



Italy: Developments in working life 2016

[Developments in working life in Europe:
EurWORK annual review 2016](#)

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Political context affecting working life aspects

No information.

The government(s) in office during 2016

Government 1	
In office since / to	21 February 2014 – 12 December 2016
Name of the head of government (prime minister / chancellor / ...)	Matteo Renzi
Name all the parties that are forming this government	<p>Eight different parliamentary groups:</p> <ul style="list-style-type: none"> • Democratic Party (<i>Partito Democratico</i>, PD): prime minister and 35 deputy ministers; • New Centre-Right (<i>Nuovo Centrodestra</i>, NCD): three ministers, one deputy minister, and nine undersecretaries; • Union of Christian and Centre Democrats (<i>Unione dei Democratici Cristiani e di Centro</i>, UDC): one minister; • Solidary Democracy (<i>Democrazia Solidale</i>, Demo.S): two deputy ministers; • Civic Choice (<i>Scelta Civica</i>, SC): one deputy minister and one undersecretary; • Italian Socialist Party (<i>Partito Socialista Italiano</i>, PSI): one deputy minister; • Democratic Centre (<i>Centro Democratico</i>, CD): one undersecretary; • Independent: three ministers and four undersecretaries.
List the changes in the composition of the government in 2016	
Additional comments	The resignation of the Renzi Cabinet was the consequence of the rejection of the constitutional reform through the referendum held on 4 December 2016.
Government 2	
In office since / to	12 December 2016 – incumbent
Name of the head of government (prime minister / chancellor / ...)	Paolo Gentiloni
Name all the parties that are forming this government	<p>Eight different parliamentary groups:</p> <ul style="list-style-type: none"> • PD: prime minister, 12 ministers, and 19 undersecretaries; • NCD: three ministers and 10 undersecretaries; • Centrists for Italy (<i>Centristi per l'Italia</i>, Cpl): one minister; • Demo.S: two undersecretaries; • Civic and Innovators (<i>Civics and Innovators</i>, CI): one

	undersecretary; <ul style="list-style-type: none"> • CD: one undersecretary; • PSI: one undersecretary; • Independent: two ministers and four undersecretaries.
List any changes in the composition of the government in 2016	
Additional comments	

Elections and referenda

Election 1	
When did the elections take place?	4 December 2016
What kind of election it was? (parliamentary / presidential / referendum / local / ...)	Referendum
Outcomes of the election (mention also % of the votes achieved by the major participants in the election)	Percentage of votes in favor: 40.9%; percentage of votes against: 59.1%; percentage of Italian voters: 68.48%; percentage of foreign voters: 30.75%; overall percentage of voters: 65.47%
Additional comments	Through the referendum voters were asked to approve or reject the constitutional reform promoted by the Renzi Cabinet. The reform aimed at introducing major changes to the structure of institutions, such as the elimination of equal bicameralism.

Forthcoming significant elections or political events in 2017

Municipal elections

In 2017 municipal elections will take place on a date between 15 April and 15 June in four regional capitals (Catanzaro, L'Aquila, Palermo, and Genoa) and in 22 provincial capitals.

The electoral system and the latest judgment of the Constitutional Court

Since the Constitutional Court had ruled certain aspects of the previous electoral system to be unconstitutional (judgment no. 1/2014), a new system – so-called 'Italicum' – was introduced for the election of the Chamber of Deputies through Act no. 52/2015.

The main features of the current system are the following:

1. a 3% electoral threshold on a national basis is established for the allocation of parliamentary seats;
2. a majority bonus amounting to 340 seats is granted to the list achieving at least 40% of valid votes cast;
3. should none of the competing lists achieve at least 40% of valid votes cast, a second ballot will be held between the two lists that have received the highest number of valid votes cast; seats are allocated in proportion to the number of votes obtained by each list.

It envisages an 8% electoral threshold for lists belonging to a coalition, which decreases to 3% in the event of single lists (without coalition).

The Courts of Messina, Turin, Perugia, Genoa, and Trieste pleaded the unconstitutionality of Italicum in relation to several aspects. The most important are the use of partially fixed lists (which had already been ruled as being unconstitutional in relation to the previous electoral law), the second ballot, and the majority bonus.

On 25 January 2017, the Constitutional Court eventually adopted a decision, ruling the second ballot (point 3 above) to be unconstitutional while confirming the majority bonus (point 2). As specified in the judgment itself, the law, as amended following the ruling under investigation, is immediately enforceable.

Pursuant to Act no. 270/2005, as subsequently amended by the Constitutional Court through judgment no. 1/2014, proportional representation (so-called 'Consultellum') will continue to be applied to the Senate.

Referendum on the Jobs Act

In July 2016, the Italian General Confederation of Work (*Confederazione Generale Italiana del Lavoro*, CGIL) filed a referendum petition with a view to abrogating certain provisions of the latest labour reform (Jobs Act). Last December, the referendum questions were ruled by the Court of Cassation to be legitimate. More in detail, the two referendum questions respectively concern the amendment of Article 18 of Act no. 300/1970 (hereinafter 'Workers' Statute'), and the abolition of the rules on voucher-based work.

A third question concerns the reintroduction of joint liability of contractors and clients as to violations suffered by workers.

