



Italy

In-work poverty and labour market segmentation

A Study of National Policies

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Summary

In Italy, there are no clear definitions of in-work poverty, working poor and low wage employment, nor are there specific indicators available for analysis. Furthermore, policy measures that address the working poor cannot be clearly distinguished from policies aimed at fighting poverty and social exclusion. Italy does not have a national minimum wage scheme or a national minimum income scheme. However, national collective bargaining exists which regulate minimum pay rates at the sectoral level. EU indicators show that in-work poverty rates are higher in Italy than the EU 27 average. This gap increases when Italy is compared to some of the best performer Member States. Differences between Italy and these countries are linked to different institutional, legal, economic and social structures. In Italy, the most vulnerable categories at risk of in-work poverty are: adult men; young and ageing women; workers with dependant children; young and retired people; immigrants; low educated workers. The South is the regional area where in-work poverty is more concentrated.

There is a clear correlation between this kind of poverty and labour market segmentation. Men still constitute the bulk of those employed and household breadwinners. Women have very low activity and employment rates, largely participating in part-time and temporary jobs. Young persons are very often employed in precarious jobs. Migrants are employed in unskilled jobs. A clear regional division is evident, with low employment levels and low wages characterising the South. Low-wages also affect women, immigrants, blue-collar workers, low educated workers, and all those in temporary and atypical jobs. Transitions in employment, by type and pay level are generally limited due to fact that there is a high risk of becoming unemployed or inactive (the availability of temporary and atypical jobs has increased while transition to permanent jobs is limited). Workers with low pay employment typically remain in the same level or fall to lower levels. Low gender segregation is linked to low employment rates for women. Low pay levels are related to the “low-wage trap” associated with the lack of minimum income schemes. Income and wealth are concentrated in the richest share of population, which leads to inequality in income distribution and an unbalanced division of labour. Gender, geographical and ethnic division of labour constitute the key elements of the “labour question” that characterises the Italian profile of in-work poverty. The role of the family as a first shock-absorbing mechanism and supplier of social services is evident. A mix of income support and care services is necessary but may not be sufficient if the stereotypical household role of women is not strongly changed.

The main measures directed at the working poor are focused on the role of the family and tend to confirm the present division of labour, while an increase in human capacities is considered the lever to reduce poverty risks. However, this approach indicates a tendency to shift the burden of major types of risks to individuals and their social networks (including households) while the role of the state and institutions is progressively reduced. These measures may not always favour the labour and freedom rights which are guaranteed in the Italian Constitution as components of human dignity. Further progress is hampered by “flex-insecurity” situation, the current economic crisis and undeclared work tied to the black economy. The current legal framework would require specific reforms to: improve local welfare systems through the participation of citizens and their stakeholders; reinforce labour & freedom rights by including the principles of universalism and selectivity; eradicate any discriminatory restrictions, especially against immigrants, ethnic minorities and women; provide shock absorbing mechanisms for universal protection both for the “insiders” and “outsiders” in segmented labour markets; reduce the area of unstable employment

through basic fiscal rules on open-ended contracts, which support collective bargaining and a national minimum wage mechanism.

1. Presentation of the current situation – statistical overview

This report concerns “in-work poverty and labour market segmentation” in Italy, an issue that implies multi-faceted analysis. These include focusing on well-being and quality of life (i.e. work, family and social life), as well as social stratification, defined as structured inequality between people or groups due to (intended or unintended) consequences of economic processes and social relationships.

The report delimits the problem areas by adopting three main definitions distilled from an extensive review of scientific literature. The three definitions are fact-centred and, as sociologically understood, they are useful to interpret the conditions determined by policies, rules, behaviours and practices.

In-work poverty is the condition experienced by employed persons who live below the (monetary) poverty line. This definition takes into account two main dimensions: individual earnings from employment (e.g. low wages and tax burden); household income and typology (e.g. size and care giving burden).

Labour market segmentation is the process whereby employment is divided into different opportunities for working persons. This definition takes into account two main dimensions: employment conditions (e.g. activity and employment rates, regular or irregular employment, underemployment); and work conditions (e.g. pay, career transitions, learning participation, working time and arrangements).

Disadvantaged worker is any person who is excluded from the labour market or has difficulty entering the labour market without assistance. This definition takes into account a series of dimensions such as age, gender, educational attainments, geographical location and origin.

A recent comparative study (Eurofound, 2010) acknowledges that working poor “are a section of the population that is difficult to identify not only due to the lack of specific data but also because the concept combines two levels of analysis: the working status of individuals (individual level) and the income of the household in which they live, which is below the poverty threshold (collective level)”. The study affirms that “being employed greatly reduces the risk of poverty and social exclusion”. The study quotes 2007 data of clear evidence in the EU (European Union) 25 Member States: poverty risk was higher (42%) for unemployed people than for employed (8%).

The present report uses a benchmarking exercise considering Italy and a restricted number of best performing countries in employment trends (namely, Denmark, Finland and Sweden) while using the EU statistics to examine the average conditions in Italy and the EU. The EU comparative perspective is mostly based on data of the EU statistics office (EUROSTAT) and it is complemented by additional data on Italy provided by the national institute for statistics (ISTAT).

1.1 In-work poverty

In-work poverty by age and gender

According to the EU documents and statistics, in-work poverty risk (i.e. working poor) and in-work at-risk-of poverty rate are defined as the share of individuals who are classified as employed and who are living in households with an income less than 60% of the national median income.

In 2008 ([Table 1](#)), the Italian rates of in-work poverty were: 9% as a total; 11% for men and 6% for women; 9% in the younger and intermediate age groups (respectively 18-24 and 25-54 years), 7% for ageing workers (aged 55-64 years) and 3% for the elderly (aged 65 years and over).

As a total, the Italian rate was 1pp (percentage point) higher than the EU 27 average and up to 4 pp higher than best performing countries (BPC).

This difference concerned particularly employees aged 25 – 54 years: +1pp with respect to the EU 27 and up to +4 pp compared to the BPC.

Employees aged 55 – 64 years were less at risk (-1pp) when compared to the EU average, but the risk increases (up to +5 pp) when compared to the BPC.

The younger employees (aged 18-24 years) and those very old (aged 65 years and over) had lower rates of risk with respect both to the EU average (-1 and -14 pp respectively) and to the BPC (the young between -3 and -11 pp; the elderly between -3 and -7 pp). This difference can be probably explained by the longer permanence of young people in their families and by the protective pension system for those who retired until recent times. This condition is probably going to change due to restrictions in the pension system that will reduce the household income both for grandparents and nephews.

As a total, men employees resulted to be more at risk (+5 pp) than their women colleagues. This difference was higher than that recorded as a EU average and by the BPC (between +1 and up to +2 pp as a whole).

However, very young women (aged 18 – 24 years) and those very old (aged 65 years and over) were at risk of in-work poverty more than their men counterparts (+4 and +3 pp respectively). This gender difference was: higher (+2 and up to 4 pp) than the EU 27 and the BPC in the case of young women; lower (-3 pp) than the EU 27 but higher (from 5 to 9 pp) than the BPC in the case of elderly women. This difference could be probably explained by a typical (maybe stereotyped) cycle of women employment which is strongly linked to their role in the family: attempts to acquire an autonomous professional career in the start phase (young), family burdens (e.g. children and other dependant members) in the central phase (adult), lack of resources (e.g. low pensions as a result of the previous low employment and low social security contributions) in the final phase.

In-work poverty by educational level

Workers with a low educational profile are generally considered as disadvantaged groups. This assumption is confirmed by data concerning the Italian situation of in-work poverty.

In 2008, low educational levels recorded the Italian highest rate of in-work poverty (15%) with respect to the medium (6%) and high educational (3%) attainments ([Table 2](#)).

While this situation appears to be nearly in line with the EU average, a significant difference with the BPC (from +6 to +9 pp) makes Italian working poor anchored to low educational levels.

Low-wage trap

An improvement in educational levels can translate in better occupational careers and, consequently, a better economic well-being. However, holding a job is not always sufficient to escape from the poverty risk especially for disadvantaged groups. For instance, “there may be limited financial gain to increasing working days (say, from part time to full time) or work effort” (Marlier E. et al., 2009) because gross earnings are taxed away through income taxes, social security and any withdrawal of benefits. This is the so-called low-wage trap, according to which low-income workers gain little additional income if they work longer hours or earn higher wages.

The Italian low-wage trap is lower than in other countries ([Table 3](#)): 13 pp less for single person without children compared to EU 27 (arriving up to 42 pp when compared to the BPC); 70 pp less for one-earner couple with two children compared to EU 27 (arriving up to 105 when compared to the BPC).

This difference can be however explained by the lack of minimum income schemes (e.g. a well structured economic support provided by welfare systems) in Italy, associated with low pay levels (EC, 2006 and 2007).

An analysis of low pay levels requires a more in-depth statistical elaboration. However, the average gross monthly earnings can represent a proxy for examining differences between countries ([Table 4](#)). The most recently available data refer to 2006 and they show the following differences in earnings from employment: -6% between Italy and EU 27 as a total (-4% for women and -9% for men); from -22% to -56% between Italy and the BPC (from -22% to -55% for women and from -28% to -62% for men).

Moreover, the tax rate on low wage earners ([Table 5](#)) in Italy is higher than in EU 15 and in BPC: +2 pp and up to 5 pp respectively.

In-work poverty by household type

An improvement in employment earnings can lessen the individual risk of poverty, but it is not always sufficient especially for workers with large households and care giving responsibilities.

As an example, in 2008 the risk of poverty was higher for Italian workers with dependent children than for those without children ([Table 6](#)): 12 pp more if single parent, 8 pp more if two or more adults and 7 pp if households. The highest risk was indeed for single parents (21%). Generally,

the Italian workers with dependent children had higher risk of poverty also with respect to EU 27 (between 1 and 2 pp more) and the BPC (between 6 and 13 pp more). The largest difference (13 pp) concerned the case of single parents compared to their counterparts in the BPC. On the contrary, workers without children in the BPC and as a EU average encountered a risk of poverty that was relatively higher (from 0 to +4 pp) than in Italy. The highest risk (13%) concerned single persons living in the BPC.

National indicators

National statistics in Italy do not precisely define the working poor or in-work poverty risk or in-work at-risk-of-poverty rate. The general data on poverty risk make it possible to distinguish the percentage of households by professional status while revealing huge regional disparities.

These data are based on the relative poverty threshold, according to which a two-member household is considered to be poor if its level of consumption is lower or equal to the average monthly consumption expenditure at a national level according to an equivalence scale that takes into account household size (e.g. a two-member household).

The data from 2000 – 2008 ([Table 7](#)) demonstrate a nearly stable trend of relative poverty risk for employees (moving between 9.3% and 9.8%) and self-employed (around 7.9% with exception in 2006 and 2007 where the rates were of 7.5% and 6.3% respectively). During the same period of time, job seekers encountered a higher risk of poverty (e.g. 33.1% in 2000 and 33.9% in 2008), as well as retired persons (14% in 2000 and 11.3% in 2008). A more favourable situation for employees was demonstrated by the difference of 18 - 24 pp with job seekers and around 2 - 4 pp with retired persons. Quite similar was the situation of self-employed: from 21 to 26 pp less than job seekers and from 3 to 6 pp less than retired persons.

During the 2000 – 2008 period, differences in earnings from employment were reflected in stable differentiation between main sub-categories of employees and self-employed ([Table 8](#)). In the first case, the relative poverty risk of blue-collar workers (14 – 15%) was nearly 10 pp more than the risk of white-collar workers (around 5%). In the second case, the relative poverty risk of self-employed workers (from 8% to 11%) prevailed with a difference from 4 to 8 pp on the risk of entrepreneurs and professionals (3 – 4%).

Regional diversity affected both the overall relative poverty rates and those concerning employed and self-employed ([Table 9](#)). As an overall trend, households living in the South recorded the highest poverty risk rates (14 – 25%) compared to the North (3 – 7%) and Centre (4 – 10%). Poor households living in the South with an employee as a breadwinner had a poverty risk rate (19 – 21%) that was 12 – 17 pp higher than that recorded by their counterparts in the Centre and in the North. Poor households with a self-employed as a breadwinner in the South had a poverty risk rate (14 – 18%) that was between three and seven times more than that recorded in the Centre and in the North.

The analysis of the Italian indicators introduces the correlation between employment and poverty. The following section is entirely dedicated to facts concerning labour market segmentation that probably explain the in-work poverty trends highlighted by the EU indicators.

