New forms of employment
Voucher-based work, Italy
Case study 45: Policy analysis

Italy’s service voucher system, introduced in 2003, aims to support the labour market integration of marginalised groups and to reduce the amount of undeclared work. Although the use of service vouchers has increased considerably, employers and trade unions remain divided over their potential benefits.

Introduction

In 2003, service vouchers were introduced as a new form of employment in Italy under Legislative Decree No. 276 of 2003. The service voucher system is statutorily recognised as a form of employment, but can only be used in particular circumstances to employ specific groups of workers for a limited range of activities.

In Italy, the terms used to describe these vouchers have changed over time: at first, they were called ‘vouchers for access to occasional work’ (buoni per lavoro occasionale accessorio), whereas today they are known as ‘vouchers for access to work’ (buoni per lavoro accessorio).

The voucher system was not used in practice until 2008, when the Minister of Employment introduced a new experimental project for grape harvesting (Dossier Adapt, 2007). Since 2008, use of the voucher system has grown considerably. The service voucher system has been repeatedly reformed over the years since its introduction. The latest round of reforms was implemented in 2012. The scheme is still ongoing and evolving, and there is no planned end date.

Service vouchers were introduced in 2003 to meet two closely connected objectives:

- to support the labour market integration of specific groups of workers, including those considered ‘marginal’ and at risk of social exclusion, those who are outside the labour market, or workers leaving the labour market;
- to legalise undeclared work – the vouchers should be used for casual jobs that would otherwise be carried out in the informal labour market, thus offering protection to workers without any social security or pension guarantees. The Ministry of Labour and Social Policy issued a circular on 18 July 2012 highlighting that service vouchers should be used particularly in cases where there are no other adequate forms of employment, including regular employment contracts. In practice, however, the risk of vouchers being used to substitute other regular forms of employment remains a real concern.

Legislative Decree No. 276 of 2003 regulated the service voucher system in Italy. The decree identified specific categories of workers who could use the vouchers, including students, retired workers and housewives. The vouchers could be used only for specific activities, such as grape harvesting, gardening or private tuition for students. Since then, the policy has undergone a number of revisions, with the first change taking place in 2008. Article 22 of Legislative Decree No. 112 of 25 June 2008 modified the rules that regulate the use of service vouchers, by extending their use to other sectors, such as domestic or agricultural work for seasonal periods. The voucher system can apply to all workers in these sectors, whereas the 2003 law only allowed for a restricted number of categories (students, retired people and housewives) to be paid with the vouchers.
The so-called Monti-Fornero reform of Italian employment law (Law No. 92/2012) further modified the rules of the system. First, it eliminated the restrictions on the occupations and activities for which the vouchers could be used. Their use had been subject to specific economic thresholds, determining how much a person could earn with the vouchers in one year (more details on the specific thresholds can be found in the ‘Characteristics’ section below).

As a result of the latest labour market reform of 2012, the economic thresholds are the only real restrictions that limit the use of the vouchers today, as in principle any person can be paid with the vouchers for any working activity. The only exception concerns agricultural companies, further clarified by the Ministry of Labour and Social Policy in its circular, which places a restriction on agriculture companies based on their annual turnover in the previous year. If their turnover is below €7,000, any category of worker can be hired with the vouchers. If there turnover is above this limit, the vouchers can be used only for young students or retired people. In any case, the vouchers can be used only to hire ‘new’ workers – that is, those previously not enrolled in the municipal lists of agricultural workers.