On 11 January 2017, the Constitutional Court rejected the first referendum question (the one concerning the abrogation of Article 18 of the Workers' Statute), whereas it ruled the other two admissible.

A referendum on the two questions approved by the Constitutional Court shall be held between 15 April and 15 June 2017.

As a matter of fact, we still cannot predict whether the referendum will take place or not. Should the national elections be called for earlier, the referendum, as required by Act no. 352/1970, would be suspended and postponed until 365 days after the day when the national elections took place. This provision is aimed at avoiding duplication of electoral campaigns. Another hypothesis is that Parliament soon approves amendments to the parts of the reform that are concerned by the two referendum questions.

Reactions from the social partners on new government's working life policies

Amendments to the rules governing voucher-based work might be introduced soon.

The Chamber of Deputies Labour Committee has recently met to discuss a number of proposals to reform the set of rules on casual work as per Act no. 81/2015 (Jobs Act – Labour Contracts Code, hereinafter 'JACode').

One first proposal envisages the reduction of the upper threshold of a worker's annual pay (now set at €7,000).

A second option could be the reduction of the time limit for reimbursement (currently set at 12 months).

The third proposal concerns the elimination of voucher-based supplementary wage bonuses. For the time being, no specific actions should be implemented with a view to restricting the range of economic sectors (broadened through the Fornero reform in 2012) in which vouchers can be used.

As already specified, a legislative reform could hamper the referendum provided that the Referendum Central Office of the Court of Cassation deems the new set of rules to respond to the referendum question, which would thus be cancelled.

Major trade unions have conflicting options: CGIL, which promoted the referendum, calls for the abrogation of the whole set of rules on voucher-based work. The Italian Confederation of Workers' Unions (*Confederazione Italiana Sindacati Lavoratori*, CISL) and the Union of Italian Workers (*Unione Italiana del Lavoro*, UIL), from their side, are in favour of amending the applicable legislation, and oppose the referendum.

Developments in social dialogue and collective bargaining 2016

Major developments in national/peak-level social dialogue 2016

Changes affecting the social dialogue actors and institutions in 2016

Representativeness

Framework agreement for SMEs and new rules on representativeness

On 23 November 2016, three SMEs employers' associations – Confartigianato Imprese, the Autonomous Confederation of Craft Unions (*Confederazione Autonoma Sindacati Artigiani*, Casartigiani), and the Confederation of Italian Associations of Craft Businesses (*Confederazione delle Libere Associazioni Artigiane Italiane*, CLAADI) – signed a new framework agreement jointly with CGIL, CISL, and UIL. This framework agreement contains a set of guidelines for the reform of contractual patterns, as well as new rules on representativeness. As to this latter issue, the agreement meets the need for a well-defined industrial relations system. Three mechanisms have been identified to assess representativeness:

- number of members of workers' unions;
- presence and size of Works Councils (*Rappresentanze sindacali unitarie*, RSUs) within businesses staffed with more than 15 employees;
- benefits provided through paritarian funds (which are joint funds for which social partners define the rules concerning benefits, contributions etc.).

The most important agreements include: the one signed in September 2016 by Assolavoro (affiliated with the General Confederation of Italian Industry – *Confederazione generale dell'industria italiana*, Confindustria), on the one side, and by the Federation of Temporary Agency, Autonomous, and Atypical Workers (*Federazione Lavoratori Somministrati Autonomi ed Atipici*, FeLSA, affiliated with CGIL), New Labour Identities (*Nuove Identità di Lavoro*, NiDIL, affiliated with CISL), and UIL National Association of Temporary, Autonomous, and Atypical Workers, and *Partite IVA (Categoria Nazionale UIL dei Lavoratori Temporanei Autonomi Atipici e Partite IVA*, UILtemp, affiliated with UIL), on the other; and the inter-confederal agreement signed on 26 July 2016 by the Italian Confederation of SMEs (*Confederazione italiana della piccola e media industria*, Confapi), on the one side, and by CGIL, CISL, and UIL, on the other.

Public administration: new branches

On 3 April 2016, the Agency for Bargaining Representation of Public Administrations (*Agenzia per la Rappresentanza Negoziabile delle Pubbliche Amministrazioni*, ARAN) and trade unions signed a draft agreement. The document is aimed at streamlining public-sector bargaining. The most interesting issue concerns the grouping of branches, whose number decreases from 12 to four: Central Government, Local Government, Healthcare, and Education. Nevertheless, some features typical of the Italian administrative framework are preserved: e.g. the distinction between the central and local public administration. Signatory parties moreover set out a time frame within which trade unions may complete merging processes.

Social partners discuss rules to renew the industrial relations system.

After the presentation of a joint proposal from CGIL, CISL, and UIL on a new set of rules governing industrial relations, consultations began between the abovementioned unions and employers' organisations.

The unions' proposal addresses three main aspects currently receiving much political and social attention, namely: workers' participation in corporate decision-making; the consolidation of rules determining representativeness of unions; and the extension of collective bargaining coverage to self-employed workers.

The proposal was welcomed by employers' organisations representing professional services, craft businesses, and small companies, although some divergences emerged concerning the role of decentralised bargaining. In this regard, it is to be noted that Confindustria, the main employers' organisation representing undertakings in the industry sector, refused to discuss the unions' proposal, deeming it not in line with its own aim of linking wages with productivity performance at company level.

