

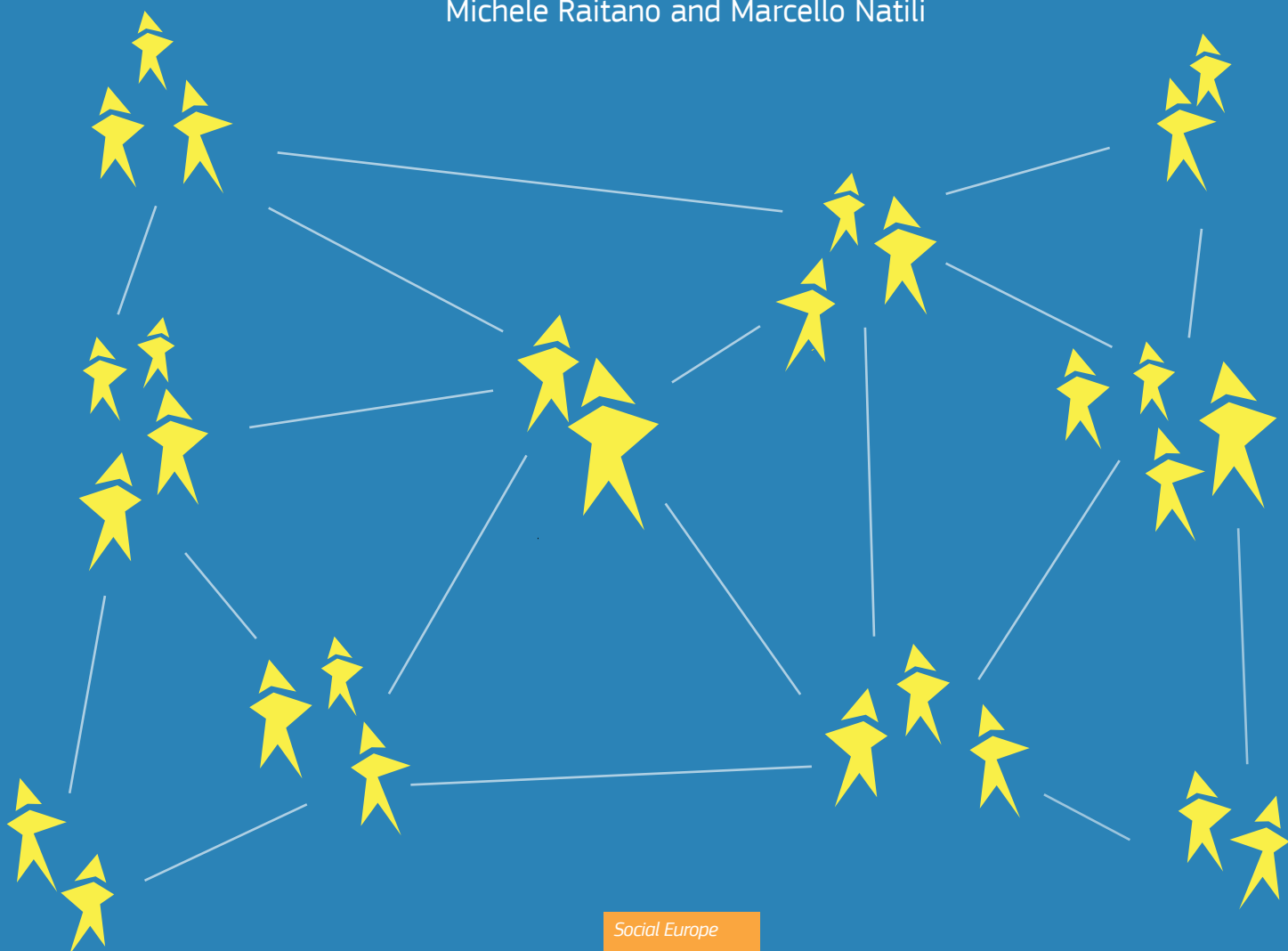


EUROPEAN SOCIAL POLICY NETWORK (ESPN)

Access to social protection for young people

Italy

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European Social Policy Network (ESPN)

**ESPN Thematic Report:
Access to social protection for
young people**

Italy

2021

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SUMMARY

Substantial labour market flexibilisation over the period 1997-2015 often led to significant coverage gaps and inadequate protection against various social risks for workers in atypical employment, affecting in particular young workers. Traditional welfare state arrangements designed during the industrial age did not offer the same protection as that for standard workers to those following the new career profiles – characterised by more frequent spells of non-employment and unemployment. Gaps (*de jure*) and obstacles (*de facto*) in accessing (adequate) social protection benefits were particularly evident in the field of unemployment protection: the contributory nature of the schemes and the tight contributory requirements *de facto* excluded from protection a relevant share of fixed-term workers, whereas apprentices, temporary agency workers (before the 2012 reform) and parasubordinate collaborators (before 2015) were formally excluded from the unemployment benefit system. Furthermore, the lack of an anti-poverty minimum-income scheme was particularly detrimental for (young) atypical workers and especially new entrants to the labour market.

The 2015 labour market reform made the unemployment system much more inclusive – with respect to both formal gaps and *de facto* obstacles. Despite improvements, the interaction between fragmented/disadvantaged career profiles and strictly contributory unemployment benefit schemes still led to lower protection levels for younger cohorts in atypical employment. Moreover, only a narrow and temporary (2021-2023) programme exists to protect some categories of self-employed people in case of income/revenue loss, and all other self-employed groups (e.g. craftsmen, shopkeepers, other categories of professionals) are not covered by unemployment benefit schemes regardless of age.

In the field of sickness benefits, there are neither specific age-related conditions excluding young people nor major obstacles in access, apart from the fact that young people have a higher risk of being unemployed, and the unemployed are entitled to lower protection compared with those who are employed.

As for healthcare, the universal nature of the system ensures that no gaps and obstacles exist for young people.

In the field of maternity, paternity, and paternal leave there are generally neither specific age-related conditions excluding young people nor major obstacles in access, the exception being for self-employed people.

The introduction of a national minimum-income scheme in 2018 and its subsequent strengthening in 2019 filled a substantial gap not only for poor households but also for the young in Italy.

The underdevelopment of both social housing and housing allowances constitutes a barrier to young people's autonomy and economic security. Furthermore, young people are not recognised as a category that should have priority access to such services: thus, especially for atypical workers, the ability to respond to housing needs depends first and foremost on the family of origin.

Against such a backdrop, with regard to the national debate on young people's access to social protection schemes, there are two main considerations. On the one hand, there is an ongoing discussion – and related reform proposals as well – on how to both extend the perimeter of unemployment protection beyond dependent employment and reinforce protection for workers with disadvantaged career profiles – two issues which are relevant to a large proportion of young people in atypical employment. On the other hand, it should be acknowledged that, as well as redistributive monetary measures such as those covered by this report, services (primarily childcare) and pre-distributive measures (aimed at tackling labour market segmentation and limiting the most precarious types of employment) are often at the centre of the political debate, since they might be more effective in improving the condition of young cohorts in Italy.

1 KEY FIGURES ON THE SOCIO-ECONOMIC SITUATION OF YOUNG PEOPLE¹

1.1 Distribution of young people (aged 15–29) by main activity status

Table 1a: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and Italy , % 15-29 and 30-64)

	ITALY											
	15-29						30-64					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	28.6	29.7	30.3	30.8	31.8	29.8	64.8	65.7	66.5	67.1	67.4	66.8
<i>Paid employment**</i>	82.6	83.3	84.9	85.7	86.4	86.4	76.0	76.4	77.0	77.2	77.3	77.6
<i>Self-employment**</i>	10.6	10.4	9.6	9.2	9.1	9.3	20.8	20.4	20.0	19.9	19.9	19.8
<i>Contributing family work**</i>	6.8	6.3	5.6	5.0	4.5	4.3	3.2	3.2	3.0	2.9	2.8	2.6
UNEMPLOYMENT***	29.9	28.4	26.7	24.8	22.4	22.1	9.0	9.0	8.8	8.4	8.1	7.3
INACTIVITY****	59.2	58.4	58.7	59.0	59.1	61.7	28.8	27.9	27.1	26.8	26.6	28.0
	EU-27											
	15-29						30-64					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	45.0	45.9	46.9	47.7	48.2	46.1	71.4	72.4	73.5	74.5	75.3	74.9
<i>Paid employment**</i>	91.8	92.2	92.4	92.6	92.8	92.5	83.0	83.3	83.7	84.0	84.1	84.2
<i>Self-employment**</i>	5.3	5.2	5.2	5.2	5.1	5.4	14.6	14.5	14.3	14.2	14.2	14.1
<i>Contributing family work **</i>	2.9	2.6	2.4	2.2	2.1	2.1	2.4	2.2	2.0	1.8	1.7	1.7
UNEMPLOYMENT***	17.3	15.8	14.2	12.8	11.9	13.3	8.5	7.7	6.9	6.1	5.6	5.8
INACTIVITY****	45.6	45.4	45.3	45.3	45.3	46.8	22.0	21.6	21.0	20.6	20.2	20.5

Notes: (*) The employment rate is expressed as a share (%) of the total population in the age group. The 3 categories of employment (paid employment [i.e. employees], self-employment and contributing family work) are expressed as a share (%) of the population in employment in the age group. Contributing family work is a form of labour (generally unpaid, although compensation may come indirectly in the form of family income) that supports another member of the family to run an agricultural holding or another business. (**) The unemployment rate is expressed as a share (%) of the active population, i.e. the population that is either in employment or unemployed (not the total population), in the age group. (***) The inactivity rate is expressed as a share (%) of the total population in the age group.