1.2 Labour market segmentation

Activity rates gender and age

In 2008 ([Table 10](#)), the Italian activity rates were: 63% for people aged 15-64 years (74% for men and 52% for women) and 8% for people aged 65-69 years (13% for men and 3% for women). These rates are lower than those recorded as EU average (from -8 to -12 pp) and in the BPC (up to -25 pp). Difference increase when gender is taken into account.

Gender inequality concerned all the age groups and it was particularly high in the intermediate age groups: from 26 and 22 pp less for women aged respectively 25 – 54 years and 55-64 years; between 10 and 9 pp less for women aged respectively 15 – 24 years and 65 – 69 years.

The Italian gender gap was generally higher than that recorded as a EU average in the group of persons aged 25 – 54 years (+11 pp) and in all the other age groups (+3 pp).

This difference increases when Italy is compared to the BPC. The highest difference concerned the intermediate age groups (up to +21) and the people aged 15 – 24 years (up to +11).

Labour segmentation in Italy is also sensitive to age group. In 2008, the highest activity rate was that of people aged 25 – 54 years (78% as a total, 91% for men and 65% for women), twice that of people aged 15 – 24 years (31% as a total, 36% for men and 26% for women) and of people aged 55 – 64 years (36% as a total, 47% for men and 25% for women).

Compared to the EU 27 average, the Italian activity rates were particularly lower in: the younger age group (-14 pp as a total, -15 pp for women and -12 pp for men), in the group aged 55 – 64 years (-12 pp as a total, -14 pp for women and -11 pp for men) and in the case of women aged 25 – 54 years (-13 pp).

This difference increases considerably when Italy is compared to the BPC. The highest difference concerned women aged 15 – 24 years (up to -46 pp) and 55 – 64 years (up to -44 pp), as well as all people aged 15 – 24 years (up to -42 pp).

National indicators ([Table 11](#)) show that activity rates increased between 2000 and 2008 by 2 pp (from 61% to 63%) for all the population aged 15-64 years, more for women (+3 pp, from 48.5% to 51.6%) than for men (nearly +1 pp, from 73.6% to 74.4%). It is difficult to affirm that this 2% increase in activity rate for the general population was correlated with the 1% decrease in the relative poverty risk for poor households ([Table 7](#)), considering that poverty rates were generally quite similar between women and men.

Employment rates gender and age

In 2008, the Italian employment rates were ([Table 12](#)): 59% for people aged 15-64 years (70% for men and 47% for women). These rates are lower than those recorded as EU average (from -7 to -12 pp) and in the BPC (up to -27 pp). Differences increase when gender is taken into account.

Gender inequality concerned all the age groups and it was specifically high in intermediate age groups: from 27 to 22 pp less for women in the age group of 25 – 54 and 55 – 64 respectively; 10 pp less for women in the 15 – 24 age group.

The Italian gender gap was generally higher than that recorded as a EU average for persons from 25 – 54 years of age (+12 pp) and in all the other age groups (+4 pp).

This difference increases when Italy is compared to the BPC. The highest gender gap concerned the people aged 25 – 54 years (up to +21) and the people aged 55-64 years (up to +15).

Labour segmentation by age showed highest employment rate for people aged 25 – 54 years (74% as a total, 87% for men and 60% for women), two times higher than that of people in the 55 – 64 age group (34% as a total, 46% for men and 24% for women) and three times more that of people in the 15 – 24 group (24% as a total, 29% for men and 19% for women).

Compared to the EU 27 average, the Italian employment rates were lower in: the younger age group (-14 pp as a total, -15 pp for women and -11 pp for men), in the 55 – 64 age group (-12 pp as a total, -13 pp for women and -11 pp for men) and in the case of women 25 – 54 age group (-12 pp).

This difference increases considerably when Italy is compared to the BPC. The highest difference concerned women aged 15 – 24 years (up to -46 pp) and 55 – 64 years (up to -43 pp), as well as all people aged 15 – 24 years (up to -43 pp).

National indicators ([Table 13](#)) show that employment rates increased between 2000 and 2008 by 3.9 pp (from 54.8% to 58.7%) for all the population aged 15-64 years, more for women (+5.4 pp, from 41.8% to 47.2%) than for men (+2.5 pp, from 67.8% to 70.3%). However, these increases in employment rates did not lessen the relative poverty risk rates of employees and self-employed since they remained respectively anchored at 9-10% and 8% ([Table 7](#)).

The increase in employment rates was largely due to the immigrant workers who counterbalanced a continuous decrease in Italian-borne labour forces. Foreigner citizens (3,891,295 persons) constituted 6.5% of the total resident population at the beginning of 2009 (ISTAT database), nearly three times more than at the beginning of 2002 (1,356,590) when they represented 2.4% of the total resident population. However, other surveys (ISMU, 2010) estimate that immigrants are closer to 4.8 million persons and 8% of the total population if irregular immigrants (nearly 422,000) and those who are regular but not yet enrolled in the registry office (nearly 521,000) are considered. Immigration became an important issue in recent years (e.g. foreigner citizens were just 738,000 in 1995, corresponding roughly to 1% of the total resident population) allowing Italy to reduce the demographic imbalance and increase employment, tax revenue and the associated social contributions for pensions. Nearly 10% of the 2009 GDP was constituted by productive activities performed by immigrants (ISMU, 2010). Activity and employment rates of immigrants were always higher than those of the Italians, for example, 74% and 67% respectively in 2006, with respect to 62% and 58% recorded for Italians (ISTAT, 2008). More recent data (referring to the fourth quarter 2009) show that legal immigrants represent 8.6% of those employed, 13.3% of the unemployed and, therefore, 9% of total labour force (ISTAT, 2010). These data reveal also that 15% immigrant workers were employed in temporary / atypical jobs, only 2 points higher than the national average for workers in this professional position (13%).

Between the fourth quarters 2008 and 2009, the employment rate of legal immigrants decreased (from 67.7% to 64%) and their unemployment rate rose (from 8.8% to 12.6%). This trend was evident throughout 2009 and was probably linked to the current financial crisis.

As already revealed by the national statistics (ISTAT, 2008) immigrants work mainly in unskilled jobs (a kind of dual labour market), as well as in uncomfortable and fatiguing working conditions, with few opportunities to improve professional careers).

Gender segregation and educational levels

Low employment rates are generally correlated with low gender segregation (EC, 2009). Gender segregation is calculated as the average national share of employment for women and men in each occupation and sector. In 2008 ([Table 14](#)) gender segregation was higher in occupations (24%) than in sectors (18%). Gender segregation was confirmed to be lower than the EU average (-2 pp in occupations and -1 pp in sectors) and even lower than in BPC (up to -6 pp in occupations and up to -5 pp in sectors).

Gender gap in employment rates is also influenced by educational level. In 2008, the difference between Italian men and women was as follows: +32 pp in the low, +19 pp in the medium and +11 pp in the high educational levels ([Table 15](#)).

The difference between Italy and the EU average was significant (+13 pp in low, +6 pp in medium and +4 pp in high educational levels) and even higher between Italy and the BPC (up to 25 pp in low, 12 pp in medium and 9 pp in high educational levels).

Regional disparity and the Southern-Issue

Regional disparity strongly characterises Italy. The EU statistics (EC, 2009a) allow for a comparison between the Member States based on two thresholds: 90% and 150% of the national average rate for employment and unemployment, respectively.

According to these statistics, Italy presents the highest percentage of regions (NUTS 2) below the employment threshold (29% compared to 20% in Finland and 0% in Denmark and Sweden) as well as above the unemployment threshold (29% compared to 0% in the BPC).

National indicators point to an increase in regional disparity both for activity and employment rates between 2000 and 2008. Disparity in activity rates ([Table 11](#)) between the South and other regions increased from 10 – 12 pp to 17 – 18 pp with respect to the northern regions and from 7 to 15 pp with respect to the Centre. Disparity in the employment rates ([Table 13](#)) increased, as a total, from 16 – 20 pp to 20 – 22 pp with respect to the northern regions and from 13 to 17 pp with respect to the Centre. This increase was more significant for women than for men, double in terms of activity rates and 1.5 times higher in terms of employment rates. The activity rates of women in the South in 2009 reached 23 – 24 pp less than in the northern regions and 20 pp less with respect to the Centre. The employment rates of women in the South were 26 – 27 pp less than in the northern regions and at 21 pp less with respect to the Centre.

Gender gap between women and men decreased slightly between 2000 and 2008, but remained very high in the South. Women's activity rates ([Table 11](#)) remained 30 pp less than men, 12 - 13

pp more than the North and the Centre. Women's employment rates ([Table 13](#)) were 30 pp less than men in the South, 10 – 11 pp more than the North and the Centre.

Undeclared work

Undeclared work includes any paid activities not declared to the public authorities although they are lawful (definition adopted by the EU Commission since its 1998 Communication – COM(98) 219). Criminal activities are therefore excluded from the estimates concerning undeclared work. However due to the range of statistical definitions, it is very difficult to determine the extent of undeclared work given that it may concern different activities (productive of goods and services), is embedded into the dynamics of hidden economy, undeclared economy and non-observed economy, while the informal sector includes also household activities. Some hypotheses are adopted, from which the undeclared economy is generally estimated to be between 7% and 16% of the EU GDP (gross domestic product) or between 7% and 19% of the total declared employment. A 2004 study (EC, 2004) provided the following estimated size of undeclared work as a percentage of GDP: 16 – 17% in Italy; nearly 6% in Denmark, 4% in Finland and 3% in Sweden. Other data (e.g. EC, 2009a) are very similar. Italy could therefore have between 11 and 14 pp of undeclared work more than the BPC.

Instead of undeclared work, the Italian national institute of statistics (ISTAT, 2010a) adopts the term of “non-regular work”, defined as “work performance not complying with existing legislation on tax contributions, then not be directly observed in the enterprises, institutions and administrative sources”. Non-regular work includes, for instance, working without a regular labour contract, moonlighting, working in hidden and black economy (“lavoro in nero”), working without social insurance and social protection. All these working conditions correspond to the definition of undeclared work used by: ILO (the International Labour Office) as an economic activity carried out by workers and economic units that is – in law or practice – not covered, or is insufficiently covered, by formal arrangements (ILO, 2010); EU surveys (Eurobarometer, 2007) as only those activities that should be reported but go unreported to the tax and social security authorities.

According to recent data (ISTAT, 2010a), undeclared work constituted 12.2% of the total Italian employment in 2008, 1.6 pp less than in 2001 (13.8%), measured in terms of full-time equivalent employment units that quantify full-time and part-time work, main and second jobs.

Undeclared work was estimated to constitute 6.4% of the GDP in 2006 (a decrease with respect to 7.6% of GDP in 2001). However, the value added produced in the hidden economy as a whole (e.g. undeclared turnover, unauthorised activities, etc.) was estimated between 15.3% and 16.9% of GDP.

An increase in regular work was accompanied by a decrease in non-regular work. ISTAT affirms that this decrease was produced by two main factors (apart from the economic trend): more flexible arrangement in labour contracts (e.g. fixed-term contracts and atypical work); and the regularisation of immigrant workers. Undeclared work confirms regional disparity in employment with higher rates (nearly 8 pp more) recorded by the South (21% in 2001 and 18% in 2007) with respect to the Centre (13% in 2001 and 10% in 2007) and the North (10% in 2001 and 9% in 2007). From this data, it appears that a reduction in labour costs and obligations have allowed firms to transform irregular work into regular work, increasing the official employment rate without substantial changes in labour market segmentation and the associated regional differences.

Transitions in employment and by type of contract

The above-underlined factors of labour segmentation must be considered when work conditions are analysed.

Transitions in employment and by contract type can be distinguished between “good” and “bad” transition rates. Good transition rates in employment are those from Unemployment to Employment (U_E) and from Inactivity to Employment (I_E). Bad transition rates are those from Employment to Unemployment and Inactivity (E_UI). The most recent data regard transition rates of persons aged 16-64 years from 2006 and 2007 (Table 16).

In Italy, good transition rates were: 27% U_E and 7% I_E. These rates are lower than those recorded in BPC: between 2 and 13 pp less in U_E and 15 pp less in I_E. Bad transition rates (E_UI) were 41% in Italy which is 9 and 19 pp higher than in BPC.

Extremely bad transitions by contract type are considered the percentage of persons who move from permanent employed, temporary employed and self-employed to unemployed and inactive. In Italy, extremely bad transition rates was worse for the temporary employed, where 17% of them became unemployed and inactive. A more stable condition was found for permanent employed (90%) and self-employed (87%). These rates are similar to those of the BPC. They reveal also a lower risk in Italy of becoming unemployed and inactive for temporary employed (between -2 and -5 pp), but it should be noted that the incidence of temporary contracts (in percentage of all employees) was higher in the BPC than in Italy (between -3 and -4 pp).