Major developments affecting the main actors

On 3 April 2016, the Agency for Bargaining Representation of Public Administrations (Agenzia per la Rappresentanza Negoziale delle Pubbliche Amministrazioni, ARAN) and trade unions signed an [agreement](#). The most interesting issue concerns the grouping of branches, whose number decreases from 12 to four: Central Government, Local Government, Healthcare, and Education.

Legislative or institutional changes to the main social dialogue institutions

Meetings between the government and trade unions on pensions and public-sector employment

In May 2016, the Ministry of Labour and Social Policies and trade unions engaged in an ongoing discussion on unresolved issues concerning the pension system. More in detail, in order to promote social equity, the government and social partners prioritised the implementation of measures aimed at supporting lower and medium pension income.

Completing the reform started with Act no. 208/2015 (hereinafter '2016 Stability Law'), which concerned pensioners older than 74 years, Act no. 232/2016 (hereinafter '2017 Budget Law') addressed low income pensioners by reducing income tax, and amending rules on the supplementary allowance (the so-called '14th monthly payment')

In particular, there will be an increase in the amount paid to current beneficiaries (around 2.1 million pensioners with an income up to 1.5 times as high as the minimum annual benefit paid by the National Institute of Social Security – *Istituto Nazionale della Previdenza Sociale*, INPS), and the 14th monthly payment will be granted also to pensioners with an income up to twice as high as the minimum annual benefit paid by INPS (around €1,000 a month in 2016) as per the applicable legislation.

Consensus has been reached on the goal of favouring long careers started at a very young age (i.e. workers who acquire, before turning 19, a total of 12 months of social security contributions linked to an actual working activity – including that carried out on a non-continuous basis).

Furthermore, it has been decided to introduce new and better retirement conditions for workers performing physically demanding jobs as defined in Act no. 67/2011.

Another important agreement that has been concluded recently concerns the renewal of employment contracts for civil servants, which has been awaited for seven years, and which covers about 3.3 million public-sector employees.

The agreement envisages an average salary increase of €85 a month in the 2016–2018 period, earmarking additional financial resources in the 2017 Budget Law, for an overall amount of around €5 billion.

Changes in the social dialogue processes

Shifting from the informal to the formal step: new premises for industrial relations

The year 2016 was characterised by a long series of meetings involving social partners and the government.

Trade union law keeps being affected by a reform process triggered by employers' and workers' organisations, aimed at ensuring union representation and representativeness, as well as at defining the scope of applicability of national, territorial, or firm-level bargaining agreements.

Both employers' organisations, trade unions, and the government have open-mindedly and proactively worked towards renewing bargaining agreements. In recent months, the parties concerned have shifted from informal discussions to the implementation phase. This change is apparent from the high number of agreements and protocols concluded between the parties. Among them: the renewal of public-sector employment contracts; consensus achieved on the need to reform the pension system; and the joint actions that have led to the approval of Act no. 199/2016, a law aimed at combatting undeclared work and gang-mastering.

Main social dialogue topics and outcomes in 2016

Themes	Description of	Main result
General labour market topics		
Job creation, reduction of unemployment	Job mobility – post-2017 regime: as of 1 January 2017, the ordinary job mobility allowance – established by Act no. 92/2012 – is no longer in place. The Jobs Act introduced a new type of unemployment benefit for employees losing their job: the New Social Insurance Provision for Employment (<i>Nuova prestazione di Assicurazione Sociale per l'Impiego</i> , NASpl).	Legislation passed following debate
Active labour market policies	National Agency for Active Labour Market Policies (<i>Agenzia Nazionale per le Politiche Attive del Lavoro</i> , ANPAL): Act no. 108/2016 contains some provisions on the functioning of the newly established ANPAL. Pursuant to its statute, ANPAL shall implement specific actions in the field of active labour market policies (ALMPs).	Legislation passed following debate

Benefits (unemployment, sickness schemes)	Solidarity funds: pursuant to Act no. 148/2015 (Jobs Act – unemployment scheme for temporary crisis, hereinafter ‘JATC’), solidarity funds can be set up through collective bargaining agreements concluded between union associations and employers’ organisations. They are aimed at protecting workers who are not covered by either the Ordinary Wages Guarantee Fund (<i>Cassa integrazione guadagni ordinaria</i> , CIGO) or the Extraordinary Wages Guarantee Fund (<i>Cassa integrazione guadagni straordinaria</i> , CIGS), and they can be accessed by employers averagely staffed with more than five employees.	Legislation passed following debate
Taxation and non-wage related labour costs	‘Second-welfare’ schemes: the 2017 Budget Law strengthens the tools introduced to encourage private welfare schemes by increasing the number of beneficiaries among workers, as well as by raising productivity bonuses.	Legislation passed following debate
Pension reforms	<p>Pension reform: it includes:</p> <ul style="list-style-type: none"> - income support measures in case of lower and middle pension payments through the provision of the 14th monthly payment; - protection schemes for workers who started their career at a very young age (before turning 19 years old); - a specific measure aimed at avoiding any penalty in case of early retirement before turning 62 years old. 	Legislation passed following debate
Labour market participation of different groups		

