



Temporary agency work: national reports

Italy

The legal and institutional framework

TAW and working conditions

TAW and the labour market

TAW and collective bargaining

References

Annex 1: Survey interviews

Annex 2: Definitions

This report is available in electronic format only and has not been subjected to the standard Foundation editorial procedures

© European Foundation for the Improvement of Living and Working Conditions, 2002.

For rights of translation or reproduction, applications should be made to the Director, European Foundation for the Improvement of Living and Working Conditions, Wyattville Road, Loughlinstown, Dublin 18, Ireland.

For more information about Foundation research on this subject, please contact:

John Hurley
Information Liaison Officer
Telephone: (353 1) 204 32 09
Fax: (353 1) 282 64 56
E-mail: joh@eurofound.eu.int

The European Foundation for the Improvement of Living and Working Conditions is a tripartite EU body, whose role is to provide key actors in social policy making with findings, knowledge and advice drawn from comparative research. The Foundation was established in 1975 by Council Regulation EEC No 1365/75 of May 1975.

The legal and institutional framework

One of the ways in which the Italian authorities have lent support to the union activity, creating the “de facto” union system which exists rather than a legislative and constitutional system that it has never been possible to achieve, has been predominantly through legislation which favours collective bargaining.

Not only the 1970 Workers’ Statute but also all the important legislation of the 1980s on labour flexibility, job security agreements, work/training contracts, part-time work and fixed-term contracts can be interpreted in this sense. In all these cases provision was made for a close link between the law and collective bargaining, with the legislators confining themselves to setting out the minimum necessary regulatory framework, the standard flexibility model, and delegating the tasks of application and more detailed regulation to collective bargaining.

The 1990s legislation on labour flexibility also falls within the same tradition, but with the added consolidation of the ex ante phase of social concertation, i.e. tripartite agreements followed by their translation into laws. This is the procedure whereby the most innovative instruments of labour flexibility have been introduced in Italy in recent Years.

First and foremost to be mentioned must be the role of the National Multi-Industry Agreement of 23 July 1993. The fourth and final section of this Agreement is dedicated to the very issue of employment policies and measures to support the production system. Its main provisions included new legislative instruments on dealing with crises in employment, youth employment and training, and the reactivation of the labour market. But it also made reference to the formation of the “public assets” essential to the positive impact of these instruments: technological research and innovation, vocational education and training, financing for enterprises and international competitiveness, and the correction of regional imbalances between infrastructures and public demand.

What was really at stake with the Agreement of 23 July 1993 was, above all, an exchange between an incomes policy which entailed immediate costs to employees and employment policies which could justify those costs in the long term. It was the failure to achieve this second objective which, as is known, gave rise to serious criticisms from the unions (Negrelli, 1998). Those criticisms, although not resulting in the breakdown of concertation between the leading social actors, did put pressure on the Government to sign the “Employment Pact” of 24 September 1996, which was subsequently translated into Law No 196/1997 introducing temporary agency work into Italy for the first time.

The 1996 Employment Pact embodied new logic of social concertation directed at taking preventive action, with innovative instruments of employment policy for young people (work-entry schemes, special-purpose grants, practical work experience, part-time work and training provision) and improved decentralised, dedicated employment services. In addition, it provides for the rationalisation and modification of passive employment policy instruments for the adult unemployed (Wages Guarantee Fund, availability-for-work allowance, early retirement), which in the past have been over-used and had blocked the development of workfare and employment services. Lastly, it launched a process of continuing training, bridging the gap between school and work.

Of the new instruments introduced, the most notable related to temporary work arranged through agencies. But they also includes temporary work in the form of fixed-term contracts (made more flexible by “tolerance margins” and the possibility of directly consecutive contracts); incentives for the reduction and flexibilization

of working hours and part-time contracts; the development of research in small and medium-sized firms; a relaunching of the apprenticeship system and work/training contracts; a reorganisation of the vocational training system; traineeships and work-experience schemes; gradual realignment agreements for firms in the Mezzogiorno, and socially useful work.

Law No. 196/1997 modified and integrated the rules on fixed-term contracts previously based on Law No. 230/1962. The latter had contained an explicit list of the cases in which such contracts were permitted: seasonal work; replacement of an absent employee; performance of specified tasks, at predetermined times, of an exceptional or occasional-nature; dockyard work; the entertainment industry, managerial staff; and airport services during predetermined periods. In subsequent years these rules had been supplemented by collective bargaining which also allowed hiring under a fixed-term contract for the long-term unemployed, young first-time jobseekers and workers registered on the availability-for-work list. Law No. 230/1962 also establishes that temporary employees on fixed-term contracts must be treated exactly the same as permanent employees in financial and regulatory terms, and that their employment could be extended only once, for a period not exceeding the term initially specified in the contract.

Several important changes to these pre-existing rules introduced by Law No. 196/1997, mainly as regards a succession of consecutive fixed-term contracts and extension of the employment relationship beyond the date of the initial contract expiry, made the use of such contracts more flexible and meant that they could displace the anomalous use being made of the work/training contract in cases where there is no genuine training content.

Most importantly of all, however, Law No 196/1997 defines and regulates the new contract for temporary work arranged through an agency, thereby introducing a derogation from an earlier Law (No 1369/1960) which prohibits labour-only contracting and up till 1997 had prevented the use of temporary agency work. But the derogation is permissible only under certain conditions laid down by the Law; where these conditions are not met, Law No 1369/1960 remains applicable.

In particular, Article 1 of Law No 196 defines as “contract for the supply of temporary labour” a

“contract whereby an enterprise for the supply of temporary labour (“supplier enterprise”) registered as required (Article 2: with the Ministry of Labour, and granted the relevant licence), placed one or more workers (“temporary workers”) employed by itself under a contract of employment as required (Article 3: fixed-term or open-ended) at the disposal of another enterprise which uses their performance (“user enterprise”) to met specified needs of a temporary nature...”

Such needs always apply as a precondition for the conclusion of this special type of contract:

- in the circumstances permitted under the national agreement for the industry to which the user enterprise belongs, concluded by the comparatively most representative unions;
- in cases of temporary use for tasks not forming part of the company’s normal production arrangements;
- to replace absent employees (excluding the circumstances prohibited - see below).

Agencies licensed to supply temporary labour have to meet certain requirements: be constituted in the form of a joint-stock company or co-operative; carry on the hiring-out of labour as their sole business activity;

include the words “temporary work agency” in their company name; possess paid-up capital of not less, than one billion lire, and deposit of a sum of 700 million lire for the first two years with a credit institution as security for payments due to employees; have their registered office or a branch in Italy; have offices in at least four regions and possess appropriate professional competence; and not have any individuals among their top-level management who have ever been convicted of a criminal offence.

The obligations towards their employees which are imposed on temporary work agencies are: to pay them remuneration at least equal to that to which comparable employees of the user enterprise are entitled; in the case of those employed under an open-ended contract, to continue paying them even during periods when they are not working; to pay the required insurance and social security contributions; to grant them paid annual holidays; to pay the end-of-service allowance on termination of an open-ended employment contract; and to pay for employee insurance against accidents at work and occupational illness.

The Law also imposes a number of obligations for user enterprises, such as providing the agency worker with information on safety arrangements and implementing all protection measures; allowing the agency worker the use of all social and welfare facilities; paying damages for which liability towards third parties is caused by the agency worker; notifying the temporary work agency in writing of any assigned to higher-level tasks than those originally envisaged (if it neglects to do so, the user enterprise becomes liable for the difference in pay); and communicating any complaints about the worker direct to the agency.

The circumstances in which supplying temporary labour is prohibited are then specified: for job with little occupational skill content; to replace employees who are on strike; in establishments which during the preceding twelve months have carried out collective dismissals or introduced short-time working affecting employees performing the tasks for which temporary labour is being requested; and for particularly dangerous types of work.

In addition to substantive requirements, the Law also stipulates requirements as to the form of the supply contract, which must, for example, state: the number of workers requested; the tasks involved and the relevant job classification; the location, working hours and financial and regulatory terms and conditions for the work performances envisaged; express undertaking of obligations to pay the worker direct on the part of the supplier enterprise or, in the event of the latter’s default, on the part of the user enterprise; the starting and finishing dates of the contract; and the essential particulars of the licence issued to the supplier enterprise.

