

WORK, INEQUALITIES AND REPRESENTATION IN THE CRISIS YEARS

ITALIAN REPORT

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1. Labor Market, employment and unemployment

Since 2008 (the first year in which the effects of the crisis were statistically recorded) until 2014 employment in Italy went down of 811.000 units. In the same period (2008-2014) there has been a growth in the unemployment rate that rose from 6,3% to 12,7%, while the employment rates went down from 58,6% to 55,7%. It must be noted a slight improvement of the situation in the course of the year 2014 with a very moderate increase in employment and a corresponding decrease in the unemployment rate (0,2%) that did not change the picture. Similar moderate improvements took place also in 2015

The crisis has had negative effects in all areas of the country but the worst effects are registered in Southern Italy. In these regions there has been a loss of half a million jobs since the beginning of the crisis.

A.R. Italy: 2008 62.9% 2014 63.9%

A.R. South: 2008 52.3% 2014 52.8%

E.R. Italy: 2008 58.6% 2014 55.7

E.R. South: 2008 46.0% 2014 41.8%

U.R. Italy: 2008 6.7% 2014 12.7%

U.R. South 2008 12.0% 2014 20.7%

Who is more (or less) hit by unemployment

1. Young people

The various demographic groups show complete different pictures. The clearest case for its radical worsening is the situation of young people, already in difficulties before 2008. Between 2008 and 2014 the reduction of the employment of people under 35 amounts to about 2 million units: a datum that must be seen in relation with the decrease of the population belonging to that same age group. The latter decreased of 6,8% while the number of young people in employment declined of 27,7%.

The unemployment rate for young people (age 25-34) is 18,6%. the activity rate is 72% and the employment rate is 59,4%. Needless saying that as far as young people are concerned the worst situation can be found in Southern Italy.

This proves that the highest numbers of looser in the crisis is to be found among those that already were in difficult conditions before. On this matter in Italy there is a strong attention on the case of the neet (Not in employment, education or training) that will be mentioned later in greater details.

2. Women

A different evolution can be found in the case of the women. In this case the evolution is much less linear and the role played by the foreign component has been very important reflecting some specificities of the labor demand in Italy.

During the crisis, while male employment decreased 875 thousand units the employment of women raised, even if in small numbers (64 thousand). Anyway the rate of employment for women in Italy remains very low (46,8%): 12,8 points lower than the average EU value. This gap corresponds to two and a half million women. The reason for the increase of female employment in Italy has to be attributed to the role of female immigrants and to the 'forced' employment of women over 50 years of age due to the raise of the retirement age but also the entry in the labor market of women with high education. To all this a new factor must be added during the year of the crisis: the entry of women in the labor job market in order to contribute to the family's income in case of an unemployed partner.

3. Older workers

the only group having an increase in the employment rates both in absolute and relative terms is the group of people over 55 years of age. In their case the employment rate (now 54,8%) has had an increase of 7.7 percentage points in six years. And this has concerned mainly the female component and the northern regions. The growth is due mostly to the tightening of the requirements for the access to the pension. In other words these data that appear positive are contradicted by other data of opposite sign. The paradox is that both employment and unemployment are growing in the highest age group. Anyway when talking of winners and losers in the crisis, the pensions of elders have been rather safe until 2011. And also in the following years the data on income distribution indicate a better position of the older sectors of the population.

4. Less educated workers

We must also take under consideration the rates of employment and unemployment and their variations on the basis of the education levels, that is in a way also a proxy of the social condition. The role of schooling has proved to be a factor of protection during the crisis. There are lesser losers in the most educated sectors of the population.

5. Dependent workers (Industry, Agriculture, Other activities)

The relevant decrease of employment in the industrial sector, its stability in

agriculture and its raise in the service sector are the consequences of the general processes of transformation of the Italian Economy in a post industrial direction with an increase of employment in both traditional and advanced services. Agriculture, very important in Italy compared to the other European countries, has always had a precarious employment structure. The situation did not change with the crisis. The only relevant new is the fact the most of the Italian workers have been substituted by immigrant workers in this sector.

In the years of the crisis and of the following recession the number of employed workers in the industrial sector decreases from 4 million 242.000 in 2008 to 3 million 956.000 in 2014. At the opposite side we see a small change in agriculture where employment rose from 399 000 to 406 000 (due exclusively to the immigrant component). More significant in absolute terms is the raise of employment in services: 226000 units.