Specific rules apply to the public sector. ‘Public employers’ encompass all state administration institutions, including schools, regional and provincial authorities, municipalities, universities, chambers of commerce, industry, craft and agriculture and their associations, all ‘non-economic’ public bodies at national, regional and local level, health sector companies and bodies, and other public agencies. These institutions can use service vouchers to reimburse all activities within the budgetary thresholds set out by the internal rules of the public administration; these thresholds typically refer to the number of hours each individual worker can be paid for using vouchers, as specified by the individual regional or municipal administration. For instance, the region Friuli Venezia Giulia set a maximum working hour limit for each voucher worker of 60 hours, in order to guarantee equity of access to the voucher system by workers. Before 2012, public bodies could only use the vouchers for a limited range of activities – such as sports events, charities, solidarity or emergency activities and gardening – but no legal expense limit was foreseen. The expanded scope of eligible voucher activities after 2012 might be linked to the economic crisis, as there was a need to minimise the public sector pay bill within the framework of austerity measures. Vouchers made it possible for public employers to outsource to voucher workers some of the activities that used to be performed by public sector employees before 2012, thus saving on personnel costs.

In order to foster the social integration of non-EU workers, Law No. 92/2012 stipulated also that the money earned from service vouchers should be calculated as part of the necessary income threshold required to obtain or renew a work visa.

In a further change, Article 7 of Legislative Decree No. 76 of 28 June 2013, converted into Law No. 99 of 9 August 2013, eliminated any reference to the ‘accessory’ nature of services that can be paid using service vouchers. This policy/legislation was initiated by parliament, in a dialogue with social partners from the agriculture sector. The statutory regulation and the related decision-making process branched out to other sectors, thus involving different stakeholders, such as social partners from different industrial sectors like tourism, commerce and so on.

The policy design process of the late 1990s was a formal one (within parliament) and had a cooperative dimension, although some of the social partners still organised strikes in response to certain government decisions. Overall, it took about 10 years to get the system to the stage it is at now. The process was a challenging one, particularly due to the clash of different interests across and within the sectors most affected by the voucher system. The process was also complicated by the lack of information on and awareness of the voucher system and its principles.

According to the Italian Federation of Agroindustrial Workers (Flai-Cgil), representatives of the agricultural sector have been engaged and heard throughout the whole process, although political decisions have not always been aligned with their position, especially in 2008 and 2012. In particular, Flai-Cgil called for a more clear definition of the categories of potential workers for service vouchers (for instance, they opposed the inclusion of ‘housewives’ in the original closed list of workers, because this could have potentially included any worker). The agriculture union went on strike in 2012 to protest against the deregulation of the system brought about by the Monti-Fornero reform.
According to the union representatives, the new rules opened up the system to any worker and any activity, thus increasing the risk of abuse of some workers’ rights.

According to the Federation of Commerce, Tourism and Service Workers (Filecams-Cgil), the government has not consistently consulted with the federation; as a result, it did not have a role in the system’s implementation and could not make proposals or vote on them. Filecams-Cgil expressed its opinion, mainly in negative terms, on the regulation of vouchers and criticised the scope they offer for employers to abuse the system.

In the opinion of the National Confederation of Farmers (Coldiretti), the social partners have been appropriately involved since the system was developed in 2003. The Minister of Employment has recognised Coldiretti as a relevant stakeholder that supports the instrument. Similar opinions were shared by Federturismo-Confindustria, an employers’ organisation of the tourism sector, and representatives of ANESV, the association of companies operating touring shows and theme parks.

**Characteristics of service voucher system**

The policy for service voucher work has a national scope and, since 2012, encompasses all economic sectors. In order to pay for casual work services, it is necessary to use the system of ‘vouchers for casual labour’ (*buoni lavoro per prestazioni di lavoro accessorio*), managed by Italy’s National Institute for Social Insurance (INPS). Employers, including public ones, buy books of vouchers from the authorised concessionaires. The vouchers are then handed over to the worker on completion of the service.

