

# New forms of employment Voucher-based work, Italy

Case study 44: Gorizia municipality

The municipality of Gorizia in northeast Italy has been using the service voucher system since 2010, offering work mainly to unemployed people and young students. The system has yielded positive results, giving the administration a flexible and ad hoc workforce at certain times and workers the opportunity to find a temporary job and to earn some money.

### Introduction

This case study examines the use of service vouchers by the municipality of Gorizia, a local public body in northeast Italy. Gorizia municipality was chosen for a number of reasons. Firstly, it had the capacity and resources to participate in the interviews for the case study, and the officials interviewed were highly cooperative. In addition, the variety and scope of the vouchers used (for maintenance, street cleaning, gardening and similar activities) offered sufficient information for drafting the report.

It is important to note that Italian law has not always allowed local public bodies to widely use service vouchers (note: public bodies refer to all those stipulated under Article 12 of Legislative Decree No. 165 of 2001). The last major reform of the system, Law No. 92 of 2012, allowed public bodies to use service vouchers within their available annual budget (for each body) and according to their own the personnel management rules defined by internal rules and procedures.

## Background and objectives of voucher-based work

The service voucher system for casual work was introduced in 2003 by statutory law. Article 70 of Legislative Decree No. 276/2003 regulated the service voucher system, that is, accessory and non-regular employment relationships set up without an employment contract. The vouchers could be used only for specific activities, such as grape harvesting, gardening or private tuition for students, and for specific categories of workers, including students, retired workers and housewives. Since then, the policy has undergone a number of revisions, until Law No. 92 of 2012 further modified the rules of the system. As of 2014, any person can be paid by vouchers for any working activity. The only differences concern agricultural firms and the public sector, to which specific rules apply.

The system of 'vouchers for casual labour' (*buoni lavoro per prestazioni di lavoro accessorio*) is managed by Italy's National Institute for Social Insurance (INPS). Both private and public sector employers buy books of vouchers from the authorised concessionaires. The vouchers are then issued to the worker on completion of the service. Workers cash in their vouchers at INPS offices, corner shops (for example, tobacco shops), authorised banks or post offices.

Vouchers have an hourly value of  $\in 10$ , 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  $\in 50$  and  $\in 20$ . 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 their working time 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. For each  $\in 10$  voucher, therefore, workers earn  $\in 7.50$ . This corresponds to the minimum hourly wage (except for agriculture, where pay is measured against the national collective agreement). For services paid with vouchers, individual workers can earn a maximum annual pay of  $\in 5,050$  (gross  $\in 6,740$ ) and professionals or freelancers  $\notin 2,020$  (gross  $\notin 2,690$ ). From 2013, workers receiving state income support benefits cannot be paid more than  $\notin 3,000$  a year with these vouchers.

The implementation of the service voucher system involves a number of actors: employers (including an individual, a family, a company, a public body and so on), employees (including retired workers, students aged 16–25 and other categories), outlets selling the vouchers (banks, post offices, tobacco shops) and the INPS. There is no intermediary organisation matching or mediating between employers and employees (except where service vouchers are used in subcontracting, which is allowed exclusively for stewarding activities at football events at stadiums hosting over 7,500 people).

This case study is based on interviews with three representatives of the employer – the municipality of Gorizia – along with two service voucher workers and a representative of the local INPS office in charge of monitoring service voucher use. It should be noted that workers who participate in the voucher system have to sign a privacy declaration to protect their personal data; therefore, it was not possible to have the complete list of the workers involved in the scheme organised by the municipality.

## General characteristics of voucher system in Gorizia municipality

The municipality of Gorizia has been using the service voucher system since 2010, mainly for the following activities: painting, gardening, maintenance, street cleaning, clearing snow from the streets and support for public events. These activities are generally carried out by students (aged 18 and above) and unemployed people.

Gorizia municipality is located in northeast Italy and borders Slovenia. With some 36,000 inhabitants, it is considered a medium-sized municipality in Italy.

The municipality interviewees were keen to highlight the relevance of the area's geographical characteristics and the related traditions and historical roots. They recalled the importance of the culture of trans-boundary collaboration between the Italian and Slovenian people. For example, Gorizia municipality has signed an agreement with its neighbouring cities to share services and resources, as well as to tackle the financial crisis, under the European Grouping of Territorial Cooperation. This cooperation is based on Regulation No. 1082/2006 of the European Parliament and of the Council.