6.Neet

It is common to find within the youth population a particular category of unemployed who are in great difficulties and very modest perspectives: the so called 'neet' (people not in employment, education or training). The 'neet' issue is more and more the object of attention both of the institutions and of the media, both at the national and at the European level. In Italy this category is particularly important as it is much larger than in most European countries and its concentration is very high in the southern regions.

The use of this category is very much questioned because it includes situations very diversified since even high-school or college graduates are included in this cluster in official statistics. If by a descriptive point of view this concept is useful, from an analytical point of view it can create confusion in particular as far as its causes are concerned.

Back to the data, Italy's total picture is characterized by a rate of unemployment of young people higher than 40%. 21% of youngsters are 'neet' (meaning young people that are not at work, in school or internships). The young people unemployment rate in Europe doesn't go over 10%, the percentage of 'neet' doesn't reach 15%.

7.Immigrants

A special attention must be given to the situation of the immigrants in the labor market and in employment. There are continuities and changes that enlighten the effects of the crisis. In their complex the number of foreign workers went up in the six years of the crisis of 604.000 units. But the increase in absolute figures did not correspond to an increase in the rate of employment. The rate shows a negative balance (-8,5 percentage points) going down to 58,5% in 2014, a value slightly higher the that of the Italians.

The basic characteristics of the immigrant employment - typical of the Mediterranean immigration model - are a concentration in the service sectors and the very high feminine component (the latter concentrated in household works and care). This second aspect is notoriously due to the strong demographic changes of the country with the ageing processes of the population – in a frame of non sufficient welfare services and reduced availability of free care from the family members.

This is the basic aspect – although not the exclusive one – of the immigrant female employment. And there have not been great changes on the occupational destiny of the immigrant women in the past years. As far as male employment composition is concerned, until the beginning of the crisis there has been an increase of the number of immigrant workers in the industrial sector: a process that has been interrupted and has been followed by a reverse one. Once the main trend was a passage from precarious employment in agriculture and in construction to employment in the industrial factories (and from the South to the North). Now it goes from industry to precarious work and sometimes from the North back to the South.

As far as unemployment rate is concerned there are not great differences between immigrants and local. But data on this particular issue are not particularly significant. The most relevant problem for the immigrant workers is underemployment and bad working conditions. As we will see ahead, for a very important part of the immigrant workers in agriculture - but also in the building sector- is the extreme precariousness and the location in an informal –or better ‘black’ labor market.

2.Non standard employment, secondary labor market and dualism

Dualism and dualization

One of the main features of the Italian Labor market has always been - and continues to be - a condition of dualism. In the past one could speak of dualism between insiders and outsiders. But now the main feature is an impressive increase of the number of workers located in the second labor market with a structural deficit of representation. But contrary to the past this process is coupled with a twofold process of reduction of the number of the ‘once-insiders’ and a strong and progressive reduction of their entitlements.

As a general consequence of this there is an enlargement of the universe of workers employed with non standard contracts . This has taken place in all the European contests including those in which in the past the labour relations were based on the wage relation.

The enlargement of the secondary labor market has favored a particular interpretation of the change seen as an enlargement of the dualism in the labor market and in the employment structure. This is why “dualisation” – meant as creation, or at least, increase of dualism (and not simply persistence even if in new forms.) - has become very popular in the international debate. But this does not apply to the Italian case. In Italy instead it is more appropriate to talk about persistence of dualism instead of “dualization”, since no new phenomena have been

noticed.

The ongoing discussion on “dualisation” resumes also the thesis of the contradiction between “insiders” and “outsiders”, claiming the existence of a conflict of interests between them: according to this thesis the first keep prerogatives and privileges thanks to their bargaining power and union support, damaging the others both in direct and in an indirect way.

These are the assumptions on which the politics of flexibility are based as well as the politics aimed at reducing the prerogatives of the core workers. These views and the corresponding policies have been (and are) dominant in Europe in Italy and have characterized the so called “Jobs act”: the Italian labor market reform law. It imposes by law a whole series of reduction of the protection of the workers in the area of the standard work starting from the reduction of employment protection in a strict sense (the protection from dismissals). But even before the Jobs Act there have been a series of interventions of the same character in the labor market hitting the core workers in the private sector, who are now much weaker than in the past. A result of this is the reduction of the number of standard workers because of individual and collective dismissals.