The lack of consistent data and precise definitions suggest caution when comparing these data between countries. For example, there is a risk of combining forms of “atypical work” (such as contracts with less than 10 working hours a week and very short fixed-term contracts) with temporary contracts (Eurofound, 2010a). Additionally, the role generally played by the informal sector in the economy and the role specifically played by undeclared work in Italy make it very difficult to quantify actual conditions.

Once unemployed, the risk of remaining in this condition is higher for Italian workers than for those of the BPC (EC, 2009a). In 2008, long-term unemployed (12 months or more) were 3% of the total active population (2% men and 4% women) in Italy, 2 -3 pp higher than the BPC, specifically 1- 2 pp for men and 3-4 pp for women.

National indicators show that temporary jobs constitute between 12 – 13% of employment in Italy. In 2006, the impact of job precariousness on employment (ISTAT, 2006) was judged to be higher in the South (14.7%) than the North (9.8%) and the Centre (12.6%), more for women (15,4%) than for men (9.4%). Job precariousness was concentrated on younger age groups (40% aged 15-29 and 30% aged 30-39) but increased also in persons aged over 40 (30%). The former groups in their efforts to enter labour market and the latter to remain employed. More recent data (fourth quarter 2009) confirm the above-mentioned trends (ISTAT, 2010). As a total average, employed (22,922,000) consisted of: 86% in full-time jobs and 14% in part-time jobs (prevalently women, e.g. 84% of employees); 25% as self-employed and 75% as employees; 87% of employees in permanent jobs and 13% in temporary / atypical jobs (2,174,000 persons; 51% women). The national unemployment rate arrived at 8.6% (6.1% in the North, 8.1% in the Centre and 13.2% in the South) and long-term unemployed rate arrived at 3.9% (3.3% for men and 4.8% for women).

Transitions by pay level

Transitions by pay level can reveal a “low-pay risk” defined in this report as a probability that: 1) employed with low pay levels remain in the same pay level or fall into lower pay level or become unemployed and inactive; 2) employed with high pay levels fall into lower pay levels or become unemployed and inactive.

The most recent data regard transition rates of employed aged 16-64 years from 2006 and 2007 ([Table 17](#)). In general (Italy, EU 25 and BPC), the risk was higher (up to two times) for the low-pay workers with respect to high-pay workers.

In Italy, the risk for both worker categories was smaller than the EU average (3–9 pp less) and the BPC rates (from +2 to –10 pp). However, Italian workers with very low pay levels had a higher risk than their colleagues living in the BPC (up to +2 pp), whilst BPC employees with very high pay levels had a higher risk than their Italian counterparts (up to +15 pp). In other words, the Italian “poor” workers became somewhat poorer than their colleagues in the BPC while “rich” workers of the BPC became poorer than their Italian colleagues.

A definition of “low wage employment” does not exist in Italian statistics. Comparisons can be made among professional status (e.g. blue and white collar workers) and sectors (e.g. agriculture, industry and services).

According to comparisons made in 2006 (ISTAT, 2009), yearly average earnings of a manager (€ 60,642) doubled that of a white collar worker (€ 30,049), the latter was 1.5 times more than that of blue collar worker (€ 20,565) while an apprentice (€ 11,841) received 1.7 times less than a blue collar.

A manager in private sector earned 5 times more than an unskilled worker. Those with a high educational attainment earned 2 times more than low educated workers. Those aged 60 years and over earned 3 times more than those aged less than 19 years. Those with an open-ended labour contract earned 1.8 times more than those with a fixed-term contract and 2.4 times more than those in apprenticeship and seasonal work. The difference in earnings was 2.3 times more for full-time employed than part-time workers. Those living in the Northwest and in the Centre received yearly earnings (€ 27,522 and € 27,937 respectively) that are above the national average (€ 26,966) and those living in the Northeast and in the South below that average (€ 25,516 and € 26,770).

For the first time, the Italian national Institute of Statistics (ISTAT, 2010b) published a series of indicators on individual gross earnings according to the EU-SILC (European Statistics on Income and Living Conditions) methodology. Data refer only to yearly earnings in 2007 ([Table 18](#)). They show that: A) low earnings levels constitute 42% of the overall average (employees, self-employed and retired), followed by the intermediate level (40%); B) retired persons are concentrated in lower earnings levels (63%) and in intermediate level (30%); C) employees are concentrated in the intermediate earnings level (50%) and in the lower levels (36%); D) self-employed are concentrated in the lower earnings levels (50%), but participate in the higher levels (22%) more than employees (14%) and retired (6%).

Apart from problems due to sampling (e.g. size and representativeness), interpretations of the above-mentioned data should be made cautiously, due to the lack of information on actual earnings especially in the self-employed category. However, not surprisingly, data reveal that

retired are more exposed to poverty risk (43% in the lowest earnings level), followed by low-pay employees (22% in the lowest earnings level) and also by a certain part of self-employed workers (although they could be less than 35% in the lowest earnings level).

Gender pay gap

Gender pay gap in 2008, measured as a percentage of average gross hourly earnings of men workers ([Table 19](#)), is less in Italy than the EU average (-13 pp) and the BPC rates (up to -15 pp). However, when measured as a difference between the average gross monthly earnings of women and men ([Table 4](#)), the distance of gender pay gap among the above-mentioned countries is shorter (-4 pp compared to EU 27 and from +3 to -4 pp compared to BPC) in 2006. National statistics (ISTAT, 2009) show that women yearly wages averaged 17.3% less than those of men in 2006 (€ 24,074 and € 29,093 respectively). Also actual working time in a year influenced these differences.

Life-long learning

Transitions in employment, by type of contract and by pay level, as well gender pay gap, demonstrate both to what extent good job opportunities exist in the labour market and to what extent individuals have a capacity of gaining, maintaining and improving employment conditions (roughly, employability). Lifelong learning is a key factor nourishing employability.

Unfortunately, Italy shows very low rates of life-long learning, considering employed persons (aged 25 – 64 years) who participate in education and training activities ([Table 20](#)). In 2008, this participation was 7% as a total (8% for women and 6% for men). The difference between Italy and the EU average is evident (3-4 pp less). This is more pronounced when the BPC are considered (up to -25 pp as a total, up to -31 pp for women and up to -20 for men). The Italian gender gap (between women and men) is, in this case, slightly lower (-1 pp) than in the EU 27 and considerably lower (up to -11 pp) than in the BPC. However, the significant gender gap in employment rates ([Table 12](#)) must be taken into account in order to avoid any misinterpretation. Although in Italy women workers tend to participate more than men in lifelong training (+2 pp), their employment rates are significantly lower than men (-23 pp) with respect to the BPC rates (up to -8 pp). In addition, it is worth remembering that generally “young women are encouraged to choose training programmes and apprenticeship in relatively low-wage occupations” (Eurofound, 2010).

Diversity and reasons for contractual and working arrangements

In 2008, the prevalent reasons for taking part-time and fixed-term contracts in Italy were in the following order of importance (EC, 2009a): 1) lack of full-time jobs and permanent jobs; 2) care of children; 3) education and training. Both men and women shared these reasons, but the care of children concerned only women. In the BPC, the participation in education and training appears as fairly important or more important as the lack of full-time jobs and permanent jobs, while fixed-term contracts are taken also as a choice (“did not want permanent job”). The care of children concerned only women, but in a reduced importance with respect to Italian women.

Inactivity and part-time work due to lack of care services

Care services continue to be the responsibility of women within the family, especially in Italy. For this reason, women with care responsibilities do not search for a job (even if they would like to work) or work part-time. In 2008 ([Table 21](#)), the share of women (aged 15-64) in this condition was 12%, higher than both the EU average (+3 pp) and the BPC rates (from +5 to +10 pp).

The lack of care services is an important factor in increasing women inactivity and part-time work rates. In 2008 ([Table 21](#)), this problem forced 19% of women (aged 15 – 64 years) having care responsibilities to not search for a job (even if they would like to work) or to work part-time. This percentage was lower than the EU average (-11 pp), but higher to that of the BPC (up to +11 pp).

The different role played by Italian women in household environments and in labour markets makes it difficult to reconcile work, private and family life. Although having lower activity rates and job opportunities (e.g. employment rates, professional career and pay levels), women try to work as much as they can.

Overtime work and access to flexitime

In 2008 ([Table 22](#)), women worked overtime in a similar percentage to that of men (only 1 pp of difference). In Italy 4% of employees worked overtime per week (3% of women and 4% of men). This percentage is lower than in the BPC (up to -13 pp for men). Hours usually worked per week were: 41 for men and 37 for women in Italy; similar to the data for the BPC. However, the number of yearly working hours in Italy was higher than in the BPC (74 to 220 hours more). Holiday, maternity, illness and other types of leave probably justified the above-mentioned differences.

Flexitime is a way by which workers are permitted to choose their own hours of work within certain limits and respecting labour contract dispositions. Access to flexitime is measured in terms of employees who have other working time arrangements than fixed start and end of a working day as a share (%) of total employees. In Italy the share was 33% as a total, 35% for men and 30% for women in 2008 ([Table 23](#)). The Italian percentages were similar to the EU average (+1 - +2 pp), but much less than the BPC (from -17 to -33 pp), especially for women.

Summing up, women in Italy showed a lower amount of hours usually worked per week and a lower access to flexitime than men. This difference is probably explained by the incidence of part-time (84%) and temporary / atypical jobs (51%) in women employment, accompanied by the household burden and the lack of care services.

1.3 Disadvantaged workers

The characteristics emerged from the previous section can be summarised in the following profile of disadvantaged workers (Box A).

Box A: Disadvantaged workers by main dimensions and issues - Italy			
Dimensions	High rates of in-work poverty risk	Low activity and employment rates	Low wages and bad work conditions
Age	Young and intermediate age groups (18 – 24 and 25 – 54 years) Retired All employees and self-employed with low earnings levels	Young (aged 15 – 24 years) and ageing persons or employed (55 – 64 years)	Young age groups (15 – 40 years) mostly employed in precarious jobs Retired
Gender	Men in the central age groups (25 – 64 years) Women in the young and old age groups (18 – 24 and over 65 years) In general, workers with dependent children, especially if single parent	Women especially in the central age groups	Women (e.g. part-time and temporary jobs) In general, blue collar workers and, partly, self-employed workers
Educational attainments	Low educated workers (risk from 2 to 5 times higher than medium and high educational levels)	Women highly discriminated against in all the three educational levels	Low educated workers
Geographical location and origin	South and immigrants	South	South and immigrants
Main reasons			
	High transition rates from employment to unemployment and inactivity, especially for those with temporary jobs	Household burden, care responsibilities and lack of care services	High tax rate on low wages and lack of minimum income schemes Temporary / atypical jobs Lack of permanent and full-time job opportunities

2. Main causes of in-work poverty and labour market segmentation: literature review

A clear definition of in-work poverty, working poor and low wage employment does not exist in Italian research. Generally these issues are examined within the analysis of household hardships with limited specification on the relationships between household conditions and employment status of breadwinners.

Very few studies have been carried on in-work poverty in Italy, compared to the international level. The International Labour Office (ILO) (Birindelli L. and D'Aloia G., 2008) carried a recent study. The study recognised that Italy is “a democracy with a high standard of worker and union rights (...) and with an articulate and weighty system of industrial relations”. However “a specific *labour question* is clearly evident in Italy”. According to the study this critical question concerns: low salaries, the diffusion and increase of precarious labour, the burden of irregular work and of the underground economy, the condition of immigrants, especially illegal ones, the condition of women and the problem of the South. The overall vision of the Italian system described in the ILO study agrees with the observations made in this report.

Regarding wage dynamics, a recent study (Megale A. et al., 2009) revealed that between 1993 and 2008 the actual average wages showed a zero growth when increases in collective bargaining and in inflation rates are compared. Adding increased taxation, wages decreased in terms of purchasing power. Both this study and the IRES-CGIL data (based on 2006) showed that nearly 14 million of workers as a national average earned less than € 1,300 per month and nearly 7 million earned less than € 1,000 (60% women). This constitutes roughly 59% and 32% of the persons employed in Italy, respectively. The net monthly average wage was € 1,240. With respect to this average, a worker in the South earned 13% less, a women 18% less, a worker in a small sized enterprise (up to 20 employees) 26% less, an immigrant (non-EU) and a young worker (aged 15 – 34 years) 27% less. Moreover, 8 million retired people (66% of all retired) earn less than € 1,000.

The study by Cannari and D'Alessio (2010) affirms that while in the late 1980s monthly wages of young workers (aged 19 – 30 years) corresponded to nearly 80% of those received by adult workers (aged 31 – 60 years), this percentage decreased up to 65% in 2004.