Gorizia is divided into two parts: the Italian part (Gorizia) and the Slovenian part, Nova Gorica. The economic and employment crisis in Gorizia started well before the 2008 financial crisis, which affected the whole country. The first major difficulties started when Slovenia entered the European Union in 2004. The local area to some extent benefited from the so-called 'boundary economy' – that is, a set of trades and exchanges based on tax-free zones and tax breaks for various shipments and import, export and transportation of goods. By 2007, the crisis was already hitting the local economy hard. This was reflected in the main economic indicators. For instance, the city's unemployment rate, at 7%, was the highest in the region in 2007. Data show that, in February 2014, 449 of the 2,966 companies registered in 2013 were no longer active.

This difficult situation also challenges the local administration's attempts to address its budget deficits (low tax income, high subsidies/benefits to be paid) and human resource (HR) needs (the need to provide social services and so on).

The municipality of Gorizia employs 380 employees, the majority of whom are women aged between 45 and 54. Categories of work, besides employees, include seven managers and one secretary-general, who is in charge of HR management. There are no works councils in the municipality.

Gorizia municipality is functionally organised into seven departments. It is conceived as an integrated structure: the municipality offers its citizens several services, such as childcare, education or healthcare. The municipality tries to limit outsourcing of its activities to the private sector except for public utilities such as water, waste management, gas supply and pharmacies. Accordingly, the HR strategies tend to integrate these functions and services.

No intermediaries were involved in the service voucher project. As is generally the case in Italy, vouchers imply a direct bilateral relationship between the 'employer' and the 'employee'.

The interviewed workers were two men of Italian nationality. One was 20 years old, with vocational training as an electrician. During his education, he had gained an apprenticeship and had other casual job experiences. He was born in Naples and moved to Gorizia in 2009. At the time he started the voucher project, he was unemployed. The other interviewee was 51 years old and had qualified as a gastronome. He had been working for several years in other European countries but he could not find a job in Italy in his sector. He was also unemployed at the time he started the voucher project. For both men, the service voucher work was their only source of income at the time, since no other alternative job opportunity, such as public works, was available.

### Design and implementation process

The municipality of Gorizia formally started the service voucher system in 2010 as part of the municipality's employment strategy, alongside other existing employment forms such as socially useful jobs (*lavori socialmente utili*). The accounting officer within the Human resources management and development section of the municipality gave the council consultancy services and the necessary support for implementing the service voucher system and producing the necessary administrative acts.

In 2010, the municipal council issued a decree setting out guidelines on how to activate the system and detailing the mechanisms and procedures for individual projects and initiatives. The council did not investigate the experiences of other European countries or Italian regions when it started to use the voucher system.

The municipal decree also stipulated the services for which vouchers could be used, particularly for cultural and sports events organised by the municipality, or for urgent and unexpected emergencies. These activities would involve the maintenance, cultural parks and youth policies departments.

There were various reasons for adopting the service voucher system.

- The municipality was looking for an HR management solution that would allow it to expand the workforce within the overall limits imposed by regional law on the municipal budget, which had left the council with fewer funds for human resources (No. 24/2009). Having considered the two goals of the service voucher policy, namely to hire workers flexibly for casual and urgent needs and to support local employment, the municipality has imposed a maximum 60-hour limit on the number of hours that an individual can do service voucher work. This not renewable, meaning that a person can only opt to work in the municipality's service voucher system once in their lifetime. These measures are also designed to allow more workers to access the voucher system and to benefit from the municipality's resources.
- The municipality often faces an urgent need for workers beyond the capacity of its permanent staff. The cyclical nature of ad hoc tasks, combined with budget restrictions and the long and cumbersome recruitment procedures of the public sector mean that it is not feasible to recruit more permanent staff. For instance, during heavy snow, which happens quite frequently in the Gorizia area during winter, the streets have to be cleared. The permanent staff are not able to cope with emergencies such as these, and the municipality needs extra short-term labour at such times.
- Creating employment opportunities has traditionally been a priority for the municipality. Therefore, it was seeking a quick and easy solution to create jobs in a region that was suffering from a prolonged economic crisis.

The idea of using service vouchers came within the overall employment strategy of the municipality, which has both economic and social inclusion goals. Besides vouchers, the municipality promotes the use of 'socially useful jobs' (*lavori socialmente utili*) and public utility jobs. The municipality allocated  $\notin 2,745,000$  to its employment policy and engaged 240 workers in 56 projects. The budget covered all employment-related initiatives created by the municipality of Gorizia, including vouchers and socially and publicly useful jobs, from 2009 to 2013.