Reading note: In 2020, in Italy, 29.8% of people aged between 15 and 29 were in employment, compared to 66.8% of those aged 30-64. In the EU-27 as a whole, these figures were 46.1% and 74.9%, respectively. The share of people unemployed in the active population in Italy was 22.1% of the 15-29 age group and 7.3% of the 30-64 age group (EU-27 average: 13.3% and 5.8%). The shares of people economically inactive in Italy in the 15-29 and 30-64 age groups were 61.7% and 28.0%, respectively (EU-27 average: 46.8% and 20.5%).

Source: Eurostat, ESPN Network Core Team calculations based on LFS indicators [lfsa_eegais], [lfsa_egaps], [lfsa_pganws] and [lfsa_igan]. Data downloaded on 24 May 2021.

¹ Except where otherwise specified, the indicators presented in Section 1 of this report were computed by the ESPN Network Core Team on the basis of data coming from two data sources coordinated at the European level by the statistical office of the European Union (Eurostat: <https://ec.europa.eu/eurostat>): European Union Labour Force Survey (EU-LFS) and European Union Statistics on Income and Living Conditions (EU-SILC). These indicators were computed for all the 35 ESPN countries for which the data needed were available. All these ESPN countries' estimates are presented in Annex B of the following Synthesis Report: Dalila Ghailani, Stéphanie Coster, Ramón Peña-Casas and Pietro Regazzoni (2021), "Access to social protection for young people. An analysis of policies in 35 countries", European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union. This Synthesis Report can be downloaded [here](#).

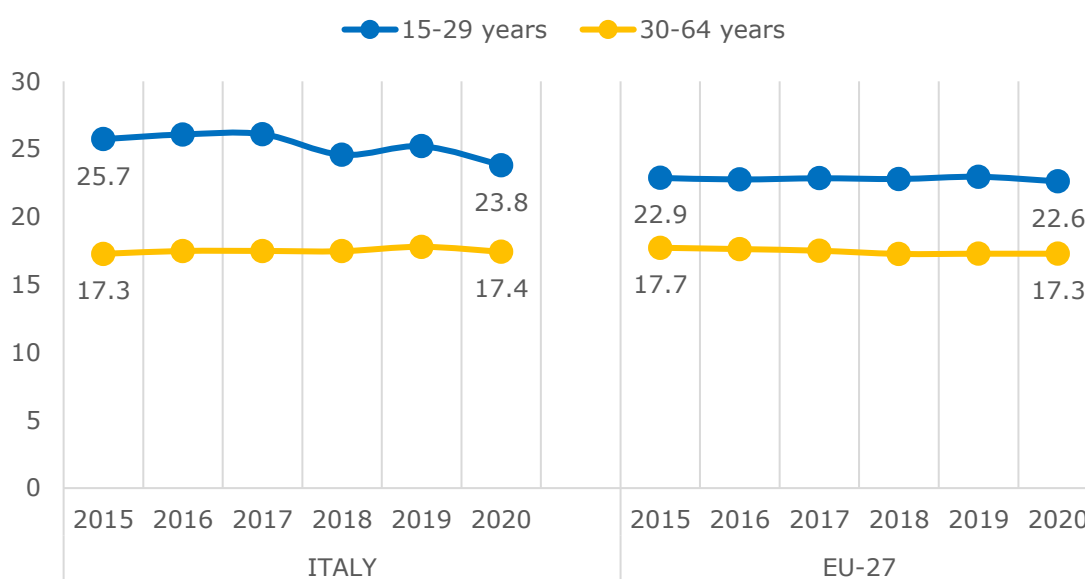
Table 1b: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and Italy, ratios 15-29/30-64)

	ITALY						EU-27					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	0.44	0.45	0.46	0.46	0.47	0.45	0.63	0.63	0.64	0.64	0.64	0.62
Paid employment**	1.09	1.09	1.10	1.11	1.12	1.11	1.11	1.11	1.10	1.10	1.10	1.10
Self-employment**	0.51	0.51	0.48	0.46	0.46	0.47	0.36	0.36	0.36	0.36	0.36	0.38
Contributing family work**	2.12	2.01	1.85	1.75	1.57	1.68	1.21	1.20	1.21	1.24	1.24	1.20
UNEMPLOYMENT***	3.33	3.18	3.05	2.95	2.78	3.03	2.04	2.06	2.06	2.09	2.10	2.29
INACTIVITY****	2.06	2.10	2.16	2.21	2.22	2.21	2.07	2.11	2.16	2.20	2.24	2.29

Notes: To obtain the ratio of 15-29 to 30-64, the 15-29 percentage is divided by the 30-64 percentage: a value below (above) 1 in a given activity status therefore means that 15-29-year-olds are proportionally less (more) numerous in that activity status than 30-64-year-olds. See also Notes to Table 1a above.

Reading note: In 2020, in Italy, 29.8% of people aged between 15 and 29 were in employment compared to 66.8% of those aged 30-64 (see Table 1a) – i.e. a 15-29:30-64 ratio of 0.45. In the EU-27 as a whole (see table 1a), these figures were 46.1 and 74.9% respectively (ratio 0.62).

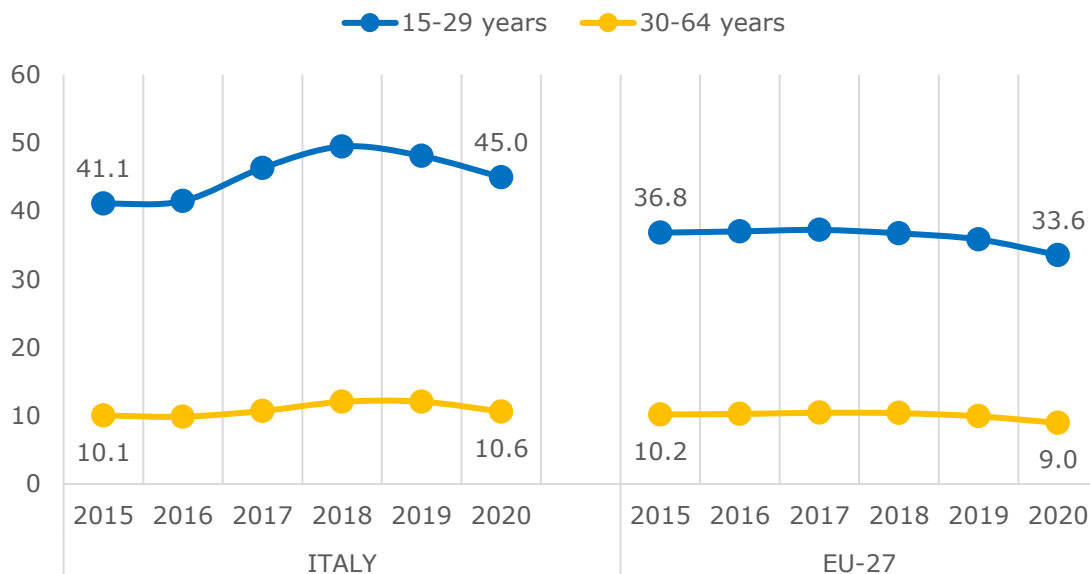
Source: See Table 1a.

Figure 1: Part-time employment as a share of the population in employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and Italy, %)

Reading note: In 2020, in Italy, the share of part-time employment in total employment was 23.8% for the 15-29 age group and 17.4% for the 30-64 age group. For the EU-27 as a whole, these shares were 22.6% and 17.3%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicator [lfsa_epgn62]. Data downloaded on 24 May 2021.