A survey carried out in 2006 by governmental agencies (ISFOL, 2006) showed that wages of nearly half (47%) of those employed in precarious jobs were around € 900 per month, a quarter of these persons were without any social security coverage, 63% performed physically challenging work and 43% were subject of psychological stress.

Regarding income distribution, a recent survey (Banca d'Italia, 2010) highlighted that income concentration in 2008 was similar to that recorded in previous years. More specifically: in 2008 average monthly household income (net of tax and social contributions) was € 2,679. Between 2006 and 2008, household income decreased by about 4% in real terms and by 2.6% in equivalent income (taking into account changes in size and composition of households). These losses are probably influenced by the economic recession. Income reduction was higher for persons younger than 55 (especially those under 45 years). The wealthiest 10% of households owned nearly 45% of the total national wealth (consistent with the previous 15 years); median net wealth was higher in the Centre and the North than in the South. 10% of households with the lowest income received 2.5% of the total income, nearly 11 times less the 10% of households

with the highest income. The latter received 26.3% of the total income, a level of concentration that corresponds to a same amount received by the 50% of households (the poorest).

According to this survey, the GINI coefficient (for which perfect income equality is 0 and total inequality is 100%) was 35.3% with a slight increase from 34.9% recorded in 2006 and 32.7% when measured in equivalent income (32.3% in 2006); this inequality in income distribution was higher in the South than in the Centre (4 pp higher) and the North (2 pp higher).

National research devoted to the problem of workers in temporary and atypical jobs shows that these workers appear to be exposed to current and future risk. These risks are a combination of factors such as a low social protection, few social security arrangements, low wages and limited contributions to the pension system. These factors increase the risks of persons throughout the employment, from their entrance into the labour market (e.g. apprenticeships, stages, training programmes), their development of professional careers (e.g. a continuous series of temporary jobs) and their exit from the labour market (e.g. very low pensions).

A survey (Banca d'Italia, 2006) revealed that fixed-term jobs concerned around 50% of new employees (e.g. those aged 15 – 29 years) in 2006. Surveys show that persons in precarious work situations represent between 15% (minimum level atypical jobs) and 21% (maximum level of atypical jobs) of total employment (ISFOL, 2008). These percentages correspond to a variable range between 1,8127,395 and 4,646,167 persons depending on the type of contracts considered (from 6 to 18).

Specialised research institutes counted between 44 (Fondazione Rodolfo Debenedetti in 2006) and 49 (IRES – CGIL in 2010) different types of employment contracts. These range from occasional jobs (e.g. on project, occasional collaborations, jobs on call, staff leasing, socially useful work, temporary and fixed-terms duration) to full-time and part-time open-ended contracts.

A survey (Altieri G. (ed.), 2009) estimated 3,418,000 persons in unstable employment conditions in 2007, an increase of nearly 400,000 units from 2004 and comprising 14% of total employment. Updating these data for second quarter 2009, the number of people in unstable employment reached nearly 3,6 million units (15% of total employed people).

Although persons employed in atypical jobs are very difficult to quantify, data indicate that job precariousness is highest in the South, highest for younger persons (nearly half of young people have fixed-term labour contracts) and women, with recent increases in the adult and ageing segment of the population. The governmental monitoring report (MLSPS, 2008) affirmed that from 1993 to 2007, fixed-terms jobs increased by 55.3% and that transitions from these types of jobs to permanent jobs was very limited (only 16% in 2006) compared to transitions to unemployment (13%, divided in 8% inactive and 5% job searchers).

Another survey (Banca d'Italia, 2007) demonstrated that the so-called “training and work contracts” introduced by law in the 1980s “allowed firms to pay young workers an entry wage (lower than the standard one), without well defined training obligations”. Several other arrangements were introduced in the 1990s, making it possible to reduce the cost of hiring young workers. The result of these policies was an increasing share of new entrants that work less than 3 months per year, “a growing incidence of apprenticeships and a decaying share of white-collar jobs”. Recent reforms on labour and pension legislation appear to have further aggravated this generational divide: limited numbers of young workers bear the burden of high social security

contributions and tax rates, while their real wages are low; these same persons will have more unstable careers and reduced pension benefits upon retirement.

Vulnerability to poverty risk can therefore be associated to a combination of low wages and precariousness in the labour market, the latter including transition from any type of employment to unemployment. The Governor of the Banca d'Italia (Draghi M., 2009) affirmed that nearly 1,650,000 workers do not receive any unemployment benefits if they lose their job, while nearly 1 million workers are only partly and insufficiently covered by the existing shock absorbing system.

Although numbers are not easily comparable, it is possible to estimate that (with some overlaps): 15% are employed in unstable jobs; 7% employed without any protection (e.g. unemployment benefits); 4% employed with only partly protection for unemployment-risks.

Furthermore all job seekers who were not previously employed are excluded from any type of shock absorbing instruments, while other mechanisms (e.g. minimum income schemes) exist only in few limited local or regional areas or do not exist at all (e.g. minimum wage schemes). Some extension of shock absorbing mechanisms was introduced temporarily to partially cover precariousness during the recent international financial crisis (2009-2010).

It is evident that flexibility in labour contracts and working conditions without adequate social protection and welfare systems create "flex-insecurity", as defined by Bertin F., Richiardi M. and Sacchi S. (2009), which constitutes a link between in-work poverty and labour market segmentation.

Significant research on labour market segmentation has been performed in Italy. The division of labour is one of its main causes and it affects many social categories, as affirmed by a recent book (Mingione E. and Pugliese E., 2010). Women, for example, are discriminated against due to three interconnected aspects: attribution of non-paid household responsibilities and tasks (that exclude them from actively participating in the labour market); gender segregation in low paid and unskilled occupations; gender gap in wages and professional career. Migrants, for example, are discriminated against in relation to the continuous search for a low cost labour supply. This creates a category of workers in the lowest and most vulnerable area of labour market without social protection and on the fringes of black economy. Interestingly the above-mentioned book reveals how labour market segmentation is closely connected to labour market internationalisation, intended as fairly endless extension of labour demand and supply matching within limits determined by national and local protectionism. Italy, for example, is affected by a kind of "ethnic division of labour", in which a large number of immigrant workers are employed in unskilled jobs (generally refused by Italian workers) and, especially in the case of women, in home care services to dependant persons, generally the elderly. Therefore, demographic change (an ageing society) co-evolves with economic specialisation and division of labour.

In this context, the role of the family is important. A mix of "compulsory familism" and individualism creates a risk for both the present and future generations, while labour flexibility manifests its negative effects on social conditions, in particular on the younger generation (Saraceno C., 2002; Lucà M., 2007). Gender discrimination was already reported in a 1956 survey on the Italian familism in the South (Banfield E., 1958). A more recent book analysed open networks of citizens and volunteer associations (e.g. social capital) versus closed family networks (e.g. narrow relationships among the household components) to understand the differences between the South and other Italian regions (Putman R., 1993). Several experts highlight that efforts should not be limited to income support, but a combination of income support with an

increase in the quantity and quality of services following a balanced approach of universal principles and targeted measures. According to this approach, the improvement in quality services is seen as a mechanism to redistribute income more equitably (Brandolini A. and Saraceno C., 2007).

However, other experts (Alesina A. and Ichino A., 2009) suggest that the mix of income support and care services does not solve the problem of low women employment rates. Furthermore, such an approach takes for granted the household role of women, basically remaining in terms of care givers (e.g. for children and other dependant components). In this context, proposals aimed at introducing a family-quotient system in taxation could worsen gender segregation in household, while only a reduction in taxation on women earnings from employment could be a key tool to reduce this “gender division of labour”.

In Italy, the family has often played the role of the first “shock absorbing” mechanism and social services supplier, due to a lack of social services and adequate unemployment benefits provided by the State. The conclusion of the above-mentioned authors is that any reform of the Italian labour market needs to consider the role that the Italians attribute to the family.

Summing up the above-mentioned information, the main causes of in-work poverty in Italy appear to be low wages and flexi-insecurity (or better, precariousness). These causes are linked to labour market segmentation, whose causes are embedded in the division of labour linked to economic specialisation, technological advancement, demographic change and social roles assigned to the components of the family and community.

It should be noted that the Italian literature does not yet distinguish the working poor issues from those of a more general nature associated with poverty and social exclusion.

This connection is echoed in the political debate, which can be distinguished between conservative and progressive orientations (Box B).

Box B: Alternative approaches to key issues in the political debate		
Issues	Conservative orientation	Progressive orientation
Poverty risk	<p>The State should ensure that all actors respect rules of fair competition in order to increase individual capacity to mitigate a wide range of disparities (social, economic, gender, regional and so on).</p> <p>Individuals should be incited to seize all opportunities existing in the open (free) market.</p> <p>Family and household networks act as welfare agencies, producing wealth not recorded in GDP while reducing the cost of public services.</p>	<p>The State should act to reduce disparities (social, economic, gender, regional and so on), while ensuring that all citizens receive adequate support to solve their problems.</p> <p>Public and societal systems should be activated to provide networked services and integrated policies.</p> <p>Policies to reduce the burdens for family as a primary safety agency, to improve participation of women in the labour market, and to increase trust in “external” networks and institutions.</p>
	<p>Major attention paid to Italian citizens to increase the spirit of belonging to societal contexts, local traditions and habits, and reduce the sense of insecurity and fear of diversities. Immigrants should respect these “assimilation” principles in order to benefit from Italian measures against poverty and social exclusion.</p>	<p>Attention should be paid to all citizens, including those with migrant background, while promoting balanced co-evolution of plural traditions and habits within globalisation processes. All citizens should respect these “integration” principles in order to effectively fight against discrimination, stigmatisation, racism and xenophobia.</p>

Box B: Alternative approaches to key issues in the political debate		
Low wage	<p>Specific economic support should be provided only to individuals and households “left behind”.</p> <p>Tax-free orientation is a lever to increase income, while fiscal policy directed towards a more equitable income distribution may act to hinder competition.</p>	<p>Universal but targeted support should be provided to all the most vulnerable.</p> <p>Tax-relief orientation is a lever for more equitable income distribution, while the available financial resources and the current public debt do not allow for a generalised reduction in taxation.</p>
Low activity and employment rates	<p>Sectoral protection (e.g. extension of the existing shock absorbing mechanisms) should be provided through sectoral alliances between employers and employees and differentiated by economic sectors in order to increase productivity and reduces public expenditure on social protection.</p>	<p>Universal protection (e.g. reform of the existing shock absorbing system) should be provided in order to improve working conditions especially for those at risk of living in permanent precariousness.</p>

Centrist political parties tend to act as a bridge between these alternative approaches, while other stakeholders are less clearly divided. Trade unions (i.e. employees’ representatives) are in favour of taxation relief for low-income workers and pensioners, but differences exist among them. Some trade unions, catholic associations and centre-wing parties have suggested a family-quotient system in taxation. Trade associations (i.e. employers’ representatives) are more inclined to reduce taxation on business activities in order to reduce labour costs and improve productivity.

Generally speaking, all NGOs dealing with poverty and social exclusion insist that all courses of action should follow key principles such as: universalism (all citizens have the access to civil and social rights) and selectivity (different needs according to different conditions); anti-discrimination and active citizenship for all, migrants and ethnic minorities included. The NGO Caritas has underlined on several occasions the necessity to provide more benefits in-kind than in cash. They have proposed to transform a share of monetary support into quality services for the low-income households. Caritas and other NGOs have re-launched the introduction of a national minimum income scheme, co-ordinated with local welfare systems and plans (e.g. housing, health, education, etc.). Only recently, the largest left-wing party proposed a minimum wage scheme mainly devoted to precarious workers.

3. Presentation and analysis of policies

This report delimits the analysis of problem areas in the Italian context by adopting three main definitions distilled from EU Commission documents.

The definitions are agency-centred and are useful to assess rules and policy measures in relation to the observations presented in Section 1 of this report.

Inclusive labour markets are those where both in-work poverty and labour segmentation are decreasing.

Active inclusion of disadvantaged workers is a strategy that, according to the EU principles, is aimed at pursuing policies that combine: inclusive labour markets; adequate income support associated with measures for social and labour market integration; access to quality services (e.g. employment, vocational training, social welfare) capable of providing customised support and favouring conciliation between work, family and social life.

Quality employment is the process whereby job security and decent work conditions are promoted mainly in terms of: labour rights; social protection, health and safety legislation; social dialogue, labour contracts and collective bargaining, union freedom and workers' participation; healthy and safe workplaces; adequate remuneration (e.g. sufficient pay and benefits to live in dignity); training and career prospects; equality and non-discrimination.

