



The evolution of temporary agency work in Italy. A preliminary interpretation

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Preliminary observations 1

My focus concerns the search for viable, possible solutions to the dilemmas currently facing the regulation of the employment relationship.

- Solutions which I imagine in a 'middle way' between the dense array of rules typical of traditional employment contracts and the very 'light' regulation of commercial contracts.
- Solutions which are able to ensure the flexibilisation of employment relationships required by the economic system together with adequate security for workers.

Preliminary observations 2

In this presentation:

- first I'll give some background information on TAW in Italy and the way it is regulated
- then I'll present a few figures and data on the dimension, the success, the development of TAW
- finally I'll conclude by returning to my starting question/point.

Preliminary observations 3

- *My general point* is that, under certain conditions, much more than other non-standard forms of employment, TAW proves to be an unexpectedly effective way for meeting both the needs for flexibility of firms and the needs for security of workers.

Brief historical overview

- In Italy TAW was legally permitted only 10 years ago, in 1997, following a tripartite agreement (social pact) between the social partners and the gvt on the labour market reform in 1996.
- The historical reasons for this delay

Brief historical overview 2

- The 1997 law
 - Established the framework for when, where, how and for what reasons TAW may be used
 - Introduced a rather restrictive license regime for TWAs
 - Established that TAW workers have to be entitled the same pay and working conditions and the same social rights as permanent workers in the user company

Brief historical overview 3

- The 2003 law reforming labour market (so-called Legge Biagi)
 - Extended the range of subjects that may be authorised to act as intermediaries
 - abolished the obligation of 'exclusive corporate purpose' applying to TWAs
 - extended the grounds for use of leased labour to include needs concerning the user's routine activities

Brief historical overview 4

- Within this normative framework, introduced were also
 - A National Training Fund for Temporary Workers (FORMATEMP), financed by a contribution amounting to 4% of the worker's pay
 - A National Bilateral Temporary Labour Body (EBITEMP), financed by a contribution amounting to 0.20% of the cost of labour, which provides TW with two important forms of benefit
 - Income support in case of injury-related invalidity
 - Facilitated access to credit

Evolution and consolidation of TAW

- The use of TAW is (now) permitted for ordinary technical or organisational reasons, to meet production needs or to substitute for absent personnel. National collective agreements (of user companies) state the circumstances in which use may be made of TAW and the allowed proportion of workers on leasing contracts
- In 2004 65 TWAs with around 2,200 branches were operating in the country mainly in the northern regions
- After the initial difficulties in 1997, TAW expanded continuously. The growth concerned the no. of workers involved, the no. of contracts stipulated as well as the volumes of the TWAs

Evolution and consolidation of TAW

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- Between 1998 and 2007:
 - Workers involved: from 24,880 to 574,167
 - Total paid days: from 709,000 to 53,466,000
 - Equivalent full-time temp jobs on total dependent employment: from 0.2 to 1.2%
 - % on total temporary employment: from 0.5 to 12.5%

A (not conventional) assessment 1

- When assessing this process, most observers emphasise the effects of TAW in terms of the high degree of uncertainty and risk for workers that tends to be connected with the development of short, temporary jobs
- Evidence shows instead that TAW proved to be an opportunity – although rather limited in quantitative terms - which may be actively seized by different actors and at different levels to improve both a flexible functioning of the labour market and the degree of security provided to workers
- What makes the difference with respect to other temporary forms of employment is the role which may be performed by agencies, which, for their own objectives, can be induced to invest in the development of their main capital, i.e. in the HR they control.

A (not conventional) assessment 2

- On the side of the TUs

TW became an opportunity which stimulated efforts to

- devise a new representation strategy
 - by establishing new specialised organisations
 - by extending the scope of collective bargaining
- innovate the strategy and practice of collective bargaining, in order to
 - develop an 'enlarged or territorial internal labour market'
 - contrast the use of irregular work

A (not conventional) assessment 3

- On the side of the TWAs
 - Opportunities for entering and creating a new market by the most consolidated multinational companies
 - opportunities for the establishment of new organisations with innovative features, a case being that of Obiettivo Lavoro, which became the largest Italian TWA
 - opportunities for competing on and experimenting with the provision of (collective) goods:
 - Training
 - Measures to attract specific groups of workers (housing/travelling facilities, etc)

A (not conventional) assessment 4

- On the side of Employers' associations
 - opportunities for enlarging their membership
 - opportunities for enlarging the range of services/information delivered to members (e.g. CNA)

A (not conventional) assessment 5

- On the side of the workers: increased possibilities to
 - enter or re-enter the labour market
 - be assisted in their transitions on the labour market, being covered by a number of social rights and protections
 - increase their employability and the possibility to have access to more stable positions
 - become internalised within the TWAs system

A (not conventional) assessment 6

- Recently (May 2008) a most important national collective agreement has been signed by the main TAWs association affiliated to Confindustria and the unions representing atypical workers.
- Main provisions:
 - stabilization of temporary workers after 36 months with same user firm or 42 months with same agency
 - new rights in the field of H&S (right of exit)
 - establishment of a special fund to cover periods between assignments
 - increased unemployment benefits
 - increased benefits for maternity leave
 - increased facilities to have access to credit
 - increased health assistance (covering family members as well).