Figure 2: Temporary employment as a share of population in paid employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and Italy, %)

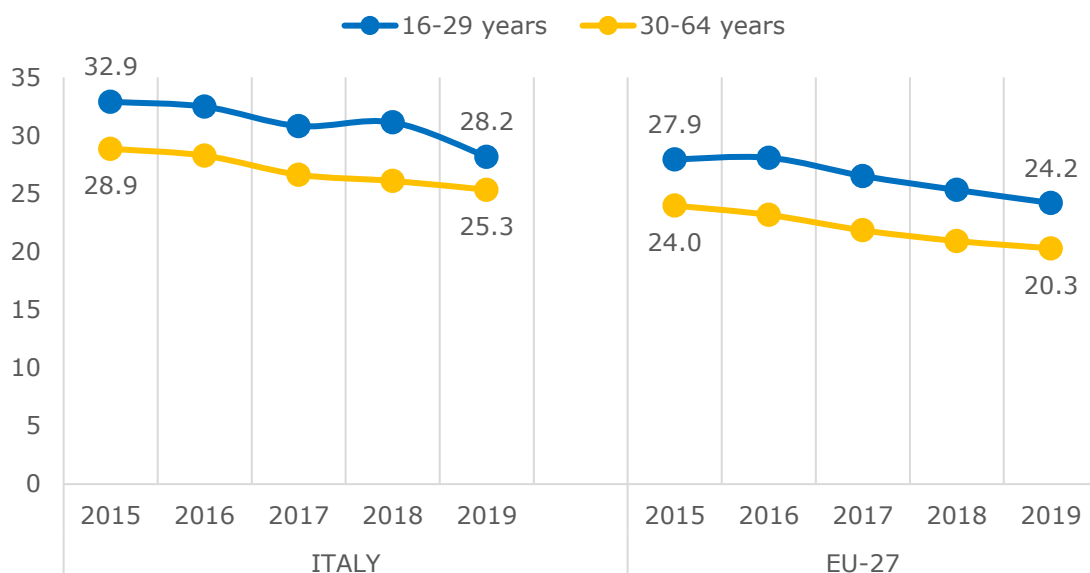


Reading note: In 2020, in Italy, the share of temporary workers among employees was 45.0% for the 15-29 age group and 10.6% for the 30-64 age group. For the EU-27 as a whole, these shares were 33.6% and 9.0%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicators [Ifsa_epgn62] and [Ifsa_egaps]. Data downloaded on 24 May 2021.

1.2 Young people (aged 15–29) at risk of poverty or social exclusion

Figure 3: People at risk of poverty or social exclusion - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and Italy, %)

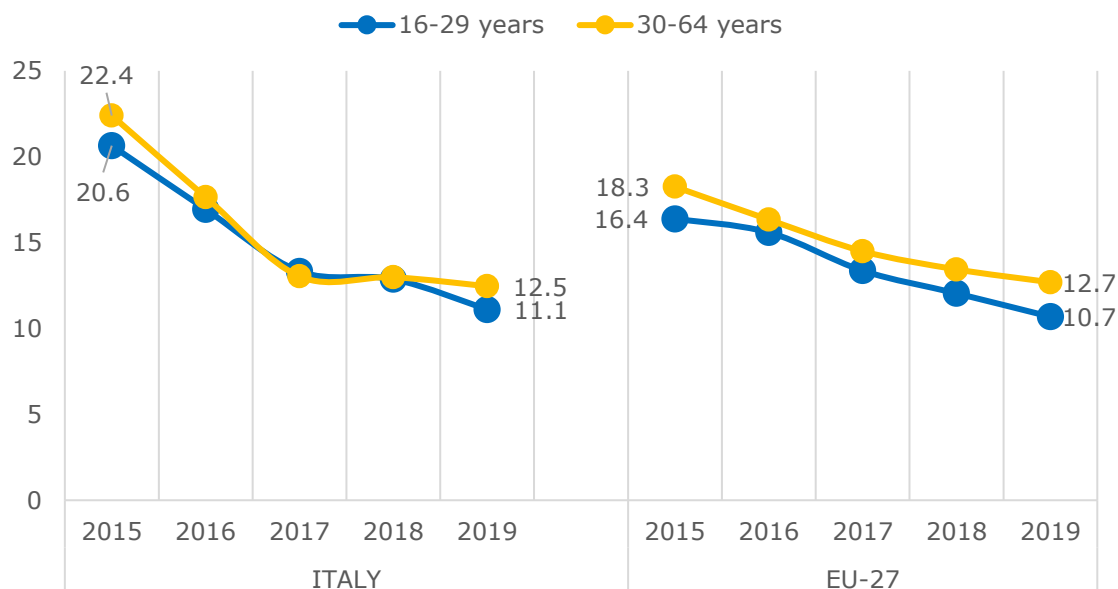


Reading note: In 2019, in Italy, 28.2% of the 16-29 age group were at risk of poverty or social exclusion (i.e. they were living in a household that was at risk of poverty and/or severely materially and socially deprived and/or (quasi-)jobless according to the EU definition of these indicators) compared to 25.3% of the 30-64 age group. For the EU-27 as a whole, these figures were 24.2% and 20.3%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc_peps02]. Data downloaded on 24 May 2021.

1.3 Young people (aged 15–29) materially and socially deprived

Figure 4: People materially and socially deprived - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and Italy, %)

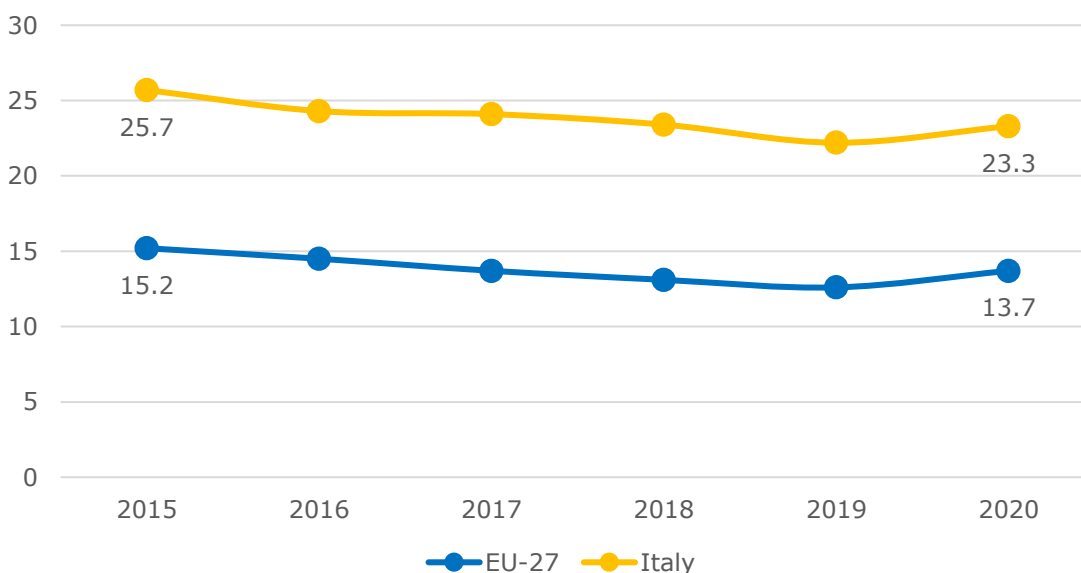


Reading note: In 2019, in Italy, 11.1% of the 16-29 age group were materially and socially deprived (according to the EU definition of this indicator) compared to 12.5% of the 30-64 age group. For the EU-27 as a whole, these figures were 10.7% and 12.7%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc_mdsc]. Data downloaded on 24 May 2021.

1.4 Young people (aged 15–29) neither in employment nor in education or training (NEETs)

Figure 5: People aged 15-29 neither in employment nor in education or training (NEETs) (2015-2020, EU-27 and Italy, %)

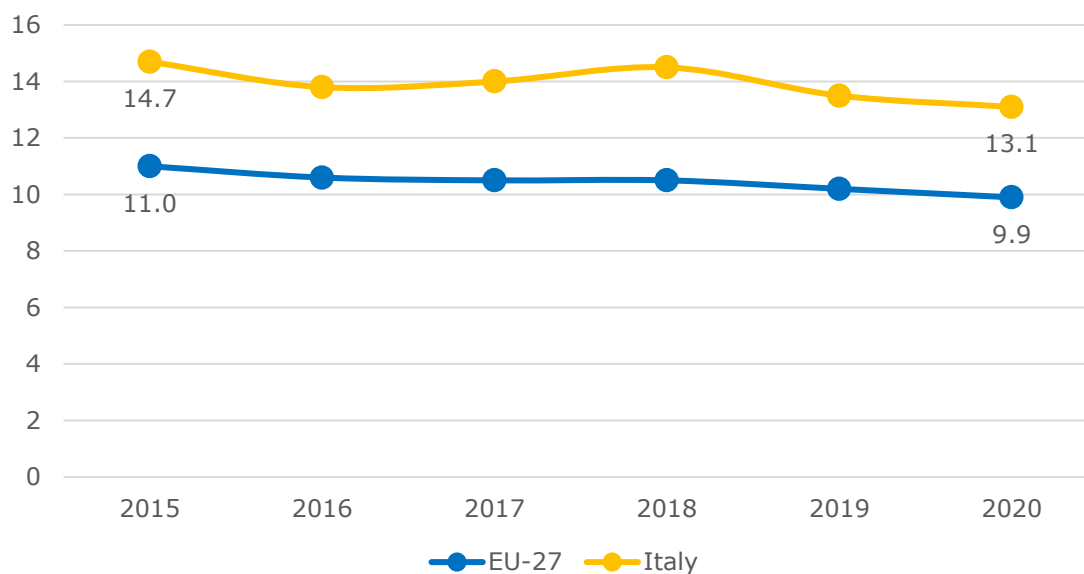


Reading note: In 2020, in Italy, 23.3% of the 15-29 age group were neither in employment nor in education or training (NEET) compared to 13.7 for the EU-27 as a whole.

Source: Eurostat, LFS - indicator [lfse_20]. Data downloaded on 24 May 2021.

