Italy has been one of the countries most hit by the crisis and has not yet recovered. Italy’s GDP is still below the pre-crisis level, with great levels of inequalities and regional discrepancies. The National Strategy Group in Italy considers the current public policies that address fighting and reducing inequalities insufficient to address the disparities present in the country both at national and regional level. The tax on income and general taxation paid annually by people has risen in the recent years but there have been insufficient measures adopted to create redistribution, and Italy is failing to tackle tax evasion. In recent years, individuals and families have lost income, and due to several reforms of the labour market, job security and working conditions have worsened coupled with reduced access to social protection and spending on social services. Employment rates have risen but the labour market remains segmented, with great regional disparities and an increase in temporary contracts and involuntary part-time employment. Inactivity affects mostly women, young people and migrants. Moreover, Italy presents the second highest youth unemployment rate in Europe, and the highest for number of NEETs. Income inequality and risk of poverty are high with wide regional and territorial differences. The former government introduced two new policies aimed at the security of the country, including measures that threaten the work of NGOs and human rights defenders, criminalising solidarity as well as eliminating the residence permit for humanitarian reasons.
Gini Index: 33.4  
Unemployment: 10.6%  
Gender equality index: 63.0  
Youth unemployment: 32.2%  
AROPE: 27.3%  
Social welfare spending (as % of GDP): 20.9%  
Tax on labour as share of total taxes: 49.2%  
In work poverty: 12.2%  
CIVICUS civic space monitor: Narrowed

Equal opportunities and fair working conditions

Italy has been one of the countries hit hardest by the crisis and has not yet recovered, with its GDP still below the pre-crisis level. Macroeconomic imbalances remain crucial to be addressed, in particular the country’s high public debt ratio and the necessity of reforms. Moreover, the National Strategy Group has indicated that measures taken in the last years to foster productivity and growth have come at the expense of rising inequalities that have intensified in the past ten years. In 2018 the wealth of the 21 richest Italian billionaires listed by Forbes was equal to all the assets held by the poorest 20% of the population. The Gini index of 33.4 in 2018 placed Italy among the most unequal countries in Europe and confirmed an increasing trend in inequalities.

The National Strategy Group in Italy considers the current public policies that address fighting and reducing inequalities insufficient to address the disparities present in the country both at national and regional level. The tax on income as well as other taxation paid annually by people has risen in recent years but there have been insufficient measures adopted to create redistribution of wealth. In fact, the former government proposed a measure called flat tax which had the aim of reducing and simplifying taxes and reducing as well the progressivity in taxation as regulated by the Italian Constitution, but the measure was never realised due to the fall of the government in August 2019. As pointed out by the Country Report 2019, Italy has made limited progress in tackling tax evasion and fighting corruption, which has been calculated just on income and revenues to be around 107.5 billion Euros without considering the revenues generated by illegal activity.

Income losses in Italy also reflect the weak protection for those affected by labour market problems. With above-average unemployment, Italy spends around one third less on working-age transfers (such as unemployment benefits or family transfers) than on average in the EU. Spending on services, including active employment support such as training or job-search assistance, is around half of that in the EU.

The national strategy group identified that the policy introduced in 2014 with the Law Decree 66/2014, which created an addition of a personal income tax credit of 80 Euros monthly to the pay slip of incomes lower than 26.600 EUR, provided some positive effect, while the reform of the labour market of 2014 and 2015 (Job Act) did not have the expected benefits for the creation of new employment.

Youth unemployment and emigration

In January 2019, the proportion of Italy’s youth not in work rose to 33 per cent from 32.8 per cent in December and 32.6 per cent in January 2018. The country now has the second highest unemployment rate in the EU, after Greece. Differences in employment levels are also big between different areas of the country, with youth unemployment varying from 18.9% in the northeast (Bolzano, Trento, Friuli Venezia Giulia, Veneto, Emilia Romagna) to 49.4% in the Islands (Sicilia and Sardegna) and 47.9% in the
difficulties in managing differences among students. The Group also highlights that educational failure and educational poverty remain a real and unresolved social emergency that needs the development of an organic national plan and Currently, the Italian spending on education is equal to 4% of GDP compared to the 4.9% European average. Structured interventions are needed on the starting conditions of poverty and educational poverty, linked to fragile family contexts and deprived territories in particular in the south of the country.