Working life related themes		
Wage setting systems, including the setting of minimum wages		
Working time regulations		
Terms and conditions of employment, including different forms of contracts		
Health, safety and well-being at work	<p>Agreement on violence and harassment at work: on 25 January 2016, CGIL, CISL, UIL, and Confindustria signed an agreement on violence and harassment at work.</p> <p>The text implements at national level the Framework Agreement on Harassment and Violence at Work signed in 2007 by European social partners.</p>	Bipartite agreement
Work-life balance related themes, incl. family leaves		
Skills, training and employability		
Any other relevant themes/topics addressed in the national level/peak level social dialogue	<p>Act no. 199/2016: this law is aimed at supporting and strengthening actions to fight against undeclared work, mainly in the agricultural sector. It introduces a new crime into the Italian Criminal Code.</p>	Legislation passed following debate

Examples of selected significant social dialogue debates

Pension reform

On 28 September 2016, the parties signed a memorandum of understanding on the next steps to be undertaken in the social security field.

More in detail, the memorandum envisages:

- income support measures in case of lower and middle pension payments through the provision of the 14th monthly payment;
- protection schemes for workers who started their career at a very young age (before turning 19 years old); a specific measure is included aimed at avoiding any penalty in case of early retirement before turning 62 years old. Starting in 2017, retirement can be brought forward by 12 or 18 months, while from 2019 onwards the goal will be to eliminate the requirements linked to life expectancy.

The most debated issue is the introduction of the so-called ‘advance pension payment’ (*anticipo pensionistico*, APe) for a period of three years and seven months, as set out by law. APe, which is actually a loan, is targeted at people who were born between 1952 and 1954, and will be provided by a lending institution and by INPS. At the same time, the subjects concerned shall take out a life insurance policy with an insurance company.

The changes introduced by the 2017 Budget Law do not represent an organic and thorough reform of the former pension system, but they are aimed at improving the social security system as shaped by the Monti-Fornero reform.

Passive labour market policies

Act no. 92/2012, as subsequently amended, set out the abrogation, starting on 1 January 2017, of the following benefit schemes, which were supposed to be activated in case of involuntary unemployment:

- ordinary job mobility allowance;
- special unemployment allowance for workers in the construction sector.

The abovementioned act furthermore abolished – as of 1 January 2017 – the possibility of enrolling in the so-called ‘job mobility lists’; as of the same date, the provisions envisaging incentives for the hiring of people enrolled in job mobility lists are no longer applicable. However, incentives related to any hire, transformation of contract, and extension implemented before 31 December 2016 will remain valid until their original (even though later) expiry date.

In trade unions’ opinion, the new rules on social safety nets, as well as the elimination of the Special Wages Guarantee Fund (*Cassa integrazione guadagni in deroga*, CIGD) and of the job mobility allowance, have thoroughly changed passive policy tools. Trade unions intend to commit themselves to finding specific and suitable solutions to tackle ongoing changes.

As regards to rules on job mobility, which is no longer applicable as of 2017, Confindustria and trade unions suggest involving vocational training paritarian funds with a view to receiving and accruing this contribution, which should then be devoted to training or used to supplement the job re-integration voucher or NASpI.

Sectoral and company level social dialogue 2016

The national framework agreement on performance-related pay and company-level welfare

On 14 July 2016, Confindustria, CGIL, CISL, and UIL signed an inter-confederal agreement aimed at defining implementation procedures of the Interministerial Act dated 25 March 2016 – which sets out rules on tax benefits to be applied to performance-related bonuses governed by territorial or firm-level agreements, pursuant to the 2016 Stability Law – in relation to companies without union representation. The agreement consists of a short memorandum of understanding, as well as of a draft territorial framework agreement to be used as a model to conclude agreements at local level.

Main developments - other than wages and working time - from important collective agreements or bargaining rounds

NCBA applying to the metalworking sector

On 26 November 2016 in Rome, a draft agreement was signed concerning the new national collective bargaining agreement (NCBA) applying to the metalworking sector, which will be applicable until 31 December 2019. This draft agreement comes after more than one year of negotiations in which all social partners actively took place, being aware of the importance of striking a new agreement for the future of the industrial relations system of the most important industrial sector.

The agreement features significantly innovative aspects.

It applies to a four-year term (from 1 January 2016 until 31 December 2019) but it envisages a pay increase of around €92 that refers only to the period 2017–2019. More in detail, starting on 1 June 2017 and for the whole abovementioned three-year period, workers' wages will benefit from an increase equalling the inflation rate recorded in the previous year, calculated based on the Harmonised Index of Consumer Prices (HICP) and weighted against statutory minimum wage levels.

The minimum wage level as set out pursuant to a specific staff level will thus increase at the same rate as inflation in the previous year. This aspect is very important for the industrial relations system: first of all, it allows us to maintain that minimum wage levels envisaged in the relevant NCBA will not be eliminated (the Association of Italian Metalworking Industry – *Federazione Sindacale dell'Industria Metalmeccanica Italiana*, Federmeccanica – has indeed withdrawn its proposal to eliminate minimum wage levels); secondly, inflation effects will be weighted against wage levels as set out in NCBA (and no longer against actual wages, which are on average higher).