Therefore, the primary objectives for the municipality of using the service voucher system were to support the local labour market, to support the municipality's permanent staff by avoiding work overload, and to contribute to the local economy and social integration.

From the workers' perspective, both of the service voucher workers interviewed declared that their main reason for deciding to participate in the project was the need to find a job. They were both unemployed and searching for opportunities to become socially involved and to earn a salary, even in the short term. All other alternatives were considered in terms of employment contracts, but the lack of job opportunities made the vouchers the only viable solution for finding employment.

The municipality learned about the service voucher system when national legislation was introduced allowing public bodies to use it in 2009. Up until then, no equivalent flexible employment option was available in the public sector. In 2009, the limits imposed by Legislative Decree No. 276 of 2003 still applied: the vouchers could be used only by specific categories of workers, such as 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 reforms. The 2012 reform (Law No. 92/2012) eliminated the restrictions on the groups of workers and the activities for which the vouchers could be used. This has led to vouchers being used more widely and in greater number since January 2013, both nationally and in the municipality.

When the service voucher system was opened to local bodies in 2009, the municipality of Gorizia gave priority to the use of vouchers for students and unemployed workers. Afterwards, developments in the economic and employment situation led the municipality to invest in projects that would involve unemployed workers rather than other categories of workers.

The process started with the municipality's HR management and development office presenting to other municipality departments the possibility of using service vouchers and assessing whether they had a need for workers and could imagine using vouchers. Setting up the system required a lot of effort, although the relatively small size of the municipality contributed to the smooth dissemination of information between the departments and the system was adopted rather easily.

Work organisation, working conditions and the typical duration of service provision varied according to the specific project for which the vouchers were used. The only standardised information related to payment levels, as the value of the vouchers is intended to be an hourly payment fixed by the Ministry of Labour and Social Policy.

From the perspective of the workers interviewed, they first gained knowledge of the service voucher system through the municipality's website and through word-of-mouth from friends and family. In both cases, it was through an active job search that they learnt about this possibility.

To set up the voucher system, Gorizia municipality implemented a standard internal procedure, applied to all projects. As at March 2014, this procedure works as follows.

- The first step involves an informal assessment by the operational units of the recruitment needs for occasional, ad hoc tasks that can be paid through the voucher system.
- Secondly, the department interested in using the vouchers initiates a specific 'voucher project'. This project identifies the object of the project for which the vouchers are required. The target group of workers to be 'hired' with the vouchers is also identified, as are related requirements, such as the need to have a driver's licence and so on (one example of an open call for service voucher workers relates to a snow clearing initiative).

- After this, the voucher project is sent for approval to the department responsible for HR development and management, and then to the council for final approval.
- Once approval is received, the HR management department issues a public call for workers who are interested and who meet the requirements specified in the voucher project.
- Workers then respond to the call and present a declaration of availability to start working any time.
- An open ranking of the selected workers is then published. Each person responsible for the relevant voucher project reports the need to employ one or more service voucher workers as soon as the professional need arises. The department managing the voucher project contacts the workers who have been shortlisted, using the open ranking to determine the order in which they are contacted, to ask them to start working.

The rest of the procedure (such as the purchase of the voucher and similar tasks) is managed online by the HR unit with the INPS. The workers are provided with relevant credentials. This procedure has changed over time. In the beginning, there was an open ranking by category of workers (student, unemployed, beneficiary of income support benefits, retired person). This was continuously updated, based on new demands to participate in the project. When a department needed to recruit service voucher workers, they would present the project details to the municipal council, including the type of work needed and the number and type of workers required. Following project approval, the department would directly call workers from the ranking, according to the category of worker needed. However, since 2013, the municipality has changed the procedure: a single call for expression of interest is issued based on a specific need identified by the municipal department and the related project, previously approved by the council. Therefore, rankings are now project related, and they are homogeneous by category of workers. For instance, the ranking for youth policy projects would include students only, while workers required for a snow-clearing activities would include only unemployed people.

### Working method, processes and procedures

The service voucher workers in Gorizia municipality contribute &2.50 per voucher to the INPS for pension contributions and for casualty insurance with INAIL, as do all voucher workers. The level of protection granted to these workers is far more restricted than that provided to standard employees of the municipality, who are entitled to full social protection rights. However, working conditions are comparable to those of core staff.

