



COUNTRY
REPORT
FOR
ITALY

A photograph of a woman holding a young child on a sidewalk, overlaid with a semi-transparent red filter. The woman is looking down at the child. The background shows a brick wall and a metal railing.

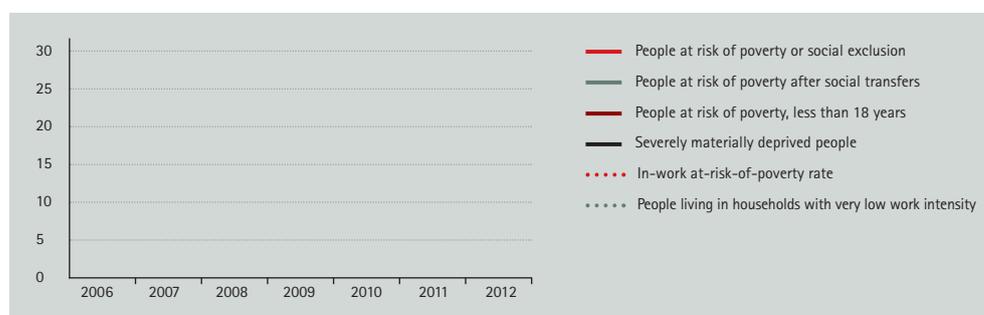
EUROPE 2020
SHADOW REPORT 2014

PROPOSALS FOR THE ANNUAL GROWTH SURVEY,
COUNTRY SPECIFIC RECOMMENDATIONS AND NATIONAL POLICIES.
CARITAS RECOMMENDATIONS FOR EUROPE 2020 MID-TERM REVIEW.

01 Poverty

1.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	
Italy													
POVERTY													
People at risk of poverty or social exclusion	-	-	24.7	-	-	24.5	-	-	28.2	-	-	29.9	24.8
People at risk of poverty after social transfers	17	19.8	18.4	17	19.8	18.4	18.3	20.8	19.6	18.1	20.7	19.4	17.0
People at risk of poverty, less than 18 years of age	-	-	24.7	-	-	24.7	-	-	26.3	-	-	26.0	20.8
Severely materially deprived people	-	-	7	-	-	6.9	-	-	11.2	-	-	14.5	9.9
In-work at-risk-of-poverty rate	11.8	7.9	10.2	10.8	7.3	9.4	11.6	9.2	10.7	12.1	9.4	11.0	9.2
People living in households with very low work intensity	-	-	8.8	-	-	10.2	-	-	10.4	-	-	10.3	10.3



Development of poverty and social exclusion indicators in Italy (2009-2013) based on Eurostat:

- ➔ Almost all poverty indicators were on the rise during the observed period. Those at-risk-of-poverty or social exclusion rose from 24.7% in 2009 to 28.4% in 2013, but nevertheless we can observe a decrease of almost all EU indicators from 2012 to 2013, a statistical trend that, according to Caritas experience, doesn't reflect the real situation in the country.
- ➔ Only the indicator for people living in households with very low work intensity is on the rise, reaching 11% in 2013, compared to 10.3% in 2012.
- ➔ Women continue to be at a higher risk of poverty, in all indicators except the "in-work at-risk-of-poverty rate" indicator, where males have registered higher values (9.4% to 11.4% in 2013).

- ➔ Poverty in Italy is a phenomenon that affects mainly the southern regions: in 2012, nearly half of the people living in the southern regions (44.5%) were at risk of poverty or social exclusion, well above the national average (28.4%). In the northern regions, only 17.3% of the population were at risk of poverty or social exclusion, somewhat below the EU-average (24.8% in 2012). In the southern regions, those at-risk-of-poverty or social exclusion rose from 38.7% in 2009 to 44.5% in 2012.

