Industrial relations
Italy: Developments
in working life 2017

Developments in working life in Europe:
EurWORK annual review 2017
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Political context affecting working life aspects

After the failure of the Constitutional Reform, rejected by a referendum on 4 December 2016, the Prime Minister, Mr. Matteo Renzi resigned, and a new government, led by Mr. Paolo Gentiloni, took office. The Government and the Italian Parliament insisted on the implementation of the reforms already introduced in 2016 and 2015 (among these, the 2015 Jobs Act). Among the main priorities in the area of employment and social security, there have been measures addressing self-employed work, the renewal of collective agreements in the public sector, and early retirement.

Social partners reactions following changes in governments

Elections took place only at local level in 2017.

Labour market reforms or major packages of working life regulations

The 2015 Jobs Act was further implemented, with the Public agencies envisaged for the governance of active labour market policies and labour inspection becoming operative.

The regime of voucher-based work has been amended, introducing some limitations, after the wide liberalisation occurred in 2012 and 2015.

The more stringent provisions came after the largest Italian union, the Italian General Confederation of Labour (Confederazione Generale Italiana del Lavoro, CGIL) collected 3.3 million signatures for the abrogation thereof, and obtained a referendum to be held on 28 May 2017.

In order to avoid the referendum, the Democratic Party-led government abrogated voucher-based work by decree, and announced its intention to discuss the opportunity to rule occasional jobs with unions. This move, welcomed by CGIL but contested by employers’ organisations and other large unions, led to the cancellation of referendum as well.

Yet, one month later, parliamentarians of the same ruling party successfully proposed new rules on occasional jobs in the framework of parliamentary discussions on a bill amending the State Budget. The most relevant changes concerned self-employed work. By means of Act no. 81/2017, the parliament introduced measures concerning: contractual clauses deemed as unlawful concerning termination of the contract and times of payment; loosening of entitlement criteria for some social security benefits for self-employed workers, and the creation of an unemployment benefit for self-employed workers. Anyway, the latter provision has not been implemented yet.

The Act also ruled ICT-based mobile work (so-called ‘smart work’), meant as a modality of work performance partially executed remotely by employees, and bounded to targets rather than to time.

Finally, following a mobilisation by professionals, measures have been enacted introducing a right to a ‘fair pay’ for all self-employed (Act no. 148/2017), limitedly to work performed in favour of banks, insurance companies and large companies. Pursuant to the act, pay shall comply with minimum levels set by the government in line with the quantity and quality of work.

Among the ongoing developments, it is worth to mention negotiations concerning the renewal of National Collective Bargaining Agreements (NCBAs) covering public employees, frozen since 2010. A first NCBA was renewed on 23 December 2017, entailing wage increases for employees of the central government and of national public institutions. Negotiations are expected to prosecute and conclude over the first months of 2018 for other public employees.
Developments in industrial relations 2017

Changes affecting the national-level actors and institutions of industrial relations and social dialogue in 2017

Representativeness
There were no changes in the way representativeness of social partners is regulated. In 2017, CGIL, CISL and UIL signed an agreement on representativeness with one of the largest employers’ organisations of the SMEs in the service sector, Confesercenti, staying on the same track of previous agreements signed with organisations representing SMEs, cooperatives and large companies. Nevertheless, collectively agreed rules for measuring representativeness are not operative yet.

Actors
There were not developments in terms of developments of new actors in the field of social dialogue and collective bargaining.

Institutions
There were no changes in terms of major legislative or institutional changes to the main social dialogue institutions.