1.5 Early leavers (aged 18–24) from education and training

Figure 6: Early leavers from education and training for the 18-24 age group (2015-2020, EU-27 and Italy, %)

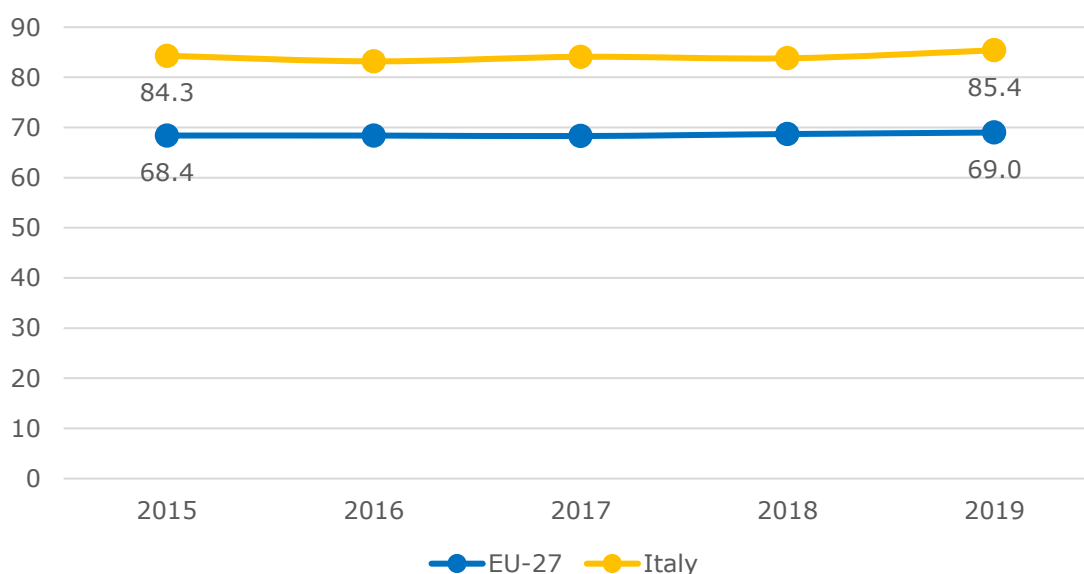


Reading note: In 2020, in Italy, 13.1% of the 18-24 age group were early leavers from education and training – i.e. they had completed, at most, lower secondary education and were not in further education or training. For the EU-27 as a whole, this figure was 9.9%.

Source: Eurostat, LFS - indicator [edat_ifse_14]. Data downloaded on 24 May 2021.

1.6 Young people (aged 16–29) living with their parents

Figure 7: Young people aged 16-29 living with their parents (2015-2019, EU-27 and Italy, %)



Reading note: In 2019, in Italy, 85.4% of the 16-29 age group were living with their parents, compared to 69.0% for the EU-27 as a whole.

Source: EU-SILC - indicator [ilc_lvps08]. Data downloaded on 24 May 2021.

2 ACCESS TO UNEMPLOYMENT BENEFITS

Two contributory unemployment benefit schemes, devoted to different categories of workers, exist in Italy: the NASPI (*nuova assicurazione sociale per l'impiego*) for former employees; and the DIS-COLL (*disoccupazione collaboratori*) for those previously employed in parasubordinate collaborations (i.e. people legally self-employed but often economically dependent on a single client; cf. Raitano 2018a). Moreover, a new scheme called ISCRO (*indennità straordinaria di continuità reddituale e operativa*) was introduced by the 2021 Budget Law as a pilot scheme for the period 2021-2023, in order to protect parasubordinate professionals suffering from a major reduction in labour income.²

In more detail, the duration of unemployment benefits is proportional to people's contribution history. The NASPI maximum duration is half of the months worked in the previous 48 months, excluding months already spent receiving unemployment benefit (the maximum duration is then set at 24 months). The DIS-COLL duration is instead equal to half of the weeks worked since January of the year preceding unemployment, with a six-month maximum duration.

Calculation of monthly amounts, which cannot exceed €1,335.40 in 2021, is the same for the NASPI and DIS-COLL: 75% of the last wage up to €1,227.55 (corresponding to €920); plus an additional 25% of the portion of the wage exceeding the above amount until the maximum amount is achieved. However, the monthly benefit is reduced by 3% for each month after the third month of receipt.

2.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to these schemes in Italy as far as young people are concerned are the following.

a) Age

All contributory unemployment benefit schemes are available to the entire 15-29 age group and the schemes have the same rules irrespective of age.

b) Activity status requirement

Employed people who satisfy a certain contribution record in the period before the onset of unemployment (see below), as either an employee or a parasubordinate collaborator, are covered by the NASPI and DIS-COLL respectively. No differences by age exist.

The NASPI protects all former employees, regardless of working time and contract duration (i.e. those working on a fixed-term or a part-time basis, or even employed through a temporary work agency). In addition, those working as apprentices are considered to be in employment and are, then, covered by the NASPI upon termination of the job relationship. Conversely, trainees are not considered in employment and are not protected by unemployment benefits.

The ISCRO – the only unemployment scheme existing in Italy devoted to a (limited group of) self-employed workers – protects those in employment as parasubordinate professionals whose labour income drops by a predefined amount (see below). No differences by age exist.³

Therefore, apart from the temporary provision of the ISCRO for parasubordinate professionals, all other self-employed groups (e.g. craftsmen, shopkeepers, and other

² Parasubordinate professionals are those professional and freelance workers who – unlike professionals with an association, such as lawyers and architects, who are covered by the private social security funds managed by their professional association – pay social security contributions to a special fund (*gestione separata*) managed by the Italian Social Security Institute (INPS).

³ For details about the ISCRO benefit, see Jessoula et al. (2021).

categories of professionals), regardless of age, are not covered by unemployment benefit schemes.

c) Contributory history required to access the scheme

Former employees, regardless of age, are covered by the NASPI if they have been formally employed (thus paying specific social contributions) for at least 13 weeks in the four-year period before the onset of unemployment, and at least 30 days in the year preceding unemployment.

Former parasubordinate collaborators, regardless of age, are covered by the DIS-COLL if they have worked for at least three months (thus paying specific social contributions) in the year preceding the moment they became unemployed.

The ISCRO benefit is paid, independently of age, to parasubordinate professionals who have been enrolled in the *gestione separata* fund with an active VAT number for at least four years.

d) Waiting period

No waiting periods are required for any age group under unemployment benefit schemes.

e) Replacement rate/benefit level

No differences by age exist concerning the replacement rates and benefit levels of all unemployment benefit schemes.

f) Duration

The duration of the NASPI and DIS-COLL depends on the length of the contribution period in the four years (NASPI) and year (DIS-COLL) preceding unemployment. The ISCRO benefit is paid for six months and can be claimed only once in a three-year period.

No differences by age exist in the duration of these unemployment benefit schemes.

2.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in Italy are the following.

a) Main gaps in access for young people

No formal gaps by age exist in Italian unemployment benefit schemes. However, some substantial gaps may emerge because of the different labour market outcomes as between young people and others, which may differentially affect effective access to unemployment benefits. The Italian unemployment benefit system may provide lesser coverage to those with short, fragmented and disadvantaged working careers, who are more likely to be from younger age groups.⁴

First, all unemployment benefit schemes are contributory. Hence, those who have never been employed (e.g. those searching for a job after having finished their study period) are not entitled to any type of benefit.

Second, eligibility conditions refer to the duration of previous careers, and may thus reduce the chances of young people (i.e. those who recently entered the labour market) being eligible. In particular, the experimental ISCRO is only paid to those with a professional activity which has lasted at least four years. On the other hand, the eligibility requirements

⁴ Eurostat figures for 2020 clearly confirm the higher risks of fragmented careers for young people in comparison with prime-aged workers. Unemployment rates were 22.1% and 7.3% among those aged 15-29 and 30-64, respectively. The shares of employees with temporary contracts were 45.0% and 10.6% among those aged 15-29 and 30-64, respectively (see Section 1).

of the NASPI and DIS-COLL are not tight (see Section 2.1) and this should reduce the bias against younger workers.⁵

Third, although apprentices, temporary agency workers, parasubordinate collaborators and professionals are now covered by unemployment benefits, self-employed workers (apart the few potentially covered by the ISCRO, cf. Section 7) and trainees are not protected in case of a serious income drop or the end of job relationships. The lack of coverage for trainees engenders a clear gap based on age since trainees are, by definition, young, whereas “standard” self-employment activities (e.g. as craftsmen, dealers or liberal professionals) are mostly carried out by older workers.⁶ Nevertheless, the extension of unemployment benefits to apprentices and parasubordinate workers was effective in reducing age gaps, since these categories are characterised by a large share of young workers.⁷

Finally, gaps among different groups of workers protected by unemployment benefit schemes exist as regards the payment of notional pension contributions during spells of unemployment. The NASPI provides notional contributions for beneficiaries (with the aim of increasing future pension levels), whereas no notional contributions are paid in the DIS-COLL and ISCRO schemes.

b) Main obstacles in access for young people

As mentioned above, the eligibility rules for employees, apprentices and parasubordinate collaborators have been relaxed by the reforms introduced in the last decade, thus improving the chances of being protected by unemployment benefits in particular for young workers on flexible job contracts. However, some *de facto* age gaps in the coverage, duration and amount of unemployment benefits may emerge, since young workers are more likely than workers aged 30 and above to have “poor and disadvantaged” working spells, and this has an impact on the generosity of unemployment benefits.