Innovative services or programmes implemented by Caritas Italy

DESCRIPTION OF THE SERVICE OR PROGRAMME

Caritas services witnesses a growing presence of Italians, which in some cases constitute the absolute majority of admissions. The middle class and those social groups traditionally unrelated to social problems are increasingly affected by economic vulnerability. Nevertheless, the motivation to apply to Caritas remains low: not all individuals and families in financial difficulty are turning to charities or other similar entities. Due to this problem, local Caritas offices are promoting a wide range of innovative activities that seek to provide material assistance in an innovative way, by addressing individuals and families who would ordinarily not have turned to Caritas. It is a highly empowering project that requires the commitment of beneficiaries, without necessarily providing material or economic aid. This kind of programme is consistent with a national debate about the importance of reciprocity and commitment of social benefits users. For instance, some of these programmes have the goal of promoting networks of families, trying to foster contact between families in the neighbourhood. The network of solidarity between families is intended to complement the action of food distribution with the involvement of families willing to provide aid in terms of time, financial resources, material goods, etc. Some other innovative projects are intended to help families with the aim of providing legal and administrative advice. This form of support is sometimes conducted by a "family tutor" who can also take action and mediate between debtors and creditors (e.g. mediation with the local authorities in case of unpaid bills) or monitor and drive consumption and indebtedness patterns of households (family budgeting). In many cases, traditional and innovative activities are carried out simultaneously whereby the same family can be addressed through innovative interventions and traditional aid assistance. The main purpose of the innovative projects is to approach those cases of new poverty that do not apply for assistance with Caritas through aid modalities that differ from the distribution of food parcels and material aid in specialized centres.

Additional national data shows the severity of the problems reflected by the above Eurostat data:

- ➔ Even though not all individuals and families in financial difficulty are turning to charities or other similar entities, we can observe a progressive social normalization of poverty in Caritas services. Various indicators confirm that the middle class and those social groups traditionally unrelated to social problems are increasingly affected by economic vulnerability:
 - A great number of Caritas beneficiaries are parents (72,1% in 2013);¹
 - The number of "working poor" is increasing: in 2008, employed persons who turned to Caritas made up 15.8% of the total; in 2013, their presence reached 22.9% out of the total (+45%).

¹ Caritas Italiana, False partenze. Rapporto 2014 sulla povertà e l'esclusione sociale in Italia, aprile 2014 http://www.caritasitaliana.it/home_page/area_stamp/00004776_False_partenze_Rapporto_Caritas_Italiana_2014_su_poverta_e_esclusione_sociale_in_Italia.html

On the opposite side, the average incidence of the unemployed, which in 2008 was equal to 70.4% of the total, decreased by 13% in five years (people unemployed in 2013 amounted to 61.3% of all Caritas users);

- A growing presence of Italian users, which in some cases reach and exceed the absolute majority of admissions;
 - The share of home owners has been increasing progressively over the years: from 9.7% in 2006 up to 13.3% in 2012.
- ➔ Gambling addiction: over the past few years, Caritas counselling centres have been reporting the growing phenomenon of indebtedness of families affected by addiction to gambling. A large number of cases of gambling addiction are related to economic problems, unemployment, family conflicts, etc. Gambling is very popular through the online version, but also in bars and shops. A recent trend on the rise, similar to gambling for technical procedures and psycho-social characteristics, is online financial speculation. In times of economic crisis, this type of behavior is based on the illusion of being able to enrich oneself in a short time, taking advantage of the same mechanisms of the market and the stock exchange that are responsible for the economic crisis.
- ➔ In general, the Eurostat statistics reflect the situation in Italy in terms of general trends. However, national statistics are based on different methods (Eurostat statistics are based on national median equivalised disposable income, while Italian statistics are calculated on the national average of family monthly expenditure). Due to this, Eurostat and Istat data do not overlap perfectly: according to Eurostat, in 2013, 28.4% of the population was at risk of poverty or social exclusion. According to Istat, 16.6% of population was below the poverty line.

Testimony

I'm S., 40 years old, and I'm from Colombia. I have been living in Italy since high school. I have been living with an Ecuadorian man for about ten years. He is the father of my son, who is attending elementary school. After graduating from high school, I've never worked in the field I had hoped for, which is foreign languages. I started working as a maid and housekeeper. After some years of occasional work and the birth of my son, I decided to start looking for a job as a full-time career. They were all irregular jobs and I've never had a regular contract. The only exception was that of an elderly lady who [...] gave me a regular contract of work [...] but, after two years, the lady died and I lost my job [...]. My husband was a handyman, often unemployed, and did not have a residency permit. He managed to stay in Italy thanks to his son. The relationship with him was not good; he changed. Before, he was quieter, but as time passed he became more violent. One day I had to go to work with a black eye, and I said to the lady I had had my bag snatched. It all started when the company for which he worked, that guaranteed him his residency permit, closed for economic reasons. He lost his job and he was no longer able to renew his residency permit. For a long time, I wasn't able to find a job; Italian families try to manage on their own. Not looking for a full-time career anymore [...] I have also thought about

continuing my studies, while I am in Italy; perhaps if I attend a training course for caregivers or something related, it could be easier to find a job. But the municipality has cancelled these courses that had been available for some years, and now I have to look for another solution.