A one-off allowance equalling a gross amount of €80 will be provided in the payroll of March 2017. Most of the increase in metalworkers' income will come from NCBA-based welfare. To this aim, it is established that, from June 2017 on, companies' contribution to the National Supplementary Pension Fund for Workers in the Metalworking Industry, Machinery Installation Services, and Related Sectors (*Fondo Nazionale Pensione Complementare per i lavoratori dell'industria metalmeccanica, della installazione di impianti e dei settori affini*, COMETA), which is aimed at providing supplementary social security schemes, will rise from 1.6% to 2% of each pay level.

Furthermore, again in relation to wages, company-level performance-related bonuses are envisaged, and it has been established that only individual pay increases granted since January 2017, as well as fixed pay components as set out through future company-level bargaining, can be absorbed. Pay components linked to the performance of the working activity (overtime, night or holiday hours, etc.) cannot instead be absorbed.

NCBA applying to the tertiary sector

In November 2016, the Italian General Confederation of Companies, Professional Activities, and Self-employment (*Confederazione Generale Italiana delle Imprese, delle Attività Professionali e del Lavoro Autonomo*, Confcommercio) and the union confederations CGIL, CISL, and UIL signed an agreement concerning industrial relations and the contractual pattern to be applied to the tertiary sector.

The new agreement maintains the so-called 'double-level pattern' consisting of national and firm-level bargaining. The parties have jointly agreed that the main goal for the tertiary sector is to eradicate contractual dumping, above all that related to pay.

The agreement furthermore sets out the assessment of representativeness also for employers' organisations with a view to determining the comparatively most representative ones.

A further innovative element is related to NCBA-based welfare with tools aimed at providing both tax and social security incentives.

NCBA applying to SMEs

On 23 November 2016, Confartigianato Imprese, the National Confederation of Craftsmanship and SMEs (*Confederazione Nazionale dell'Artigianato e della Piccola e Media impresa*, CNA), Casartigiani, and CLAAI – along with CGIL, CISL, and UIL – agreed upon a set of guidelines for the reform of contractual patterns and industrial relations, and signed an agreement on representation.

After nine months' negotiations, the parties thus defined new rules with a view to governing employment relationships within firms, combatting contractual dumping, and granting political recognition to representation of both artisan businesses and small enterprises staffed with up to 49 employees, which employ about 4 million people.

The most important aspects of the agreement concern the reorganisation of the currently existing nine NCBAs into four macroareas (manufacturing, services, construction, and road transport), the consolidation of the two-level (national and territorial) bargaining structure, and the possibility for second-level (territorial) bargaining to modify working hours.

NCBA applying to the textile sector

On 12 October 2016, Uniontessile (the trade association affiliated with the Italian Confederation of SMEs – *Confederazione italiana della piccola e media industria*, Confapi), the Italian Federation of Workers in the Chemical, Textile, Energy, and Manufacturing Sectors (*Federazione italiana dei lavoratori della chimica, tessili, dell'energia e delle manifatture*, FILCTEM, affiliated with CGIL), the Federation of the Energy, Fashion, Chemical, and Similar Sectors (*Federazione energia, moda, chimica ed affini*, FEMCA, affiliated with CISL), and the Italian Union of Workers in the Textile, Energy, and Chemical Sectors (*Unione italiana lavoratori del tessile, energia e chimica*, UILTEC, affiliated with UIL) signed the draft agreement aimed at renewing the NCBA applying to SMEs operating in the following sectors: textile, clothes, fashion, shoes, leather and hide, pens, brushes and paint brushes, glasses, and toys. The agreement is applicable from 1 April 2016 until 31 March 2019.

In order to encourage the repatriation of Italian businesses manufacturing typically Italian products abroad, the contracting parties suggest concluding firm-level agreements aimed at increasing workers' vocational skills through flexible working hours.

NCBA applying to the Electric sector

On 25 January 2017, it was signed the agreement between General Confederation of Italian Industry (*Confederazione generale dell'industria italiana*, Confindustria) and the Italian Federation of Workers in the Chemical, Textile, Energy, and Manufacturing Sectors (*Federazione italiana dei lavoratori della chimica, tessili, dell'energia e delle manifatture*, FILCTEM, affiliated with CGIL), the Federation of Workers for companies in the Electric sector (*Federazione lavoratori aziende elettriche italiane*, FLAEI, affiliated with CISL), and the Italian Union of Workers in the Textile, Energy, and Chemical Sectors (*Unione italiana lavoratori del tessile, energia e chimica*, UILTEC, affiliated with UIL) for the renewal of NCBA covering the energy and oil sector. The NCBA is valid for three years (2016-2018). Main elements of innovations concern the labour productivity and company-level welfare. On this last point increases are planned on supplementary pensions (+ 0.1% from January 2018) and supplementary health (€ 4 starting from 1 January 2017).

Social partners also signed a Memorandum for the 'Solidarity employment and for active policies'. The document states the intention to strengthen the active policies provided by current legislation. The aim is to support companies and workers in the electricity sector by means of a paritarian fund.