First, as mentioned above, although contribution eligibility requirements have been significantly softened by the 2015 reform for both employees and parasubordinate collaborators, people who lose their jobs during the first three months of their career (e.g. those on very short-term temporary contracts) are not entitled to any benefit.

Second, the duration of both the NASPI and DIS-COLL depends on the length of the previous contributory period.⁸ The maximum duration is equal to half of the weeks worked in the previous four-year and one-year period for the NASPI and DIS-COLL, respectively (past periods spent receiving an unemployment benefit are subtracted from the maximum duration). This implies that those with a very fragmented career (e.g. because of frequent job interruptions due to short-term temporary contracts) are covered by a lower potential maximum duration of the two schemes. Since young workers have, on average, shorter past working spells and more often work on a temporary basis, young workers might be entitled to unemployment benefits for fewer months.⁹ Also note that the potential

⁵ As will be illustrated in Section 7, it is important to note that before the 2012 “Fornero reform”, which enlarged the categories protected by the ordinary unemployment benefit for employees, and the 2015 Jobs Act reform, which introduced the NASPI and DIS-COLL, the gaps for the young people were much more serious (see details in Section 7).

⁶ The official number of trainees is not recorded in Italy, but reliable estimates are that approximately 350,000 training contracts were signed in 2019. Also note that, according to Eurostat figures, 9.3% of those aged 15-29 were self-employed in 2020, as against 19.8% among those aged 30-64 (see Section 1).

⁷ Apprenticeship contracts may be signed by people aged at most 29. According to our elaborations on the AD-SILC database (a dataset matching the Italian component of the EU-SILC with administrative records collected in the INPS archives), approximately 3.5% of those aged below 30 were working as a parasubordinate in 2018, while the corresponding share was 2.9% among workers aged 30 and above.

⁸ Before the 2015 reform, a longer duration advantaged those aged over 55.

⁹ According to our elaborations on the AD-SILC database, workers aged below 30 worked on average 37 weeks in 2018, while the corresponding figure was 45 for workers aged 30 and above. Also note that, among employees, the share of those working on a temporary basis as the main yearly working spell was very much higher among young workers in 2018 (45%) than among workers aged 30 and above (18%).

maximum duration of the DIS-COLL (six months) is much lower than the NASPI (24 months) (Raitano 2018a).

Finally, age gaps in the generosity of unemployment benefit may also emerge with respect to the amount of the monthly benefit, since both the NASPI and DIS-COLL have a replacement rate equal to 75% of the previous wage (with a ceiling, but without a minimum amount of benefit). As consequence, those paid less – as, on average, young workers are – receive less generous benefits.¹⁰ A low amount of unemployment benefit for young workers is also associated with the greater incidence of part-time employment among young people, since part-timers receive a wage reduced in proportion with the missing working hours, and there are no specific computation rules for part-timers to compensate for this.¹¹

3 ACCESS TO SICKNESS AND HEALTHCARE BENEFITS

In Italy, sickness benefits are provided on the basis of social insurance contributions; healthcare benefits are provided within a national healthcare system, covering all residents on Italian territory.

3.1 Sickness benefits

3.1.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in Italy as far as young people are concerned are the following.

a) Age

The scheme is available to the entire 15-29 age group and the same rules apply to everyone, irrespective of age.

b) Activity status requirement

The scheme is available to people aged 15-29 who are economically active and the same rules apply to everyone, irrespective of age. Trainees and apprentices are included in the scheme. Generally, no sickness cash benefit scheme exists for traditional categories of self-employed people. Since September 2019, protection for “new” self-employed people – who are members of the *gestione separata* fund within the INPS – has been broadened. However, given the fact that unemployed people receive a lower benefit (a third less) than employed workers, and that the unemployment risk is higher among young people active in the labour market, young people are indirectly affected to a larger extent by their activity status.

c) Contributory history required to access the scheme

Three months of social contributions, in total, in the previous 12 months. No difference by age.

d) Waiting period

There is a three-day waiting period, which applies to all workers regardless of age.

e) Replacement rate/benefit level

The calculation for young people is the same as that for older groups.

¹⁰ Figures from the AD-SILC database show that, on average on a yearly basis (gross of taxes and social contributions paid by workers), employees in the private sector aged below 30 earned €13,200 in 2018 while the corresponding amount was €22,900 for workers aged 30 and above .

¹¹ Figures from the AD-SILC database show that 37% of employees aged under 30 had the longest working spell in 2018 as a part-timer, while the corresponding share for workers aged 30 and above was 24%.

f) Duration

Up to 180 days per year, with no age difference.

3.1.2 Gaps/obstacles in access for young people

There are no specific age-related conditions that exclude young people, either formally or implicitly. There are no major obstacles in access. At the same time, two issues are important. First, young people have a higher risk of being unemployed, and unemployment is less covered compared with employment. In particular, employees on open-ended contracts who have been dismissed or made redundant are entitled to sickness benefit for the same statutory duration of sick leave on condition that the first day of onset of the illness falls within 60 days from the employment end or suspension, but the amount of the benefit is reduced to 2/3. Employees on fixed-term contracts are not entitled to sickness benefit once their employment has come to an end. Second, self-employment among young people is more common in Italy than in the EU as a whole: EU-LFS data indicate that 9.3% of people aged 15-29 were self-employed in Italy in 2020, compared with 5.4% in the EU-27 (see Section 1).

3.2 Healthcare benefits**3.2.1 Eligibility conditions and benefit entitlements**

The main eligibility conditions and benefit entitlements that apply to the scheme in Italy as far as young people are concerned are the following.

a) Age

Age is not a criterion given the presence of a national healthcare system, covering everybody purely on the basis of residence in Italy.¹²

b) Activity status requirement

There are no activity status requirements.¹³

c) Contributory history required to access the scheme

No contributory history required.

d) Waiting period

No waiting period required.

e) Replacement rate/benefit level

Benefits are similar and based on care need, regardless of age.

f) Duration

No duration limitations.

3.2.2 Gaps/obstacles in access for young people

There are no specific age-related conditions excluding young people, either formally or implicitly. Young people do not receive any type of exemption from, or reduction in, patient charges (which are usually provided to people aged 65+).

¹² Even the survey data on unmet medical needs show that people aged 15-29 have a significantly lower risk of suffering from health problems compared with the rest of the population (EU-SILC, indicator: HLTH_SILC_08). Therefore, there are no specific conditions applying to young people.

¹³ Survey data on unmet medical needs also show that people aged 15-29 have a significantly lower risk of suffering from health problems compared with the rest of the population even when taking activity status into account (EU-SILC, indicator: HLTH_SILC_13).

4 ACCESS TO MATERNITY, PATERNITY AND PARENTAL CASH BENEFITS

4.1 Maternity cash benefits

4.1.1 Eligibility conditions and benefit entitlements

The maternity cash benefit is a compulsory contributory scheme for employees. For self-employed people, insurance is compulsory, but take-up of the benefit is voluntary. The main eligibility conditions and benefit entitlements that apply to the scheme in Italy as far as young people are concerned are the following.

a) Age

There are no age differentiations.

b) Activity status requirement

Maternity cash benefits are provided to employees, apprentices, unemployed people and, since 2019, insured self-employed people (but if the parent decides to work instead of taking the leave, no other type of compensation/support is offered), with no age differences. Maternity benefits are also provided to the unemployed as long as the unemployment spell started up to 60 days before the benefit was requested. Otherwise, the unemployment benefit is transformed into a maternity benefit for the months that the latter can be provided.

c) Contributory history required to access the scheme

There are no qualifying conditions for employees, whereas for 'new' self-employed registered with the INPS separate pension fund, it is required at least 1 month-work insurance within the 12 months prior to the beginning of the maternity leave. At the same time, for the State financed maternity allowance (Assegno di maternità dello Stato) 3 monthly contributions completed within 9 months prior to beginning of pregnancy are required.

d) Waiting period

No waiting period required.

e) Replacement rate/benefit level

Maternity leave has an 80% wage-replacement rate for employees, and is equal to 80% of the daily economic remuneration, as defined by law each year depending on the type of self-employment activity.

f) Duration

Maternity leave cash benefits are provided for five months: typically, two months before the child's birth and three months after (one month's flexibility is allowed).

4.1.2 Gaps/obstacles in access for young people

The main limitation of the schemes applies to self-employed people, who have been partially integrated in the overall scheme but whose access is conditional on them agreeing to temporarily suspend working, which can be difficult for many self-employed workers.

4.2 Paternity cash benefits

4.2.1 Eligibility conditions and benefit entitlements

The paternity cash benefit contributory scheme was introduced in 2012 in Italy, and is partly compulsory and partly voluntary (unlike maternity leave). The main eligibility conditions and benefit entitlements that apply to the scheme in Italy as far as young people are concerned are the following.

a) Age

There are no age differentiations.

b) Activity status requirement

Paternity cash benefits are provided to employees, apprentices and, since 2019, insured self-employed people (but if the parent decides to work, no other compensation is offered, including parental benefit), with no age differences.

c) Contributory history required to access the scheme

Three months of (also not continuous) social contributions, in total, in the previous 12 months. No difference by age.

d) Waiting period

No waiting period required.

e) Replacement rate/benefit level

Paternity leave has an 80% wage-replacement rate for employees, and is equal to 80% of the daily economic remuneration, as defined by law each year depending on the type of self-employment activity.

f) Duration

The compulsory scheme currently provides for 10 days of leave, which can be taken in the first five months after the child's birth.