After many ups and downs, my husband and I split up, and now I'm living with my child and an old Italian woman. Her sons contacted me through the parish. They could not afford to pay for a caregiver 24 hours a day, and so, since there was a free room in my house, they asked me if I could accommodate their mother. They pay me for the expenses and a salary for assistance. The old lady is happy to live at my house, also because - before moving - she had been living alone.

1.2

Recent policy developments

With regard to the contrast between different forms of poverty, the population in Italy is facing a complicated framework, with the presence of three different types of measures that in some cases overlap each other.

In order to overcome the absence of a Minimum Income scheme in Italy, in February 2012, the Monti government issued a Decree for the implementation of a *New Social Card*, a new universal tool against poverty in 12 big cities for one year (the allocation amounts to 50 million euros). It was estimated that a total of 13,000 families would potentially benefit. The Card is intended for families in need with children and unemployed parents. In order to enlarge the scope of the measure, in 2013, some of the resources that were already allocated to the programmes financed by the EU Structural Funds 2007-2013 were reprogrammed. Under the chapter "Urgent measures for youth employment and poverty in the South" the experiment with the New Social Card has been extended to all southern regions (the new allocation amounts to 167 million euros for 2014-2015). The new tool is called the "Charter for social inclusion". This new measure should be operative by the end of 2014. Recently, new reprogramming of unspent EU funds further boosted the financing of the Charter for Social Inclusion with 300 million euros. Furthermore, the new Stability Law has extended the experiment with the *New Social Card* to northern Italian municipalities (the allocation amounts to 50 million euros for each year: 2014-2015-2016). Besides these new measures, the old Social Card, aimed at families with children 0-3 years old or persons older than 65 years, is still in force.

Baby Bonus: The Stability Law 2013 introduced a Fund for new-borns (the so-called Baby Bonus). It is a support for low-income families who have just had a child. The modalities of access to the fund have yet to be defined.

The new Isee (Equivalent Economic Situation Indicator) is an indicator that takes into account income, movable and immovable assets and the characteristics of the family, in order to determine the proportion of economic participation for their use of public services. A new

reformed Isee entered into force in February 2014, however, it is not operating yet (operational procedures and documentation for local authorities is still lacking).

On 11 March 2014, the Italian Revenue Agency formalized the implementation of the new "Redditometro" (Decree-Law of 31 May 2012, n. 78). The *Redditometro* is a tool for income assessment and inductive verification of goods and services in the possession of a citizen. Verifications will be triggered when the amount of expenditure exceeds 20% of the income reported on the tax return. In case of inquiries, and to avoid penalties, the taxpayer will be called upon to prove that the expenditure was financed through tax-free income. The *Redditometro* will have a tolerance of 20% between declared income and expenditure. Beyond this threshold, the Revenue Agency will request the taxpayer to provide necessary explanations (a check is not performed with deviations below 12 thousand Euros a year).

Nevertheless, it is still too early to assess any positive or negative impact of these measures.

Social investment package: investing in children²

ASSESSMENT OF PROGRESS

➔ With regards to providing for adequate living standards through a combination of benefits

- Support family incomes through adequate, coherent and efficient benefits, including fiscal incentives, family and child benefits, housing benefits and minimum income schemes

➔ *Economic and Financial Document 2014 – DEF (April 13th 2014):*

- Extension of the Social Card for foreigners ("purchase card" for €40 per month, aimed at families with low income and with children under 3 years of age);
- New Social Card: introduced in 2012 on an experimental basis in some cities. It has been subsequently extended to the whole country, thanks to the re-programming of EU funds. The Charter is intended for families who have serious difficulties making ends meet. After more than two years, due to administrative delays, only a few families have been benefitting from this (on 5 March 2014, Caritas Italiana – Save the Children issued a joint press release publicly denouncing such a failure);
- Baby Bonus: The Stability Law introduces the Fund for new-borns (the so-called Baby Bonus). It is a help to low-income families who have just had a child. The modalities of access to the fund have yet to be defined;
- Reduction of tax wedge for employees and assimilated (people with a employment status equivalent to the one as employee) (*Decree-Law 24 April 2014 n. 66*): increasing of tax deduction for dependent workers, excluding people with insufficient income, pensioners and professionals (max. €640 per year, €80 per month).