The contract of employment for the performance of temporary work which is concluded between the worker and the supplier enterprise must also state, in writing, information regarding:

- the reasons why use is being made of temporary labour;
- the name of the supplier enterprise and its official registration;
- the name of the user enterprise;
- the tasks concerned and the worker’s relevant job classification level;
- whether there is a probationary period, and if so its duration;
- the location, working hours and financial and regulatory terms and conditions involved;
- the starting and finishing dates of the work assignment in question;
- any safety measures necessary for the type of work that is to be done.

In the event that the employment relationship is continue beyond the finishing date stated in the contract, the Law stipulate a 20% increase in the daily rate of pay for the ten days following the date of expiry; beyond that period, the agency worker is seemed to have become an employee of the user enterprise employed under an open-ended contract.

A number of amendments to this regulation of temporary agency work have been introduced by Law No. 488 of 23 December 1999, which incorporates the suggestions made in the Agreement concluded between the social partners on 22 November 1999 as the outcome of the concerted follow-up operation provided for by Law No 196/1997 itself (in its Article 11) two years after its initial entry into force.

The main changes have been introduce by way of the Finance Act for 2000. First, the restriction originally imposed for the agricultural and construction sectors has been removed. Second, the ban on the use of temporary agency work, for “job with little occupational skill content” has been abolished, whereas the ban in the case of tasks, as specified by collective agreement, “whose performance may present some considerable danger to the safety of the worker or of third parties”, which has much less impact, has been maintained.

Lastly, Article 5 relating to vocational training has been entirely rewritten. The new article provides for the establishment of a bilateral Fund, on the initiative of the representative employers’ organisations for temporary work agencies and the most representative unions. The institutional scope of the new Fund has also been enlarged in comparison with the former “Fund for Vocational Training of Temporary Workers”.

These changes, as already mentioned, are the outcome of the strong criticisms expressed by both the unions and the temporary work agencies. The latter, in particular, had voiced vigorous objections to the clause which required them to allocate 5% of the cost of temporary agency work to employee training, and that percentage has now been lowered to 4%.

Finally, the most recent new development is that, as a result of the Framework Agreement of 23 May 2000 conclude between ARAN (the body which bargains collectively on behalf of public administration employers) and the unions, the use of temporary agency work has also been made permissible for public authorities, subject to a quota of not more than 7% of the total number of employees.

TAW and working conditions

In the case of one important element of working conditions, namely occupational status, it can be said that union fears about the degradation of this element were essentially cause of the delayed introduction of the temporary agency work in Italy. The first circumstance in which its use was initially prohibited even under Law No 196/1997 (for jobs with little occupational skill content) clearly point to union fears of the possible spread of the forms of “ganging” (caporalato), which are common in the South. (Mezzogiorno). And this ban was lifted only after the unions had witnessed for themselves the positive effects of temporary agency work in partially reducing the “black-economy” (lavoro sommerso).

Criticisms from employers are numerous, as regards both the delays in the application of the rules concerned and what they consider to be the excessive restrictions imposed. But when we look at a second important element of working conditions, namely, the work environment, it has been pointed out in many quarters that there is a need to the use of a type of contract which, like the fixed-term contract, involves increased risks of accidents at work and occupational illnesses, both because of the lack of experience of the workers concerned and because of the absence of precise knowledge of the physical environment in which such workers will find themselves working, as is also confirmed by the statistics at European level. This is the main reason why the use of try, temporary workers may not exceed a quota of 8% per calendar quarter in manufacturing industry, whereas in the tertiary sector the quota can be 15% per month.

In the course of our research we conducted interviews with a group of temporary agency workers involved in union disputes on quality of work and wages. For workers, the key issues are vocational training and health and safety. Under the law, agencies are obliged to inform workers of any risks and must arrange adequate training for the specific tasks involved. However, they are able to pass on this responsibility to the user enterprise in the contract for the supply of temporary labour.

There are many ambiguities in regard to the correct interpretation of the law. Furthermore, there are many unsatisfactory aspects to the situation: it is impossible for agencies to command any real control of training, health and safety and environmental hazards in all the various sectors and skills concerned, while user enterprises, in their turn, have less motivation to provide training or ensure environmental safety for workers who are only temporarily at their disposal. As a result, training is very limited, despite the fact that health and safety issues are closely linked to training provision.

No statistical data are currently available in Italy on accidents and the incidence of occupational illnesses among temporary agency workers, or among atypical workers more generally. At the request of the unions, INAIL (the National Institute for Industrial Injury Insurances), is at present carrying out a special survey whose findings will become available within the next few months.

A preliminary analysis can be made by consulting several publications but, in particular, by examining the results of the interviews conducted with a group of 10 temporary agency workers specifically for the purposes of the present research, and the opinions expressed by a number of union leaders from the Lombardy region.

Experts in industrial medicine have prepared forecasts of future trends in accidents and the incidence of occupational illnesses among temporary agency workers on the basis of experience in the sectors in which temporary labour has always been used, such as the construction industry and agriculture. Both of these sectors exhibit accident and illness rates above the national average. One of the main reasons lies in the evasion of basic obligations regarding safety and prevention. This tendency is further accentuated by the widespread use of immigrant labour with low levels of union backing and irregular employment relationships.

Non-compliance, chiefly in small and medium-sized enterprises and small-scale craft production, is such that it frequently defies even action by the Labour Inspectorate. And since these two particular sectors have, with the Finance Act for 2000, been included among those permitted to use temporary agency work, there is a fear that the next few years may see an increase in accidents and occupational illnesses (Magnavita, 2000).

There is also a tendency among industrial psychologists to state that in many cases temporary agency work can lessen the worker's sense of belonging and loyalty towards the organization in which he or she is working: "From the psychological point of view, temporary or external workers experience the organizational dimension too much as outsiders while not benefiting at all from the security deriving from the institutional dimension. As far as the motivation to work is concerned, it may be said that giving their utmost also achieves nothing when they are temporary workers, because a lower occupational status seems inevitable. And feeling used and wasted cannot help anyone" (Marocci, 2000, p. 152).

The finding of a recent industrial-psychology study conducted by the University of Ferrara by means of questionnaires sent out to temporary agency workers are, however, less unequivocal. In case of temporary work which is contractually established and accepted, certain groups such as university students, housewives and people in early retirement are not only aware of instability but actually welcome it as a positive opportunity to earn some money for a certain part of the year. Nevertheless, the study reveals that in the great majority of cases, namely, workers who do not fall within the groups just mentioned, instability over the medium term is not welcomed at all and often becomes a source of considerable hardship (Andreoni, 2000, pp. 33-84).

The results of a research study on the problems of developing training provision for temporary workers, carried out by the CPO-UIL national co-ordinating body as part of a Community Leonardo project, are also of particular interest. The research was conducted in the second half of 1999, with questionnaires circulated to 1500 workers. The typical temporary worker, as revealed by the survey, has an average age of 27, lives alone and is single. Some 66% of the population of temporary agency workers hold a secondary school-leaving certificate and only 14.4% are university graduates.

There are slightly more men than women, and 65% of all respondents hope to obtain a permanent job under an open-ended contract of employment. Almost all respondents say that they are satisfied with this experience despite also being troubled by the fear of finding themselves without work. At the same time, 67.5% think that agencies should provide them with more precise information and that there is a need for more extensive training. On the other hand, at the time of the survey only 26% of respondents knew of the existence of a national fund for vocational training (Prestineo, 2000).

These findings on occupational status and mental and physical working conditions as obtained from the studies cited above, can be compared with what was said by the group of 10 temporary agency workers (6 females and 4 males) interviewed by us in the course of the present research (the personal particulars of the group are listed in the Appendix). Some of the youngest, who still live at home with their families and have secondary school qualifications, are enthusiastic, about temporary agency work because it allows them to earn a minimum income while continuing to study at university.

The women who are somewhat older also express a positive opinion, because of the opportunity of trying out a variety of jobs. In contrast to this, the young women who have higher educational qualification express deep disappointment and considerable psychological dissatisfaction owing to the gap between the educational level they have achieved and the tasks they have been required to perform.

As regards health and safety issues more specifically, the majority feel that the provision of information was either inadequate or non-existent. In many cases they had merely been handed a leaflet or pamphlet by the agency concerned and asked to sign a receipt for it. In virtually no cases had they been put in contact with the employee safety representative provided for under Legislative Decree No 626/1994. Ignorance of statutory and collectively agreed rules on the procedure to be followed in the event of accidents and entitlements in regard to illness gives rise to frequent disputes and is one of the most common reason for appealing to the unions for back-up.