Non standard employment and secondary labor market

In the context of employment reduction only the number of part-time workers increased (in absolute and relative terms) during the crisis. Now it is 3 million and 284 thousands with a steady increase (643 thousands). The increase of the quota of part-timers implies in an indirect way a reduction of the total wage amount. It has also to be taken in mind that in the Italian case part-time is in its largest majority involuntary part time.

It is easy understandable that the atypical and precarious employment affects mainly the young workers 15-34 years old. Furthermore one employee out of four has a work contract either short term or as consultant. This forms of employment concern also the adults (8,8% in age groups between the ages 35-49).

In 2014 more than half of the atypical workers had a contract lasting less than 12 months and about one out five has a 12 months contract. An important number of casual workers remains in this condition for a very long time: 524.000 do the same job for at least five years with a non standard contract.

A special attention should be dedicated to a category that has been fast growing in numbers, at least until the very recent years: workers members of the so called social cooperatives or who work for them. The enlargement of their number is a result of the outsourcing of the welfare services by the local institution for decades. The reduction of the financial availability of the local institutions has worsened the difficult conditions of these subjects with a very bad implications for other weak subjects (disabled, elderly, immigrants, ecc) to whom those activities were dedicated.

In conclusion it is useful to mention some data concerning wage and work conditions. The *2015 Annual Istat Report* claims that: “In the economy as a whole the dynamic of redistribution shows since 2011 a strong slowdown tendency started

with the worsening of the economic crisis”. And “The evolution of the wages reflects the worsening of the economic situation”. Also in this case the worst conditions are found among the non standard workers, the young workers component and the services workers.

The growth of inequality

This brings to the issue of inequality. A recent Oecd report shows that wage inequality in Italy is above to the European average. And this is particularly true in Southern regions. The Gini index that measures concentration has gone up progressively in the course of the crisis. Therefore “In 2011 the fifth richest part of the population has gained an increase of the income 5,6 times higher than the one of the poorest fifth”. In Italy the income primary distribution is more uneven than the secondary distribution, that is effective distribution of income after the redistribution operated by the welfare intervention. And this shows the importance of welfare provisions for the Italian workers. In the course of the crisis both indicators of primary and secondary distribution indicate an increase of inequality.

3.Representation

Union density

Italy continues to be one of the countries with the higher union density. Union density is decreased in the years of the crisis but certainly continues to be relevant. In 2014 the union density in the industrial sector, excluding constructions, was of 28,5% while in 2008 was 34,7% . This datum should be evaluated taking into account the events concerning the changes in work and employment the in the industrial sector at the quantitative and qualitative level. Non forgetting the difficult situation of the unions

The data we have analyzed so far include also precarious workers, whose level of union membership is notoriously low. On the other hand they not include those workers who are organized in particular union categories such as metal workers union (such as Fiom-cgil) or construction workers union (Fillea cgil). Although they belong to the main union confederation they do not enter in any specific category based on their special ‘trade’. These union members are relatively few in numbers notwithstanding the high number of workers belonging to the category of workers that the union intends to represent, at least formally. It is a variegated universe of unemployed and precariously employed people and also mixed categories between self employed and dependent workers.

The total number of members of the organizations related to the main unions supposed to represent this area of the labor market is about 200.000 with a prevalence of those belonging to a Cgil union branch called Nidil. The other correspondent organization are called Alai-Cisl and Uil-Temp.

Facing the issue of the forms of representation of these workers and their relations with the traditional organizations one must consider on the one hand the strategies of approach and the attempts to offer representation by the unions towards the precarious workers, on the other hand one has to observe the initiatives that these workers take both for self-organizing – sometimes also in a polemical way vis a vis the union - and their attempt to approach the union demanding representation. Finally we must mention the forms of organization and representation independent by definition from the workers union. These are organizations of young workers, self employed also professional, operating in new sectors of the labor market. Examples of the first case – of organizations born inside the union – can be found, as already mentioned, in the Nidil experience, part of Cgil, and in corresponding organizations within Cisl and Uil. In fact all of them have a relatively modest degree of success. Anyway they try to aggregate precarious workers, mostly, but not only, young employees in different working sets identifying common elements of claims, and carrying campaigns sometimes with a certain degree of success.