3.1 In-work poverty

In Italy, policy measures addressing the working poor cannot be clearly separated from policies aimed at fighting poverty and social exclusion as a whole. These measures have been part of local social welfare systems since the 2000 national reform (Law No 328/2000) and the associated national fund. Regional and local authorities can provide, according to their financial resources, a series of in-kind and in-cash benefits that concern social assistance, health, child care, education, transport, housing, food and fuel poverty risk, and so on. These benefits are generally integrated in regional and local social inclusion plans that include networked services and, in the best performing regions, closely links to employment policies and services.

Low net wage

Italy does not have a national minimum wage scheme, but national collective bargaining regulates minimum pay rates at sectoral level. Recently (15 April 2009) a general agreement was signed by the social partners (i.e. trade associations and trade unions) to modify the bargaining contents and procedures (the largest left-wing trade union – CGIL – did not sign the agreement). This agreement states inter alia: criteria to increase wages according to inflation rates (e.g. planned inflation); a minimum pay level (“elemento di garanzia retributiva”) for workers without collective bargaining at a company level; a clear distinction between national, sectoral and company levels of collective bargaining; the possibility for “territorial agreements” to modify totally or partly regulations already provided by the national collective agreements (this was the main reason why CGIL did not signed this agreement); the time span of collective agreements (3 years).

It is evident that the trade unions themselves probably disagree with a national minimum wage system because it is considered as an alternative to national collective agreements, as already noted by other studies (e.g. Birindelli L. and D'Aloia G., 2008).

A series of in-work benefits, both in kind and in-cash, exist and are usually regulated by collective bargaining. These benefits form the so-called company-welfare (“welfare aziendale”) and can include social assistance, bonuses for transportation and health care, education and scholarship, as demonstrated by recent agreements at company level (e.g. Luxottica in 2009).

A series of allowances for low-income households concerns low-wage workers according to monetary parameters established by annual acts. The focus is therefore on the risk of family poverty according to household dimension and to specific hardships (Box C).

Box C: Main measures for low-income households relevant to the working poor	
Household allowance (assegni per il nucleo familiare)	<p>It is a general family allowance (introduced in 1934 and radically reformed by Law No 153/1988) based on the household size (e.g. the number of its components).</p> <p>This allowance covers a wide range of workers (employees, unemployed and retired; immigrant workers only if reciprocity agreements exist between Italy and the State of origin) and has different level of income support according to the specific household condition of the concerned worker. On behalf of the national institute of social insurance (INPS), the employer has the obligation to anticipate this monthly allowance to the worker.</p> <p>As an example, in 2009 the monthly allowance was: nearly € 138 for a two-member household with a children and with a yearly income below € 13,000; nearly € 1 for the same type of family but with a yearly income of about € 64,000.</p> <p>Specific rules exist for contract workers (e.g. quasi-subordinated workers, "lavoratori parasubordinati"), while farmers and self-employed workers receive a household allowance ("assegni familiari") with similar mechanisms.</p>
Large household allowance (assegno per nuclei familiari numerosi)	<p>Law No 448/1998 introduced a specific family allowance for families with at least three minors. Beneficiaries of this allowance are Italian and EU citizens resident in Italy.</p> <p>The allowance is granted by local authorities but paid by INPS according to yearly parameters defined by yearly acts.</p> <p>As an example the allowance was € 129 per month (13 months per year) in 2009 for a yearly low-income household (e.g. up to € 23,200) means-tested according to a national method of economic situation indicators (ISE).</p>
Maternity allowance (assegno di maternità)	<p>Law No 448/1998 introduced a specific allowance for women in low-income families and without social security benefits.</p> <p>This allowance concern pregnant women without age limits (Italian, EU and non-EU citizens with a residence permit).</p> <p>The allowance is granted by local authorities but paid by INPS according to yearly parameters defined by yearly acts.</p> <p>As an example, the allowance was € 309 per month in 2009 for a maximum of 5 months according to low-yearly income (e.g. up to € 32,223 for households with 3 members) and means-tested through the economic situation indicators (ISE).</p>
Housing allowances (contributi per l'alloggio)	<p>These allowances (introduced by Law No 431/1998) are provided according to regional laws that determine criteria and household-low-income parameters with respect to the incidence of house rent. Beneficiaries are: Italian and other EU citizens resident in the concerned region; non-EU citizens with residence permit, resident in Italy for at least 10 years or 5 years in the concerned region.</p>

Box C: Main measures for low-income households relevant to the working poor	
Health allowances (esenzioni dalle spese sanitarie)	It consists in the total exemption from health care expenses (introduced by Law No 537/1993). The working poor (Italian and from other EU and non-EU countries) can receive this exemption if: their household has children younger than 6; persons over 65 (and probably retired); persons who are unemployed. The exemption concerns low-income households, e.g. in 2009: € 36,152 for persons with children under 6 and for people over 65; € 8,263 for unemployed.
Fuel bonus (tariffe agevolate per elettricità e gas)	They are small allowances granted by local authorities to low-income households (up to € 7,500 threshold or up to € 20,000 if family with 3 dependant children) to cover electricity and gas costs (Laws No 266/2005 and 2/2009) in order to prevent the so-called fuel-poverty risk. The bonus can range from € 60 (household with 1 or 2 members) to € 135 (household with more than 4 components) per month.
Social card for low-income households	This bonus consists in a pre-paid shopping card (Laws No 133/2008 and 2/2009) amounting at € 40 per month (12 months per year) to purchase food products, electricity and gas, as well artificial milk and diapers concerning infants. The bonus is managed by the national Ministry of Economy and Finance. The working poor (only Italian) can receive this bonus if: their household includes children younger than 3; or persons older than 65 (and probably retired). However the yearly income thresholds make it very improbable that a large variety of working poor can benefit from the bonus given that their income should arrive in 2010 at a maximum of: € 6,235 if they have a family with children aged 0-3; € 6,235 and 8,314 if they are aged 65 – 69 or over 70.

Another temporary measure for low-income households (“bonus famiglie”) was introduced for 2009 (Law No 2/2009). The bonus ranged from € 200 to € 1,000 according to the household components (from 1 pensioner to more than 5 members) within income thresholds moving from € 15,000 (1 pensioner) up to € 22,000 (more than 5 members).

Some of the above-mentioned measures (e.g. allowances for large households and maternity, housing support, exemption from health care expenses, allowance for low income households, bonus for electricity and gas supply) have a universal scope with income selectivity. Others concerned only specific sectors of the population while overlapping with more universal measures. As commented by several experts, these measures are somehow redundant and inconsistent while some others appear to be of a charitable nature as it is the social card (Urbinati N., 2008). The latter was introduced as a relief tool instead of increasing pensions for low-income elderly people or increasing maternity allowances or reducing fiscal burden for all low-income citizens (Gori C., 2008; Giannini S. and Guerra M. C., 2008). In addition, the social card opened new conflicts between centralisation and de-centralisation of institutional competences, while it entered in competition with income allowances provided or managed by local authorities.

The reduced effectiveness of these measures is at the basis of a debate that originate several proposals of reform as such as:

- a single monetary instrument (called allowance for children) to support household responsibility and absorbing all the exiting allowances and tax relief related to family burden (Baldini M., Bosi P. and Matteuzzi M., 2007).
- a single system of family allowances that substitutes the current fragmented subsidies and fiscal relief along with a minimum income allowance, a single system of unemployment insurance, a single system of sickness and disability insurance, (Boeri T. and Perotti B., 2002).

- a nationally-based open-ended contract for all workers with minimum universal standards to favour increasing safeguards over time (upon which collective bargaining should be targeted to sectoral and territorial specificities) and a national minimum wage mechanism that absorbs incentives related to employment (Boeri T. and Garibaldi P., 2008).

Low work intensity

Low work intensity is a condition by which internal and external factors undermine the workers' capacity to live in dignity through adequate remuneration (e.g. sufficient pay and benefits). Internal factors are mainly determined by managerial errors, external factors are mainly determined by market, financial and economic crises outside the responsibilities of employers and employees.

In Italy, there are three main instruments to face the above-mentioned conditions: unemployment allowance, allowance for workers' redundancy and labour mobility allowance. They are based on contributory requirements and delivered by INPS. They have monthly ceilings that are re-evaluated each year. These instruments concern different subjects and provide different benefits (Box D). A full description of the specific contents (e.g. beneficiaries, monetary amount, working conditions, economic sectors) and procedures is beyond the scope of the present report.

Box D: Employment-related allowances relevant to the working poor	
Ordinary unemployment allowance	This allowance ("indennità di disoccupazione ordinaria") concerns workers who lost their job for specific reasons (e.g. lack of work, market crisis and so on). Limits and diversity exist according to age, wage ceiling, production sector. The ordinary allowance is due to workers who have a minimum of 52 weekly (one year) social contributions paid to INPS. This benefit lasts according to age (8 months if aged under 50 and 12 months if aged over 50). The concerned worker receives 60% of the previous wage for six months, 50% up to the eighth month and 40% during the four remaining months. Monthly ceilings in 2009 were € 886 and up to € 1,065 if the gross monthly wage was more than € 1,917. Beneficiaries include also non-EU workers.
Unemployment allowance with reduced requirements	This allowance ("indennità di disoccupazione a requisiti ridotti") concerns workers who are generally not entitled to the ordinary allowance because they do not have the minimum requirement of 52 weekly payments of social contribution, but they have worked at least 78 days in a year. Generally these workers were employed in fixed-term and temporary jobs. The concerned workers receive an allowance corresponding to the days actually worked and for a maximum of 180 days. The amount is equal to 35% of the average daily wages for the first 120 days, and to 40% for the remaining days. Monthly ceilings in 2009 were € 859 and up to € 1,032 if the gross monthly wage was more than € 1,857.
Unemployment allowance in specific sectors	Two unemployment allowances ("disoccupazione speciale") concern workers in the agriculture and construction sectors. The allowances have specific criteria, amounts and procedures that concern ordinary and reduced requirements.

Box D: Employment-related allowances relevant to the working poor	
Ordinary workers' redundancy allowance	<p>This allowance for workers' redundancy ("Cassa Integrazione Ordinaria" – CIGO) is due in case of external temporary difficulties such as bad weather (e.g. construction sector) and market turbulence for industrial sector.</p> <p>As a general rule, the concerned workers receive the 80% of the previous wage for duration of 3 months (extension is exceptionally allowed up to 12 months).</p> <p>Monthly ceilings are equal to those concerning the ordinary unemployment allowance (see above).</p> <p>A system similar to CIGO exists also in agriculture sector but with different benefits and conditions.</p>
Extraordinary workers' redundancy	<p>This allowance for workers' redundancy ("Cassa Integrazione Straordinaria" – CIGS) is due in case of industrial crises and company restructuring processes. Enterprise size should be generally between 16 and 200 employees according to the economic sector (e.g. industry, commerce, tourism).</p> <p>As a general rule, the concerned workers receive the 80% of the previous wage for the duration of 24 months at a maximum (extension is exceptionally allowed up to 36 months).</p> <p>Monthly ceilings are equal to those concerning the ordinary unemployment allowance (see above).</p> <p>However CIGS mechanisms are variable according specific economic sectors, causes of crisis, geographical areas and so on.</p>
Labour mobility allowance	<p>This allowance ("indennità di mobilità") concerns workers who lost employment as a result of industrial restructuring plans.</p> <p>As a general rule, the allowance is equal to CIGS (80% of the previous wage) for the first 12 months of unemployment with an 80% reduction of the CIGS benefits in the following months (the maximum duration being of other 36 months for workers aged over 50 in the southern regions).</p> <p>Monthly ceilings are equal to those concerning the ordinary unemployment allowance (see above).</p> <p>Diversity and limitations exist according to sectors of activity, geographical area, age and wage ceiling.</p>

Many of the above-mentioned allowances are generally subject of a "service pact" (patto di servizio) through which the concerned worker declares her/his immediate availability to participate in employability measures provided by employment services. However these allowances do not constitute a protection instrument for all persons at risk of unemployment because they are limited to specific production sectors, typologies of workers and company dimensions, they are variable according to different work conditions, wages and geographical areas.