Another source of dissatisfaction lies in the nature of the relationship generated between temporary agency workers and other employees within the user enterprise. Seven agency workers out of ten say that they have often been treated as “second class” employees, been the victims of discrimination or been excluded from collateral activities like training courses, company trips, outside events, etc. (“My colleagues have always made me aware of the difference between me and them”, says one woman interviewed, while another says “My colleagues have always tried to give me the jobs they didn’t like doing themselves”).

A number of negative views are likewise expressed on the content of the jobs done: the three women who are graduates or have studied at university have always done types of work which are inconsistent with their level of education and far below it (“Agencies and user enterprises take no notice of your qualifications and interests, they move you around from job to job like a skittle”). Other comments bear witness to the fact that the tasks performed in different user enterprises vary widely from one to another: one agency worker reports that he has been, in succession, a car-park attendant, a filing clerk and a motorway ticket-collector.

Only 3 out of the 10 workers are satisfied with the jobs to which they are assigned and say that they are happy with a frequent change of job content.

Vocational training also seems to be inadequate in quite a few cases, and in others totally non-existent. It often consists of nothing more than being helped for a few hours or a few days by a more experienced employee, and in no instance had it amounted to an actual training course. Although four agency workers say that they have not had any problem in connection with training, this was either because the job content involved was very low-skilled or because they were already very familiar with the job they were to do.

The major problems, however, lie in keeping a check on the pay packet. The collectively agreed rules are detailed and numerous and it is virtually impossible for employees or agency workers to be sufficiently familiar with them. There is a widespread belief that user enterprises take advantage of this situation to pay less than what is due, and that agencies themselves are not always meticulous, or in position to be meticulous, about paying what is due.

Three of the ten agency workers interviewed complain about not receiving meal vouchers, and in five cases there were problems over the correctness of the pay received which gave rise to legal disputes conducted through the unions. Several workers complain that their payment from the agency concerned arrives very late and in an incorrect form (just a bank transfer, for example, rather than a properly itemised pay statement). Nevertheless, three of the interviewees say that they have never experienced any problems in this respect.

Working hours seem to present fewer problems. Generally speaking, contractual working hours are respected, although in two cases it is asserted that temporary agency workers are required to do more overtime or suffer constant changes to their shifts without adequate notice.

Lastly, virtually all of those interviewees mention the lack of attention paid by union representatives to temporary agency workers, even in large and medium-sized enterprises where there is a local union presence. Only in one case, a bank, did the delegates on the unitary workplace union body (RSU) contact the agency worker, without being asked, to provide information on the worker's problems and offer their help.

More generally, it may be said that in almost all cases the positive views of temporary-agency work included the speed and ease of finding a job. To someone accustomed to compiling numerous CVs, attending a large number of job interviews and taking part in all public entrance examinations, etc. it can very easily be attractive to find a job overnight. On the other hand, one interviewee also maintains that the work still takes a long time to materialise ("You live in hope, waiting to be called from one day to the next, and you have to have a lot of patience.").

Some say, in addition, that companies tend to adopt an opportunist attitude towards temporary agency work, sometimes hiring a new worker every four months when what they really need is a permanent employee. It is also alleged that whenever an agency worker tries to exercise one of their union rights the user company tends to refuse to allow it on the grounds that it is not the worker's employer. Lastly, all the workers interviewed would like, sooner or later, to get a permanent job, except for one individual who intends to use the experience gained from temporary agency work to start up a business of their own at some time in the future.

In the view of the regional officials of the three agency-worker unions ALAI, NIDIL and CPO, one of the problems most widely experienced by their members is that of training on health issues. The law stipulates that supplier enterprises, i.e. agencies, must inform the worker of any risks involved. However, the labour supply contract between an agency and a user enterprise sometimes provides that this obligation may (not must) be fulfilled by the latter. This rule lends itself to differing interpretations and in practice leaves the way wide open for numerous instances of non-compliance.

Temporary work agencies cannot be experts in the entire field of accident research and environmental risks that vary from one sector to another and according to the type of production involved, and they mostly provide a general-purpose training. User companies, for their part, are not very inclined to pass on detailed knowledge to a worker who in almost all cases will be at their disposal for only a short time. In practice, training often turns out to be fairly limited and general on the part of both agencies and user companies. The Unions are therefore pressing for the legal rule to be amended so that it imposes at least an obligation on user companies to provide adequate training.

More generally, it may be noted that, whereas in the case of the work/training contract there is an agreement between the trade union confederations and Confindustria which obliges companies to provide a minimum number of hours of training, nothing similar exists for temporary agency work. This normative gap allows companies, and agencies as well, to provide workers with very uncertain job-related skills or to ignore the requirement altogether.

As regards the problem of health, the unions are convinced that accidents are more frequent among temporary agency workers than among permanent employees because of their lack of experience and the limited nature of the training they receive. It is also stated that, when an accident does occur, agency workers often do not know the correct procedure to follow to ensure that it can be officially classed as an accident at work (this issue gives rise to many legal actions).

Companies sometimes neglect to tell temporary workers that there is an employee safety representative (as required under Legislative Decree No 626/1994). But quite often the company-level union representatives themselves take little interest in such workers who will be in the company only for a few days or few months, and in any case do not feel that it is up to them to provide information which they consider is purely the responsibility of management to provide.

Another problem, in the view of the union officials, which is keenly felt by temporary agency workers concerns the continuity and security of the employment relationship. The issue of vocational training is closely linked with this as regards enabling them to strengthen their position on the labour market. Some temporary work agencies, it is noted, are more aware of these problems and try to arrange things so that their employees can be given consistent assignments providing an opportunity for the continuous improvement of occupational skills and eventual access to a permanent job. This has yielded some results.

The “Obiettivo Lavoro” agency, for example, reports that, of the workers using its services to date, 30% have been given a permanent contract. These are aspects of an employment strategy which agencies, with the cooperation of user enterprises, should gradually adopt on an ongoing basis. The new Bilateral Agency for training could also promote this approach by providing for courses of continuing training at increasingly specialised levels.

A more general problem derives from the fact that, as yet, the provisions of European Directive 91/383/EEC of 25 June 1991, which supplemented measures to encourage improvements in the health and safety of both fixed-term contract employees and agency workers, have not been incorporated into Italian law. Agency workers in Italy enjoy the same protection as other employees under the general rules in force, which do not exclude or in any way restrict non-permanent employees as regards rights associated with health and safety at work.

The employer is therefore under an obligation in all cases to observe the rules laid down by Legislative Decree No 626/1994 and all other laws relating to safety, which apply to all employees whatever the type of their employment relationship. Nonetheless, the very nature of temporary agency work means, in the opinion of the unions as well as experts in industrial medicine, that it requires special forms of protection. Full reception of Directive 91/383/EEC entails special forms of compliance which require action aimed at singling out the added risks to which temporary workers are exposed. It is therefore to be hoped, in the view of several parties, that the employing agencies and user enterprises will conform to the Directive with a view to reducing the possibility of accidents at work in the future.

The temporary agency worker labour market

During the 1990's trends in Italy's labour market were particularly unfavourable not only because of the high level of unemployment (over 11%), concentrated in the South, but also because of the structural changes which became significant mainly in the second half of the decade. The number of people in full-time permanent jobs declined (they now stand at below 13 million). There was an increase in the number employed on fixed-term or part-time contracts, especially in the service sector. And there was a huge growth in the number of those employed in "atypical" forms of work: temporary agency workers (from 250 thousand to an estimated 750 thousand by the end of 2000); contractual relationships based on "co-ordinated and permanent collaborations" (numbering 1.5 million); and other forms of work characterised by instability of the employment relationships, low pay and fewer opportunities for occupational advancement.

Emphasis must, however, be placed on the particular structural weakness of Italy's employment system, which is also characterised by levels of self-employment traditionally higher than those of other European countries. The employment rate is 52% for Italy as a whole, and only 41% for the Mezzogiorno, as against an average of 60%, for the countries of the euro area, and 75% for the USA. The difference in shares of the labour market that exists between the "two Italy" also tends to aggravate the traditional imbalances in the development of the South (where the growth in GDP between 1990 and 1999 was 7.1%) compared with that of Central and Northern Italy (where the figure was 13.5%).