Workers sign one written agreement with the municipality and a declaration of privacy concerning the use of personal data, after which they are invited to take part in one of the voucher projects. No employment contract is signed. In addition, workers have to sign in every day to indicate their presence at work and the number of hours they have worked.

The project team responsible decides how many workers and the number of working hours are necessary for the project, within the overall limit of 60 working hours per worker, which applies to all projects. The municipal HR management and development office is in charge of coordinating the activities of voucher workers across different projects, ensuring that they do not exceed the working hours limit.

The municipality manages the whole process online and purchases vouchers from the INPS website. The number of vouchers purchased depends on the amount of work required. On completion of a particular job, the vouchers are handed over to the workers.

The workers who are selected from the open competition and included in the open ranking are called to work once a job matching their profile is identified at the municipality.

Working time and work organisation, as reported by the workers, are agreed on a daily or weekly basis with the permanent employees of the municipality, depending on the activities that need to be carried out. For instance, the workers might be required to take care of public green areas one day or to help with maintenance tasks the next day. Similarly, coordination between the workers and the municipality to manage the working tasks is handled on a daily basis and through verbal communication. Due to the

small size of the municipality (in terms of few employees) and the tight-knit human relationships, conflicts do not normally arise.

The organisation of working groups is based on joint collaboration between one or more permanent employees and the service voucher workers. Nevertheless, it is a responsibility of the municipality's permanent employees to organise the work, distribute the tasks between the permanent and voucher workers, and supervise service provision. They cooperate with the voucher workers as peers, although they are responsible for safety at the workplace and work organisation. The workers reported that there was flexibility on the municipality's part in organising the work, as well as in accepting the workers' needs, such as the preference to start work earlier in the morning and to finish earlier.

The organisation of working time depends on the type of job and the related tasks. For instance, in maintenance projects, service voucher workers need to work together with the municipality employees and therefore need to tie in with their working time. For cultural or sporting events, service voucher workers only work a few days at a time and do so independently of the municipality workers' working time, for instance at night or on weekends.

Neither of the two workers interviewed had to commute long distances to reach the workplace, as distances within the municipality of Gorizia are limited and can be covered by short trips in a car or by bus.

There were no external guidelines to which the municipality had to adhere, except for the internal procedure it adopted to set up the 'vouchers projects' (see 'Design and implementation process' above).

The interviewed workers redeemed all their vouchers in a single visit to the post office, right after or a few weeks after the end of their service. There was no official information about when the payment came through. The municipality informally reported that this would normally occur within three weeks after the municipality issues the payment order, which is needed to prove that the tasks have been completed.

There are no statutory rules that cover whether workers receive the voucher as payment if they do not complete their tasks, although it is likely that they would as the vouchers' value is hourly and not linked to the completion of specific activities. Initially, the workers were required to set up a debit card (Poste pay), into which the payment due would be deposited; however, this is no longer necessary. Workers now receive payment in cash or in the form of a bank transfer, according to their preference.

The most common activities for which service vouchers are used by the municipality are:

- painting;
- gardening;
- maintenance (for instance, at the castle and its annexed buildings);
- street cleaning;
- clearing snow from the streets;
- support for public events (shows, conferences, fairs): for example, distributing flyers, giving information, assisting the public and so on (this activity is reserved for students aged 18 years upwards).

These activities are typically of a short duration, ranging from a few days in the case of snow clearing to a few weeks in the case of maintenance. The work is part time, at least for the workers interviewed for this case study.

#### **External support**

Gorizia municipality is supported by the local INPS agency, especially with the technical management of the information system for this initiative. INPS offers ongoing support in setting up the relevant procedure to manage the online system and in adding the voucher workers' data to the system. Email support is also offered for help in accessing the online system. The provincial INPS office has also received visits from about 40 workers who go to the office to redeem their vouchers. An official of the

agency reports that this has required a considerable time commitment, but there will be less of a need to support the system in the future as its management is increasingly being transferred online and this will reduce the amount of paperwork needed.

The interviewees from the municipality said that they were grateful for the additional support received to start the system. In particular, they were grateful for support in gathering knowledge about the legislative framework and its various amendments and for support in managing the relationship with the provincial INPS office.