In general terms, the fiscal law and taxation system in Italy are not family-friendly, as they do not properly take into account the needs of families, the size of households, the presence of young children and other types of 'weak' members inside the family, etc. In 2013, the government set up a reform of the taxation system, changing some taxes and introducing other new taxes (VAT increased from 21 percent to 22 per cent; there was the introduction of the IUC, a new composite Service Tax, which applies to both owners and tenants, etc.). The University of Modena, on behalf of Caritas Italiana, carried out an evaluation of the impact of these reforms on vulnerable groups: the new taxations would worsen the conditions of the poorest families, also because the

² European Commission, 2013, Recommendation *Investing in Children: Breaking the Cycle of Disadvantage* 2013/112/EU approved under the Framework of the Social Investment Package

new taxation affects tenants. Unless the government provides for the introduction of new tax deductions for dependent children or for families in poverty, both absolute and relative, such measure will affect the poorest households, worsening their conditions.³

- Deliver means-tested or other targeted benefits in a way that avoids stigmatisation, differentiates between children's needs and reduces the risk of poverty traps whilst avoiding the creation of disincentives to work for second earners and single parents

→ The new Isee (Equivalent Economic Situation Indicator) is an indicator that takes into account income, the (movable and immovable) assets and the characteristics of the family, in order to determine the proportion of economic participation for their use of public services. A new reformed Isee entered into force in February 2014, but is still not operating (operational procedures and documentation for local authorities are still lacking).

→ On 11 March 2014, the Italian Revenue Agency formalized the implementation of the new "Redditometro" (*Decree-Law of 31 May 2012, n. 78*). The *Redditometro* is a tool for income assessment and inductive verification of goods and services in the possession of a citizen;

→ Maternity Leave and Women who become pregnant during a fixed-term contract can also count motherhood as part of the duration of the contract, thus exceeding the current legislative limit of six months. And if a company hires labour within twelve months after the end of a fixed-term contract, women on maternity leave have priority (*Job Act, Decree-Law June 28th, 2013, n. 76*)

➤ Concerning the improvement of the education system's impact on equal opportunities

- On 16 April 2014, the 7th Committee of the national Parliament deliberated the outcome of an Investigation on strategies to combat early school leaving. Furthermore, new legislation on early school leaving was adopted (*Decree-Law September 12/9/2013, n. 104, "Emergency measures in the field of education, universities and research", the so-called "School Decree"*). The new legislation provides for the extension of school hours, especially in primary school, in order to reduce early school leaving in all schools of every grade (15 million hours in total, 3.6 million for 2013, 11.4 million for 2014). Schools can make use of private associations and non-profit organizations to identify innovative solutions and specific pathways for students most at risk of dropping out. The resources allocated to the programme may also be used for the payment of the additional benefits of the teaching staff involved. Teachers that can't work these additional hours for health reasons may be used for the prevention of early school leaving initiatives, cultural activities and teaching support. According to associations and Unions, the new legislation bypasses the real problem: investment in Italian schools is below one point of GDP (17 billion euros) compared to the OECD average. The real goal should be to establish a functional and stable workforce, appropriate resources and trained personnel. Volunteering and non-profit associations cannot and should not replace public responsibility and competence.

³ http://www.caritasitaliana.it/caritasitaliana/allegati/5159/Rapporto02_2014_14072014.pdf

EU Initiative for Roma integration⁴

ASSESSMENT OF PROGRESS

In implementing the European Commission's Communication n. 173/2011, Italy has adopted a "National Strategy for the inclusion of the Roma, Sinti and Caminanti 2012-2020" which is in fact a historic document for the country, because it is the first official document by which government addresses the Roma "problem". In fact, solutions to this "problem" had been adopted even before 2012, but they were focused on the basis of an "emergency and security" approach. The strategy, as stated, aims to "overcome definitively the emergency phase." In 2013, the Council of State declared that the government decree of 2008, called "Nomad Emergency", was illegal. As a consequence, there are still claims for damages on behalf of victims of human rights violations that occurred during that emergency period. Housing problems are the main concern for Roma families. In these first two years of implementation of the National Strategy, there are still critical issues that the strategy aims to overcome, in four areas of intervention (education, work, health and home), while Italy continues to be criticized by international institutions and human rights organizations. Some critical points are: national and regional tables, provided by the national Strategy, have yet to be implemented; and local authorities' interventions are more discriminatory than inclusive. The issue of settlements remains the most critical, especially in larger cities, where evictions and forced relocation are widespread, and no possible alternatives are proposed, shared and sustained. The housing conditions of the Roma communities are inadequate and precarious, preventing and hindering the full enjoyment of rights to adequate housing, with serious repercussions for other rights, especially for children, such as education and health. Statelessness issues remain unresolved and not yet adequately examined: the difficulty in obtaining documents also affects people who were born and have always lived in Italy, and who continue to remain in a state of 'irregularity' similar to those who have just arrived in the country. This problem influences every action that might actually include the axes of intervention mentioned above. Institutional actions designed to overcome social stigma are limited and not effective. Yet there is the vexed question of the lack of recognition of the Roma as an ethnic minority, which leads to a problem of political and social representation of the Roma community.