Changes in the social dialogue processes
There were no changes in practice of national-level social dialogue process.
## National social dialogue in 2017 – Scope and Contribution

### Main social dialogue topics and outcomes in 2017

<table>
<thead>
<tr>
<th>Themes</th>
<th>Description of issue (in 20-30 words max.), with links to relevant material, if available</th>
<th>Code(s)-interaction</th>
<th>Type of Interaction – Brief description</th>
<th>Code(s)-Outcome</th>
<th>Outcome - Brief description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General labour market topics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job creation, reduction of unemployment, active labour market policies, labour market participation of different groups</td>
<td>Implementation of the 2015 Jobs Act concerning the Labor Market Policies Institutions</td>
<td>3</td>
<td>Meetings, exchange of proposals, legislation draft and preliminary overview on the solutions</td>
<td>7</td>
<td>Preliminary overview on the solutions</td>
</tr>
<tr>
<td>Skills, training and employability</td>
<td>Meetings concerning the functions of the Vocational Training Paritarian Institutions (fondi interprofessionali per la formazione)</td>
<td>3</td>
<td>Meetings, exchange of proposals, legislation draft and preliminary overview on the solutions</td>
<td>7</td>
<td>Preliminary overview on the solutions</td>
</tr>
<tr>
<td>Benefits (unemployment, sickness schemes, minimum income)</td>
<td>Changes of the 2015 Jobs Act concerning the unemployment benefit New Social Insurance Provision for Employment (NASpI) and conditionality regime</td>
<td>3</td>
<td>Meetings, exchange of proposals, legislation draft and preliminary overview on the solutions</td>
<td>7</td>
<td>Preliminary overview on the solutions</td>
</tr>
<tr>
<td>Pension reforms</td>
<td>Introduction of measures to mitigate effects on the increase of the retirement age of the 2011 Pension Reform</td>
<td>3</td>
<td>Meetings, exchange of proposals, legislation draft and preliminary overview on the solutions</td>
<td>2</td>
<td>The 2018 Budget Law introduced further measure to mitigate the</td>
</tr>
</tbody>
</table>
### Themes

<table>
<thead>
<tr>
<th>Theme</th>
<th>Description of issue (in 20-30 words max.), with links to relevant material, if available</th>
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<tbody>
<tr>
<td>Wage setting systems, including the setting of minimum wages (but excluding the ‘regular’ annual debates about the determination of the level of the new minimum wage)</td>
<td>Political debate over the possible introduction of a statutory minimum wage, opposed by social partners, but deemed a policy priority by the ruling Democratic Party and backed as well by many opposition parties.</td>
<td>6</td>
<td>Preliminary overview on the solutions</td>
<td>7</td>
<td>Preliminary overview on the solutions</td>
</tr>
</tbody>
</table>

No major social dialogue debates were held on the following themes: Taxation and non-wage related labour costs; Working time regulations; Terms and conditions of employment, including different forms of contracts; Health, safety and well-being at work; Work-life balance related themes, incl. family leaves

Note:

Codes for ‘Type of interaction’: 1 - Tripartite debate; 2 - Tripartite negotiation; 3 - Formal consultation of both social partners; 4 - Formal consultation of trade unions; 5 - Formal consultation of employers organisations; 6 - Bipartite debate; 7 - Bipartite formal negotiations; 8 - Lobbying from at least one side; 9 – Type of interaction unknown.

Codes for ‘Outcome as per 1.1. 2018’: 1 - Unilateral decision by government; 2 - Legislation passed; 3 - Legislation prepared (in legislative process, not concluded); 4 - Tripartite agreement or joint position reached; 5 - Bipartite agreement reached; 6 - Joint opinion of social partners reached; 7 - Issue not closed, ongoing exchange; 8 - Issue dropped, no concrete outcome, no further exchange; 9 – Outcome unknown, none of these types.

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Selected major social dialogue debates

Growing precarisation of self-employment and quest for new rights

Debate over the need for introducing protections for self-employed workers eventually led to the adoption of some legislative measures in 2017. The main concerns stay with the ongoing increase of self-employed workers and the reduction of their average income, meaning the new self-employed workers feature an increasing risk of economic dependency by one or few clients, or of living on a low income.

On 10 May 2017, the Parliament approved a first package of rules addressing the issue, Act No. 81/2017. This came after a long discussion in the Labour Committees of the Deputy Chamber and of the Senate Chamber, including consultations of social partners, on a bill issued by the government in January 2016.