Vouchers are marked with a number and a date and have an hourly value of €10, which is fixed by the Ministry of Labour and Social Policy. It is up to the employer and the worker to agree on the number of hours needed for a task. There are also multiple-hour vouchers in denominations of €50 and €20. The vouchers are not subject to any fiscal burden and do not change the unemployment status of a person. Voucher workers do not benefit from unemployment insurance, maternity leave and so on, but the working time their vouchers represent is recognised in pension contributions. The nominal value of a service voucher includes a 13% social contribution, deposited by the INPS. Another 7% of the value goes to the National Institute for the Insurance of Accidents at Work (INAIL), while around 5%, but varying for the different authorised sellers, is paid to the INPS for service management. Therefore, workers earn €7.50 for each €10 voucher; in other words, €7.50 corresponds to the minimum hourly wage of voucher workers.

The duration of the individual services is subject to the pay threshold of each worker: since each voucher has a fixed hourly value of €10, and given that each worker cannot earn more than €2,000 from the same employer, each service can last a maximum of 200 hours. Workers can cash in their vouchers at INPS offices, corner shops (for example, tobacco shops), authorised banks or post offices. There are no safeguards in place for workers to guarantee that they receive the service voucher, except for a private law agreement letter, which can be written without following any formats or guidelines. However, there are no control mechanisms to ensure that such agreements are signed between the worker and the employer before starting the employment relationship. There is no need for formal approval once a worker decides to participate in the voucher system.

For services paid with vouchers, individual workers can receive a maximum annual pay of €5,050 (gross €6,740) and professionals or freelancers €2,020 (gross €2,690). Their status can be checked by INPS when the employer indicates that the voucher work starts. The reason for these limits reflects the nature of this initiative: vouchers should not be a substitute for any other employment form which could be regulated by different contracts. For instance, for work activities with longer durations or of regular frequency, employers might use fixed-term employment or the job-on-call system. If a worker earns more vouchers in a year from the same employer, sanctions apply (transformation in standard employment). There are no quantitative maximum limits for employers in terms of the number of voucher workers per employer. Before 2012, the employee’s annual income threshold was €5,000 (€6,600 gross) for each employer. From 2013, workers receiving state income support benefits cannot be paid more than €3,000 a year with the vouchers.

The implementation of the voucher system involves a number of actors (employers, employees, the vouchers sellers and the INPS); however, there is no intermediary organisation matching or mediating
between employers and employees. The only exception here concerns the use of service vouchers for subcontracting, which is allowed exclusively for stewarding at football events in stadiums hosting more than 7,500 people.

The ‘employer’ who buys the service and pays for it using vouchers can include:

- an individual;
- a family;
- a company;
- a non-profit entity;
- a non-entrepreneurial body;
- a family firm;
- an agricultural entrepreneur;
- a self-employed person;
- a public body.

Voucher workers can be:

- retired workers;
- students aged 16 to 25 who are enrolled in upper secondary schools or universities. Parents of persons under 18 years of age have to authorise their children’s participation in the voucher scheme. In the case of precarious activities (especially in manufacturing), a medical certificate is required. Upper secondary school students can work at weekends during the whole year, not only during holidays, if this is compatible with their school duties. University students can work throughout the whole year;
- beneficiaries of income support or income integration benefits, including beneficiaries of the Wage Guarantee Fund allowance and the unemployment benefit, or workers on redundancy schemes applicable in the case of collective dismissals;
- part-time workers engaged in services provided to a different employer than the one employing them;
- other categories: self-employed, employees in public or private companies (for services provided to a different employer than the one employing them);
- non-EU workers, if they have regular permits.

Vouchers can be bought in the following ways:

- as paper vouchers purchased at INPS offices;
- online;
- at monopoly corners (for example, tobacco shops) since 2010;
- at authorised banks since 2011;
- at all post offices since 2011.

The authorities that sell service vouchers have to:

- pay the worker who returns the vouchers;
- register their data and personal identification number and submit them to the INPS;
- pay the pension contribution to the INPS, equal to 13% of the nominal value of each voucher, which is due when they pay the worker;
- pay the insurance against injuries contribution to INAIL, equal to 7% of the nominal value of the voucher, which is due when they pay the worker;
- retain the amount due, in line with the Ministry’s authorisation, to cover the costs of the service (about 5%).