Examples of innovative collective agreements (at any level) made during 2016

Metalworkers

As already explained, the agreement entered into by Federmeccanica, the Federation of White and Blue-Collar Metalworkers (*Federazione Impiegati Operai Metallurgici*, FIOM), the Italian Federation of Metalworkers (*Federazione Italiana Metalmeccanici*, FIM), and the Italian Union of Metalworkers (*Unione italiana lavoratori metalmeccanici*, UILM) is one of the most innovative agreements among those signed in 2016. The new aspects mainly concern pay levels, company-level welfare, and supplementary social security schemes. The agreement can be deemed innovative also considering some aspects related to work-life balance and workers' in-firm training.

Policies and actions to address pay-inequalities

The recent public debate on pay gaps at the workplace

Focus on mini-jobs (voucher-based work)

In recent months public debate has focused on the use of so-called ‘voucher-based work’. The new provisions became effective in June 2015.

The original aim of vouchers is regulating and protecting forms of occasional work provision often falling within undeclared work.

Currently, vouchers can be used for all economic sectors, all categories of workers, all kind of activities and are free from any maximum cap limiting their overall use by clients. The remaining boundaries concerns:

- the agriculture sectors, where specific restrictions still apply;
- activities performed in the framework of subcontracting agreements, where vouchers are banned;
- maximum income caps applying to the annual amount perceived by each worker in total (€ 7,000) or by a single client (€ 2,000).

This means that there are no limits to their diffusion, other than maximum income thresholds.

In addition, concerns were raised for the possible misuse of vouchers as a tool to cover undeclared work since clients did not have to specify the exact timing of the relative work provisions.

Moreover, data suggest that workers paid with vouchers often do not perform these activities on occasional basis, being them their only or main source of income.

Vouchers entail a € 7.50 net hourly payment that might be below wages applied to employees covered by collective agreements.

(PDF) <http://www.gazzettaufficiale.it/eli/id/2016/12/21/16G00242/sg>In September 2016, through Act no. 185/2016 the government modified the applicable legislative framework with a view to ensuring a higher degree of traceability of vouchers.

As per the legislation in force, the employer shall notify the relevant territorial branch of the National Labour Inspection Office (*Ispettorato nazionale del lavoro*) of the personal details or tax ID of the worker concerned, as well as of the place and duration of the working activity. The notification shall be submitted by SMS or email at least 60 minutes prior to the beginning of the working activity.

Act no. 276/2003 entailed the possibility to use vouchers only for ‘occasional and accessory’ activities, like: casual household services, casual activities of gardening and cleaning, organisation of events, support to emergency or solidarity activities. In addition, their use was limited to: long-term unemployed, housewives, students, retirees, disabled people, people living in therapeutic communities, third country nationals (TCN) residing in Italy and being in unemployment for more than six months.

Yet, such provisions underwent a gradual deregulation up to their abrogation by means of Act no. 92/2012, and to the elimination even of the general requisite of “occasional and accessory nature” of the work performance by means of Act no. 76/2013.

The jobs act (Act no. 81/2015) widely deregulated framework. This because the vouchers can be lawfully applied as an alternative to subordinate employment for the performance of the same tasks of employees generating precariousness and inequalities in terms of applied wage and paid social security contributions.

Despite these new procedural rules, the major trade unions continue to voice their concerns about the system. As already explained, CGIL has filed a referendum petition with a view to abrogating the whole set of rules on mini-jobs.

CISL, from its side, has declared that there is no need to organise a referendum to guarantee protection for workers; instead, proactive and productive meetings between social partners are necessary. This union confederation moreover agrees with the proposal to amend the legislative framework on mini-jobs, tabled by the president of the Chamber of Deputies Labour Committee. The proposal emphasises the need to consider vouchers as a tool to be used only in exceptional situations and in the event of non-continuous working activities.

Those in favour of broadening the scope of applicability of vouchers point out that the main goal of this working pattern is to favour the transformation of undeclared work into a law-abiding working relationship.

It should be added that the latest data provided by INPS show that voucher-based work is being used more and more often in the trade, tourism, and service sectors. INPS furthermore outlines that in the first 10 months of 2015 the use of voucher-based work increased by 67.6% on 2014.

Positions regarding the posted workers directive

Positions of trade unions

CGIL, CISL and Uil issued a [joint document](#) welcoming the aim of the proposal, while expressing criticism about its actual reach.

They remarked that the concept of ‘universally applicable’ remuneration may clash with the non-binding nature of collective agreements in Italy and of the wage levels they set.

They asked for a reduction of the 24-month limit applying to short posting, and highlighted that it should not prevent the application of criteria defining the genuinely temporary nature of posting, as set out in Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System (‘the IMI Regulation’).

The proposal is also criticised for the absence of references to the role unions play in tackling social dumping, a role that conflicts with their freedom to provide services as stated by the notorious Laval ruling (*Laval Un Partneri Ltd v Svenska Byggnadsarbetareförbundet C-341/05*).

As to temporary agency work, unions highlighted that the new provisions should not impact on the Italian legal framework, according to which the principle of equal treatment between posted temporary agency workers and domestic workers is already recognised by law.

Positions of employers organisations

The main employers’ organisation representing large companies, Confindustria, [voiced its appreciation](#) for the new provisions and their likely positive impact on international competition. The wider scope for the application of host country legislation is expected to grant a level playing field for businesses, benefitting Italian companies posting workers abroad.