The act features novelties concerning entitlements of non-entrepreneurial self-employed workers. It targets self-employed workers who fall within two groups – ‘professionals’ and ‘those performing activities coordinated by the client’. The act entitles self-employed workers to ask for a written contract. Such a contract cannot include conditions that allows clients to do any of the following: unilaterally modify contractual conditions; terminate the working relationship without observing a notice period; impose terms of payments exceeding 60 days from the date of invoice.

Moreover, self-employed workers gained the right to suspend work without risking the termination of the contract in cases of pregnancy, illness or accidents. However, this is only allowed insofar as that it does not affect the client’s interest. The new provisions also give self-employed workers some social security rights, which differ depending on the worker’s category.

The act did not satisfy unions and organisations of self-employed, deeming the new measures too weak to balance contractual power of self-employed workers towards their clients, and criticising the absence of the right to a fair pay.

In November 2017, provisions concerning fair pay for self-employed were eventually introduced, although limitedly to service provisions in favour of banks, insurance companies and large companies.

Concerns over the social sustainability of the pension system after ‘austerity measures’

As a consequence of the pension reform introduced in the peak of economic crisis (Act no. 201/2011, so-called Fornero Reform), retirement and early retirement have been subject to stricter conditions than before, and an automatic link between retirement age and life expectancy has been introduced, bringing retirement age gradually up (66 years and seven months in 2017). The act also enlarged the coverage of the Notional Defined Contribution scheme for the computation of pension amounts, meaning future pensions will reflect more and more contributions paid when in employment, rather than the wages received at the end of the working career, as in the former defined benefit system.

These rules led to growing concerns from the unions’ side about the rigidity of the pension system, especially about their social impact for those in temporary or low paid jobs, and for workers in arduous jobs.

In a way to answer these concerns, the government introduced and improved three early retirement schemes as part of a framework of measures addressing retirement rules and pension benefits in the 2017 and 2018 Budget Laws. This came after a long consultation with trade unions on pensions.

In particular, a first round of negotiations was closed on 28 September 2016, agreeing pay increases for pensioners on low or middle income, and the extension of early retirement to disadvantaged categories of workers.

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A second round of negotiations took place in the 2017 summer, without an agreement being reached.

Unions presented a proposal addressing among others: (i) amendments to the indexation of retirement age with life expectancy in order to take into account the impact of different jobs on life expectancy; (ii) the reduction of retirement age for mothers; (iii) measures to guarantee adequate pensions for those on precarious jobs; (iv) measures to promote the uptake of complementary pensions, and (iv) loosening of early retirement criteria.

These requests have only partially been accepted by the government, which eventually introduced in the 2018 Budget Law the reduction of retirement age by one year per child for mothers, and a slight enlargement of categories entitled to early retirement.

**Continuation of debate around statutory minimum wages**

The introduction of a statutory minimum wage was entailed by the Jobs Act (Act no. 183/2014). Between 2014 and 2017, social partners, which opposed the idea, asked for clarifications. There have been a number of informal meetings and academic conferences where social partners and the government addressed the issue. This means the statutory minimum wage remained object of discussion, albeit this cannot be considered as a formal consultation. In 2017, there was no legislative developments on statutory minimum wage.

Yet, since both PD and the Five Stars Movement propose the introduction of a statutory minimum wage in their electoral programs, social partners took part in informal meetings with the government, political parties, and public institutions (INPS, Bank of Italy…) on the feasibility thereof, remarking their aversion.

**Unilateral government actions – without social dialogue**

There was no unilateral action by the government concerning major issues.

Nevertheless, the unilateral reintroduction of voucher-based work was proposed in the Parliament by the Democratic Party (Partito Democratico, PD), which is also the largest party backing the Gentiloni cabinet.

The government welcomed the measure, deeming the new rules substantially different than the ones previously in place.

**Changes affecting the sectoral and company level social dialogue 2017**

There were no changes concerning legislation, the institutions or the practice affecting collective bargaining and social dialogue at sector and company level.

**Innovation in collective bargaining**

There were no innovative changes in collective bargaining over 2017.