The ‘employer’ has to inform the INPS of the employment relationship before the casual work service starts, and again when it ends. They should also monitor that casual workers do not exceed the
individual threshold set for the use of vouchers with the same employer. In addition, employers are responsible for health and safety standards.

The legislation does not stipulate the need for a written agreement between the employer and the worker. However, the employer usually writes a letter to the worker to communicate the elements of their relationship, including the number of vouchers to be issued, the number of working hours to be completed and the amount of money to be paid.

There are sanctions against abuses of the system which mainly concern the use of vouchers beyond the thresholds. As stipulated by the circular (No. 4 of 2013) of the Ministry of Labour and Social Policy, if the employer uses vouchers beyond the maximum individual economic threshold set for each employer, the employment relationship is transformed into a regular permanent employment contract, and the relevant administrative sanctions apply.

The INPS is the central body in charge of administering and monitoring the provision and redemption of service vouchers, and it keeps a central register of the vouchers. The state assigns public money to service vouchers through the INPS, which in turn looks after the overall management of the system.

The social partners indirectly contribute to developing the service voucher system by spreading information among their affiliates and by promoting the use of the system as an opportunity for companies and workers.

A number of information dissemination activities have been carried out for the service voucher system. Italia Lavoro, a technical agency for the active labour market policy of the Ministry of Labour and Social Policy, initiated a project to promote the voucher system mainly among schools.

There are no guidelines in the private sector on the implementation of the scheme – except for the statutory law and administrative documents issued by the Ministry of Labour and Social Policy, to which service voucher employers and the service recipients have to adhere.

In terms of the public sector, guidelines are given by each public administration institution that wants to implement the scheme.

Outcomes and effectiveness

The information provided in this section is drawn from a synthesis report compiled by Italia Lavoro and refers to general information about the system. Data refer to the period from August 2008, when the vouchers started to be sold, to 31 December 2012.

The total value of the vouchers sold by 31 December 2012 amounts to about €521.3 million, or about 52 million €10 vouchers. About €100 million has been transferred to social contributions. INPS reported that about 95% of the vouchers sold have been used, that is, voucher workers exchanged them to get paid for their work.

The main activities for which the vouchers have been used are seasonal jobs, such as jobs in agriculture (14.8%) or sport, and cultural and charity events (14.1%). In the business sector, the share of voucher workers increased from 15% in 2010 to 24% in 2012. Women redeemed the majority of the vouchers in business, unlike the situation in the agriculture sector, where the majority of voucher workers are men. Recent INPS data (ISFOL, unpublished) show that public employers bought 5.62% of the vouchers sold and local bodies bought 3.74%.

In the beginning, the voucher workers in Italy were mainly middle-aged men employed in agriculture, students or workers in receipt of the Wage Guarantee Fund. According to INPS data, 71.3% (57,880) of the total service voucher workers in 2009 were male. In 2008, the share of female voucher workers was 22%, but it soon grew to 40% in 2010 and reached 46% in 2012.

In 2012, 6.7% of all voucher workers were foreigners, mainly non-EU citizens: many of these workers came from Albania, Morocco, Ukraine, Moldavia and Peru. They were mostly employed in agriculture, gardening and maintenance. This group of workers today accounts for about 13% of voucher workers, according to the INPS.

In 2008, 43.9% of voucher workers were aged 65 or older, typically workers already employed by the same company (also because young workers would not readily accept a job in agriculture). This can be attributed to the fact that agriculture was the only sector where the vouchers could be used at that time. The extension of voucher use to other activities and sectors resulted in a decrease in the
proportion of this demographic group among the users. The proportion of people aged 65 or over dropped from 19% in 2010 to 11% in 2012, to the detriment of workers on income support schemes (unemployed and so on) or part-time workers. The age profile of female service voucher workers is different to that of their male counterparts. Women under 25 years of age prevail in the voucher system (almost 34%), followed by women aged 25 to 59 (26.2%) and those aged 60 to 65 and over (21.8%).