Extensions have been made by national acts (Laws No 2, 33, 102 and 126/2009) mainly to face the recent financial and economic crisis. The 2010 national financial law confirmed them. Main measures have the following aims:

- to extend all derogations of the existing laws concerning shock absorbing mechanisms (while waiting for their reform) in 2010;
- to extend on experimental and temporary bases, the range of beneficiaries (e.g. apprentices, workers in trade and tourism industries, some atypical worker categories);
- to give a single-unemployment yearly bonus (up to a maximum of € 4,000) on experimental and temporary bases (e.g. 2010 – 2011) to workers in specific fixed-term labour contracts (workers by project), according to specific requirement and corresponding to 30% of the previous year income (up to € 20,000);

- to allow companies to employ their workers beneficiary of CIGS in production activities through re-training projects with a reduced cost to the company;
- to provide bonuses and incentives to companies in order to employ disadvantaged workers, workers aged over 50 and unemployed;
- to foster the so-called “defensive solidarity contracts” (company-based collective agreements to maintain employment while reducing working hours);
- to favour self-employment and the hiring of redundant workers;
- to extend a reduction in taxation by 10% for productivity bonuses in 2010 (up to a maximum of € 6,000 for workers in private sectors and with a yearly income not exceeding € 35,000);
- to allow the combination of income from pension and wages;
- to increase the retirement age of women employed in civil services up to 65 years from 2018.

The general advantages of the above-mentioned measures are related to the delay in the actual dismissal of workers, more flexible use of employed people and incentive to increase productivity.

The disadvantages are related to the temporary and remedial nature of these interventions. Additionally, while job creation and self-employment measures are not sufficient to compensate for the risk of in-work poverty, further delays in the reform of the “shock absorbing” mechanisms delay the creation of a better combination between flexibility of labour market and security (unemployment and socially-related benefits) or a modernisation of collective bargaining, both at national and sub-national levels. A reduction in productivity-related taxation is limited to workers in companies that are increasing their market shares, not those in crisis. Merging pensions and wages also favours a social dumping between older and younger workers, as demonstrated during the recent financial and economic crisis.

3.2 Labour market segmentation

The Italian Constitution states that: Italy is a democratic republic founded on labour; the republic recognises and guarantees the inviolable human rights. Democracy, labour and human rights are at the basis of social solidarity, from which the republic should remove all obstacles that limit the freedom and equality of citizens without regard to gender, race, language, religions and political opinions. In other words, freedom is associated with labour rights. The constitutional assumption therefore appears to be in line with the definition of quality employment adopted in this report.

However, the segmentation in the Italian labour market (e.g. job precariousness, gender and regional disparities, structural presence of irregular jobs and black economy) makes it difficult to guarantee both labour and social security rights for all workers. Main social security measures are correlated with professional careers (i.e. contributory requisites for eligibility) and are delivered automatically and in standardised form (e.g. maternity allowances and parental leaves, unemployment benefits, pensions, allowances for invalidity, and inability, and so on). Other measures to make working conditions and flexibility more “employees’ friendly” are object of collective bargaining (including voluntary part-time, atypical hours, the utilisation of parental leave, sick and holiday leaves).

Trade unions have already played a key role in promoting labour & freedom rights in Italy (a slogan adopted during the Italian reconstruction after the fascist period). They have promoted awareness of discrimination at work places and in the society more in general, have organised campaigns (and strikes) to defend the rights of both Italian and immigrant workers, women and men, young and elderly workers.

However, some time trade unions are divided on aspects concerning workers' conditions and solutions, as demonstrated by the difficult path of recent collective bargaining and agreements.

An agreement on "Social Security, Labour and Competition for Sustainable Equity and Growth" (called the "Welfare Protocol") was signed by the government and all the social partners in July 2007 and enforced by Law No 247/2007. The Welfare Protocol included key measures aimed at: reducing segmentation in labour markets; reforming the "shock absorbing" system; revising employment incentives along with apprenticeship and atypical labour contracts; improving the quality of employment services; fostering active participation by customised "pacts" between the employment services and job seekers; applying a "welfare to work" approach while providing monetary benefits according to an effective involvement in training and labour insertion plans. Following this agreement, rules were introduced against black labour market (Law No 248/2006) and to favour health and safety at workplace (Laws No 123/2007 and 81/2008).

There is a discontinuity between these measures and those enforced by the current conservative national government (e.g. Laws No 126/2008 and 133/2008) such as: the extension of fixed-term contracts both in terms of employer needs (e.g. ordinary activities) and time duration (e.g. possibility to extend beyond the 36 months maximum through collective bargaining); the reintroduction of the "job-on-call"; the extension of temporary employment through vouchers for atypical jobs and workers categories (for instance, seasonal activities and people aged under 25); the extension of flexible working hours (e.g. restrictions on daily, nightly and weekly rest).

The current government has focused on the increasing risks of unemployment, extreme poverty and household hardship. For example, the protection of a larger number of workers from becoming "officially" unemployed was made through the extension of "shock absorbing" mechanisms to a wider range of beneficiaries. In general, the government has pursued an improvement in industrial relations by recommending a "virtuous alliance" between capital and labour as well as a renewed climate of trust and collaboration in relation to the de-regulation of labour contracts and placement procedures (i.e., further flexibility). Bilateral bodies between social partners (e.g. trade unions and employers' associations) are envisaged as an instrument for this type of alliance and to manage local labour markets and services (e.g. safety, employment, training, income support, certification of labour contracts). However, a large trade union (CGIL) highlighted the risk of corporatism, sectoralism and localism in this approach.

The approach is clearly stated in a White Paper (MLSPS, 2009) along with the values and a vision of a future social model that will influence all policies in next years. Emphasis is placed on personal responsibility and initiative, on the need to self-organize for the future and to build an individual path to well-being, from cradle to grave. Opportunities are aimed at developing individual potential, willingness and capabilities. The political approach is geared to the centrality of the person and its relational projections from the family to social communities and networks of diffused services. An increase in human capacities is considered the lever to reduce poverty risks, which are seen as consequences of the low capabilities of individuals to tackle difficult problems, to seize opportunities and to develop tailored health, employment and social protection paths. However, as underlined by some studies (Pizzuti F. R. (ed.), 2008 and 2009), emphasis on

personal responsibility indicates a tendency to shift the burden of major types of risks to individuals and their social networks (including households) while the role of the state and institutions is progressively reduced.

Recently, the debate between social partners, political parties and the national government was focused on a bill connected to the 2010 financial law, concerning several labour aspects (e.g. hard work conditions, shock absorbing mechanisms, black labour market, leaves of different nature, apprenticeships, incentives to employment, and so on). New rules aimed at settling labour disputes in case of individual dismissals were a key point of discussion. The bill envisages a method aimed at favouring arbitration between the social partners.

The biggest trade union and the progressive political parties identified this bill as an attempt to set back one of the basic labour rights (Article 18) introduced by the “Workers’ Statute” law, created after years of union struggles (Law No 300/1970). Article 18 is considered a cornerstone of labour rights since it protects workers from individual dismissal (e.g. a single judge declares unlawful dismissals that do not respect the existing labour law). After observations made by the President of the Republic directed at limiting the new method according to labour rights (e.g. previous regulations) and freedom rights (e.g. voluntary individual choice of a worker to choose the new method), the new bill is under revision.

The role of social partners in this matter was reaffirmed based on constitutional principles. This role concerns other aspect of active inclusion of disadvantaged workers, such as life-long learning. Recently (e.g. Laws No 126/2008 and 133/2008) an exclusive responsibility was attributed to collective bargaining and joint agencies of social partners (so-called “enti bilaterali”) for training related to in-company apprenticeship. In general, life-long learning is the competence of regional and local authorities. Positive experiences in managing the link between vocational guidance, training and employment policies have been shown, but income support (e.g. shock absorbing mechanisms) is separated from active labour policies. On one hand, a national agency (INPS) delivers monetary support to workers facing work and family hardships. On the other hand, regional and local authorities implement plans and targeted projects that combine employment, social, health and development policy fields.

An interesting experiment was introduced to face the current financial and economic crisis through an agreement between the State and Regions (reached in February 2009). This agreement allowed shock-absorbing mechanisms (namely CIGS) to amount to € 8,000 million between 2009 and 2010. Resources (€ 3,950 million) were taken from the national fund devoted to under-utilised regional areas (FAS) and combined with those (€ 2,650 million) available to the Regions for employability and vocational training (namely regional operational programmes supported by the ESF, European Social Fund) while the 2009 financial law (Law No 203/2008) provided new funding (€ 1,400 million). The immediate availability of workers to participate in training courses provided by regional and local authorities is a conditional rule to receive the CIGS allowance, which is delivered by the national institute of social insurance (INPS). To this end, Regions and INPS made specific agreements and use a shared accounting system.

These measures have contributed to reducing labour market segmentation, but an overarching approach focused on “labour & freedom” rights for all workers is needed. Attention should be devoted to the most vulnerable, namely the working poor.

The current legal framework requires further development in the following aspects:

- Local welfare systems need improved co-ordination between different levels of decision making, financial support to regional and local authorities to better integrate policies and services and to include the participation of citizens and stakeholders.
- Labour & freedom rights need to incorporate the principles of universalism (all citizens have the access to civil and social rights) and selectivity (different needs according to different conditions).
- Discriminatory restrictions (e.g. against immigrants, ethnic minorities and women) need to be eradicated from existing laws.
- Shock absorbing systems need to be reformed towards providing universal protection both for the “insiders” and “outsiders” in the segmented labour markets.
- The area of unstable employment needs to be reduced through basic fiscal rules on open-ended contracts, which support collective bargaining as well as a national minimum wage mechanism.

4. Statistics

Table 1: In-work at-risk-of-poverty rates (1) by gender and age, 2008					
	Total	18-24 years	25-54 years	55-64 years	65 years and over
Total					
Italy	9%	9%	9%	7%	3%
EU 27	8%	10%	8%	8%	17%
#Italy-EU 27	1	-1	1	-1	-14
BPC (2)	From 5% to 7%	From 12% to 20%	From 5% to 6%	From 2% to 4%	From 6% to 10%
#Italy-BPC	From 4 to 2	From -3 to -11	From 4 to 3	From 5 to 3	From -3 to -7
Women					
Italy	6%	11%	7%	3%	5%
EU 27	8%	11%	7%	8%	20%
#Italy-EU 27	-2	0	0	-5	-15
BPC (2)	From 4% to 6%	From 13% to 20%	From 4% to 6%	From 2% to 4%	From 2% to 9%
#Italy-BPC	From 2 to 0	From -2 to -9	From 3 to 1	From 1 to -1	From 3 to -4
Men					
Italy	11%	7%	11%	9%	2%
EU 27	9%	9%	9%	8%	14%
#Italy-EU 27	2	-2	2	1	-12
BPC (2):	From 5% to 7%	From 10% to 20%	From 5% to 7%	From 3% to 4%	From 5% to 11%
#Italy-BPC	From 6 to 4	From -3 to -13	From 6 to 4	From 6 to 5	From -3 to -9
Women - Men					
Italy	-5	4	-4	-6	3
EU 27	-1	2	-2	0	6
#Italy-EU 27	4	2	2	6	-3
BPC (2)	From -1 to -2	From 3 to 0	-1	From -2 to 0	From -6 to -2
#Italy-BPC	From 5 to 3	From 1 to 4	3	From 4 to 6	From 9 to 5
<p>(1) Share (%) of persons classified as employed and living in households with an equivalised disposable income below the risk-of-poverty threshold. This threshold is set at 60 % of the national median equivalised disposable income (after social transfers). In 2008, the yearly thresholds for single person and two adults with two children younger than 14 years were respectively: € 9,382 and € 19,702 in Italy; € 11,800 and 24,779 in Finland; € 12,178 and € 25,573 in Sweden; € 14,497 and € 30,443 in Denmark.</p>					
<p>(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)</p>					
# Difference between Italian rates and the EU 27 average rate or BPC rates					
Elaboration on data from EUROSTAT database					

Table 2: In-work at-risk-of-poverty rates by education level (ISCED 1997 levels), 2008

	Italy	EU 27	#Italy-EU 27	BPC (1)	#Italy-BPC
Pre-primary, primary and lower secondary education (levels 0-2)	15%	17%	-2	From 6% to 9%	From 9 to 6
Upper secondary and post-secondary non-tertiary education (levels 3-4)	6%	8%	-2	From 6% to 7%	From 0 to -1
Tertiary education (levels 5-6)	3%	3%	0	From 2% to 5%	From 1 to -2

(1) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)

Difference between Italian rates and the EU 27 average rate or BPC rates

Elaboration on data from EUROSTAT database

Table 3: Tax rate on low wage earners – Low wage trap (1), 2008

	Italy	EU 27	#Italy-EU 27	BPC (2)	#Italy-BPC
Single person without children	37%	50%	-13	From 45% to 79%	From -8 to -42
One earner married couple with two children	-5%	65%	-70	From 79% to 100%	From -84 to -105

(1) Low wage trap: percentage of gross earnings taxed away through income taxes, social security contributions and any withdrawal of benefits when gross earnings increase from 33% to 67% of average earnings.