### Outcomes

The service voucher system has been used to a limited extent by the municipality and workers. The interviewed service voucher workers were engaged in projects that lasted three weeks. Each worker was employed for 60 hours over the three weeks, working four hours every morning from Monday to Friday and receiving a gross salary of €600 (net €450).

Since 2009, 15 service voucher projects have been implemented in Gorizia municipality, involving 61 workers, with some of the workers engaging in multiple areas/jobs. The limitations imposed by law before 2012 may explain the limited application of this form of employment in the municipality so far.

Since 2013, however, the conditions for applying the system in municipalities have become more flexible, and it is expected that the system will be used more extensively in the future. About  $\notin$ 15,200 was spent on the vouchers in 2013, all of which have been cashed in.

Table 1 shows the distribution of workers who had been selected for the different service voucher initiatives by age group and gender. Maintenance of public buildings (for example, the Castle of Gorizia) was clearly the most common activity, followed by snow clearing and event support, the latter activity only being open to students.

| Service voucher activity           | Under 40 years |      | Over 40 years |      | Tatal |
|------------------------------------|----------------|------|---------------|------|-------|
|                                    | Female         | Male | Female        | Male | Total |
| Maintenance of public<br>buildings | 19             | 24   | 8             | 28   | 79    |
| Snow clearing                      | 1              | 15   | 3             | 22   | 41    |
| Events                             | 14             | 12   |               |      | 26    |

#### Table 1: Distribution of service voucher activities by age group and gender, 2013

#### Source: Authors' calculations

Workers' participation in the service voucher system has exceeded initial expectations. The municipality did not give quantitative details, but the interviewees spoke of the qualitative engagement of workers in the project, all of them highly motivated and willing to contribute to public goals through their jobs.

Given the limited experience of the municipality in this area, it is not possible to draw conclusions about the quality of work carried out by the service voucher workers. Nevertheless, according to the interviewees of the municipality, the initiative has had a positive effect on the general public (although the interviewees were not specific about this) and the workers have integrated well into the work flow/information flow and the teams. However, the workers are not represented by a works council or trade union since there is no works council in the municipality and union representatives have not actively engaged in the process. There is no potential for service voucher work to pose a threat to standard jobs.

Changes in the projects over the four years since the municipality started using the service voucher payment have reflected the legal changes in the range of activities that can be done by workers who are paid with vouchers.

The intended objectives of the municipality have been partly realised – such as using an HR management solution to help expand the workforce, especially to cope with the urgent labour needs while not breaching fixed recruitment limits. While these objectives have only been realised to a limited extent due to the short duration of the pilot projects, the municipality has benefited from being able to source additional labour to support regular staff who would otherwise would not have been able to cope with the workload.

It might be said that a key effect of the vouchers may be job creation. On the other hand, as voucher workers typically return to unemployment after the project finishes, the job retention effects have been limited or non-existent. The cost impact of recruitment and HR administration for the service voucher system has not affected the wage structure/policy within the municipality, as it has been integrated into its existing employment policy. Moreover, the cost of work carried out by a service voucher worker is lower than that provided by a standard employee for the same job, because it avoids the bureaucratic procedures necessary to hire a person in the public sector.

Although voucher workers typically return to unemployment after the project finishes, the participating workers and the municipality official highlighted the importance of the voucher initiative for social integration in the labour market. The workers involved, including the interviewees, were previously unemployed and long-term unemployed people. Having the chance to get a job, to meet other workers and to carry out useful tasks had a social inclusion value. Moreover, the municipality functionaries noted that the workers attributed prestige to the fact they were working for a public body and felt proud to be working for the territory they belonged to.

The interviewed workers reported that the project enabled them to earn a salary, to learn some specific skills and to get involved in the labour market again after long periods of unemployment. They also hoped that their good performance might be considered in the future for other competitions. Nevertheless, their salary was low, they did not receive any on-the-job training, although this was not necessary for the tasks on hand, and the project lasted only a short time, without any job security prospects. The workers did not mention whether they received an unemployment benefit or other income support measures and how their voucher work might have affected this.

### Strengths and weaknesses

According to the officials interviewed from Gorizia municipality, the key challenges of the service voucher system are as follows:

- the limited knowledge of the system in the territory;
- the limits imposed by the region on public bodies' budget management, resulting in limited resources available for the voucher system;
- the need for stronger support to start the system (gathering knowledge, connecting with the INPS);
- the need for quicker payment procedures by means of an online system;
- the difficulties involved in planning work in advance, leading to difficulties in finding workers at short notice;
- the time-consuming nature of certain tasks for instance, keeping the list of workers updated, even when no voucher project is active, is time-consuming, although this is less relevant now that calls are based on projects rather than shortlists.