The network of employers’ organisations representing SMEs, R.ETE. Imprese Italia, [praised](#) the enlargement of the notion of minimum rates of pay, arguing in favour of the principle ‘equal pay for equal job’. On the other hand, this employers’ organisation deemed the 24-month limit to be too long, suggesting, instead, empowering European social partners to adjust it at sectoral level. It also stressed the urgent need for specific provisions addressing posting in the road transport sector. Finally, it called for the introduction of a preliminary declaration, to be submitted by service providers, on the economic and legislative conditions applied to posted workers, as well as for the approval of rules making the enforcement of sanctions abroad more effective.

Position of the government

The government deemed the proposal to be in line with the subsidiarity principle and to represent an important step in the fight against social dumping. Concerns were expressed with regard to the notion of ‘universally applicable pay’ as wage levels agreed upon at national and decentralised level do not have *erga omnes* effectiveness in Italy.

Pay gaps at the workplace

Evidence

There are no recent studies covering specifically pay gaps observed at work place level.

Istat annual report 2016 on the state of the nation: A gender equality problem

An analysis, by the National Institute of Statistics (Istituto Nazionale di Statistica, Istat), of the distribution of individual gross labour income, which is based on the data of a sample survey on income and living conditions (the Statistics on Income and Living Conditions – Europe, EU-SILC) of 2014, has pointed out that the most significant inequalities in the labour market are linked to investments in human capital, as well as to professional skills, gained experience, and sector of reference; some others are linked to the lifecycle (parenthood and family roles); yet others are linked to factors that do not hinge upon individual choices, such as gender or the fact of belonging to younger generations.

The main findings of the report show that gender differences represent one of the major causes of inequalities in the distribution of gross labour income on the market. Compared to female workers, their male counterparts are more likely to attain higher levels of labour income.

Moreover, highly fragmented working hours (typical of seasonal jobs) also strongly impact – both from the quantitative and the qualitative perspective – on inequalities in terms of primary income.

(PDF) <http://www.istat.it/it/files/2016/05/Ra2016.pdf>

‘Quarterly update on employment trends – Third quarter of 2016’ by the Italian Ministry of Labour and Social Policies, Istat, INPS, and Inail

The quarterly update on employment trends, published by the Italian Ministry of Labour and Social Policies, Istat, INPS, and the National Institution for Insurance against Accidents at Work (Istituto nazionale per l’assicurazione contro gli infortuni sul lavoro, Inail), analyses labour market trends in the third quarter of 2016.

No specific data are available on the issue of inequalities in the workplace. However, the update provides interesting information about current employment trends. The different sources referred to in the document show that employment growth trends are triggered by subordinate employment. A strong increase in the use of vouchers stands out: in the first nine months of 2016, 109.5 million vouchers were sold, meaning a 34.6% increase on the same period of the previous year.

Vouchers entail a € 7.50 net hourly payment that might be below wages applied to employees covered by collective agreements.

(PDF) <http://www.gazzettaufficiale.it/eli/id/2016/12/21/16G00242/sg>

There are no recent studies covering specifically pay gaps observed at work place level. Annual report of the Labour inspectorate regards cases on the undeclared work and other irregular forms of employment without specifying whether the concerned workers suffered of wage discrimination.

Policies to address pay inequalities at the workplace

There was no significant measure addressing pay inequalities at the workplace level in the 2014-2016 period. Compared to 2012, the Jobs act introduced the possibility for NCBAAs to specify conditions allowing to enter self-employment contracts ('*co.co.co*') provided they rule the applicable employment conditions and wage.

Social partner's involvement in addressing pay inequalities at the workplace

Social partners focussed much attention on the issue of precarious work, which might trigger pay inequalities. There was no relevant initiative addressing pay inequalities at the workplace as such.

WORKING PAPER

Promoting the reconciliation of working families and caregivers

Recent policies

The 2017 Budget Law introduced new measures in terms of social security, social and family policies, and promotion of equal opportunities.

The most important provisions are outlined here below:

- Support Fund for Higher Birth-Rates (Fondo di sostegno alla natalità): this fund, established at the Presidency of the Council of Ministers, is aimed at promoting access to credit for families with one or more children born or adopted on or after 1 January 2017. It is based on the issuance of direct guarantees, including suretyships, targeted at banks and financial intermediaries;
- Childbirth bonus: this €800 lump-sum is granted upon the birth or adoption of child, and is paid by INPS in a single instalment following the ad hoc application to be filed by the future mother. The application can be submitted at the end of the seventh month of pregnancy or when the child is adopted;
- Support Fund for Family Allowances (Fondo per l'incremento degli assegni al nucleo familiare): this fund increases the monthly allowances for Italian citizens working in an EU Member State who have four or more children;
- crèche and baby-sitting vouchers: the crèche voucher is aimed at supporting the enrolment in public or private crèches, or alternatively the introduction of support tools at home in the case of children below three year of age, affected by severe chronic diseases. The voucher amounts to €1,000 a year for children born on or after 1 January 2016. Eligibility is conditional upon the submission of an enrolment certificate and the payment of tuition fees of public or private crèches.
The provisions furthermore confirm the possibility for both employed and self-employed mothers to apply for a crèche or baby-sitting voucher in lieu of parental leave (wholly or partially);
- mandatory paternity leave: this type of leave is targeted at employed fathers in the private and public sector, and is implemented on an experimental basis until the end of 2018. It shall be taken (including on a non-continuous basis) within five months from childbirth, and its duration is extended from one to two days in 2017, and up to four days in 2018 (it can be raised up to five days if the father replaces the mother in relation to the mandatory leave period she is entitled to). This covers the full wage and is paid by INPS;

Rights to request special working time arrangements, place of work etc.