It should be noted that use of online vouchers is less common than paper-based vouchers (buoni cartacei). Between August 2008 and August 2009, 72.93% (1,670,621) of all vouchers purchased were paper based. Almost 58% of the paper-based vouchers sold in 2009 concerned the agricultural sector. Other sectors where vouchers were used, albeit to a lesser extent than in agriculture, were business (14.3%), services (11%), tourism (7.2%), gardening, cleaning and maintenance (4.9%), sports and cultural events or emergency tasks (3.9%).

According to interviewees from Flai-Cgil, the vouchers are still marginally used in agriculture. The trade union has not carried out any survey on the form of employment, but the interviewee reported that many voucher workers in agriculture also participate in the Wage Guarantee Scheme (CIG). This is especially prevalent in the north of the country, where industrial firms are concentrated. One potential reason for this marginal use of service vouchers is that workers might still struggle to accumulate sufficient pension rights and, in many cases, their net wage levels might be higher under undeclared work. Likewise, employers might not be interested in participating in the voucher system if wage levels set by the national collective labour agreements are lower than the hourly value of the vouchers.

The interviewee from Filcams-Cgil reported that the vouchers are used mostly to cover domestic work and tourism. The union has an annual observatory monitoring voucher use. It reports that, despite the slow start, companies have become more interested in the voucher system and their use has become more widespread (more than doubling between 2011 and 2012).

The representative from the employers’ organisation Federturismo-Confindustria stated that service vouchers have had a marginal impact at national level, at least compared with the use of other alternative solutions for flexible employment. Among these other forms of flexible employment are seasonal employment, the so-called ‘extra’ contracts that last only two to three days, job-on-call options, fixed-term contracts and so on.

Despite their lower popularity, service vouchers are able to respond to some specific needs of the tourism sector. ANESV, the national association of companies operating touring shows and theme parks, is an example of one organisation reporting more widespread use of the vouchers. The representative from ANESV reported that affiliated companies often use service vouchers during the high season to hire students to work in the parks.

**Macro level**

Service vouchers were primarily designed to legalise jobs that might otherwise remain undeclared. The potential impact of this measure is considerable, given that there are currently about three million workers in Italy’s black economy (Eurispes, 2012). According to Flai-Cgil, it is hard to prove that service vouchers have had a major impact on undeclared or irregular employment, as available data suggest that the use of undeclared work has not decreased considerably in Italy. Moreover, service vouchers do not seem to have significantly strengthened the conditions of workers already employed in agriculture, which should have been one of the goals of the system. The number of workers who have worked more than 51 days a year (the minimum threshold to get pension contributions) has not increased in Italy in recent years, thus further pointing to the limited effectiveness of service vouchers at the macro level.

This does not mean that the system has had limited effect across all economic sectors. As reported by the ANESV representative, the vouchers have contributed to the legalisation of employment in the theme park industry. The vouchers are a useful and ‘light’ instrument to help maintain legal employment and to prevent sanctions by the labour inspectorate.
**Micro level**

It is difficult to collect information about the micro-level effects of service vouchers, not only because of a highly heterogeneous use of vouchers, both across industries and geographically, but also due to a lack of monitoring undertaken.

Although service vouchers cannot be compared to regular employment contracts, they can still lead to an improvement in working conditions for some workers. This is true firstly for young people, who more often tend to do casual work which is subject to unbalanced power relations and precarious working conditions. The service vouchers provide the benefit of flexibility but also some social security protection – although limited and not sufficient to guarantee an effective level of social protection – of pension contributions to the INPS and of workplace accidents insurance (INAIL). Thus, the voucher system still guarantees at least the minimum level of protection as opposed to undeclared work, where no such protection exists. Retired workers also benefit as they can work under service vouchers and still receive their pension, which would not be the case under a regular employment contract. Similarly, workers who receive income support benefit can work with the vouchers and receive public allowances at the same time.