4.2.2 Gaps/obstacles in access for young people

The main limitation of the schemes applies to self-employed people. No other main obstacles.

4.3 Parental cash benefits**4.3.1 Eligibility conditions and benefit entitlements**

Access to contributory parental cash benefits is voluntary. The main eligibility conditions and benefit entitlements that apply to the scheme in Italy as far as young people are concerned are the following.

a) Age

There are no age differentiations.

b) Activity status requirement

Parental cash benefits are provided to employees, apprentices and, since 2019, to some self-employed people, with no age differences. They are not provided to unemployed people.

c) Contributory history required to access the scheme

For employees there is a requirement for three months of (also not continuous) social contributions, in total, in the previous 12 months. For self-employed people there is a requirement for one month of social contributions in the previous month before the benefit is claimed. No difference by age.

d) Waiting period

No waiting period required.

e) Replacement rate/benefit level

The parental leave has a 30% replacement rate.

f) Duration

Employees can benefit from parental leave benefits for up to 11 months in the first twelve years of life of the child. Self-employed people can benefit from parental leave benefits for up to three months in the first year of life of the child.

4.3.2 Gaps/obstacles in access for young people

The main limitation of the schemes applies to self-employed people, who have been partially integrated in the overall scheme but for whom the programme has a much shorter duration compared with employees. No other main obstacle present.

5 GUARANTEED MINIMUM INCOME SCHEMES

The ordinary minimum-income scheme – called citizenship income (*reddito di cittadinanza* – RdC) and introduced in April 2019 – is a means-tested cash benefit targeted at poor households, conditional on participation in job-search activities (Jessoula et al. 2019).

To be eligible for the RdC, households must have a maximum annual ISEE (indicator of equivalised economic conditions, which takes into account both income and wealth) of €9,360 and an equivalised income no higher than €6,000. Furthermore, strict eligibility conditions related to housing and financial wealth also apply (for details see Jessoula et al. 2019). Furthermore, for non-EU citizens the eligibility criteria include 10 years of residence in Italy – with the last two years continuously spent in Italy.

The benefit for a single-member household tops up annual income to €6,000. This threshold increases with family size according to an equivalence scale attributing 0.4 to all adults and 0.2 to all minors in addition to the household head. A maximum equivalence co-efficient of 2.1 is also established – 2.2 if there is a disabled member.

5.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the RdC scheme in Italy as far as young people are concerned are the following.

a) Age

No eligibility conditions refer to young household members.¹⁴

b) Activity status requirement

The RdC is paid to households that satisfy a set of means-testing conditions regarding income, housing and financial wealth as well as residence (Jessoula et al. 2019); whereas, regardless of age, no limits refer to household members' activity status or further characteristics. Therefore, all groups of workers, apprentices or trainees may benefit from the RdC if they satisfy the means-testing conditions.

c) Other eligibility conditions

Further conditions relate to mandatory education and job-search activity, but these are not different for young people.

¹⁴ The first national minimum-income scheme introduced in Italy from January to June 2018 (called inclusion income, *reddito di inclusione* – REI; Raitano et al. 2018) was instead only paid to households which – as well as satisfying the means test – had at least one of the following: (i) a child aged under 18; (ii) a disabled child; (iii) a pregnant woman; and (iv) an unemployed member aged 55 or above.

d) Benefit level

The benefit amount depends on household size. The benefit for a single-member household tops up annual income to €6,000. This threshold increases with family size according to an equivalence scale which attributes 0.4 to each additional member aged at least 18 and 0.2 to each minor aged under 18. Moreover, the equivalence scale cannot exceed 2.1, regardless of family size (2.2 if there is a member with disabilities). Therefore, the age of household members (i.e. under or over 18) is reflected in the benefit amount through the application of a different equivalence co-efficient.

e) Distinctions between different groups of young people

There are distinctions in terms of coverage and entitlements based on household income and wealth, but not as between different groups of young people. The only distinction concerns the residence condition for non-EU citizens, who must have resided in Italy for at least 10 years (and the last two years continuously in Italy) in order to apply for the RdC.

5.2 Gaps/obstacles in access for young people

a) Main gaps in access for young people

Apart from the above-mentioned gap between Italian/EU citizens and non-EU citizens, no formal gaps exist in access to the RdC for young people. However, strict conditionality rules – especially as concerns job-search activity – apply to the RdC and might limit the chances of inactive or unemployed young people receiving the benefit.¹⁵

b) Main obstacles in access for young people

Data from the Italian National Institute of Statistics (ISTAT) show that the great increase in poverty in Italy in the decade from 2006 to 2016 was a phenomenon that concerned above all the population under 65, and in particular young people aged 25-34: the incidence of absolute poverty increased for this particular group from 2.3% in 2006 to 10% in 2016. Relatedly, Gallo and Luppi (2019) outline that, before the introduction of the RdC, young people aged 18-34 had significant difficulties in accessing the Italian social protection system. From this angle, the introduction of the RdC is a positive factor in terms of generational fairness: INPS data show that 50% of RdC beneficiaries are under 35 and, more specifically, 13% of total recipients are 24-35 (INPS 2021). The relevance of this anti-poverty benefit for young people has also been confirmed during the COVID-19 pandemic crisis, when a significant increase in the number of beneficiaries in the younger age groups has emerged – above all among those under 30 (+12.3 percentage points; UPB, 2021).

Nevertheless, some obstacles in access for young people may emerge because of the strict conditionality rules for job-seekers (and thus young people also), which might induce potential beneficiaries not to ask for the benefit in order to avoid these rules. In this regard, it should be noted that the take-up rate of the RdC seems much lower than 100% in Italy (Gallo and Raitano 2019 and 2020), even if no detailed studies about the extent and the reasons for non-take-up (e.g. stigmatisation; administrative procedures in the application phase; willingness of those working on an informal basis to not respect the conditionality rules) have been carried out so far.

¹⁵ To avoid losing entitlement to the RdC, beneficiaries have to: (i) sign a “work pact” with the public employment services (PES); (ii) accept at least one out of three suitable job offers in the first 18 months (suitability is measured in terms of both wage – monthly wage above €850 – and distance – for a first job offer, workplaces no more than 100 km from the place of residence; second offer, 250 km; third offer, the whole Italian territory; in the case of benefit renewal, the first job offer has to be accepted whatever the distance); (iii) be available to take part for up to eight hours a week in “socially useful activities” identified by municipalities; and (iv) sign a “social inclusion pact” with municipal social services (e.g. social services or training), if the beneficiary is affected by multi-dimensional poverty and social exclusion (e.g. for single parents or people unable to work for whatever reason) and not only unemployment.

A further obstacle for job-seekers may emerge because of the limited ability to combine RdC and labour income. When an RdC beneficiary finds a job, at most 20% of their employment income is disregarded for means-testing (self-employment income is instead fully considered). This engenders an extremely high actual marginal tax rate on the additional labour income and implies that, unless the job is rather well paid, some people might give up the job in order not to lose the right to receive the RdC. As a result, this factor, coupled with the very limited salaries – not far from the RdC amount – paid especially in many atypical jobs in Italy, might engender a sort of “poverty trap”.

Finally, gaps also relate to the benefit computation formula, which is based on an equivalence scale that favours single-member and small households but disfavors large ones, thus providing relatively fewer resources to poor children (Jessoula et al. 2019). However, the effect on different age groups of this formula is not clear-cut. On the one hand, young people living alone are relatively favoured by the equivalence scale; on the other hand, young people with children are penalised by the limited increase in the RdC amount when a child is born. Similarly, the amount of the RdC received by a household only slightly increases when individuals aged 15-17 are present.

6 HOUSING BENEFITS

In Italy, national measures concerning rented housing consist of a national fund (Laws No 431/1998, 124/2013 and 80/2014) enabling local authorities to grant assistance to low-income households in order to lessen the impact of rent costs on household income. This fund was allocated €50 million in 2014-2015, but subsequently experienced a complete drying-up of resources. The Budget Law for 2020 (Law 27 December 2019, No 160, Art. 234) refinanced the fund with €50 million for each of the years 2020, 2021 and 2022. In the midst of the COVID-19 pandemic crisis, Law No 77 (issued on 17 July 2020) increased the fund’s resources by €160 million for the year 2020, to support access to rented housing.

The adoption in January 2019 of the means-tested RdC (Law Decree No 4/2019; see Section 5.1) had relevant consequences in terms of housing benefits too, as the RdC provides an additional €280 to top-up the monthly benefit in case of households living in rented accommodation, and a €150 top-up to beneficiaries who pay a mortgage (the amount of these extra benefits is independent of household size). Eligibility conditions and benefit entitlements of this measure were discussed in detail in the previous section.