On the other hand, according to the municipality, the voucher system provides opportunities in terms of:

- flexibility in managing human resources for increases in demand for workers that cannot be planned;
- the low administrative burden;

- the possibility to create spill-over effects in the internal work organisation and cooperation among permanent employees the employees appreciated the fact that their employer (the municipality) provided human resource support to carry out difficult or urgent activities, such as snow clearing, which they would otherwise have not been able to carry out fully. This created a good working relationship among permanent employees;
- the possibility to pursue goals for the benefit of the local community while also creating jobs for example, the availability of extra workers to cope with snow clearing was particularly useful in the winter of 2012, when snowfall was heavy and the job crisis was already severe.

According to the workers, the key strengths of the service voucher system are:

- the opportunities it provides to find a temporary job and to earn some money;
- the user-friendliness of the voucher system;
- its positive effects at the macro level in terms of greater labour market dynamism, social integration and realisation of activities of public utility;
- the greater working time flexibility;
- its attention to proper health and safety measures;
- the low-conflict nature of the voucher system;
- the certainty that the activities performed have a value for society and that there is no corruption one of the two workers underlined the value of working for a public body, which he associated with transparency and respect for rules, in contrast to the potential risks involved in working for a private entity, which could more easily breach the law;
- the possibility it provides to gain occupational skills and to learn how to use tools, thus increasing employability overall.

In terms of key challenges and disadvantages, the interviewed workers reported that:

- working in teams is not always easy, and in some cases it would be useful to identify a team leader belonging to the core staff to supervise the work otherwise, voucher workers have to resort to self-coordination, unless core employees of the municipality intervene;
- projects are limited in time and scope and opportunities are scarce as a result, working hours and salary are insufficient to maintain a good quality of life;
- career prospects are limited;
- payment for work is not always immediate, for different reasons that were not explained some had to wait several weeks to redeem the vouchers.

Overall, the interviewees from the municipality, the voucher workers and the external stakeholder from the INPS assessed the system positively.

According to the municipality, the results of the system go beyond expectations in terms of the good relationships created among the municipality's employees (the coordinator of the project and their colleagues). The municipality interviewees also highlight the willingness of voucher workers to work for a public body, as it makes them feel proud. The proactive attitude of the workers and the social inclusion and motivation effects are considered highly positive results. The municipality also points to the good impact on the labour market, although somewhat limited, in terms of breaking the inactivity of long-term unemployed people. There are also benefits for the local economy, especially as regards public events, for instance better advertising of such events owing to the voucher workers' flyer distribution.

From the viewpoint of the workers, the service voucher system has been a positive experience because it has given them the opportunity to work after long spells of unemployment. However, the voucher system has not provided them with a permanent position and they still have to find a job. Hence, at least in terms of job retention and stability, the system has not brought about the desired effects.

#### **Future plans**

According to the municipality, there is great potential to further develop the voucher system in the territory of Gorizia. New projects could be initiated in line with the employment needs of the municipality's departments. For instance, one possibility could be to use the voucher system for more qualified activities, not only for marginal tasks such as maintenance or flyer distribution. In any case, the new versions of the initiative are going to be integrated with the overall employment strategy of the municipality.

The workers expressed their wish to be further involved in new service voucher projects, but they admitted that their main priority is to find a long-term job.

### Commentary

The use of vouchers in Gorizia municipality has had mainly positive results. All of the actors interviewed expressed positive opinions about the initiative and about its ease of use.

Despite economic restrictions (individual earning thresholds), the voucher system perfectly fits the needs of public bodies like the municipalities. As with other companies, they need to be able to recruit workers in a flexible and quick manner – for instance, to cope with urgent needs or to carry out occasional jobs that are limited in scope.

However, the service voucher system has failed to stem unemployment levels in the area. In particular, the decision to restrict the maximum number of hours to 60 per worker to ensure equity has greatly limited the potential of the system at local level. It has meant that the long-term unemployed who have been given voucher work have not been able to remain in the labour market. Working for a few weeks for the municipality under the service voucher system has not greatly increased these workers' employability chances or career prospects; for example, the two workers interviewed for this case study indicated that they were still unemployed at the time of the interviews.

## Information sources

#### Websites

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