Only in the past year has the upward trend in Italy's economy started to have important positive effects also in relation to employment. According to the latest figures from ISTAT, between July 1999 and July 2000 some 428 thousand new jobs were created (+2%), most of them concentrated in the service sector (405 thousand, + 3.1%).

As a result, the number of employees has risen from 14,972 thousand to 15,285 thousand (+ 2.1%), and the number of self-employed has also risen from 5,921 thousand to 6,036 thousand (+ 1.9%).

At the same time unemployment has fallen significantly from 11.1% to 10.1%, and there is now a real prospect of achieving the historical target of bringing it below 10%. Although the improvement is slower, long-term unemployment has at last fallen (from 6.8% to 6.4%), and there has also been a slight rise in the economic activity rate among those aged 15-64 (from 59.6% to 60.3%).

Above all, there has been a reversal of the trend for the Mezzogiorno with a drop in unemployment from 22% to 20.8% (coupled with a significant fall from 4.9% to 4.3% in Northern Italy and from 8.4% to 7.4% in Central Italy). There also seems to be an important trend with regard to women, with a rise in their activity rate from 45.7% to 46.7% and a drop in unemployment from 15.2% to 14.1%. However, female employment is marked by a boom in part-time contracts (from 920 thousand in July 1999 i.e. 15.6% of the total, to 1,031 thousand or 16.9% of the total in July 2000), whereas the corresponding increase for men is only limited (from 309 to 335 thousand, i.e. from 3.4 to 3.6% of the total). But temporary contracts are increasing significantly for both: from 767 thousand (8.5%) to 820 thousand (8.9%) among men, and from 712 thousand (12.1%) to 758 thousand (12.4%) among women.

These positive effects on employment also seem to be a result of the innovative policies on labour market flexibility introduced by way of concertation during the 1990's through various social pacts on employment and associated legislative instruments (see above).

Figures on labour flexibility in Italy are not up-to-date owing to the rapid changes taking place in the labour market, the presence of irregular employment and “atypical” forms of work that are difficult to record.

According to the most recent reliable ISTAT survey (1999), in 1996 some 92% of Italian employees were in permanent jobs, but this type of employment relationship was more prevalent among white-collar workers. (94.6%) than manual workers (90.5%). As to the rest: 3% had a fixed-term contract, the percentage in this case being higher among manual workers (3.5%) than white collar workers (2.4%); 1.1% a seasonal contract; 2.5% a work/training contract; and a further 1% an apprenticeship contract.

The Banca d'Italia's General Report (2000) on the national economic situation in 1999 records that, of 14,823 thousand employees, 13,413 thousand have permanent contracts.

Hence, in terms of stock a certain “rigidity” would appear to prevail in the Italian labour market. In point of fact, the same ISTAT figures on flows show that hirings in 1996 took place predominantly by way of contracts other than open-ended employment contracts (which accounted for only 45.3%). Of new hirings by enterprises with 10 or more employees in manufacturing industry and the service sector, 26.3% were on fixed-term contracts, 16.1% on seasonal contracts, 9.5% on work/training contracts and 2.9% on apprenticeship contracts. In this connection the ISTAT report (1999: 3) sees a trend already under way towards a change in the structure of Italian employment by type of contract, since: “The growth which in 1996 characterised employment in industrial and service-sector enterprises is entirely attributable to atypical forms of contract. More specifically, a decrease (as compared with 1995) in permanent employees on open-ended contracts was accompanied by a rise in the numbers employed on fixed-term, seasonal, work/training and apprenticeship contracts”.

The most recent trends have undoubtedly accelerated this process of flexibilisation of the Italian labour market, particularly in terms of flow (a good many temporary workers are, in fact, made permanent employees): we need only look at the record growth in temporary agency work in the first six months of 2000, which at 228 thousand contracts almost already equals the total for the whole of 1999 (260 thousand), and the explosion in “co-ordinated and permanent collaboration” relationships (neither employees nor wholly self-employed, but frequently “replacements” which have risen to well over 1 million and are particularly concentrated in Central and Northern Italy.

According to the President of Confinterim (one of the two peak employer organisations for temporary work Agencies in Italy), the forecasts for 2000 indicate a figure of 700,000 workers on temporary agency contracts, as against just on 250,000 in 1999 and 52,000 in 1998. These forecasts are confirmed by a study from Manpower (affiliated to the new AILT-Confindustria, the second major employer organisation for temporary agency work).

An initial concentration of demand on white-collar workers has shifted to the equal use of both manual workers and white-collar workers. Use is highest in the metalworking sector (around 40%), followed by other areas of manufacturing industry (23%), the tertiary sector (22%) and other sectors (15%); more men (62%) are involved than women (the opposite used to be true); the average age is around 30; and more than 50% of agency workers have a secondary school diploma. Temporary agency work is more widespread in Northern Italy, with Lombardy far in the lead (more than 56,000 temporary agency workers in 1999), followed by more modest figures for Piedmont (28,000) and Veneto (19,000), and extremely low levels of case in the South.

The figures from Confinterim show that in 1999 over 37 million hours were worked under more than 97,000 labour supply contracts, involving 34,472 user enterprises, 602 agencies (including agencies and branches) and an average of 2 workers hired for each contract (as against 1.7 in 1998). The average duration of each assignment was 192 hours. The most common reason for the use of agency workers by companies has changed from the initial one of temporarily replacing absent employees (now only 18% of cases) to that of peaks, in production (70% of cases), while the occurrence of unforeseen production circumstances remains a less frequent reason (12%).

The duration of the assignment is mostly less than six months (68% of cases) and only in 6% of cases it is more than one year. At the end of the assignment, 22.6% of temporary agency workers were hired by the user enterprise as permanent employees on an open-ended contract.

Temporary work agencies operating in Italy

There are at present 50 "Temporary Work Agencies" registered with the Ministry of Labour and licensed to operate in Italy. Although they are still growing in number, owing to the legal restrictions which are imposed there is not likely to be any dramatic increase. The predictions are, rather, that the number will peak at below 100 agencies and that there will then be a settling-down process of mergers and concentration, the first warning signs of which are already discernible.

If we look at their head offices, we find that 36 of the 50 agencies are located in the North (30 of them in Milan), 9 in Central Italy (8 of them in Rome) and 4 in the South and the Islands. However, the largest agencies, which also operate throughout the country, are restricted to a small group including several multinationals which have already been operating for decades in the USA and in other European countries. Some agencies have been established with Italian capital: these are companies set up on the initiative of finance groups, such as Metis (which originates from Unicredito) and E-Work (from the Intesa group), or with the financial participation of major enterprises, as is the case with "Quando occorre" (which belongs to Fiat). Other smaller agencies have been set up by consortia of small businesses or by already existing business and personnel recruitment consultancies which decided to extend their activities in this way.

At the present time the leading group is made up of three large agencies: Adecco, with an annual turnover of around 1000 billion lire and over 1000 employees; Manpower, with a slightly smaller turnover and number of employees; and "Obiettivo Lavoro", with a turnover of 300 billion lire and around 300 employees (this company is examined in more detail in the Section below).

All of the other agencies are much smaller and have an annual turnover of around 10-15 billion lire.

Adecco is a French-Swiss multinational group which to date has established 350 branch offices in Italy. The company, which covers the entire field, is the sector leader and one of the first Italian companies engaged in direct and indirect employment creation. It operates by way of a vast network of outlets which operate over the whole of national territory and are linked up to a computerized database containing over 200,000 occupational job profiles.

In addition to its personnel recruitment and selection activities the group offers specialized training services for a more restricted group of applicants. Lastly, it offers qualified legal advice in the field of temporary employment. Adecco Italia is intending in the near future to site computer terminals in universities, secondary schools and selected railway stations from which young people will be able to input their CVs. Depending on

the vacancies recorded with it, the company will then contact those individuals whose profiles most closely match the type of demand.

Manpower Italia, an offshoot of the US multinational of the same name, covers around a quarter of the agency work market in Italy, with 168 branches which will increase to 210 by the end of the year 2000. During 2000 the number of people placed in work will be 70,000 (as against 44,000 in 1999). During the same year the company is expecting to increase the duration of assignments to an average of 70 days (as against 57 days in 1999).