Assessment of Italy's Country Specific Recommendations (CSRs) adopted in 2014:

- CSR 3 on ensuring better management of EU funds and CSR 5 on comprehensive social protection for the unemployed are considered to have a positive impact on the situation of poverty and social exclusion in Italy. However, the following recommendation may have a negative impact:

⁴ Council of the European Union (Employment, Social Policy, Health and Consumer Affairs Council Meeting), 2013, *Council Recommendation on Effective Roma Integration Measures in the Member States*

CSRs that could have a negative impact

- CSR 1 on strengthening the budgetary strategy to ensure compliance with debt reduction requirements.

Observations

- The risk is that a further reduction of public expenditure may lower the quality and quantity of public services related to poverty and social exclusion.

1.3 Recommendations

Given the above assessments, Caritas recommends the following policy measures be introduced in order to address the challenges related to poverty and social exclusion:

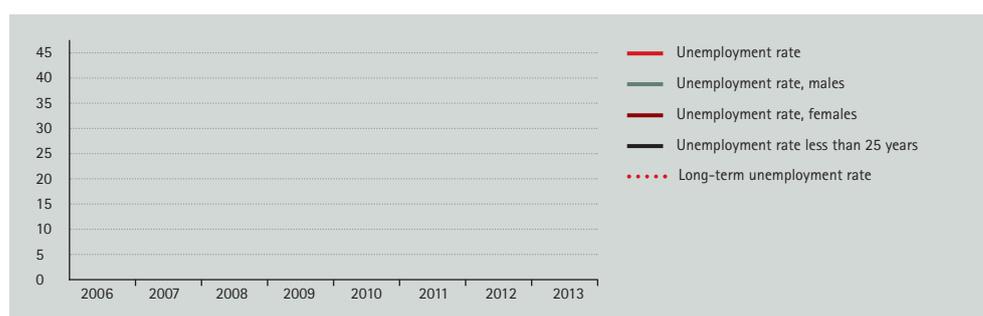
- ➔ Need for a universal measure to combat poverty. In the last two years, two new anti-poverty measures have been introduced. These new measures coexist with previous measures, still in force. As a result, we have in Italy a very complicated framework, with the presence of different measures, that in some cases overlap each other. That's why the ACLI (the Christian Workers Association) together with Caritas Italiana continue to propose a general Minimum Income called the REIS. The REIS is conceived of as a universal measure for people under the absolute poverty threshold calculated also on the basis of different costs of living in the different geographical areas. The REIS is a mix of money transfers and service provision. The municipality is the coordinator and the social sector is involved in the phase of money provision and personal support of the person. Beneficiaries between 18 and 59 years old will have to look for a job, be immediately available to start a job offered by the Employment services and attend training courses. We ask the Italian government to work toward the unification of the various legislative measures, in the direction given by the REIS, overcoming the experimental style of new measures, and ensuring timely evaluation and assessment.
- ➔ The issue of food aid: Caritas Italiana is concerned that the reduction or end of the food supply from the European Union may cause a social emergency that could involve more than 4 million poor people, who are assisted by 15,000 charities in Italy. Caritas Italiana urges the Italian government and the European institutions to adopt and bring into operation the national operational programme of the FEAD, ensuring the programme a sufficient economic endowment for the next seven years.
- ➔ Specifically on Child poverty: Caritas Italiana, in consultation with the organisations of the social sector, urges the Government, in consultation with the Regions and the Parliament, to formulate an extraordinary national plan to combat child poverty, inspired by the UN Guiding Principles on extreme poverty and human rights and taking into account the priorities of the Europe 2020 strategy.
- ➔ Ensuring the early implementation of new Isee and *Redditometro*, the new tools for measuring the proportion of economic participation of families for their use of public services. In times of scarce financial resources of local authorities, it is important that individuals and eligible families are not excluded from services.⁵
- ➔ Better connected job policies, training and education programmes, in order to better take in hand NEET young people. Particular attention should be paid to the implementation of the programme "Youth Guarantee" in Italy. By decision of the Council of Ministers, Italy's youth programme will be for youth up to 29 years of age, and will not stop at 25 as required by the European proposal. Since the amount of community resources for Italy will not change, it is important for Italy to invest additional resources in the programme.