Skills development is generally not a relevant topic for voucher work, at least in terms of policy goals. Voucher workers are likely to acquire skills through work practice, mostly basic and transversal ones, especially if they are young and inexperienced, such as they would do in a traineeship. However, given the ancillary and occasional nature of voucher services, there is limited scope for workers to properly develop skills.

According to the employers’ organisation Federturismo-Confindustria, the vouchers offer a win-win solution, as they have potential benefits for both workers and employers. Companies gain because they can predict wages and control labour costs, and because such employment is legal. Workers can work more safely and be granted social security benefits.

On the other hand, the trade union federation Filcams-Cgil suggests that vouchers do not offer sufficient guarantees to voucher workers. It argues that vouchers can generate precarious work and do not really tackle the informal economy. In the most optimistic scenario, vouchers legalise a certain part of undeclared work, but they can also be abused to substitute regular employment contracts.

The case study on service vouchers in Italy in the project provides limited information on the micro-level effects or outcomes of the vouchers (Eurofound, 2015). The two workers who agreed to be interviewed for this case study said they had participated in the voucher initiative to get out of unemployment. Thus, the principal result for them was engaging in a part-time activity with some income and the opportunity to exit unemployment for a few weeks. Nevertheless, they admitted that their period of voucher work was too short time and so was unlikely to lead to stable employment or an increase in their job security/employability.

**Strengths and weaknesses**

The INPS reported a generally positive assessment of the service voucher system, especially in some territories and for some target groups, such as workers on income support schemes. The two interviewees from the INPS legal office reported the following strengths and weaknesses of service vouchers (see table below).

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<th>Strengths and opportunities</th>
<th>Weaknesses and threats</th>
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<tr>
<td>• Legalisation of work</td>
<td>• Costs are higher than in the informal economy</td>
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<td>• Simplicity</td>
<td>• As trade unions do not have a stake, they might tend to oppose the system</td>
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<td>• Innovation</td>
<td>• Legal regulation is to some extent still unclear</td>
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<td>• Expansion of the system: more work opportunities for workers and companies</td>
<td>• Risk of substitution of regular employment</td>
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<td>• Workers’ social inclusion (especially for young people not in employment, education)</td>
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**Strengths and weaknesses of service vouchers**
In addition to some of the key effects cited above, service vouchers may have a potential social inclusion effect, as local public bodies might use them to employ unemployed people or young NEETs. Moreover, public bodies employing people on service vouchers can save on personnel costs, an important consideration in light of austerity measures.

Employers expressed relatively positive opinions about the system and its results. The goal of vouchers, according to the employers interviewed, is to create new work opportunities, legalise undeclared work and involve certain groups of people in the labour market (housewives, students and retired people). The overall impact has been positive both in quantitative and qualitative terms.

Other strengths include the simplified employment rules and the quick organisation, flexibility and light administration involved in the vouchers. It is less costly to administer them compared with other forms of employment and provides basic safety – that is, it establishes a safe employment relationship for both sides that complies with legal, management, fiscal and social security norms. However, the employer representatives interviewed expressed disappointment about the current legal limits on the use of vouchers for the same worker, due to the individual economic thresholds, which prevent them from achieving their full potential. The employers argue that in the industries where vouchers are widely used, the economic thresholds set are too low and could be increased. The low thresholds might also be reducing opportunities for voucher workers to build longer-term relationships with their employers and to find stable employment.

The opposite opinion was reported by the trade union in the agriculture sector, which claimed that the threshold applied in the sector is too high, increasing the risk of using service vouchers instead of regular forms of employment.

Among other potential weaknesses of the voucher system, the interviewees admitted that the hourly value of the vouchers (€10), in some cases, might be higher than the average pay for undeclared work. Some employers might thus be tempted to use the latter instead of service vouchers. The same might be true for minimum pay levels in agriculture in southern Italy.