Alongside these two largest companies, other large multinational groups are represented which opened up branches only a short time ago and whose market shares are not yet very large. The Dutch company Randstad, which at world-wide level is the third largest group in the supply of human resources, arrived in Italy in July 1999 and to date has opened 17 branches in the North and in Rome. The Dutch firm Start entered the market in 1997, initially in association with "Obiettivo Lavoro". In 1999 it set up independently, with 6 branches in 4 areas of the North and a workforce of 50 employees. By the end of 2000 it expects to have opened a further 10 branches and extended its presence into other areas of Central and Northern Italy, and aims to have a total of 300 branches by the end of 2003.

The American firm "Kelly", which operates in 17 countries, are one of the first temporary work agencies to open its doors in Italy and recently signed an agreement with ACLI (National Association of Catholic Workers) for the development and expansion of this type of employment relationship. But in addition to these multinationals there is also a fairly well-established group of Italian-owned companies such as, for example, "ALI", which was founded in 1997 and has 5 regional offices distributed throughout the country.

The members of "ALI" are all Italian and include a company which operates in the field of meal vouchers (Repas) and an information technology company (Sofitel). Other smaller companies, almost all of them Italian-owned, operate in specialist areas of employment and therefore occupy market niches. Examples include "Sinterim", set up by a consortium of personnel selection companies which operates in the banking sector; "Marvec", which caters exclusively for information scientists; and "Michael Page", which specializes in officials for credit institutions.

To sum up, it is possible to distinguish between three types of temporary work agency: at the top there is a small group of large companies which cover the entire field, have or will have branches throughout the whole country and tend to carry on diversified and integrated activities (recruitment, selection and placement, training, legal advisory service, etc.); in the middle there is a larger group of medium-sized or small companies which operate only in some regions but in all occupational fields; and at the bottom there are a certain number of agencies, mostly small, which specialise both geographically and in terms of the occupations for which they cater and therefore choose a market niche of their own.

The temporary work agency sector has been in existence for only a few years and therefore exhibits features of considerable instability. A contradictory trend is already in evidence: although the total number of companies is growing slowly and steadily, the first acquisitions and mergers are already taking place ("Start", for example, has taken over several small agencies, and "Italia Lavora" has been acquired by the British group "Select"). The large companies seem to be at an advantage on the national market because they are able to carry on advertising campaigns which have powerful impact, whereas it is not possible for the small ones to make use of promotional means. The likely trends will therefore be towards the establishment of a small

number of increasingly larger groups, around which there will be a constellation of small companies seeking out market niches or operating only within the geographical limits of certain regions.

The case of the “Obiettivo Lavoro” agency

In order to gain a better understanding of the attitudes, methods of functioning and strategies of temporary work agencies we made a detailed analysis of the “Obiettivo Lavoro” agency, which exhibits special characteristics on the Italian scene and is the leading national agency.

It is a non-profit-making co-operative society established on the initiative of Lega delle Cooperative (the National League of Co-operatives), Confcooperative (the Confederation of co-operative Unions), the unions, CISL and UIL and the Compagnia delle Opere (a group of finance and production firm relating to the Catholic world), but with other partners belonging to it which number around 300 (including other co-operative societies, associations, non-profit-making, societies, enterprises, private limited companies, etc.).

At national level, the formal structure of the society consists of a Board of Directors elected by the general partners' meeting. Under the supervision of the Board there is a Managing Director who, in turn, co-ordinates the various management divisions (information systems, administration, personnel, sales, operating income). At branch level there is a general manager in charge of the various areas of operation (sales, personnel selection, administration).

The business flow within each branch is dictated by the sequence of these three areas of operation. The sales area has the task of finding clients, i.e. enterprises that need temporary labour, and concluding a supply contract with them. The personnel selection area consists in recruiting and selecting individuals, to be hired out on assignments. It is, obvious that the database of temporary workers constitutes the fulcrum of the agency's work and represents, in itself, a business asset which is of very considerable importance in gauging the actual value of the society.

Personnel selection is also responsible for signing the contract for the performance of temporary work with the candidate who has been allocated an assignment. The conclusion of the two contracts leads on to a range of management activities (registration with the Labour Inspectorate, payment of the remuneration due and management of the contractual and legal aspect which come under the heading of administration).

At the present time, “Obiettivo Lavoro” has 94 branches scattered in 16 of Italy's 20 regions (for the time being, there are none in Abruzzi, Basilicata, Sicily or Sardinia). The majority of its outlets operate in the Northern regions (29 in Lombardy, 17 in Emilia Romagna, 11 in Veneto and 4 in Piedmont) but its business is also substantial in Central Italy and Latium in particular. In point of fact, 40% of its business is concentrated in Lombardy and a further 30% in Latium, where there are only 6 branches. In all, the agency has a permanent workforce of 270 employees. Established in January 1998, “Obiettivo Lavoro” has seen its turnover double each year: 100 billion Lira at the end of 1998, 200 billion at the end of 1999 and 300 billion at the end of 2000. Its workforce has followed a similar trend, increasing from an initial 100 employees in 1996 to the present total of 270. The number of workers hired out on assignments was 2000 even by December 1998 and 5600 in December 1999, and will be 9500 by December 2000.

“Obiettivo Lavoro” is currently pursuing strategies directed towards economic and financial consolidation and diversification of the services it supplies. Aware that it is possible to compete with the largest companies in the sector only if equipped with substantial capital and a considerable volume of business, the agency intends

to open further branches until it covers the entire country, to acquire, if possible, a number of small companies that will give it an established foothold in occupational areas of particular interest; end to become a public limited company so that it will be able to find on the shares market the capital it needs for its consolidation.

The expansion of its business will be channelled through initiatives to steer the mobility of manpower (from one region to another or between the South and the North) , which will be associated with a service to find accommodation for workers who move away from their homes. The agency also intends to boost an initiative of its own in the field of vocational training by making use of the financing made available by the European Commission and the 4% Fund provided for by the Law on Temporary Agency Work, incorporating training programmes linked to the specific needs of companies, groups of companies or industrial zones. More generally, it proposes to extend its sphere of activity into other collateral services such as the administration of an accident and illness fund specifically for temporary agency workers. Lastly, the directors of “Obiettivo Lavoro” are intending to open up its business to all areas of intervention on the labour market, by setting up relevant companies: permanent job placement, training for professional and managerial staff and senior executives, outsourcing, and personnel selection for permanent posts.

4

TAW and collective bargaining

Employer organisations for temporary work agencies

The great majority of temporary work agencies (41 out of 50) are all affiliated to Confinterim, while a small group of 6 agencies belong to Confindustria, the leading private-sector employer organisation in Italy,

Continterim was set up two years before the enactment of Law No 196/1997 and began operating as a “lobby” to have temporary agency work made legal in Italy. After Law No 196 was enacted, it was established as a representative organisation for temporary work agencies and the two existing organisations (Assointerim, grouping together companies in Central and Northern Italy, and Federinterim, for companies in the Mezzogiorno) were incorporated into its structure. The first task undertaken by Confinterim, under the guidance of a former leader of the manual worker unions who had become the managing director of a temporary work agency, was to establish relations with the peak trade union confederations and enter into negotiations with them on the drafting of the first “National Agreement for the Temporary Agency Work Sector”, which was signed in May 1998.

Confinterim is structured around a leadership which comprises a President and three Vice-Presidents, a General Secretary and a Governing Body consisting of 9 members. In addition to its activities in representation and negotiation, the Confederation provides its members with services relating to company problems (legal fiscal and regulatory assistance, etc.), circulates a constant flow of information on matters of interest to them and, more generally, promotes all initiatives that help to foster an agency work culture.

It is not the perceived aim of Confinterim to increase the number of agencies to the levels found in other European countries and to abolish the restrictions that are imposed by law in Italy. On the contrary, it takes the view that the existing rule represent a guarantee of the proper functioning of the sector and appropriate regulation of the market, which will prevent its invasion by speculators and exploitative companies. Rather, the Confederation’s main aim is to establish a fully recognised position for itself within Italy’s industrial relations system with proposals and plans that could even modify its present contribution.

On the basis of the concrete problems it finds itself tackling, Confinterim is, in fact, proposing that mild legislation should be maintained but that collective bargaining between the parties should be developed, primarily at multi-industry level between the confederations and, secondarily, at territorial level. On the other hand, it criticises the fragmentation and complexity of industry-level and company-level bargaining because of the multiplication and uncontrolled differentiation of the various elements which make verification (of the pay packet, for example) almost impossible since agencies have to deal with workers who are hired out to user enterprises in all areas of the industrial and service sectors. If existing rates of pay have to be safeguarded it aims, at least, to achieve uniform treatment for a whole range of secondary elements (such as overtime, shiftwork and various allowances) and a simplification of the system of productivity payments in the special case of temporary agency workers.