⁵ Information about the new Isee:
<http://www.lavoro.gov.it/AreaSociale/Inclusione/isee/Pages/default.aspx>.
Information about the *Redditometro* at
<http://www.agenziaentrategov.it/wps/portal/entrate/home>

02 Employment

2.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			2013			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	
Italy																
EMPLOYMENT																
Employment rate	73.8	49.7	61.7	72.8	49.5	61.1	72.6	49.9	61.2	71.6	50.5	61.0	69.8	49.9	59.8	68.3
Unemployment rate	6.8	9.3	7.8	7.6	9.7	8.4	7.6	9.6	8.4	9.9	11.9	10.7	11.5	13.1	12.2	10.8
Unemployment rate, under 25 years of age	-	-	25.4	-	-	27.8	-	-	29.1	-	-	35.3	-	-	40	23.4
Long-term unemployment rate	2.8	4.4	3.5	3.6	4.8	4.1	3.9	5	4.4	5.1	6.5	5.7	6.5	7.5	6.9	5.1



Development of employment indicators in Italy (2009-2013) based on Eurostat:

- ➔ All unemployment indicators increased between 2009 and 2013 with the **highest relative increase in the long-term unemployment rate**, which almost doubled from 3.5% in 2009 to 6.9% in 2013, especially amongst men.
- ➔ Youth unemployment reached a worrying 40%, the rate which experienced the **highest absolute increase**: it rose by 14.6 p.p. between 2009 and 2013 to 40%, well above the EU average of 23.4%.
- ➔ The **unemployment rate continues to grow**, reaching 12.2% in 2013 compared to 7.8% in 2009, hitting considerably more women (13.1%) than men (11.5%), which is highly worrying taking into account the gender employment gap of almost 20 p.p.: employment rate of men – 69.8%; women – 49.9%, one of the highest gender gaps in the EU.
- ➔ The unemployment rate (12.2% at national level) is higher in southern Italy (19.6%), particularly in Calabria (22.2%), in Campania (21.5%), in Sicilia (21.0%). Youth unemployment and long-term unemployment rates are also high in the southern regions: 50.6% of people from 15-24 years old are unemployed (53.95% in the Isles); and 63.3% of long-term unemployed are in the South (compared to a national average of 56.4%).⁶

⁶ http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/1-15042014-BP/EN/1-15042014-BP-EN.PDF

Additional national data shows the severity of the problems reflected by the above Eurostat data:

- ➔ Because of the presence of a wide informal economy in Italy, many unemployed people are not entirely without income, as they work for many years, in an illegal manner. The phenomenon is mostly relevant to the southern regions of Italy, and it is primarily concerned with certain productive sectors (homecare, agriculture, construction, etc.), and related to some social groups (migrants, family-run activities, people recently laid-off work, people who perform double duties, etc.). Due to these reasons, unemployment rates also appear, for example, higher in central Italy (70,2%) than in the south (53,9%).
- ➔ In order to obtain a more complete description of job insecurity in Italy, we should take into consideration the number of people that receive ordinary wage supplements (aimed at supporting workers affected by reduced working time and the temporary suspension of work), as they are counted as if they were still employed, but in fact they suffer severe income reductions and live on the edge of unemployment. According to national Trade Unions statistics, in Italy, in 2013, 4.2 million people received wage supplements from the state. The number of people receiving wage supplements rose by 57% between 2008 and 2013.⁷
- ➔ The presence of an increasing number of people suffering from work and income reductions is not found to the same extent in Caritas counselling centres: in 2013, 61.3% of beneficiaries were unemployed. In 2009, 74,6% of beneficiaries were unemployed. The rate of unemployed users is decreasing, also because of the rising presence of in-work poverty. For example, in 2008, 11,6% of users were employed, meanwhile in 2013, the rate of working people was 22,9%. This means that in Caritas a rising number of situations reflect a so-called 'new poverty of working poor'.
- ➔ An interesting trend lies in the growing number of long-term unemployed people who turn to Caritas. Although data is not available at the national level, various local evidence reflects this phenomenon: e.g. the number of people seeking counselling in Caritas Centres in the Tuscany region fell by 9.0% for the short term unemployed from 2011 to 2012, but increased by 11.5% for the long-term unemployed.