(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)

Difference between Italian rates and the EU 27 average rate or BPC rates

Elaboration on data from EUROSTAT database and from the EC, *Compendium of indicators for monitoring the Employment Guidelines including indicators for additional employment analysis (latest update 03/11/2009)*

Table 4: Average gross monthly earnings in all occupations by sex (1), 2006

	Total	Women	Men	Women - Men
Italy	€ 2.099	€ 1.865	€ 2.271	-18%
EU 27	€ 2.222	€ 1.932	€ 2.468	-22%
#Italy-EU 27	-6%	-4%	-9%	-4
BPC (2)	From € 2.571 to € 3.268	From € 2.267 to € 2.888	From € 2.888 to € 2.904	From -15% to -22%
#Italy-BPC	From -22% to -56%	From -22% to -55%	From -28% to -62%	From 3 to -4

(1) Remuneration in cash received by employees before tax deductions and social security contributions. Monthly earnings exclude bonuses (13th or 14th month, holiday bonuses etc.). Data refer to enterprises with 10+ employees.

(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)

Difference between Italy and the EU 27 or BPC

Elaboration on data from EUROSTAT, *Labour market statistics*, 2009

Italy	EU 15	#Italy–EU 15	BPC (2)	#Italy–BPC
43%	41%	2	From 38% to 43%	From 5 to 0
(1) The tax wedge on the labour cost measures the relative tax burden for an employed single person without children and with low earnings (67% of the average earnings).				
(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)				
# Difference between Italian rates and the EU 15 average rate or BPC rates				
Elaboration on data from EUROSTAT database				

	Without dependent children			With dependent children		
	Single person	Two or more adults	Households	Single parent	Two or more adults	Households
Italy	9%	4%	5%	21%	12%	12%
EU 27	11%	5%	6%	20%	10%	11%
#Italy–EU 27	-2	-1	-1	1	2	1
BPC (2)	From 10% to 13%	From 2% to 4%	From 5% to 7%	From 8% to 17%	From 4% to 5%	From 5% to 6%
#Italy–BPC	From -1 to -4	From 2 to 0	From 0 to -2	From 13 to 4	From 8 to 7	From 7 to 6
(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)						
# Difference between Italian rates and the EU 27 average rate or BPC rates						
Elaboration on data from EUROSTAT database						

Percentage of Households in ITALY by breadwinner professional status: national indicators						
Years	Total	Employees	Self-employed	Job seeker	Retired	Other inactive (2)
2000	12.3%	9.8%	7.9%	33.1%	14.0%	n.a.
2005	11.1%	9.4%	7.9%	31.4%	11.6%	n.a.
2006	11.1%	9.3%	7.5%	28.2%	12.2%	15.8%
2007	11.1%	9.4%	6.3%	27.5%	12.3%	16.8%
2008	11.3%	9.6%	7.9%	33.9%	11.3%	17.6%
(1) Relative poverty rates: based on consumption expenditure. Poverty threshold: nationally based; e.g. € 999,67 per month for a two-member household in 2008.						
(2) Other inactive: persons not in professional condition (e.g. housewife, student, unfit for a job, etc.)						
Data from ISTAT: <i>La povertà relativa in Italia nel 2000</i> , 31 Luglio 2001; <i>La povertà relativa in Italia nel 2005</i> , 11 Ottobre 2006; <i>La povertà relativa in Italia nel 2006</i> , 4 Ottobre 2007; <i>La povertà relativa in Italia nel 2007</i> , 4 Novembre 2008; <i>La povertà in Italia nel 2008</i> , 30 Luglio 2009.						

Table 8: Relative poverty rates of employees and self-employed, 2000 - 2008

Percentage of Households in **ITALY** by breadwinner professional status: national indicators (see notes in Table 7)

Years	Employees			Self-employed		
	Total	White collar	Blue collar	Total	Entrepreneurs + professionals	Workers
2000	9.8%	n.a.	n.a.	7.9%	n.a.	n.a.
2005	9.4%	5.2%	13.7%	7.9%	4.2%	10.3%
2006	9.3%	5.0%	13.8%	7.5%	3.8%	9.6%
2007	9.4%	5.4%	13.9%	6.3%	3.7%	7.9%
2008	9.6%	4.9%	14.5%	7.9%	3.3%	11.2%

Data from ISTAT: see Table 7

Table 9: Relative poverty rates by main regional areas, 2000 – 2008

Percentage of Households in **ITALY**, with focus on those with employee and self-employed as a breadwinner (1)

Regional areas	Households	2000	2005	2006	2007	2008
North	Employees	4.2%	4.2%	3.9%	4.5%	4.4%
	Self-employed	3.2%	2.5%	3.2%	2.5%	3.7%
	Total poor (2)	5.7%	4.5%	5.2%	5.5%	4.9%
	Total poor (2): women	7.0%	5.0%	6.1%	5.7%	4.7%
	Total poor (2): men	5.1%	4.3%	4.8%	5.4%	5.0%
Centre	Employees	6.9%	4.2%	4.5%	5.0%	4.9%
	Self-employed	n.a.	5.9%	4.4%	3.5%	4.8%
	Total poor (2)	9.7%	6.0%	6.9%	6.4%	6.7%
	Total poor (2): women	9.4%	6.5%	7.5%	7.5%	7.7%
	Total poor (2): men	9.8%	5.7%	6.5%	5.8%	6.2%
South	Employees	19.2%	20.3%	20.5%	20.0%	20.7%
	Self-employed	17.6%	18.0%	16.4%	13.8%	16.6%
	Total poor (2)	23.6%	24.0%	22.6%	22.5%	23.8%
	Total poor (2): women	23.5%	24.5%	22.2%	20.8%	23.2%
	Total poor (2): men	23.6%	23.9%	22.7%	23.0%	24.0%
Italy	Employees	9.8%	9.4%	9.3%	9.4%	9.6%
	Self-employed	7.9%	7.9%	7.5%	6.3%	7.9%
	Total poor (2)	12.3%	11.1%	11.1%	11.1%	11.3%
	Total poor (2): women	12.3%	11.1%	11.0%	10.4%	10.6%
	Total poor (2): men	12.3%	11.1%	11.2%	11.4%	11.6%

(1) National indicators: see notes in Table 7; (2) Total poor: all poor Households.

Data from ISTAT: see Table 7

ITALY

Table 10: Activity rates (1) by gender and age, 2008					
	15-64 years	15-24 years	25-54 years	55-64 years	65-69 years
Total					
Italy	63%	31%	78%	36%	8%
EU 27	71%	45%	85%	48%	10%
#Italy-EU 27	-8	-14	-7	-12	-2
BPC (2)	From 76% to 81%	From 53% to 73%	From 89% to 90%	From 59% to 73%	From 10% to 17%
#Italy-BPC	From -13 to -18	From -22 to -42	From -11 to -12	From -23 to -37	From -2 to 9
Women					
Italy	52%	26%	65%	25%	3%
EU 27	64%	41%	78%	39%	7%
#Italy-EU 27	-12	-15	-13	-14	-4
BPC (2)	From 74% to 77%	From 53% to 72%	From 86% to 88%	From 52% to 69%	Form 6% to 12%
#Italy-BPC	From -22 to -25	From -27 to -46	From -21 to -23	From -27 to -44	From -3 to 9
Men					
Italy	74%	36%	91%	47%	13%
EU 27	78%	48%	92%	58%	14%
#Italy-EU 27	-4	-12	-1	-11	-1
BPC (2)	From 78% to 84%	From 53% to 73%	From 91% to 93%	From 61% to 77%	From 14% to 22%
#Italy-BPC	From -4 to 10	From -17 to -37	From 0 to -2	From -14 to -30	From -2 to 9
Gender gap = Women – Men					
Italy	-23	-10	-26	-22	-9
EU 27	-14	-7	-15	-19	-6
#Italy-EU 27	9	3	11	3	3
BPC (2)	From -4 to -7	From 0 to -2	From -5 to -6	From -2 to -15	From -8 to -11
#Italy-BPC	From 19 to 16	From 11 to 9	From 19 to 21	From 21 to 8	From -1 to 1
(1) Activity rate: labour force (employed and unemployed) as a percentage of the total population for a given age.					
(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in activity rates					
# Difference between Italian rates and the EU 27 average rate or BPC rates					
Elaboration on data from EUROSTAT database and from the EC, <i>Compendium of indicators for monitoring the Employment Guidelines including indicators for additional employment analysis (latest update 03/11/2009)</i>					

Gender and regions	2000	2005	2006	2007	2008	2009	
Women	48.5%	50.4%	50.8%	50.7%	51.6%	51.1%	
North West	54.7%	58.0%	59.0%	59.3%	60.2%	60.0%	
North East	56.5%	59.4%	60.2%	60.2%	61.4%	60.9%	
Centre	51.2%	55.5%	56.0%	55.8%	57.4%	57.3%	
South	38.6%	37.5%	37.3%	36.6%	37.2%	36.1%	
Men	73.6%	74.4%	74.6%	74.4%	74.4%	73.7%	
North West	74.3%	77.2%	77.6%	77.8%	78.0%	78.1%	
North East	77.1%	78.0%	78.8%	79.2%	79.1%	78.2%	
Centre	73.1%	75.2%	76.3%	76.0%	76.6%	76.6%	
South	71.4%	69.9%	69.3%	68.4%	68.0%	66.3%	
Total	61.0%	62.4%	62.7%	62.5%	63.0%	62.4%	
North West	64.6%	67.6%	68.3%	68.6%	69.2%	69.1%	
North East	67.0%	68.8%	69.6%	69.8%	70.3%	69.6%	
Centre	62.1%	65.2%	66.0%	65.8%	66.9%	66.8%	
South	54.8%	53.6%	53.2%	52.4%	52.4%	51.1%	
Regional disparity = South (S) – the other regional areas							
Women	S – North West	-16.1	-20.5	-21.7	-22.7	-23	-23.9
	S – North East	-17.9	-21.9	-22.9	-23.6	-24.2	-24.8
	S – Centre	-12.6	-18	-18.7	-19.2	-20.2	-21.2
Men	S – North West	-2.9	-7.3	-8.3	-9.4	-10	-11.8
	S – North East	-5.7	-8.1	-9.5	-10.8	-11.1	-11.9
	S – Centre	-1.7	-5.3	-7	-7.6	-8.6	-10.3
Total	S – North West	-9.7	-14	-15.1	-16.2	-16.8	-18
	S – North East	-12.2	-15.2	-16.4	-17.4	-17.9	-18.5
	S – Centre	-7.3	-11.6	-12.8	-13.4	-14.5	-15.7
Gender gap = Women – Men							
Italy	-25.1	-24	-23.8	-23.7	-22.8	-22.6	
North West	-19.7	-19.2	-18.6	-18.5	-17.8	-18.1	
North East	-20.6	-18.6	-18.6	-19	-17.7	-17.3	
Centre	-22	-19.7	-20.3	-20.2	-19.2	-19.3	
South	-32.8	-32.4	-32	-31.8	-30.8	-30.2	
(1) Activity rate: Labour Force (employed and job seekers) aged 15-64 as a percentage of same age total population							
Elaboration on data from ISTAT: <i>Forze di lavoro – Media 2008; Forze di Lavoro – Media 2009</i>							

ITALY

Table 12: Employment rates (1) by gender and age, 2008				
	15-64 years	15-24 years	25-54 years	55-64 years
Total				
Italy	59%	24%	74%	34%
EU 27	66%	38%	80%	46%
#Italy-EU 27	-7	-14	-6	-12
BPC (2)	From 71% to 78%	From 42% to 67%	From 84% to 88%	From 57% to 70%
#Italy-BPC	From -12 to -19	From -18 to -43	From -10 to -14	From -23 to -36
Women				
Italy	47%	19%	60%	24%
EU 27	59%	35%	72%	37%
#Italy-EU 27	-12	-15	-12	-13
BPC (2)	From 69% to 74%	From 42% to 66%	From 81% to 85%	From 50% to 67%
#Italy-BPC	From -22 to -27	From -23 to -46	From -21 to -25	From -26 to -43
Men				
Italy	70%	29%	87%	46%
EU 27	73%	40%	87%	55%
#Italy-EU 27	-3	-11	0	-11
BPC (2)	From 73% to 83%	From 42% to 68%	From 87% to 91%	From 57% to 73%
#Italy-BPC	From -3 to 13	From -13 to -39	From -1 to -5	From -12 to -27
Women - Men				
Italy	-23	-10	-27	-22
EU 27	-14	-6	-15	-18
#Italy-EU 27	9	4	12	4
BPC (2)	From -4 to -8	From 0 to -3	From -6 to -7	From -7 to -15
#Italy-BPC	From 19 to 15	From 10 to 7	From 21 to 20	From 15 to 7
(1) The employment rate is calculated by dividing the number of persons aged 15 to 64 in employment by the total population of the same age group.				
(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment rates				
# Difference between Italian rates and the EU 27 average rate or BPC rates				
Elaboration on data from EUROSTAT database				