Another of its proposals concerns the 8% quota for the use of temporary agency workers: although the law specifies this as an upper limit it delegates, to industry-level bargaining the possibility of either increasing or reducing it.

The Confederation urges that bargaining should not create disparities from one industry to another, as is in fact already happening. In addition, it is calling for a revision of the institution of automatic regrading provided for in many collective agreements, which obviously contrasts with the strategy pursued by Assointerim of constructing occupational career paths for the different types of worker.

From this point of view it is proposing the introduction of a personal employment record card, following the example of other European countries, in which all progressions in terms of job, career and trainer are recorded.

Alongside these lines of action which seek to influence bargaining practice in Italy, Confinterim has set itself a number of goals for strengthening the economic position of its members. It feels that agencies should be given special dispensation from the obligation to set aside an amount equivalent to 1% of a worker's pay for the purposes of the end-of-service allowance, asserting that it makes no sense because temporary agency work consists of a series of short employment relationships often interspersed with gaps between work assignments. It also proposes a reduction in employers' social security contributions analogous to that already granted in the case of work/training contracts. Lastly, a number of its member agencies are proposing that user enterprises which go on to hire an agency worker as one of their own permanent employees should pay the agency some form of compensation for the latter's previous activity in selecting and training the worker concerned.

In the field of training, Continterim is proposing that the administration of the 4% fund should incorporate more agency and union participation in designing specific training schemes to be implemented with the cooperation of the universities and other major vocational training institutions. With this view in mind it would like to see the establishment of a Forum of all parties having an interest in vocational training, in order to avoid duplications and co-ordinate efforts to make training provision more effective and more closely matched to the needs expressed by enterprises.

Lastly, Confinterim adopts as part of its own strategy the demand expressed by agencies for more action as regards the regulation of labour mobility flows between the different regions of Italy and with countries of skilled-labour emigration, the administration of the recruitment, selection and job placement of permanent employees and all other activities connected with regulation of the labour market. The wish is for the various functions, to be more closely aligned with the activity of temporary work agencies.

Trade union representation

Italy's three major trade union confederations (CGIL, CISL and UIL) each formed special structures for the representation of temporary and atypical labour a few years ago. These bodies are all manifestly experimental and very likely to undergo even radical changes in the near future. We can, nevertheless, outline their present configuration, the organisational difficulties they are encountering and the prospects for development which are opening up before them.

CISL opted in 1998 to establish a collateral body in the form of an association called ALAI (Association of Atypical and Temporary Agency Workers) with its own constitution based on that of the Confederation. The Association's objective is to organise, represent and provide union protection for quasi-subordinate workers, individuals performing "socially useful work", temporary agency workers, and people receiving special-purpose grants or in traineeships. Its organs at territorial level are the General Members' Meeting, the Coordinating Committee, the President and the Vice-President, nominated by the governing bodies of the Confederation. The General Meeting, which is convened at least twice a year, has the task of deciding on the direction to be followed in general and industrial-relations policy. Nationally, at present it has some 7000 members, but this number is growing; in the case of Milan itself, in 1999 the figure was 300 and this share had already been exceeded by September 2000. However, it has to be remembered that temporary agency workers represent only a small proportion of the total membership. The activities performed by the Association for its members include, in addition to the provision of information, assistance such as legal

advice, checking pay (which accounts for the bulk of its activity) and support in individual disputes. So far, the number of disputes is very small: they involve cases of accidents at work suffered by temporary agency workers which have not been recognized as such by the user company concerned or in which the rules limiting the time spent working at computer screens have not been observed.

CGIL has chosen a different route from that adopted by CISL: in 1997 it set up a structure called NIDIL (New Identities for Labour) which at territorial level comes under the direct authority of the Confederation's Chambers of Labour and at national level that of the Confederation's supreme Governing Body. It is therefore neither an industry-wide federation nor an association, but a kind of section within the Confederation which operates at centralized level. As such, NIDIL-CGIL does not have a constitution of its own and is subject to that of the Confederation. Members of NIDIL automatically acquire direct membership of CGIL and are able to make use of all the services the latter provides. However, this arrangement is not final and very likely to be changed at the next Confederation Congress, although its new configuration cannot be predicted at this stage. At territorial level, as mentioned above, NIDIL comes directly under the relevant CGIL Chamber of Labour, but a body composed of representatives of all the industry-wide federations also collaborates in the direction of its activities. This is intended to ensure an ongoing relationship between NIDIL and the organizations representing the various sectors of production in which temporary agency workers complete work assignments. In operational terms, this means that there is a body which is in touch with day-to-day activities and in the case of Milan, for example, consists of five officials. Nationally, membership of NIDIL at present stands at 5400, some 1000 of whom are temporary agency workers. In the case of Milan itself the membership is 730, and this total includes 60 who are agency workers. NIDIL's activity is concentrated on the provision of administrative advice but does also include legal and representation activities. A number of legal proceedings have been instituted on issues relating to work organization in call centres, and another dispute of special interest involved a major company in the automobile industry in which NIDIL succeeded in winning the recognition, by the agencies, of a union representative for temporary agency workers.

In early 1998 UIL, in its turn, introduced CPOs (Co-ordinating Employment Bodies), which are co-ordinating bodies set up at territorial level for the purpose of representing not only so-called atypical workers but also other marginalized workers. (individuals completing work experience, temporary agency workers, those below the VAT threshold, individuals performing socially useful work or registered on the availability-for-work list, and the unemployed). CPOs come under the direct authority of the relevant UIL territorial governing body and are subdivided, in turn, into lower-level bodies representing the various categories just mentioned. They have no specific constitution of their own and their direction and organisational objectives are based on the UIL's constitution. At present, although CPOs are spread throughout Italy they are for the time being concentrated in the North and in the capital.

As already mentioned, the whole question of union representation in the context of temporary agency work is of an experimental nature. It involves numerous problems as regards relations both between the employing agencies and the unions and between the new union organizations representing agency workers and the traditional industry-level union federations. First, the agencies (often actually run by former union officials) tend to provide services that would elsewhere fall within the union ambit (i.e. they provide advisory services on interpreting and checking pay statements, filling in income tax returns, obtaining benefits for the unemployed, family allowances, etc.), and secondly, when they are on work assignments in companies of a certain size temporary agency workers often tend to turn to the industrial union which has a presence in the workplace concerned, rather than to the temporary work union. Hence, ALAI, NIDIL and the CPOs are in danger of being squeezed between the activities of the employing agencies and those of the industrial unions, with a resultant duplication of representation and a potential clash of competences and roles.

It seems likely that, in the very near future, legislative initiatives, union representation activities and innovative forms of collective bargaining will extend the institutions and rules of Italian industrial relations to bring the world of “quasi-subordinate” and temporary agency work within their purview. There is, for instance, currently under debate in the Italian Parliament a draft law (referred to as the “Statuto dei Lavori”) to cover these new forms of “atypical” work, analogous to the 1970 “Workers’ Statute” which covers traditional employees working under an open-ended contract of employment.

Collective bargaining

The development of collective bargaining for temporary agency workers has been particularly considerable since 1998, with numerous agreements and draft agreements between the social partners at the different levels and in the various sectors.

Then collective agreement of January 1998 between the commercial sector unions (FILCAMS-CGIL, FISASCAT-CISL and UILTUCS-UIL) and the employer organisations for temporary work agencies (Assointerim and Assilt, the latter subsequently being merged with the former) primarily relates to defining the classification of direct employees of agencies in the sector of commerce and services. As a result, two new occupational profiles have been introduced (agency selection or placement specialist, and agency manager) which are included in the new national agreement.

By contrast, the framework agreement of 16 April 1998 between the three union confederations (CGIL, CISL and UIL) and Confindustria establishes the minimum rules and conditions for temporary agency work in Italy in application of Law No 196/1997, and delegates to industry-level bargaining the competence to define specific rules and conditions for individual sectors.

In particular, an upper limit is fixed in percentage terms for the use of temporary agency workers (8% of the total number of permanent employees as averaged over a calendar quarter) and the permissible reasons for their use are specified (peaks in the volume of business; for services or tasks which cannot be performed with normal company production resources; and for unusual commissions which, because of the particular nature of the product or processing entailed demand skills other than those available within the enterprise). The agreement also makes specific mention of the type of low-skilled jobs which are excluded under Law n. 196, singling them out from those not included in “intermediate-skilled grades” but already provided for by a 1995 national multi-industry agreement on work-training contracts (relating, in practice, to the bottom two levels of job classification).