Testimony

I'm Fabio, 31 years old, and I'm a computer technician. Approximately four years ago my girlfriend Giada and I decided to live together. At that time both of us were employed. She worked in a book shop and I worked as an external consultant for a subcontracting company of the municipality of Rome. I didn't have a permanent contract, but my girlfriend had one and therefore we decided to leave our parents' homes and we moved to an apartment in a small town. Everything went well until two years ago. Because of the crisis, the book shop where Giada was working faced a sharp drop in sales and she was fired.

For a while we managed the situation, but after a few months we had to move house, because the one where we were living was too expensive. We found a small apartment outside of Rome, in a suburb, poorly connected, but very cheap. After a few months, I lost my job too: the information technology company where I was working failed to secure a new subcontract with the municipality, and my contract was not renewed. Thanks to small jobs, we pulled forward a few months. The unemployment allowance came several months after this job loss, and we had to live on our poor savings until then. It was a hard decision, but after few months we decided to go back to our parents' homes.

⁷ [http://www.uil.it/documents/Rapporto%20DEFINITIVO%20UIL%20NO%20PIL%20-%20NO%20JOB%20%20\(LUGLIO%202014\)%20Ufficiale.pdf](http://www.uil.it/documents/Rapporto%20DEFINITIVO%20UIL%20NO%20PIL%20-%20NO%20JOB%20%20(LUGLIO%202014)%20Ufficiale.pdf)

We are living separately now. We don't have any work and we are too old to start studying again. The only good news is that, thanks to a social cooperative linked to Caritas, I have started teaching computer science to young boys in a tough neighbourhood. I receive a small salary, but this experience is useful to me to show me a possible way forward in the future, in the field of social action and cooperation.

2.2

Recent policy developments

Labour Market Reform was adopted in July 2012 (Law no. 92 of June 28, 2012), on various issues (equity among workers, distorted use of flexibility, reinforcement of social solidarity cushions and extensions to additional groups of precarious workers, reducing the dichotomy between protected and non-protected workers, new measures specifically targeted at young people and women, as well as a set of active policies). Since 2013, new important measures have been taken, on various issues:

- ➔ New rules of the labour market have been adopted, increasing flexibility (with amendments on fixed-term contracts, on collaborations and temporary work), simplifying apprenticeships, offering new opportunities for professional recruitment, eliminating the limit of 35 years of age in order to register a new company;
- ➔ Creation of new jobs, especially for an indefinite period, supported with incentives for young people, up to 30 June 2015;
- ➔ Refinancing of the law for young entrepreneurs and non-profit projects promoted by young people;
- ➔ Funding of incentives for the recruitment of young people in the South and of women over fifty years old;
- ➔ The Stability Law for 2014 has set up a fund for active labour policies to finance various initiatives and the experimental relocation of unemployed workers or beneficiaries of wage supplements;
- ➔ Reduction of labour costs for businesses as well as the tax burden on low-to-medium wages;
- ➔ The fund for the employment of people with disabilities increased from 2 to 22 million euros;
- ➔ Cushions in derogation and solidarity contracts were also refinanced;
- ➔ A new "Mission Structure", responsible for the coordination and promotion of active policies, involving various agencies, was set up. The mission structure is located at the Ministry of Labour and Social Policy.

The new Renzi government has introduced new labour reform (Jobs Act, Law n. 34, 20 March, 2014), focused on three basic issues: the reform of apprenticeships; new rules about the expiry of collaboration contracts (fixed-term employment contracts may be renewed for no more than 36 months); a general reform of employment contracts (currently divided into 27 different types); a new law to reduce the number of contracts and increase guarantees for workers.

However, critical aspects of the system can still be observed: the lack of effective action to improve the whole system, both national and local; poor incentives to work, including vocational training; dispersion of powers between the central and local levels of government (State, Regions, Provinces);

lack of integrated information systems on the education–training–work system; the complexity of administrative requirements imposed on undertakings; the gap between school and labour market, poor quality of local career guidance and job placement; inability to highlight new areas of alternative job development (solidarity and cultural tourism, eco-friendly economy, family welfare, homecare, etc.).