In the last 10 years Italy has been affected by a large emigration of the young population with an estimated 500,000 people leaving the country, of which 250,000 are people between 15 and 34 years old. A study has shown that this has cost the country around 16 billion Euros, around 1 percentage point of the GDP. This has a big impact for Italy also because of the low overall level of people that have attained tertiary education. At only 27.8% of the population, it sees Italy in the penultimate place among the EU member states, far from reaching the Europe 2020 target. From 2013 to 2017 there was a 41% increase in the number of graduates who left Italy, without considering South-North mobility of the country, another very important factor in Italy (200,000 young graduates are estimated to have transferred from South to North from 2000 to date) due to serious and chronic disparities in opportunities. The negative demographic balance is mitigated only by the presence of migrants.

Another factor seen at the roots of Italian emigration is that the young generation no longer expected to improve their quality of life compared to that of their parents as social mobility is practically blocked. Growing inequalities and reduced social mobility for young people contribute also to the reduction of participation in democratic life and a growing dissatisfaction in institutions and interest toward extremist right wing or populist parties.

In Italy the rate of early school leaving is high and has increased in the recent years, with numbers higher than the EU average. The National Strategy Group found as reasons high standardisation and South (Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria).

Italy also had the highest rate of NEET young people (20-34 years) in neither employment nor education across the Eurozone with 28.9%. Italy has not introduced specific measures to counter this phenomenon. However, in 2013 the Youth Guarantee, a programme implemented with the support of EU funds, was introduced. The Youth Guarantee is aimed at young people between 15 and 29 who do not study or work. The program offers a job, an apprenticeship contract or an internship or a further course of study or training based on work and professional needs. Support for entrepreneurship is also envisaged. Also in 2018 some incentives were introduced for companies that employ young people participating in the program.

Some experiments have been carried out on the relationship between school and employment, but with a negative result as they were dictated more by the needs of the market than by improvement of training, and thus they did not create a synergic network between the interventions to support training success and the orientation and activation measures in the labour market. In this regard, a national plan on the certification of acquired skills is lacking in order to enhance soft skills and a lifelong learning approach - with adequate investments - as a strategic resource in a constantly changing labour market. Early school leaving is higher among men (20%) than women (10%) making a targeted gender approach necessary. Having said that, the trend of better success at school for women does not bridge the employment gap, in which we see higher unemployment among women also among the NEETs.
added value (in particular in the service sector), created a job market with an influx of jobs with low qualifications, low wages, increasing job insecurity and loss of purchasing power also with the reduction of wages, reduction of social safety nets due to suspension or reduction of working hours as a result of corporate or business crises.

Between 2014 and 2015, the Italian Government issued several legislative measures to reform the labour law (the so-called “Jobs Act”). The other major reform of the labour market before had been implemented by law no. 92 of 2012 under the Monti government. The main changes concerned the contract of salaried employment, social safety nets and dismissal regulations. Concerning individual dismissals, in the case of dismissals due to economic hardship (e.g. economic dismissals) the reinstatement in the workplace, provided for before the reform, was substituted by a severance pay, based on the age of the worker and the years of service. With the “Fornero Reform”, however, the wrong procedure can be remedied in the framework of a trade union agreement, without reversing the dismissals. Fornero’s law introduced also two new social safety nets (the so-called ASPI and mini-ASPI), which refer to the economic benefits provided for employees who involuntarily lose their jobs.