It is also argued that the lack of bargaining power and control in the voucher system makes it unappealing for trade unions. The vouchers are used for employment relationships without a labour contract: this means that their economic value, which is fixed by the Ministry of Labour, cannot be bargained by the social partners. Moreover, voucher workers’ working conditions tend to elude the control of the unions. As a result, voucher workers are most likely to remain ‘marginal workers’, or at least people with a limited engagement in the labour market, and may therefore have a limited interest in becoming members of the trade unions. This situation could result in a ‘vicious circle’, whereby workers are not adequately represented by the social partners.

Moreover, it is in principle possible to create fictitious employers and abuse the system. This would result in the worst possible weakness of the voucher system, essentially leading to the replacement of regular employment contracts with occasional work and service vouchers.

Another weakness, according to ANESV, is the low level of knowledge about the system and its benefits. Small companies in particular have limited access to information and often rely on labour consultants, who might discourage small and medium-sized enterprises (SMEs) from using service vouchers. This might arise if there is a discrepancy between the basic instrument regulating the employment relationship and its objective, which could be a potentially risky activity (for example, to control safety in a theme park). Service vouchers might thus be considered inadequate for some jobs in the sector.

Overall, the trade unions expressed mixed views about the vouchers, with different arguments, depending on the sector. Among the advantages of using vouchers, Flai-Cgil commented that vouchers can respond to the needs of private citizens who intend to buy services, without having to set up a company and without an employment contract. It can also support the needs of some categories of workers who work in occasional jobs. Concerning the potential weaknesses and threats, the trade

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<td>or training – NEETs)</td>
<td>• Misunderstanding of the goal of the vouchers, that is ancillary casual work</td>
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Source: Cited by representatives of the INPS legal office and compiled by the author
union interviewees were sceptical about suggestions that vouchers combat irregular employment. Instead, they expressed fear that vouchers might be used to reduce labour costs in the form of social dumping, or that they might lead to precarious employment and be easily used beyond their legal scope, thus leading to abuses.

According to the agriculture workers’ representative, the system’s potential weaknesses also include the complex functioning due to the varied rules and costs, which is about 5% but varies according to the different voucher sellers. For instance, the service management cost to be paid to post offices is different from that of banks. Similarly, practical procedures may differ. The representative added that one of the problems of the system is the extreme fragmentation of the productive process, particularly in terms of seasonal organisation, and of employment relationships. Service vouchers should not create new jobs or replace regular employment, but rather strengthen the conditions of workers already employed in agriculture by helping workers to reach the annual minimum working days threshold necessary to get pension contributions; however, this is not the case.

The interviewee from Filcams-Cgil added that in the case of domestic work, the use of vouchers creates the potential for the exploitation of workers, whose rights and employment flexibility conditions are instead well defined in the national collective agreement.

**Transferability**

The interviewees were asked to analyse their experience and to offer recommendations for other sectors, occupations or countries willing to set up the voucher system.

Most of the interviewees gave positive feedback about the voucher system and therefore recommended that other countries experiment with it. They pointed to the benefits of a light administrative burden, which should remain a key feature of the system. A gradual implementation of the rules and the online management of all procedures were also recommended.

However, the trade union representatives interviewed also highlighted the potential risks of the system—for instance, the use of vouchers to cut labour costs. Therefore, they were cautious about the possible transferability of the voucher system to other sectors or occupations in Italy.

**Commentary**

The service voucher system was developed over a few years, with different speed and intensity across Italy. The vouchers have been used more intensely in the north, where the labour market is dynamic; in the rest of Italy, especially in the southern regions, the use of vouchers is still limited. The relatively low possibility of labour inspections allows employers to continue working irregularly in the informal economy, which is still a less costly and more flexible option than the vouchers. Moreover, there is a cultural factor in the general rigidity of human resource practices, inside and outside of companies, and the resulting low acceptance of new tools.