EU Initiative: youth guarantee⁸

ASSESSMENT OF PROGRESS

Since 2000, the Italian government has tried to implement various measures to combat the problem of youth unemployment. Nevertheless, these measures have been unable to curb the problem entirely. Regions have tried to limit the negative effects of the crisis on youth employment through the establishment of integrated policies, mostly in terms of professional training. The Youth Guarantee Programme provides a unique opportunity for the implementation of measures to tackle youth unemployment that in Italy has reached levels never touched before. To achieve the objectives of the Guarantee, the Government has set up a special mission structure that involves various actors, in addition to the Ministry of Labour and its technical agencies (ISFOL and the Italia Lavoro Agency).

According to data contained in the National Plan, the number of young people aged 15–24 years, in Italy, amounted to 6,041 million. Of these, 1,274,000 are not working and not attending education or training. Extending this population up to 29 years of age, the number of those who are not working (unemployed/unemployed and inactive) and who do not attend any course of education or training – the so-called NEETs – amounted to 2,254 million units, out of a total 9,439,200 young people (23.9 per cent).

The programme should provide one or more opportunities: work placement; apprenticeships; training; education and training; self-employment; civil service. According to weekly monitoring carried out on behalf of the Ministry of Labour (October 2nd 2014), there were 223,729 young people in the Youth Guarantee (including 10,714 foreigners). Of these, only 69,347 were invited by the employment services to register or have a first interview and a fewer number (49,577) actually had the first interview.

The evaluation of the first phase of implementation shows a huge gap between:

- ➔ the potential number of recipients of the Programme and those that have already been contacted and registered (less than 10%);
- ➔ the number of young people registered and those who attended the first interview (less than a quarter);
- ➔ the number of young people registered and the jobs available, so far only 1 job position is available for every 10 jobseekers.

Among the weaknesses that have been found thus far in the Youth Guarantee are: poor communication towards young people, and a lack of connection of the programme with schools and universities. Moreover, traineeships and apprenticeships, that should be considered as key practice for youth job inclusion, are still marginal, while fixed-term job offers are more common, even they have not been created under the Plan. The Regions have the responsibility of implementing the objectives and methodology of the programme, but local situations are complex, as there are, in Italy, 550 employment centers and 2,200 branches of employment agencies. A year of "civil service" is among the measures that can be offered to young people by the Italian programme. However, not all regions have allocated a portion of the available funds to this measure. Potentially, 7,352 places could be made eligible for civil service volunteers, however, the projects submitted by the entities amounted to a total of 6,437 seats. Caritas Italiana have also presented some civil service projects, within the framework of the Programme.

⁸ Council of the European Union, 2013, *Recommendation on establishing a Youth Guarantee* (2013/C 120/01)

Assessment of Italy's Country Specific Recommendations (CSRs) adopted in 2014:

- ➔ CSR 1 on implementing a growth-friendly fiscal adjustment and preserving growth-enhancing spending like R&D, innovation, education and essential infrastructure projects, CSR 2 on the fight against tax evasion and taking additional steps against the shadow economy and CSR 5 on evaluating the impact of the labour market and wage-setting reforms on job creation, strengthening the link between active and passive labour market policies and providing adequate services across the country to non-registered young people are considered to have positive impact on the employment situation in Italy. Nevertheless, the following recommendation could have negative implications:

CSRs that could have a negative impact	Observations
➔ CSR 5 on a comprehensive social protection for the unemployed.	➔ In the absence of a universal measure to combat poverty, unemployment benefits and social safety nets often accounted for the only form of protection of families from the risk of poverty.

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Recommendations

Given the above assessments, Caritas recommends the following policy measures to be introduced in order to address the challenges related to the employment situation:

- ➔ Implement active labour market policies
- ➔ Increase training and work insertion for vulnerable persons
- ➔ Introduce integrated policies for minors and youth in the educational, social and employment fields in order to reduce inequalities
- ➔ Provide job placement in favour of vulnerable social groups and people excluded from the labour market
- ➔ Adjustment of unemployment benefits to job positions of non-standard and precarious employment
- ➔ Refinancing of wage supplementation schemes and extension of these measures to non-standard and precarious employment
- ➔ Restoring the system of tax incentives in favour of social cooperatives, in force before the cuts in the local government sector;
- ➔ Enact without delay a framework law on micro-credit, in order to encourage the development of small enterprises.

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