In 2014, the Renzi Government introduced the so-called Jobs Act, with the main purpose of bringing greater flexibility to the labour market through

### Good practice COOPSTARTUP

This is an experimental project promoted by COOPfond and Legacoop in 2013, to support the creation of cooperatives among young people, in the field of technological and social innovation to foster youth entrepreneurship and employment.

### Regional differences, working in precarious conditions and in-work poverty

The labour market in Italy, as well as showing a high rate of unemployment\(^\text{12}\), shows a very stagnant job market and lack of safety nets for people between jobs, while recent reforms in favour of boosting competitiveness have created in the opinion of the National Strategy Group more precarious conditions reducing traditional protections. The employment rate remains well below the EU average particularly for women, young people and migrants. Also, as outlined by the country profile\(^\text{13}\), regional employment gaps remain substantial and the job growth has been driven by temporary contracts and bogus self-employment. Moreover, Italy suffers from high levels of undeclared work, as well as in-work poverty and precariousness. Undeclared work is widespread, especially in the southern regions and affects in particular vulnerable groups, such as women, migrants and young people. According to data of the national institute of statistics, the unobserved economy in 2016 was worth 210 billion Euros or around 12.4 \% of the GDP.

In-work poverty has been increasing due to a block on wages, spreading of involuntary part-time employment affecting mostly women and increasing fixed term contracts. The National Strategy Group has highlighted that in the years following the crisis the country has not adopted a real industrial strategy, so that the production base has changed and the work has shifted towards segments with low
favourable measures for companies and increasing employment. Before the enabling act of 10 December 2014, the decree law no. 34 of 30 March 2014, the so-called “Poletti Decree”, passed into law on 16 May 2014, adopted in order to modify fixed-term and apprenticeship contracts that removed the need to justify the ending date of temporary contracts by technical, organisational or productive requirements. With this reform the temporary employment has been substantially liberalised.

In 2015, the following decrees of the enabling law no. 183 of 2014 were adopted. The legislative decrees nos. 22 and 23 of 4 March 2014 concerning social safety nets and the introduction of so-called “permanent contracts at increasing protections”. In the first case, the measure introduced to the Italian legal system new social benefits to cope with involuntary unemployment: among the most important provisions, it covered workers with project-based contracts. The second legislative measure identified the permanent employment contract as the privileged type of contract, from the date of entry into force of the decree, with the possibility of tax relief for companies. These measure have not given positive results and have introduced ways for companies to more easily lay off workers.

Two additional decrees (numbers 80 and 81 of 15 June 2015) were adopted. They addressed the reconciliation of family care, work and private life for working mothers, by extending to self-employed women the opportunity to take advantage of parental leave, and by introducing measures of temporary job leave for women who have been victims of violence; the second addressed the regulation of tasks, by recognising the employer more bargaining power in unilaterally amend contract conditions. Decree no. 81/2015 abrogated the project-based employment contracts, introduced by the Biagi Reform.

Finally, the last four legislative decrees nos. 148, 149, 150, 151 of 14 September 2015 completed the reform of the Jobs Act. Innovations have been introduced in terms of workers’ health and safety protection at the workplace and risk assessment, by stipulating penalties for employers who fail to comply with their obligations prescribed by the Consolidated Law on Safety (Testo Unico sulla sicurezza); the introduction of arrangements for employee remote control through the use of electronic equipment only for organisational purposes and to safeguard workers’ safety and company’s assets (after agreement with trade union representatives). Even the matter of voluntary resignation has been addressed in order to face the practice of so-called blank resignations, by providing a more complex procedure for guaranteeing the authenticity of such statements.

Finally, with Law 96 (dated 09/08/19), the so-called “Dignity Decree”, partially stricter rules have been defined for temporary labour recruitment or for the extension of an existing fixed-term contract. The rules are ineffective since the legal reasons for which it is possible to assume or extend fixed-term contracts take effect only after the first contract.

