

# 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 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:
  - **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).
  - **Regulating the ‘employer’ and worker status** in platform work based on new forms of intermediation and working conditions.
  - **Improving the role of Public administrations as employers** of service providers and temporary work.
  - **Supporting new emerging forms of collective representation** for the protection of the rights of new workers’ typologies (including free lance 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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