6.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the national fund to support access to rented housing in Italy as far as young people are concerned are the following.

a) Age

In Italy, it is up to the municipalities to define the eligibility conditions for support to tenants, identifying their requirements by means of special notices. At the local level, there are very diverse access criteria, but there are in general no age-specific rules limiting and/or favouring access for young people, beyond the fact that in Italy it is legally possible to sign a contract only from the age of 18. As useful examples, neither the municipality of Milan (see DGR No XI/2974/2020) nor the municipality of Rome (DGR No 176 of 9 April 2020) have any age-specific eligibility criteria, nor do they consider people aged 15-29 as a group deserving specific protection or favoured access to the housing allowances financed by this fund.

b) Activity status requirement

At the national level there are no activity status requirements. Similarly, at the local level, there are no activity status requirements as a general rule, but it is possible that in certain municipalities having lost a job in the year preceding the application constitutes a condition that facilitates access to the fund. The latter provision is generally targeted exclusively at dependent workers, though there are wide variations.

c) Other eligibility conditions

As outlined above, it is up to the municipalities to define the eligibility conditions for access to the benefits financed by the national fund, identifying their requirements by means of special notices. At the local level, there is great diversity in access criteria. However, generally speaking, there are conditions relating to income (i.e. a value of ISEE below a certain threshold) and residence (i.e. Italian citizenship and/or having a regular rental contract in the municipality that has launched the special notice). These are not different for young people compared with other age groups.

d) Benefit level

It is up to the municipalities to define the amount and the duration of the support to tenants. Again, there is considerable diversity between different municipalities. As a useful example, in the Milan municipality (see DGR No XI/2974/2020) assistance is given to tenants up to the value of four months' rent and in any case not more than €1,500. In the municipality of Rome in 2020 (DGR No 176 of 9 April 2020), the amount of the grant was a maximum of 40% of three months' rent. In all Italian municipalities this assistance is discretionary and subject to budgetary constraints.

e) Distinctions between different groups of young people

Generally, there are no distinctions between different groups of young people in the possibility of accessing these benefits.

Following the COVID-19 pandemic, however, part of the resources of the national fund to support access to rented housing has been targeted at a specific group of young citizens. Article 29 Law No 77 (issued on 17 July 2020 in the midst of the crisis) established that €20 million out of the €160 million overall increase in resources devoted to this fund was explicitly earmarked to support the rental of housing by students living away from home with an ISEE lower than €15,000 per year.

6.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in Italy are the following.

a) Main gaps in access for young people

As outlined in the previous section, there are no specific age-related conditions excluding young people in Italy. Housing allowances are significantly underfinanced in Italy, while the governance of the housing sector is territorially fragmented, resulting in a residual social policy field not guaranteeing sufficient protection to all age groups.

b) Main obstacles in access for young people

Housing has traditionally been a residual (social) policy field in Italy (Baldini 2010, Minelli 2009). As consequence, both the direct provision of publicly (or semi-publicly) owned houses for rent and monetary transfers to support tenants to lower housing costs are very residual and inadequate to cover mounting housing needs – including young people's. Against this background, young people are not recognised as a group in need of priority intervention, as revealed by the almost complete absence of assistance and tax relief to support young people's housing costs (Toso 2017).

Such underdevelopment of housing policies, however, has specific consequences for young people, as their housing conditions tend to a large extent to depend on the wealth of their

families of origin. Indeed, with an underdeveloped public housing sector and public rent-support system, Italy is characterised by a very high rate of home-ownership and a significant role by the family in the “social production” of home-ownership (Castles and Ferrera 1996; Poggio 2012). Based on data from the Bank of Italy, Poggio (2016, p.480) estimates that 16% of households inherited the house they live in; 4% received it as a gift; a further 10% became owners through direct commission and self-building; and 8% live for free in family housing. These figures do not consider financial transfers for the purchase or construction of houses through market channels.

Since there are significant inequalities in household wealth, this is an important factor in reproducing, if not widening, inequalities in Italy (Poggio 2016). Moreover, dependence on families significantly decreases youth autonomy and makes more complex the detachment of youth from their homes of origin. In a society where ownership is the standard mode of housing, for young people to achieve housing autonomy it is not enough to have a relatively high and secure income – an increasingly difficult condition for a generation that has paid dearly for deregulation “at the margins” of the labour market (Davidsson 2011: see Section 1) – as they also need to have savings, or a strong capacity to borrow (almost exclusively possible for those on permanent contracts), or, again, strong support from their family of origin. Italy has the highest estimated average age of young people leaving the parental household – 30.2 years, against an EU-27 average of 26.4 (Eurostat online). Relatedly, in 2019 85.4% of Italians aged 16-29 lived with their parents, against an EU-27 average of 69% (see Section 1).

Boosting the supply of affordable rented housing and/or supporting the income of those who pay rent would lower the costs of independent living for young people. In this regard, the introduction of the RdC and the related top-up benefit for those living in rented accommodation constitutes a significant novelty. At the same time, the strict income and wealth requirements imply that only a limited proportion of young people with housing needs can access this measure, in a context where the stigma associated with anti-poverty measures further limits youth demand for this benefit.

7 REFORMS, NATIONAL DEBATES AND RECOMMENDATIONS

7.1 Reforms implemented since 2015

Soon after the first reform (1997) that flexibilised the labour market “at the margin” (i.e. by favouring the spread of atypical employment contracts – primarily fixed-term contracts, part-time contracts and project/continuous collaborations), a lively debate emerged in Italy around the gaps (*de jure*) and the obstacles (*de facto*) in accessing adequate social protection measures for atypical workers, often characterised by frequently interrupted careers (Jessoula et al. 2010; Berton et al. 2012). This public and political debate concerned several social policy fields and was particularly relevant for young workers since they were (are) more often employed through atypical contracts.

In the field of unemployment benefits, atypical (especially fixed-term) workers had limited protection for two main reasons: first, the low level of contributory unemployment benefits (the replacement rate was around 40% in the mid-2000s); second, the tight eligibility conditions requiring the first contributory payment at least 24 months before the onset of unemployment, in combination with 52 weekly contributions in the two years before unemployment. In fact, Raitano (2018b) estimated that, before the 2015 reform, 12.3% of employees in the private sector would not have been protected by the ordinary unemployment benefit scheme due to tight contributory requirements, whereas, after the reform, this share fell to 3.2% (i.e. those who do not satisfy the relaxed contribution record).

Additionally, neither apprentices and temporary agency workers (before the 2012 Fornero reform) nor parasubordinate collaborators (before the 2015 Jobs Act reform) typically

employed through collaboration and project contracts, were entitled to unemployment benefits.

Subsequent reforms have led to improvements on both fronts. The 2015 reform, in particular, crafted the following trade-off: thorough labour market flexibilisation via the reduction of protection against individual dismissal versus strengthened unemployment protection. The new contributory unemployment benefit (NASPI) is in fact characterised by more relaxed eligibility conditions and more generous benefits (see Sections 7.2 and 7.3) when compared with the traditional ordinary unemployment insurance which remained in force until 2012. Furthermore, the 2015 reform introduced the pilot DIS-COLL unemployment allowance specifically targeted at continuous and co-ordinated collaborators (the so-called co.co.co) and project-based contracts (co.co.pro). The DIS-COLL was later made a permanent measure in 2017 within the Jobs Act for non-entrepreneurial self-employed workers (i.e. liberal professionals, freelance workers and parasubordinate collaborators, i.e. legally self-employed people that are often economically dependent on one single client). As mentioned, both measures were particularly relevant in strengthening unemployment protection for young people, predominantly employed through atypical jobs.

Another important gap in social protection, which was particularly detrimental to (young) atypical workers, was the lack of a national minimum-income scheme within the traditional Italian welfare state architecture. However, this gap has been filled in recent years through a step-wise reform process. A pilot, residual anti-poverty programme called "new social card" was introduced in the 12 most populous cities in 2013, and later replaced (in 2015) by a nationwide programme named "active inclusion support" (SIA). The latter was, however, given limited funds (only €167 million) and had access requirements making it unique among minimum-income schemes in European countries.¹⁶ The adoption of a fully fledged national and structural (i.e. non-pilot) minimum-income scheme came only in 2017, with the introduction of the REI. The REI was, however, a very limited programme, and was replaced by the much more generous and inclusive RdC in 2019 – a monetary benefit targeted at poor households, conditional on participation in job-search activities (Law Decree No 4/2019; see Section 5.1). As argued below, the establishment of the RdC marked a relevant step forward not only for poor households but also for young workers/new entrants in the labour market.

Finally, with Bill No 101/2019 those self-employed people who are members of the *gestione separata* fund were both included in the contributory sickness benefit scheme and entitled to maternity and paternity leave benefits, subject to the requirement of having paid at least one month of contributions in the previous 12 months.