With the labour market reform (L. 10/12/2014, called the Jobs Act) a strong reduction of workers’ rights has been implemented in order to reduce labour costs for companies, such as: failure to pay right to reinstatement in the event of unlawful dismissal; simplification in the resolution of labour relations for the benefit of businesses; increased controls on the work of workers during the service; a simplification on occupational safety measures; less support for employment in the event of a company crisis with suspension or reduction of working hours; a strong reduction in coverage times and in the value of the allowance to support unemployment. The National Strategy Group strongly affirmed that the Jobs Act represented a very strong attack on workers’ rights in the name of flexibility and savings on labour costs.
Integration of migrants

The integration of migrants in the labour market is not organised with dedicated policies. Migrants, asylum seekers, minorities and vulnerable groups are generally less likely to experience upward social mobility and the employment rates of people of foreign origins are low. Almost 50% of foreign workers continue to carry out the same type of profession of their first job, 23.5% pass through a lower professional group than the initial one, while only 29.7% access a higher professional group than that of departure. These data confirm a sort of “segregation” of migrant workers in the labour market in some professions with marked differences between women and men. Moreover, migrants are generally employed in the undeclared and underpaid work and in these cases their working conditions do not have any guarantee. The Italian legislation presented some limitations, such as the absence of a specific entry permit for migrants in search of employment, but guaranteed – at least in formal terms – regular jobs and the application of collective labour contracts. It also favoured, albeit indirectly, the possibility of regularization. The absence of such regular inflows, the pool of people who find themselves without regular residence papers together with the phenomenon of trafficking, determines in several sectors a greater risk of irregular work with the impossibility for workers to avoid blackmail and exploitation. Among the reasons for the lack of integration, the failure of recognition of qualifications obtained abroad must be mentioned.

Subsequently, with the entry into force of the decree Law No. 55 14/06/2019, the so-called Sblocca Cantieri, action was taken in the field of the Code of Public procurements, worsening terms of prevention, of combating corruption or implementation of the principles of fair competition and transparency, consequently putting workers’ protections at fundamental risk.

The worsening of the labour conditions also comes at the cost of workers’ safety, and Italy has seen a rising number of accidents and deaths in the workplace: 599 workers died in 181 days in the first half of 2019 with an increase of 2% compared to 2018.

Gender equality

Gender inequality is a serious problem in the labour market, but the government does not consider it to be a priority as a comprehensive strategy to promote women’s participation is missing. Women in Italy remain one of the most exposed and disadvantaged category as they are still mostly responsible for caring responsibilities of children and elderly people in the family. Only 28.6% of children under three years of age are in formal early child school education. This is also aggravated by an insufficient parental leave, which covers only 30% of the salary. Though paternity leave in 2018 was increased by a day from 4 to 5, it remains under the EU average and the 10 days regulated by the work-life balance directive.

There have been measures, for instance Decree no. 80 (15-06-2015), on the issue work-life balance on which a substantially positive judgment was given even if conditions of inequality between women and men both in access to the labour market and to its permanence are still very strong. Moreover, there is a sharp disparity in access to the labour market and a wide gender pay gap.

The previous Government lead by the 5 Stars Movement and Lega Nord introduced the Decree No. 113 of 4th October 2018 (so-called Salvini Decree) that modified the SPRAR system (Protection system for asylum seekers, refugees and unaccompanied foreign minors active since 2002) and SIPROIMI system (Protection system for holders of interna-
Social protection and inclusion

Living conditions

In urban contexts the widening of poverty has exacerbated the inequalities in the ways of living and using infrastructures and services, accentuating differences in urban quality, in housing and in local services.

With the reduction of public investments in social housing, public spaces and, more generally, in the field of assistance, the discomfort is exacerbated especially in the periphery of big metropolises which have grown almost entirely of poor quality building destined only as places of residence lacking services and parks.

The Italian welfare system remains strongly fragmented and under-funded both at the level of national public policies (housing welfare, public housing) and at a horizontal - local level.