Lastly, on 28 May 1998 the first national agreement relating specifically to temporary agency workers was concluded between Assointerim (the employer organisation for temporary work Agencies) and the new unions representing temporary agency workers (NIDIL-CGIL, ALAI-CISL and CPO-UIL). This is a genuine industry-wide agreement which is based on the earlier agreements and legislation, provides for rights to information and union rights, and defines the aspects relating to job classification and pay plus those relating to illness or accident. It also provides for new aspects such as: the possibility of extensions, up to a maximum of four (which means, for a period of no more than 24 months); a stand-by allowance fixed at 700 thousand lire a month; disciplinary rules; and the establishment of the Bilateral Agency for training.

These are the three main collective agreements which have accompanied the actual introduction of temporary agency work in Italy as provided for by the Law of 1997. The subsequent agreements constitute, in practice,

implementing forms of the above three in the various sectors and at the different levels, although there are innovative elements in some cases.

For example, on 21 July 1998 the employer organisation Confcommercio and the sectoral unions signed the final version of the agreement covering the tertiary, services and large-scale distribution sector (the previous draft agreement was dated 27 May 1998) which lays down new sector-specific rules on the use of temporary agency work, following the hostile reactions of large-scale distribution to the general rules, which were considered to be too rigid. In particular, the maximum percentage permissible is raised to 13%, on a non-cumulative monthly basis, of the total employee workforce for each production unit; jobs classified at the sixth and seventh levels are excluded (in the earlier version some at the fifth level were also excluded); six permissible reasons for the use of temporary agency work are laid down, the most important of which concerns “unforeseeable” peaks in activity, meaning volumes of work which are unplanned or for periods differing from those stipulated for fixed-term contracts (and hence including assignment, lasting one month or less).

The national agreement of 23 July 1998 on temporary agency work in the co-operative sector allows this sector, like others, to make use of the new opportunity in accordance with rules which are largely similar to those laid down in the framework agreement: a quota of 8% on a monthly basis; the exclusion of jobs not specified for the work-training contract; and prevailing reasons restricted to peaks in activity and unusual commissions.

The agreement for professional offices was signed on 30 July 1998, between Consilp-Confprofessioni and Confedertecnica (for self-employed professional people) on the employer organisation side and the commercial-sector unions FILCAMS-CGIL, FISASCAT-CISL and UILTuCS-UIL representing employees. In this case also, jobs with little occupational content are excluded; temporary agency work may be used periodically for technical, accounting and administrative tasks and in the event of unforeseeable peaks in activity; but the maximum quota is raised to a monthly 15% of the total number of permanent employees in the professional offices concerned (owned by engineers, architects, business consultants and employment consultants).

This first wave of implementing agreements in the various sectors, which marks the starting-point of the spread of temporary agency work throughout Italy, was succeeded by the follow-up phase involving the social partners, as provided for, two years on from the Law’s enactment. The onset of this phase is already evident in the framework agreement on training policies signed on 27 April 1999 by Confinterim, ALAI-CISL, NIDIL-CGIL and CPO-UIL as an integral part of their earlier national agreement. This contains, significantly, on acknowledgement that “the Fund for the vocational training of temporary workers is intended for financing training initiatives aimed at ensuring and increasing the occupations preparation of temporary workers with a view to improving their employment opportunities and abilities to fit into the production and organisational context of user enterprises, including innovative procedures and methods to be put into practice in conjunction with regional training initiatives.” In accordance with the agreement, those initiatives should include both basic training models and those for on-the-job training, continuing training and vocational training.

The above agreement is followed by an important unitary document from CGIL, CISL and UIL and the unions ALAI, NIDIL and CPO on the follow-up to Law No 196/1997, acknowledging the soundness of its establishment mainly through the delegation to collective bargaining of the norms it defines. Temporary agency work is also seen as a means of bringing irregular work out into the open and promoting employment. In addition, a realistically receptive attitude is exhibited towards the extension of temporary agency work to

low-skilled grades and to the reduction of the Training Fund contribution, provided that appropriate training courses are refined jointly by the social partners. There is also a call for more meticulous observance of the stipulated union rights and rights to information.

Next, the follow-up phase moves on to the official meeting held on 14 September 1999 at the Ministry of Labour between the employer organisations (Confagricoltura, Confindustria, Confartigianato, Confcommercio, Lega Cooperative, Confederazione Italiana dell'Agricoltura, Confinterim, Coldiretti and Confcooperative) and the unions (CGIL, CISL and UIL; ALAI and NIDIL). At this meeting the former expressed regret that union misgivings had blocked the use of temporary agency work in the agricultural sector and went on to urge for: amendment of the Law so as to extend the use of temporary agency work to all circumstances and all job grades; a reduction of the Training Fund contribution; extension of the activities of labour supply agencies to include job placement; amendment of the most rigid of the rules on penalties; and the possibility of fixing the maximum quota for the use of temporary agency work by way of bargaining at decentralized level. The unions, on their part, reiterated the conclusions set out in the unitary document mentioned above.

The next development consists in the minutes of a draft Agreement of 16 November 1999 between Confinterim and ALAI-CISL, NIDIL-CGIL and CPO-UIL to “embark on an immediate course of action to put into practice the industrial relations approach provided for by the national agreement of 28 May 1998. In particular, the parties agree on the immediate implementation of the joint bodies and rights provided for under the 1998 agreement: the Joint National Monitoring Body (Article 3); the Tripartite National Committee (Article 5); the union rights of temporary workers (rights to information, individual and collective disputes, mass meetings, posting-up of notices, union contributions, etc.); and the Bilateral Agency (Article 7).

On 22 November 1999 the same social partners who had concluded the national agreement of 28 May 1998 on temporary work signed a draft agreement which evidences a shared positive assessment of the results ensuing from the Law's application, the large number of temporary workers hired out on assignment in the first half of 1999, the growth in the work opportunities provided and the substantial tax and contributions revenue thereby generated. At the same time, however, it is acknowledged that all this has been made possible mainly thanks to the “context of industrial relations awareness” and to “clear rules on use”, factors which must continue to be maintained in the future. As regards proposals for amendments to the Law, these relate to four aspects: (a) training: a call for a rule requiring the Bilateral Agency to define procedures, for administering and monitoring training initiatives (b) occupational content: the possibility of replacing the legal ban by the delegation to industry-level bargaining of responsibility for identifying any classification grades to be excluded; (c) bargaining level: entrusting an important role to decentralised bargaining at secondary level for introducing instances of the use of temporary labour, beyond those already provided for at national level; and (d) experimental use: in the construction and agricultural sectors. As an accompanying element of the agreement, Confinterim requests a reduction of the Training Fund contribution.

All of these proposals, most of them representing the outcome of meetings between the social partners and their consensual assessments, were to be accepted and applied to the amendments to the Law already mentioned (see above).

As for as current developments in collective bargaining are concerned, the two most recent innovative trends relate to agreements on extending the use of temporary labour to include the public administration and on the actual launch of the Training Fund.

In the former case, an “Instruction” issued to ARAN by the Ministry for the Public Service on introducing both temporary agency work and telework had existed since January 1999. However, it was not until 23 May 2000 that a framework agreement was provisionally concluded which provides for the following: the use of temporary work exclusively in “emergency situations which cannot be dealt with using permanent staff or through ordinary recruitment”, and not “as a means of compensating for organic deficiencies on a long-term and continuing basis”; delegation to division-level bargaining for “the stipulation of additional cases of exclusion”; a maximum quota of 7% of the total staff complement of an administrative authority; access for temporary agency workers to participate in productivity schemes, with the associated entitlement to pay enhancements; and union consultation and the same union rights as employees. Following the requisite authorisation from the Public Audit Office, the final signing of the agreement between ARAN and the public sector unions took place on 9 August 2000. Major developments are to be expected and will need to be evaluated in the next few years,

The agreement on the Training Fund for temporary workers (and the setting-up of bilateral agencies) was signed at the end of September 2000. The Fund’s resources amount to almost 50 billion lire, deposited with the INPS (National Institute of Social Insurance). Decisions on the use of these resources are to be taken by all the social partners, unions and enterprises. More specifically, a body consisting of 24 representatives, 12 from the union side and 12 from the two employer organisations (Confinterim and Ailt) is to be responsible for allocation and any regulatory amendments. A body to administer the Fund is therefore being formed, which is likewise joint and composed of 8 representatives, 4 from the union side and 4 from the employer side.