The adoption of the RdC also constituted a first sign of increased attention to housing needs in Italy for decades, as it provided an additional €280 to top up the monthly benefit in cases of households living in rented accommodation, whereas a €150 top-up is paid to beneficiaries who pay a mortgage. At the same time, the scant attention to young people's specific housing needs has lasted even longer, considering the continued absence of specific measures to support young people's housing costs (Tosi 2017). Only with the COVID-19 pandemic crisis have the housing needs of young people actually entered the political agenda. Indeed, as outlined above, €20 million out of the €160 million overall increase of resources devoted to the national fund was explicitly earmarked to support the rental of housing by low-income students living away from home (see Section 6.1.e). It is therefore an emergency measure targeted exclusively at a specific category of young people, funded with limited resources. Moreover, with the "*Sostegni bis*" decree (Law Decree No 7/2021), a so-called mortgage bonus was introduced: a state guarantee on

¹⁶ Until July 2018, the REI had three categorical requirements since it was targeted at households with at least one of the following: (i) a child under 18; (ii) a disabled child; (iii) a pregnant woman; and (iv) an unemployed member aged 55 or above.

80% of the amount for the purchase of a first home by younger buyers will soon come into force.

As an emergency measure during the COVID-19 pandemic, the ISCRO was also introduced by the Budget Law for 2021 (Law No 178/2020) to protect some self-employed categories suffering from a serious reduction in labour income. The measure is targeted at parasubordinate professionals - i.e. professional workers who are not members of a specific professional association and pay social security contributions to the *gestione separata* fund managed by the INPS. Thus, all categories of professionals enrolled in the INPS (e.g. web-designers, archaeologists), amounting to approximately 290,000 people, constitute the potential target of the ISCRO.

7.2 National debates

Despite improvements in the last decade and the adoption of the 2015 reform mentioned above, a national debate around the effectiveness of social protection arrangements for young workers is still ongoing.

In the field of unemployment protection, the main concerns regard the duration of unemployment benefits, which (as mentioned in Section 2) was made proportional to individuals' contribution histories. The duration of the NASPI corresponds to half of the months worked in the 48 months before the onset of unemployment – excluding months already spent receiving an unemployment benefit – up to a maximum of 24 months. The duration of the DIS-COLL was set at a maximum of six months (i.e. half of the weeks worked since January of the year preceding the onset of unemployment). Accordingly, young workers with either short or fragmented careers risk being entitled to unemployment benefits for only very short periods. Moreover, both the proportional replacement rate of unemployment benefits and the reduction of the NASPI amount after the third month may result in inadequate benefits for low-paid, typically young, workers.

In addition, self-employed people are not eligible for unemployment benefits, with the exception of those narrow categories protected by the ISCRO.

In the light of these weaknesses, a commission appointed by the Ministry of Labour and Welfare in July 2020 suggested several measures aimed at reforming both unemployment benefits and short-time work schemes so as to provide universal coverage and strengthened protection, especially for atypical workers and the self-employed – the ultimate goals being to tackle increasing income inequality, support internal demand and promote economic growth. In the field of unemployment benefits, the commission proposals included the following: (i) unifying the NASPI and DIS-COLL; (ii) increasing the duration of benefits (a minimum of six months); (iii) introducing progressive replacement rates, which are key for (young) atypical workers; (iv) specifically for young workers under 35, eliminating the requirement for 13 contributory weeks in order to qualify for the (unified) unemployment benefit; and (v) introducing a more generous programme than the ISCRO for the self-employed with an annual income of up to €35,000, in cases of a revenue reduction above 30%, aimed at replacing 50% of lost revenue from work for 12 months (Guarascio 2021).

These proposals go in the direction of extending social protection measures traditionally aimed at employees beyond the borders of dependent employment, a key issue for many young workers in Italy, on which debate had already been prompted in recent years – see for example the main trade union's proposal for a universal charter of workers' rights, released in 2015.¹⁷

In addition to the measures outlined by the ministerial commission, both the main trade union confederations (Cgil 2020) and other social actors such as the National Youth Council (*Consiglio Nazionale Giovani*), stress the need to limit the spread of the most flexible and

¹⁷ See <http://www.cartacgil.it>.

precarious types of employment – including those disguised as traineeships,¹⁸ and continuous collaborations that often hide dependent employment relationships (“bogus” self-employment) (Consiglio Nazionale Giovani 2021).

In this context, the disadvantaged condition of the young in Italy does not seem to be primarily related to gaps and obstacles in accessing adequate social protection against the various types of risk, but rather to the predominance of low-quality, low-paid, and (extremely) flexible working arrangements among younger cohorts. Accordingly, “pre-distributive” measures might be more effective than reinforcing redistributive social protection programmes – including measures aimed at: eliminating the most precarious types of employment; strengthening collective bargaining; fighting involuntary part-time working; providing formal recognition of platform workers as employees (and not as self-employed workers as they are currently); and introducing a national minimum wage for workers not subject to collective agreements.

In a recent document released by the National Youth Council it is stated that “Italy is not a country for young people” (*“L’Italia non è un paese per giovani”*). This is argued in light of: the weaknesses of the education system; the predominance of flexible contracts for young workers; the extremely high unemployment rate for those aged under 25 (which increased from 26.8% in August 2019 to 32.1% in August 2020); and the dramatically high share of NEETS among those aged 15-29, which in 2020 was the highest in Europe (23.3% in Italy vs 13.7% in EU-27, or 18.7% and 17.3% in Greece and Spain respectively) (Consiglio Nazionale Giovani 2021). Interestingly, however, when moving from analysis to recommendations, the priorities outlined by the National Youth Council to improve the conditions of the young in Italy refer in only a limited way to the social policy programmes considered in the present report, concentrating instead on: (i) promoting employment through a targeted reduction of social contributions for young workers; (ii) revising the implementation of the youth guarantee in order to ensure a better match between labour supply and demand; (iii) favouring turnover of – as well as co-operation between – old and young workers in firms and especially in public administration, including supporting faster digitalisation of the latter; (iv) improving work-family reconciliation policies – especially for women and through improvements in occupational welfare schemes; (v) limiting the spread of the most precarious types of employment while favouring, where necessary, more regulated flexible contracts such as fixed-term arrangements; (vi) improving the school-to-work-transition; (vii) making unemployment protection benefits universal; and (viii) better integrating passive benefits with activation measures (Consiglio Nazionale Giovani 2020).

In the field of housing policies, in May 2021 the Italian government was considering the introduction in the *“Sostegni bis”* decree (Decree Law No 73/2021, not yet published in the Official Gazette at the time of writing) of a state guarantee of 80% on mortgages for purchasing the first home, specifically targeted at young people under 36 with an ISEE below €40,000. If officially adopted, such a measure would confirm, on the one hand, an increase attention to young people’s needs, while on the other hand further strengthening a housing model based on home-ownership that constitutes an obstacle to youth autonomy in Italy (Poggio 2016; see Section 6.2).

7.3 Good practices and recommendations

As for unemployment protection, as an effect of the 2015 and 2017 reforms the system was made much more inclusive, as well as generous. Barriers to accessing unemployment benefits were significantly reduced, especially for atypical workers on both fixed-term contracts and project collaborations. For the latter, a dedicated unemployment insurance

¹⁸ The number of traineeships has grown significantly in recent years, from 226,000 in 2014 to 349,000 in 2018 according to ISTAT data. In 2011, the main Italian trade union (Cgil) was already denouncing the exploitation of low-paid work through traineeships – with the initiative “No more fraudulent traineeships”; and in 2021, the online campaign “Traineeship is not work, we want rights” has reached 50,000 signatures. But the national debate remains limited.

scheme was established for the first time ever. For the former, the relaxation of eligibility conditions – now requiring only 30 days of work in the year before the onset of unemployment in combination with at least 13 weeks worked in the previous four years – removed substantial obstacles previously caused by the interplay of strict contributory requirements with fragmented/short careers.

Concerning the gap related to the lack of unemployment benefits for the self-employed in Italy – which is also relevant with respect to young workers, since they are over-represented among parasubordinate professionals – the recently introduced ISCRO benefit constituted a step forward. Estimates contained in the technical documents accompanying the relevant decree show that the ISCRO benefit will be claimed by approximately 41,000 individuals in 2021 and 9,500 individuals from 2022 onwards (approximately, 14.1% and 3.3% of total contributors in 2021 and 2022, respectively). Although it is a minor programme and it was established on an experimental basis only, the ISCRO is relevant since it is the first scheme protecting the self-employed against labour income drops in Italy.

In parallel, the introduction of a national minimum-income scheme (the RdC) in 2019 not only filled a major gap for individuals at risk of poverty, social exclusion and material deprivation, but also constituted an improvement for young (mostly atypical) workers in three main respects: first, by providing a comparatively generous last-resort safety net to those workers whose contributory unemployment benefit has expired; second, by tackling the downward pressure on wages, especially at the bottom of the income scale, which typically affects young workers on atypical contracts; third, by providing a top-up for low-income people living in rented accommodation, thus addressing the housing needs of atypical workers having difficulties in accessing a mortgage loan, a particularly pressing issue for young individuals who do not come from wealthy families.

To conclude, as it appears from the main positions and policy proposals in the public and political debate presented above, two main reform strategies seem to be key to improving the condition of young people in Italy: on the one hand, both extending/reinforcing *redistributive* welfare programmes (especially for atypical and self-employed workers) and relaxing the strict contributory conditions; on the other, the adoption of *pre-distributive* measures aimed at strengthening the position of younger cohorts in the Italian labour market.

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