On the one hand the resources available for the provision of services and financing the welfare system have been reduced in spite of the growing needs; on the other hand services to the individual have decreased. The GDP expense for social protection is equal to its 29.3% and from 2014 and 2017 it has had a 1% decrease.

Data from the Institute of national statistics ISTAT shows that Italy is characterised by low social mobility as other countries. The data available on educational qualifications, employment status and salaries show a high percentage of people who maintain a correlation with the economic and social situation of the family of origin, giving rise to a high persistence both in the low part and in the high part confirmed also by the income indicators. Early school leaving, dualism in the labour market and the functioning of social protection networks are elements that tend to reinforce this immobility.

Good practice

ARCI project Idee da coltivare

The Arci Project “Idee da coltivare” (Ideas to be cultivated) is aimed at supporting migrants’ start-ups in agriculture and services. It aims at supporting studying Italian and receiving support to start their own enterprise with access to start-up funds. The project is co-financed by the AMIF found.

Therefore, only holders of international protection and unaccompanied foreign minors can be accepted in SIPROIMI projects (managed by Local Authorities and Civil Society Organisations with information, accompaniment, assistance and guidance throughout the construction of individual socio-economic integration paths). Asylum seekers will no longer be able to participate, as in the past, in SIPROIMI projects but will be welcomed in CARA centres where integration activities are not foreseen.

The extraordinary reception system (CAS) was also modified, changing its organisational standards and reducing the economic resources destined for it. The Decree has also doubled the period of detention in the CPR and hotspots. Moreover, the so-called Security Decree introduced closure of the harbours and penalisation of the rescue at sea with economic sanctions. This measure and the narrative of criminalisation and blaming of migrants has contributed to fuelling a crescendo of racist and discriminatory accidents across the country.

Therefore, only holders of international protection and unaccompanied foreign minors, eliminating the residence permit for humanitarian reasons.

The extraordinary reception system (CAS) was also modified, changing its organisational standards and reducing the economic resources destined for it. The Decree has also doubled the period of detention in the CPR and hotspots. Moreover, the so-called Security Decree introduced closure of the harbours and penalisation of the rescue at sea with economic sanctions. This measure and the narrative of criminalisation and blaming of migrants has contributed to fuelling a crescendo of racist and discriminatory accidents across the country.
Health

In the period 2010-2019, €37 billion was taken from the National Health System, of which about €25 billion in 2010-2015 for the sum of various financial measures. Only 9 regions out of 21 fulfil LEAs (Essential Levels of Assistance: services that the National Health Service SSN is required to provide to all citizens, free of charge or against payment of a participation fee, with the public resources collected through the general taxation).

In 2017 Italy had a health care expenditure of €204.034 million in total, of which €154.920 million in health care costs, €41,888.5 million in health care social spending and €7,225.5 million in tax expenditure. Healthcare expenditure includes €113.131 million of public spending and €41.789 million of private expenditure, of which €35.989 million from the families (out-of-pocket) and € 5.800 million of
intermediate expenditure. In percentage terms in 2017, 27% of health spending is private mainly (86.1%) supported by families.

A study has predicted that due to the effect of the aging population, in 2028 it is expected that the number of chronic patients will rise to over 25 million (one million more than 2018), while the multi-chronic will be around 14 million (in 2018 they are around 12.5 million). Moreover, in the Italian regulations there are numerous obstacles and impediments for the access of foreign citizens to territorial health services (especially when not in possession of a permanent status if migrants or refugees), also because of the non-homogeneity and discretion of application of the same rules in the various regions, to the point that a monitoring lead by civil society organisations was started on the access to the National Health Service by foreigners. Furthermore, the recent safety regulations (Safety Decrees) risk creating further obstacles to the use of the fundamental right to health protection.

Civic space

The civic space in Italy for the CIVICUS monitor is narrowed. Freedom of Speech is constitutionally recognised from the Article 21 of the Constitution and the freedom of Association by Article 18 and covers all forms of association including organisations, trade unions, employers, political parties and / or associations related to them. The Italian Third Sector has been subject of a system reform (D.Lgs. 3rd July 2017, no 117) in 2017 and according to data from the “Survey of non-profit institutions” by Istat in 2018 non-profit institutions were about 350,000.