Gender and regions	2000	2005	2006	2007	2008	2009	
Women	41.8%	45.3%	46.3%	46.6%	47.2%	46.4%	
North West	50.4%	54.5%	56.0%	56.4%	56.9%	55.9%	
North East	52.9%	56.0%	57.0%	57.5%	58.4%	57.3%	
Centre	45.1%	50.8%	51.3%	51.8%	52.7%	52.0%	
South	28.4%	30.1%	31.1%	31.1%	31.3%	30.6%	
Men	67.8%	69.7%	70.5%	70.7%	70.3%	68.6%	
North West	71.1%	74.6%	75.2%	75.4%	75.4%	74.1%	
North East	75.0%	75.8%	76.8%	77.5%	77.2%	75.1%	
Centre	69.0%	71.4%	72.9%	73.0%	73.0%	72.1%	
South	60.8%	61.9%	62.3%	62.2%	61.1%	59.0%	
Total	54.8%	57.5%	58.4%	58.7%	58.7%	57.5%	
North West	60.8%	64.6%	65.7%	66.0%	66.2%	65.1%	
North East	64.2%	66.0%	67.0%	67.6%	67.9%	66.3%	
Centre	57.0%	61.0%	62.0%	62.3%	62.8%	61.9%	
South	44.4%	45.8%	46.6%	46.5%	46.1%	44.6%	
Regional disparity = South (S) – the other regional areas							
Women	S – North West	-22.1	-24.4	-24.9	-25.3	-25.6	-25.3
	S – North East	-24.6	-25.9	-25.9	-26.4	-27.1	-26.7
	S – Centre	-16.8	-20.7	-20.2	-20.7	-21.4	-21.4
Men	S – North West	-10.3	-12.7	-12.9	-13.2	-14.3	-15.1
	S – North East	-14.2	-13.9	-14.5	-15.3	-16.1	-16.1
	S – Centre	-8.2	-9.5	-10.6	-10.8	-11.9	-13.1
Total	S – North West	-16.4	-18.8	-19.1	-19.5	-20.1	-20.5
	S – North East	-19.8	-20.2	-20.4	-21.1	-21.8	-21.7
	S – Centre	-12.6	-15.2	-15.4	-15.8	-16.7	-17.3
Gender gap = Women - Men							
Italy	-26	-24.4	-24.2	-24.1	-23.1	-22.2	
North West	-20.6	-20.1	-19.2	-19	-18.5	-18.2	
North East	-22.1	-19.8	-19.8	-20	-18.8	-17.8	
Centre	-23.9	-20.6	-21.6	-21.2	-20.3	-20.1	
South	-32.5	-31.8	-31.2	-31.2	-29.8	-28.4	
(1) Employment rate: persons aged 15-64 as a percentage of same age total population							
Elaboration on data from ISTAT: <i>Forze di lavoro – Media 2008; Forze di Lavoro – Media 2009</i>							

Table 14: Gender segregation (1), 2008					
	Italy	EU 27	#Italy-EU 27	BPC (2)	#Italy-BPC
In occupations	24%	26%	-2	From 27% to 30%	From -3 to -6
In sectors	18%	19%	-1	From 19% to 23%	From -1 to -5
(1) Gender segregation in occupations and sectors is calculated as the average national share of employment for women and men applied to each occupation and sector					
(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)					
# Difference between Italian rates and the EU 27 average rate or BPC rates					
Elaboration on data from: EC, <i>Compendium of indicators for monitoring the Employment Guidelines including indicators for additional employment analysis (latest update 03/11/2009)</i> ; EU, <i>Report on equality between women and men, 2010</i> ; EC, <i>Gender segregation in the labour market, 2009</i> .					

Table 15: Employment gender gap (1) by education level (ISCED 1997 levels), 2008					
	Italy	EU 27	#Italy-EU 27	BPC (2)	#Italy-BPC
Pre-primary, primary and lower secondary education (levels 0-2)	32	19	13	From 7 to 12	From 25 to 20
Upper secondary and post-secondary non-tertiary education (levels 3-4)	19	13	6	From 7 to 8	From 12 to 11
Tertiary education (levels 5-6)	11	7	4	From 2 to 6	From 9 to 5
(1) Difference in employment rates between men and women in percentage points by educational level					
(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)					
# Difference between Italian rates and the EU 27 average rate or BPC rates					
Elaboration on data from EC, <i>Compendium of indicators for monitoring the Employment Guidelines including indicators for additional employment analysis (latest update 03/11/2009)</i>					

Table 16: Transitions in employment and by type of contract between 2006 and 2007 (1)						
	From employee-permanent to:		From employee-temporary to:		From self-employed to:	
	Same status	Unemployed and inactive	Same status	Unemployed and inactive	Same status	Unemployed and inactive
Italy	90%	5%	49%	17%	87%	7%
BPC (2)	From 90% to 92%	From 5% to 7%	From 37% to 66%	From 19% to 22%	From 85% to 87%	From 4% to 7%
#Italy-BPC	From 0 to -2	From 0 to -2	From 12 to -17	From -2 to -5	From 2 to 0	From -3 to 0
	From unemployed to:		From inactive to:		From any type of employment to:	
	Same status	Any type of employment	Same status	Any type of employment	Same status	Unemployed and inactive
Italy	49%	27%	88%	7%	59%	41%
BPC (2)	From 53% to 30%	From 29% to 40%	From 73% to 74%	22%	From 68% to 78%	From 22% to 32%
#Italy-BPC	From -4 to 19	From -2 to -13	From 15 to 14	-15	From -9 to -19	From 19 to 9
(1) Transitions of persons aged 16-64 between employment and non-employment and within employment by type of contract from 2006 to 2007. Temporary contracts in 2006: 13% in Italy, 16% in Finland and 17% in Sweden as a share of all employees.						
(2) BPC = Best Performing Countries, two EU countries (Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10). Data on Denmark not available.						
# Difference between Italian and BPC rates						
Elaboration on data from EC, <i>Compendium of indicators for monitoring the Employment Guidelines including indicators for additional employment analysis (latest update 03/11/2009)</i>						

Table 17: Transitions by pay level between 2006 and 2007 – LPR, Low-pay risk (1)					
LPR probability	Italy	EU 25	#Italy-EU 25	BPC (2)	#Italy-BPC
In the 2 nd decile (a low pay level)	62%	63%	-1	From 60% to 62%	From 2 to 0
In the 6 th decile (a high pay level)	28%	31%	-3	From 33% to 43%	From -5 to -15
Along the first five deciles (low pay levels)	From 57% to 62%	From 62% to 67%	-5	From 55% to 71%	From 2 to -10
Along the second five deciles (high pay levels)	From 28% to 44%	From 31% to 53%	From -3 to -9	From 26% to 43%	From 2 to 1
(1) Transitions between 2006 and 2007 by pay level in terms of share (%) of persons (aged 16-64) already employed in 2006. Pay levels in deciles: the 1 st as the lowest paid decile and the 10 th as the best paid decile. LPR (low-pay risk) is here defined as a probability of: A) remaining in the same pay level or falling to low-pay level or non-employment (unemployed and inactive) in the first five deciles (low pay levels); B) falling into low-pay level or in non-employment (unemployed and inactive) in the second five deciles (high pay levels)					
(2) BPC = Best Performing Countries, two EU countries (Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10). Data on Denmark not available.					
# Difference between Italian rates and the EU 25 average rate or BPC rates					
Elaboration on data from EC, <i>Compendium of indicators for monitoring the Employment Guidelines including indicators for additional employment analysis (latest update 03/11/2009)</i>					

Table 18: Yearly gross earnings from employment, 2007 – Italy

Earnings in EURO	Employees	Self-employed	Retired	Total
Less than 10,000	22.1%	35.4%	42.7%	27.5%
10,001 – 15,000	13.8%	14.7%	20.7%	14.9%
15,001 – 30,000	49.7%	28.4%	30.1%	40.4%
30,001 – 70,000	13.2%	17.3%	6.0%	15.0%
Over 70,000	1.2%	4.2%	0.4%	2.2%
Total	100%	100%	100%	100%

Translated from ISTAT, *La distribuzione del carico fiscale e contributivo in Italia – Anno 2007*, 27 Aprile 2010

Table 19: Gender pay gap (1), 2008

Italy	EU 27	#Italy–EU 27	BPC (2)	#Italy–BPC
5%	18%	-13	From 17% to 20%	From -12 to -15

(1) The unadjusted Gender Pay Gap (GPG) represents the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.

(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)

Difference between Italian rates and the EU 27 average rate or BPC rates

Elaboration on data from EUROSTAT database

Table 20: Life-long learning (1), 2008

	Total	Women	Men	Gender gap = Women - Men
Italy	7%	8%	6%	2
EU 27	11%	12%	9%	3
#Italy–EU 27	-4	-4	-3	-1
BPC (2)	From 25% to 32%	From 29% to 39%	From 21% to 26%	From 8 to 13
#Italy–BPC	From -18 to -25	From -21 to -31	From -15 to -20	From -6 to -11

(1) Share (%) of employed persons (aged 25-64) participating in education and training activities

(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)

Difference between Italian rates and the EU 27 average rate or BPC rates

Elaboration on data from EUROSTAT database and from the EC, *Compendium of indicators for monitoring the Employment Guidelines including indicators for additional employment analysis (latest update 03/11/2009)*

Women (1)	Italy	EU 27	#Italy-EU 27	BPC (2)	#Italy-BPC
Inactivity and part-time work due to lack of care services (1a)	19%	30%	-11	From 8% to 11%	From 11 to 8
Inactive persons and part-time workers due to their care responsibilities (1b)	12%	9%	3	From 2% to 7%	From 10 to 5
(1) Only data concerning women are reported in this table because data concerning men (and consequently also the total) are not available in some BPC (2)					
(1a) Inactivity and part-time work due to lack of care services: share (%) of women aged 15-64 having care responsibilities who would like to work but are not searching for a job and who work part-time due to lack of suitable care services					
(1b) Inactive persons and part-time workers with care responsibilities: share (%) of women aged 15-64 who would like to work but are not searching for a job and who work part-time due to their care responsibilities					
(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)					
# Difference between Italian rates and the EU 27 average rate or BPC rates					
Elaboration on data from: EC, <i>Compendium of indicators for monitoring the Employment Guidelines including indicators for additional employment analysis (latest update 03/11/2009)</i> ; EU, <i>Report on equality between women and men, 2010</i> .					

	Employees working overtime (1)			Hours usually worked per week (2)			Yearly working hours (3)
	Women	Men	Total	Women	Men	Total	Average
Italy	3%	4%	4%	37	41	39	1,802
BPC (4)	From 6% to 12%	From 8% to 17%	From 7% to 15%	From 38 to 40	40	From 39 to 40	From 1,582 to 1,727
#Italy-BPC	From -3 to -9	From -4 to -13	From -3 to -11	From -1 to -3	1	From 0 to -1	From 74 to 220
(1) Employees for whom overtime is given as the main reason for actual hours worked during the reference week being different from the person's usual hours worked as a % of total employees							
(2) Average weekly number of hours usually worked per week defined as the sum of hours worked by full-time employees divided by the number of full-time employees							
(3) Average effective annual working hours per employed person							
(4) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)							
# Difference between Italian rates and the BPC rates							
Elaboration on data from EUROSTAT database and from the EC, <i>Compendium of indicators for monitoring the Employment Guidelines including indicators for additional employment analysis (latest update 03/11/2009)</i>							
Elaboration on data from EUROSTAT database							

Table 23: Access to flexitime (1), 2004					
	Italy	EU 27	#Italy-EU 27	BPC (2)	#Italy-BPC
Women	30%	29%	1	From 47% to 63%	From -17 to -33
Men	35%	33%	2	From 54% to 63%	From -19 to -28
Total	33%	31%	2	From 50% to 62%	From -17 to -29
(1) Total employees who have other working time arrangements than fixed start and end of a working day as a % of total employees					
(2) BPC = Best Performing Countries, a group of EU countries (Denmark, Finland and Sweden) with best performance in employment and activity rates (see Tables 12 and 10)					
# Difference between Italian rates and the EU 27 average rate or BPC rates					
Elaboration on data from EC, <i>Compendium of indicators for monitoring the Employment Guidelines including indicators for additional employment analysis (latest update 03/11/2009)</i>					

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