Immigrants, unions and representation

Particularly significant is the case of the immigrants. As a large literature on immigration in Italy shows, the Italian unions in their whole have showed always a strong opening towards the immigrants participating also to events concerning immigration policies carrying on a policy of equal rights between Italian and immigrant workers.

The high level of union membership of the first period led to talk of an ‘exceptionalism’ of the Italian situation. The reason of the union commitment are various and go from the involvement in the production of the migratory policies to the inclusion of matters concerning immigrant rights in the practices of the collective negotiations. This virtuous phase ceased for some aspects with the crisis. There is also another problem that has to do with the segmentation of the labor market and to the co-presence of situation more or less protected from a union point of view and other cases where the unions were never able to act effectively. This refers first of all to agriculture and, although in a less worrying way, to construction. The union with a higher level of union membership is the metalworkers union. The most numerous membership pertains to Cgil.

The spontaneous aggregation forms of precarious and self employed workers

A last consideration in the field of the relations between the new characters of labor employed in non standard situations concerns those that, starting from their condition of self employed, the came together organizing in self forms of cooperation and representation and completely out of the traditional union organization structures although often in condition of talks with them, This condition of the self-employed

workers concerns also subjects with a high location in the professional scale. We can mention on this matter the young professional of the Milan Area – Studied by the researchers of Milano Bicocca – but also the young workers at a different levels of qualification and employed in various activities self employed or semi self employed in Rome studied by La Sapienza. The names of their representative structures are different (in the first case Acta, ReRePre, Consulta delle Professioni, in the second case Clap, Strade, “Iva sei Partita”: the latter of a quite radical orientation) and demonstrate that some movement in this field exists, but its effective scope is still difficult to define. Finally it is difficult to foresee what will be the outcome of these movements and organizations of the ‘new workers’

The Unions and the new actors in the labor market

In conclusion we can say that the tendencies towards a revitalization of the labor representation in new forms and innovative criteria In Italy are still backwards both within and outside the traditional organizations of representation and protection.

The Italian unions in some cases have been able at least to absorb and to involve actors that were are risk to be marginalized: see the case of the immigrant workers in the factories at least until the crisis. But processes of disaffection vis a vis the unions with no relevant countertendencies can be found in those sector made more hit by the crisis.

Concerning the new actors of labor and the union organizations the processes that have brought to a closeness or a distance from the unions are different in different contexts. One must remember the Italian historical tradition of extending the union protection the precarious and marginal workers.

This attitude has been characterized by partial successes until a few decades ago but in now seems condemned to an impossibility to be carried on. As it is known, the strategy in the past was to generalize, as much as possible, the full time contracts of dependent labor and to extend it to all workers. But this trend is now reversed as the Union bargaining power is much weaker because of the transformation of the economy and of the employment structure with a consistent increase of atypical workers for whom the traditional forms of organization are inadequate.

Social Movements and representation

As far as the social movements and the alternative forms of organization – whose content goes beyond the labor – the Italian case has no similarities with the Spanish one and not even with the Greek case and the forms of revitalization of the political activity that these countries have experienced . There are significant single issue protests, mostly environmental (for example No Tav) or local. It would be difficult to compare a political party - very little present in economic and social protests and with a very strict control exerted by the leading group - such as the ‘Cinque Stelle’

party with movements such as Podemos in Spain. Also the new forms of communication – the most typical is through the web- have different role and content. In the Italian case, of the ‘5 Stelle’ they are mostly used to ratify decisions of high ranks concerning the institutional political activity and not to stimulate innovative processes. They are also used to ratify expulsion . As far as work is concerned this party has an overt anti-union attitude

Youth autonomous movements that have somehow at the center of their activity the issue of work – and Italy has had important experiences in the past – do not have an important presence. Certainly in various cities one can find micro organizations, but they have not a very significant weight or influence.

Finally we must mention the various proposal of unconditional income support for the youth that have several denomination (citizenship wage or basic income). These proposals in theory were expected to have a certain appeal on the younger generations, mostly among the unemployed and the neet. This did not prove to be true. The proposals have some popularity among intellectuals and politicians. But have not found any response among the youth. The neet have no voice in general and in this issue in particular. It remains only as specific local experience the experiences of the organized unemployed in Naples. But it is by no means representative