The increase in the number of vouchers sold has occurred in parallel to the increase in the number of ‘employers’. This suggests that the vouchers have been mainly used for one-off or occasional work.

A potential benefit for the Italian labour market is the use of vouchers to combat the high unemployment rate among young people. In this context, the vouchers provide valuable work experience and contribute to the school-to-work transition.

The opinions of the employer and trade union representatives interviewed differed quite sharply with regard to vouchers. Overall, the interviews revealed a deep division between the social partners over the voucher system, whereby they perceived the strengths and weaknesses of the vouchers in almost opposite terms. The employer representatives expressed overall satisfaction with the voucher system due to its flexibility, the low level of bureaucracy, the responsiveness to companies’ needs, and the possibility for both employers and workers to set up a safe employment relationship. Conversely, the trade union representatives expressed critical views about the vouchers. They claimed that there is a potential risk of abuse of the system by turning it into a low-cost alternative to regular employment contracts. They also disputed the fact that vouchers could help to legalise undeclared work.

A critical issue concerns the amount of money that individual workers can earn from each employer annually in the case of professionals and freelancers – that is, €2,020 gross, while it was €5,000 before
The trade union representatives claimed that the threshold is too high: restricting the economic threshold would help to prevent companies from misusing the vouchers, so that they could only be used for limited casual employment relationships, possibly in specific sectors and by a limited group of employees.

In contrast, employers believed that this threshold is far too low and restricts the possibility to effectively use and expand the system, with potential damage also to workers. Moreover, they highlighted the need for legal rules that better specify the ‘occasional’ nature of employment relationships that can be paid with vouchers, and that clarify the objective of the vouchers. This point was raised by the ANESV representative, who claimed that the vouchers have now changed their function in the labour market: they are no longer just a tool for students and retired people to do spare jobs in gardening or agriculture, as was originally conceived in 2003. More recently, the voucher system has evolved into a simple tool to regulate a specific kind of employment relationship in specific sectors, not necessarily occasional or casual jobs.

In the opinion of the Fedeturismo-Confindustria interviewee, had the rules been left to the social partners to determine, this would potentially lead to paralysis of the instrument, since it would become subject to the existing conflict logic that currently characterises the Italian industrial relations system. While employer representatives in the tourism industry would not welcome legal rules introducing distinctions by sectors, the agriculture employer representatives stated that sectoral specificities should be recognised and regulated accordingly.

The INPS suggested that the system should be managed entirely online, as was proposed at the beginning of the institution’s involvement in this form of employment. Nevertheless, the INPS recognised that paper vouchers have been critical for the development of the system. They recommended that other countries willing to set up the system should expand the list of authorised sellers, including tobacco shops/kiosks and banks, as is the case in Italy today.

Italia Lavoro reported that, in the project ‘Promotion and use of casual work’, officials showed considerable resistance to the use of vouchers. Among the reasons for this opposition is the difficulty in finding and then cashing in the vouchers: the authorised offices are not easily accessible and they lack information. Italia Lavoro also reported that labour inspectors seem quite suspicious of this tool and carry out additional control procedures in companies where they find this practice. However, one of the main challenges is spreading information and raising awareness about the potential benefits of the voucher system.

A final observation is the need to drive cultural change among employers and their labour consultants to use alternative tools to regulate employment relationships, especially to legalise undeclared work. The same is true for workers of all ages and gender, who need to be made aware of the importance of ensuring and requesting that their employment relationship is legalised, for instance by means of service vouchers.

**Information sources**

**Websites**
INPS: [www.inps.it](http://www.inps.it)
Italian legislation portal: [www.normattiva.it](http://www.normattiva.it)
Public work portal: [www.cliclavoro.gov.it](http://www.cliclavoro.gov.it)

**Bibliography**


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