Act no. 81/2015 extended also to mothers of adoptive children the right not to perform night-shift working for a three-year period after the entrance of the child in the family, provided the child is aged less than 12.

In addition, the same provision extended the right to shift from full time to part time to employees suffering from serious and progressive disease conditions. In case the disease affects a relative, the employee is granted priority in the transformation of full time contracts into part time ones.

The role of collective agreements

In general, NCBA in almost all economic sectors, integrates rules on parental and other leaves, for instance by topping up benefits paid by INPS. Usually, regarding the work life balance firm level agreements refer first of all to national legislation.

In the last two years, second-level bargaining, mainly at firm level, has tried to find out solutions to the work–life balance problem in general. The parties have introduced to many bargaining agreements innovative solutions aimed at promoting more flexible working arrangements, in terms of both working schedule and workplace.

In recent months, such solutions can be found especially in bargaining agreements applying to the banking sector.

It is worth mentioning, among others, the firm-level agreement on smart working, entered into by the Cariparma banking group on 8 March 2016. The signatory parties are the Cariparma Crédit Agricole group, the Autonomous Federation of Italian Bank Employees (Federazione Autonoma Bancari Italiani, F.A.B.I.), the Italian Federation of Tertiary Service Networks (Federazione Italiana Reti dei Servizi del Terziario, FIRST, affiliated with CISL), the Italian Union Federation of Workers in the Insurance and Banking Sectors (Federazione Italiana Sindacato Assicurazioni Credito, FISAC, affiliated with CGIL), the National Federation of Trade Unions of Workers in the Banking, Finance, and Insurance Sectors (Federazione Nazionale Sindacati Autonomi Personale di credito, finanza e assicurazioni, SINFUB), Ugl Credito (affiliated with the General Union of Labour – Unione Generale del Lavoro, UGL), the UIL Trade Union of Workers in the Banking, Tax Collecting, and Insurance Sectors (UIL Credito, Esattorie e Assicurazioni, UILCA, affiliated with UIL), and the United Trade Association Falcrisilcea (Unità Sindacale Falcrisilcea, UNISIN).

More in detail, [the pilot project on smart working](#) is aimed at increasing labour productivity and at promoting work–life balance (such as flexible working hours). Please note that an Italian draft law defines smart working as work re-organisation based on new technologies in order to overcome the time and space constraints of traditional workstations. The smart worker is free to work anywhere he/she wishes using technology tools.

It is intended to ease labour mobility and to incentivise hiring of women who want to work at home during and after pregnancy.

The possibility to benefit from smart working is governed by a specific individual agreement between the employee and his/her supervisor. Furthermore, employers commit themselves to motivating, through a meeting with the employee, any rejection of his/her requests related to smart working.

As to flexible working time, the [Intesa San Paolo](#) banking group has kicked off in 2015 a pilot project on smart working through a collective agreement involving about 5,600 workers, but the number of workers benefitting from the project is unknown.

The group has stated that it shares with trade unions the commitment to analysing and introducing tools aimed at improving work–life balance with a view to helping people with care responsibilities enter or remain in the labour market; The work-life balance is favoured through better benefits provided than under the applicable NCBA.

One aspect of particular relevance and innovation of the project is the fact that employees can work from home up to 8 days a month, and the flexible working time does not have specific time limits.

Positive evidence emerging in terms of satisfaction of employees and business productivity allowed passing from the testing phase to the stabilisation of the project in 2016.

Parental leave on an hourly basis was introduced by the Jobs Act. NCBA are setting only specific provisions.

On 15 December 2015, the Italian Banking Association (Associazione Bancaria Italiana, ABI), jointly with F.A.B.I., FIRST, FISAC, SINFUB, Ugl Credito, UILCA, and UNISIN, [signed an agreement](#) setting out rules on the take-up of paid parental leave on an hourly basis, in force as of 1 February 2016. According to the agreement, parental leave on an hourly basis can be requested throughout the year by both full-time and part-time staff members for both parents. The minimum time span is one hour a day provided that the sum of hours throughout the whole month in which parental leave is taken makes up one or more full working days. A similar [clause](#) on hourly parental leave was signed in the commerce sector on 15 April 2015 an agreement was signed between Fiom and Unionmeccanica Confapi.

Outside the banking sector, it is worth mentioning Article 40 of the NCBA applying to the food industry, which had already provided the possibility of taking paid leaves in the case of serious and certified illness of the child up to 12 years of age. In conclusion, the firm-level bargaining agreement entered into by Sanpellegrino on 13 March 2012, which extends paternity leave to four days.

WORKING PAPER

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency, whose role is to provide knowledge in the area of social, employment and work-related policies. Eurofound was established in 1975 by Council Regulation (EEC) No. 1365/75, to contribute to the planning and design of better living and working conditions in Europe.

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