sources, from which we build a closed panel of full-time male employees of all industries of the private sector, at work both in 1986 and 1991..

Our main findings:

Wage growth (or loss) for manual workers is largely a consequence of firm-based wage policies, more than individual characteristics. For white-collars, instead, firm-based wage policies are not binding and individual characteristics often rewarded..

Mover-stayer differentials are larger among white-collars: this is expected given the larger variance of earnings of the latter (both cross-sectional and longitudinal), and the higher possibilities of climbing the hierarchical ladder.

Two and three-time movers are better off than one-time movers. More frequent moves result in declining wage growth.

Intervening unemployment spells negatively affect wage growth only for white-collars.

Downsizing has a significant negative effect on wage growth. If downsizing is coupled with collective redeployment of workers, associated with corporate transformations (mergers, acquisitions), the negative impact gets wiped out, and, at times, workers may gain from the change.