Self employment and temporary work in Italy: five years of labour reforms

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Peculiarities of the Italian labour market

• Highly segmented labour market;

• Flexibility model largely based on a high incidence of solo self-employment (17% of tot. employment in 2017, including collaborations) and irregular employment (estimated at 13.3% of people in employment in 2014);

• The 2008 and 2012 crises and labour market reforms since 2012 are in part changing this pattern. In the 2008-2017 period:
  – decline in full time permanent dependent employment (-5%), but strong increase in part-time employment (+34%, largely involuntary) and in temporary dependent employment (+19);
  – Decline in self-employment (-9%), but strong increase in freelance professionals without employees (+26%) among the self-employed.
The growth of temporary dependent employment

- Since 2014 strong increase in **fixed term contracts, agency contracts**, and very **short-term occasional work**: in 2016, almost 48% of temporary contracts had a duration lower than 6 months (31% in EU28).

- **Prevalent among young people**, but **increasing among adults**. More diffused among the low educated and in the accommodation-retail sectors and in agriculture.

- Transition rates show that these positions are **increasingly a dead end** rather than a stepping stones.

- **Cyclical factors**: prudential employers’ strategies due to high uncertainty.

- **Structural factors**: changes in labour legislation, liberalising the use of fixed term contracts and mini-jobs until 2017 and restricting use of collaborations.
The changing composition of self-employment

• Heterogeneous groups, including the so called collaborators, hybrid status midway between dependent and independent employment.

• In the 2008-2017 period:

  – decline in self-employment mainly among Collaborators and Employers.

  – strong increase in Professional freelancers in business and personal services and in technical and knowledge intensive occupations.

• As in the Dutch case, changes may be ascribed to recent changes in employment regulation (Fornero Reform in 2012 and 2015 Jobs Act), technological innovation, and consumption patterns, besides competitive pressures.
Changes in employment regulation

• With 2012 Fornero Reform and 2015 Jobs Act adoption of *flexicurity approach* to reduce segmentation and bogus self-employment:
  ✓ **reduction of protection for permanent contracts** (new open ended contracts with increasing protection and monetary compensation instead of reinstatement for non-discriminatory layoffs). High financial incentives in 2015 for these new contracts;
  ✓ **rationalisation and limitation of other contract types** (collaborations);
  ✓ **increased level, duration, and coverage of UB** (extended to collaborators);
  ✓ **strengthening of ALMPs**.

• 2017 Act for self-employed workers without employees extending employment rights and social benefits to solo self-employed and “smart workers”.

• **Debate over the long-term effects** of the Jobs Act.
Recent changes in the regulation of temporary employment

- Short term fixed terms contracts, temporary agency work, and apprenticeships liberalised in 2014 (Act 78).
- Voucher based mini jobs introduced in 2003, operative with revisions since 2008, liberalised in 2015, repealed in 2017. Substituted by new forms of occasional work, with different rules for households and other employers.
- The 2017 Act on smart working for the first time introduces a definition for ICT – based mobile work and outlines a general regulation on employment rights.
Recent changes in the regulation of solo-self employment

• **The 2015 Jobs Act:**
  – Abolished project-based collaborations and limited the use of other forms of collaborations;
  – Extended access to UB to collaborators (DISCOLL)

• **The 2017 ACT for solo self employed** extends:
  – Employment rights (written contract; compensation for unfair clauses; intellectual property rights
  – Access to ALMP and job opportunities
  – Access to social protection (unemployment, maternity/paternity, and sickness provisions)
  – Fiscal provisions supporting access to professional training
  – Creation of a monitoring body under the Ministry of labour
Access to social protection for temporary employees and smart workers

• **Temporary employees** covered by the **ordinary** employment and social protection rights, as dependent workers.

• Fixed term and Temporary agency workers may also be covered by supplementary **occupational funds managed by bilateral agencies**.

• However, welfare benefits not based on universal schemes (e.g. sickness, unemployment, family benefits, pensions) **depend on the duration of the contract and contribution periods**.

• **Self-employed workers** have lower **social protection** for welfare benefits not based on universal schemes (e.g. sickness, family benefits, pensions, unemployment benefits, social assistance). Differences according to the category of SE.
Policy challenges

• Similar policy challenges as in the Netherlands

• Growing share of temporary and solo self-employment with worsening income and working conditions, income discontinuity, multiple job holding, low access to social protection. Need for:

  o **Ensuring and enforcing employment and social protection rights** to all workers, whatever the status with attention to their transferability and transparency (as in the recent EC proposal).

  o **Regulating the ‘employer’ and worker status** in platform work based on new forms of intermediation and working conditions.

  o **Improving the role of Public administrations as employers** of service providers and temporary work.

  o **Supporting new emerging forms of collective representation** for the protection of the rights of new workers’ typologies (including freelance and platform workers).
Questions

• What is the take up and effective coverage of social protection schemes among temporary workers and solo SE? Are there specific provisions for platform workers?

• Are there provisions to support the transferability of social protection rights and to improve the transparency of available schemes and awareness rising?

• How does the CTA certification system works? What type of problems did it encountered leading to its suspension?

• How do public administrations in the Netherlands support good working conditions for their service providers?

• Are there specific provisions to support access to training and to credit for self-employed professionals and atypical workers?
Thank you for your attention

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