These last two agreements, whose effects must await assessment in the near future, represent the completion of a lengthy and at times complex process for the introduction of temporary agency work in Italy which, although it has passed through some critical phases and moments of tension, has always been marked by the utmost degree of concertation between the social partners. And this would also appear to be mirrored in the present phase of renewal of the industry-wide agreement.

References

Alai-Cisl Lombardia (1999), *I lavoratori parasubordinati in Italia. Stato attuale dei loro diritti*, Quaderni, n.1, marzo.

Alai-Cisl Lombardia (1999), *Lavoro temporaneo o interinale: per i lavoratori un'opportunità da accompagnare*, Quaderni, n. 2, aprile.

Andreoni, P. (2000), "Sicurezza e lavoro temporaneo", in Andreoni, Stanzani (eds.).

Andreoni, P. and C. Stanzani, (2000) (eds.), *Lavoro temporaneo e salute*, Roma, Edizioni Lavoro

Assointerim, Alai-Cisl, Cgil-Nidil, Cpo-Uil (1999), *Contratto collettivo nazionale di lavoro per la categoria delle imprese fornitrici di lavoro temporaneo*, Editoriale Itaca, Roma, 28 maggio 1998.

Banca d'Italia (2000), *Assemblea Generale ordinaria dei partecipanti. Anno 1999. Considerazioni finali*, Roma, 31 maggio.

Bologna S., Fumagalli A. (eds.) (1997), *Il lavoro autonomo di seconda generazione. Scenari del postfordismo in Italia*, Feltrinelli, Milano.

Censis (1999), *Audizione Informale sui lavori atipici*, Camera dei deputati. Commissione Lavoro Pubblico e Privato, www.censis.it/ricerche/1999/08091999.htm

Cgil-Abacus (1999), *Analisi degli atteggiamenti dei lavoratori iscritti e non iscritti*, www.cgil.it/ufficiostampa/varie/ricerca_abacus.htm.

Cgil-Nidil (1999), *Tutto ciò che avreste voluto sapere sulle nuove identità di lavoro*, Guida, Roma.

European Foundation for the Living and Working Conditions (1999), *Flexible Employment Policies and Working Conditions*, Consolidated Report and National Reports, Dublin.

Fondazione Corazzin (1999), *I giovani e il lavoro che cambia*, Supplemento di "Rassegna sindacale", n. 15, maggio .

Istat (1999), *I principali risultati della rilevazione sulla flessibilità nel mercato del lavoro*, www.istat.it/novita/Fless.htm

Lavoro e Informazione (2000), "Breve futuro del lavoro temporaneo in Tim", *Lavoro e Informazione*, N° 6.

Lavoro e Informazione (2000), "Lavoro temporaneo: le nuove norme di legge ed i contratti", *Lavoro e Informazione*, N°10.

Magnavita, N. (2000), "Il lavoro temporaneo: un nuovo rischio professionale", in Andreoni, Stanzani (eds.)

Marini D. (1999), *Una generazione flessibile. I giovani e il lavoro che cambia*, Ricerca promossa dalla rivista "Rassegna sindacale" e dalla Cgil Nazionale, Fondazione Corazzin, Collana Sondaggi, n. 10, marzo.

Marocci, G. (2000), "Lavoro organizzazione e stress", in Andreoni, Stanzani (eds.).

Mascini, M. (2000), "I nuovi soggetti delle relazioni industriali: il NIDIL CGIL", *Lavoro e Informazione*, N° 4.

- Mascini, M. (2000), "I nuovi soggetti delle relazioni industriali, Confinterim", *Lavoro e Informazione*, N° 9.
- Negrelli, S. (1998), "Sempre più patto sociale per il lavoro", in Cesos (Cnel), *Le relazioni sindacali in Italia 1996-97*, Edizioni Lavoro, Roma.
- Negrelli, S. (2000), "Social Pacts in Italy and Europe", in Pochet, P. and G. Fajertag (eds.), *Social Pacts in Europe. New Dynamics*, ETUI, Brussels.
- Prestileo, C. (2000), "Il profilo dei lavoratori temporanei", *Lavoro e Informazione*, N° 3.
- Sennett R. (1999), *The corrosion of character. The personal consequences of work in the new capitalism*, Norton, New York. Edizione italiana: *L'uomo flessibile. Le conseguenze del nuovo capitalismo sulla vita personale*, Feltrinelli, Bologna.
- Somvilla, M. (2000), "Lavoro temporaneo: la modifiche alla legge 196/ 97", *Lavoro e Informazione*, N° 4.
- Thèry, M. (1998), "Nuove forme di lavoro: flessibilità e sicurezza", *Sociologia del Lavoro*, N° 69.
- Valcavi, D. (2000), "Lavoro temporaneo e disoccupazione di lunga durata nell'Unione Europea", *Lavoro e Informazione*, N° 13.

Annex 1: Survey interviews

We should like to express our thanks for the interviews granted to us by the following:

UNION, EMPLOYER ORGANISATION AND COMPANY OFFICIALS

Dr. Elda Sartirana, Regional Co-ordinator for Lombardy, ALAI-CISL
Dr. Giovanni Cairone, Regional Director for Lombardy, NIDIL-CGIL
Dr. Franca Gatti, Regional Director for Lombardy CPO-UIL
Dr. Enzo Mattina, National President of ASSOINTERIM
Dr. Laura Conte, Personnel Manager of the START Agency
Dr. Antonio Iamele, Director of OBIETTIVO-LAVORO Agency
Dr. Elicio Mimmo, Director of OBIETTIVO-LAVORO Agency

TEMPORARY AGENCY WORKERS

Alessandra Baldassarre, aged 22, secondary school diploma and university student
Francesco Marcone, aged 30, graduate in Business Economics
Davide Coco, aged 24, secondary school diploma
Domenica Chiaradia, aged 28, graduate in Banking
Alessandro Luzzetti, aged 26, secondary school diploma
Andrea Nucci, aged 26, high school diploma and university student
Daniela Fattori, aged 45, middle school diploma
Tatiana Parenti, aged 30, DAMS graduate
Ornella Colomba, aged 40, secondary school diploma
Alessandra Pierucci, aged 33, secondary school diploma

Annex 2: Definitions

Contract for the supply of temporary agency work

Contract whereby an enterprise for the supply of temporary agency work (“supplier enterprise”), registered as required under Article 2(1) of Law No 196 of 24 June 1997, places one or more workers (“temporary agency workers”) employed by itself under a contract of employment as provided for by Article 3 of that Law at the disposal of another enterprise which uses their work performance (“user enterprise”) to meet needs of a temporary nature (specified within the meaning of the second paragraph of Article 1 of the aforesaid Law).

Part-time contract

Contract of employment which establishes an employment relationship characterised by daily working hours appreciably less than the normal or standard working hours laid down by collective bargaining (“horizontal” part-time) or by working only on certain days, weeks or months of the year (“vertical” part time). The resultant reduction in pay is not necessarily proportional.

Part-time work must be voluntary and not compulsory. The employer is not deemed to have unilateral power to vary, arbitrarily, the distribution of the working hours specified in the part-time contract. The Constitutional Court has ruled that so-called “on-demand” part-time work (i.e. where its actual scheduling is not specific) is unlawful. However, it is permissible for the contract to contain a clause making prior provision for the working arrangements to be varied between outer limits which are predetermined and agreed with the employee.

Fixed-term contract

The basis regulation of this type of temporary employment contract consists in Law No 230/1962, although with subsequent amendments and additions. The Law imposes a number of requirements, such as the fact that the contract must be in written form (the oral form is accepted only where the term is less than 12 days), and contains a list of the cases in which such contracts are expressly permitted: seasonal work; replacement of an absent employee; performance of specified activities, and services at predetermined times, of an exceptional or occasional nature (e.g. peaks at certain times of year); specialised operations (e.g. in dockyard work); personnel for particular public performances or radio and television programmes; managerial staff, and airport services during predetermined periods of the year. Some relaxation of the rigid restrictions has since been introduced as a result of collective bargaining.

S. Negrelli and A. Marchetti

EF/02/30/EN