The National Strategy Group states that the recent reforms set out by il decreto sicurezza bis (security decree) threaten freedom of assembly. Article 23 reintroduced the crime of road blocking referring to gatherings or occasional meetings of people who meet to protest. It seems a clear limitation of the right to demonstrate for example in front of factories, schools etc. Article 7, instead, introduces an aggravating circumstance for crimes of violence, threat and resistance to a public official when the alleged crime occurs during a public demonstration. According to Amnesty International, the measure has the clear purpose of limiting the spaces of freedom of those who want to claim their own rights and those of the community, for example during a protest march. The position of Italy according to the 2018 report prepared by Reporters without Borders saw an improvement, moving from the 52nd to the 46th place. However, it indicates that threats from the mafia and extremist groups against journalists are growing (43 under around-the-clock police protection) especially towards those who work in Rome and in the South and above all for having investigated the organised crime. It also shows that Italian journalists receive pressure from policy-makers to self-censor. Also recent measures have cut public funding to the press, with 20% cuts in 2019 to cutting funds completely in 2022.

The Decreto sicurezza bis also introduced a series of hardline measures that abolish key forms of protection for migrants and make it easier for them to be deported, suspending the refugee application process of those who are considered socially dangerous as well as introducing sanctions for the rescue of people at sea, criminalising solidarity and threatening the work of NGOs and human rights defenders.
Comparison to Country Specific Recommendations

The Country Specific Recommendations for Italy for 2019 focus on the Italian economic imbalances, highlighting the necessity to reduce the net primary government expenditure in order to lower the debt ratio, reduce taxation on work, reduce tax evasion and implement the pension reform. However we encourage the European Commission to put a focus on redistribution and tackling of inequalities and regional disparities that are wide spread in Italy as well as fostering social inclusion improving access and availability to affordable social services. Like the National Strategy Group, the European Commission focuses on the importance to foster women’s and young people’s participation in the labour market providing quality childcare and long term care facilities and improve educational outcomes. While the Country Specific Recommendations state that Italy needs to tackle undeclared work, the National Strategy Group highlights the necessity to also combat in-work poverty and precarious working conditions such as temporary contracts, involuntary part-time work and bogus self-employment.
References

11. https://www.coopstartup.it/progetto/
19. http://noi-italia.istat.it/index.php?id=3&tx_usercento_centofe%5Bcategoria%5D=18&tx_usercento_centofe%5Baction%5D=show&tx_usercento_centofe%5Bcontroller%5D=Categoria&cHash=2a914224fe1fb83501167544abd808b89


23. https://www.istat.it/it/archivio/234713


31. Società Italiana di medicina e Migrazion (SIMM) https://www.simmweb.it/


33. https://www.istat.it/it/archivio/207807

34. https://www.internazionale.it/reportage/annalisa-camilli/2019/08/06/decreto-sicurezza-bis-legge


SOLIDAR's Social Rights Monitor 2019 has been developed in the framework of the Together for Social Europe programme co-funded by the EU Programme for Employment and Social Innovation (EaSI). It provides an insight into the state of social rights in 16 European countries. The Monitor assesses the state of social Europe in terms of equality of opportunities, fair working conditions, social protection, inclusion and civic space based on the observations of Civil Society Organisations working on the ground in combination with statistical data and scientific findings. The Monitor also analyses to what extent these aspects are reflected in the Country Specific Recommendations of the European Semester process. For the successful implementation of the European Pillar of Social Rights and the UN’s Sustainable Development Goals, it is of utmost importance that the policy recommendations of the European Commission to the Member States are in line with and conducive of achieving these social and sustainable goals.

SOLIDAR is a European Network of membership based Civil Society organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors: social affairs, lifelong learning and international cooperation.