**Collective labour disputes in 2017**

There were no significant changes in the regulation of collective disputes in 2017.

**National demonstrations on pensions (5 December 2017)**

Following the failure to reach a shared agreement on pensions, CGIL held demonstrations in the largest Italian cities, calling for a reduction of retirement age and changes in social security provisions to support: those in precarious employment patterns, those with care responsibilities, especially women, and those performing arduous jobs.

CGIL deemed the measures proposed by the government in the field insufficient and called for public policies able to sustain job creation through public and private investments.
National demonstration for democracy and right to vote (17 June 2017)
On 17 June, a national demonstration organised by CGIL took place in Rome in favour of democracy and the right to vote. This came after the PD reintroduced voucher-based work circumventing the implementation of the referendum intended to abrogate them.

National demonstrations against labour exploitation in the dual system of education
Several demonstrations took place in October, November and December targeting the dual system of education. Dual educational paths became compulsory for students of the last year of high schools in 2015, and have been enlarged to all the students enrolled in the last three classes of high schools starting from September 2017.
Students, organised by the left-wing Students’ Union (Unione degli Studenti, UDS), complained trainings at the company’s premises have poor quality, are often not in line with the educational course, and do not entail any compensation for travel and meal costs, ending up in unpaid work and labour exploitation.

Working time 2017
By means of Act no. 81/2017, a new modality of work performance was introduced in 2017 to address ICT-based mobile work. The new modality of work performance, called ‘smart work’, allows for subordinate work performed remotely to be bound to targets or phases rather than with working time, provided rules on maximum working time are observed.
Under the ‘smart-work’ modality, a share of the work performance shall take place at the company’s premises and a share outside, without a fixed workplace.
The act entitles individual agreements between the employer and the worker to specify rules concerning the performance of work outside the company’s premises, including it shall be monitored, and how to ensure the right to disconnect.

Health and well-being at work 2017
Physical working environment
There were no major changes regarding the regulation of physical risks at work.

Psychosocial working environment
There were no major changes regarding the regulation of psychosocial risks at work.

Employment status 2017

<table>
<thead>
<tr>
<th>Type of contracts</th>
<th>Changes made during 2017.</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Standard’ employment contracts</td>
<td>No changes</td>
</tr>
<tr>
<td>Self-employed</td>
<td>On 10 May 2017, the Parliament approved Act No. 81/2017. This came after a long discussion on a bill issued by the government in January 2016. The act features novelties concerning entitlements of non-entrepreneurial self-employed workers. The act targets self-employed workers who fall within two groups – ‘professionals’ and ‘those performing activities coordinated by the client’. The act entitles self-employed workers to ask for a written contract. Such a contract cannot include conditions that allows clients to do any of the following: unilaterally modify contractual</td>
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<table>
<thead>
<tr>
<th>Fixed term contracts</th>
<th>No major changes made during 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary agency workers</td>
<td>No major changes made during 2017</td>
</tr>
<tr>
<td>Posted workers</td>
<td>No major changes made during 2017</td>
</tr>
<tr>
<td>Seasonal workers</td>
<td>No major changes made during 2017</td>
</tr>
<tr>
<td>Zero hour contracts</td>
<td>No major changes made during 2017</td>
</tr>
<tr>
<td>Other contracts</td>
<td>On 15 June 2017, the parliament approved new provisions governing voucher-based work to cover occasional working activities. This appears to be a turning point in the long-standing debate on the regulation and use of voucher-based work. The new legislation introduce two types of voucher-based scheme. One is tailored to private individuals who wish to use vouchers to pay workers who provide domestic and care services, and the other is tailored to 'other clients' such as self-employed workers, professionals, entrepreneurs, associations and NGOs, and public administrations. This second scheme sets out special provisions for clients in the public administration and agriculture sectors.</td>
</tr>
</tbody>
</table>

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<tr>
<th>Source</th>
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<tbody>
<tr>
<td>CNEL (2017)</td>
<td>Rapporto sul mercato del lavoro</td>
<td>available at:</td>
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