



# COUNTRY REPORT

# ITALY

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## Introduction

From the perspective of PHS provision, Italy can be characterized as **Mediterranean welfare regime**, with a strong presence of the family as a main actor and long tradition of subordinate domestic work relationships. The historical stability of this arrangement results in the prevalence of informal employment in the sector, which affects about 60<sup>1</sup> per cent of the employees at present. As the employer side is mainly represented by families and families occupy a central position in the political discourse, there is hope for specific state interventions in support of the sector. However, the policies put in place to reduce undeclared work in the domestic sector are few and insufficient so far.



## Factors supporting the growth and development of the field of PHS

In Italy, just as in Europe as a whole, the ageing of the population and the decreasing natality rates have produced further expectations regarding the development of the PHS sector. The number of births hit a new record low in 2018. The national statistics office ISTAT estimated that births dropped by some 18,000 to 440,000 in 2018, the lowest level since the unification of Italy in 1861, while deaths totalled 633,000. The total population fell by 124,000 to 60.36 million, the fourth straight year of decline, meaning that since 2014 Italy has lost about 400,000 residents. The UN has estimated that by 2050, Italy will have 74 citizens over the age of 65 for every 100 aged 20 to 64. Additionally, the number of persons with disabilities is also expected to increase, as 40 per cent of the population was suffering from chronic diseases in 2017.<sup>2</sup> Therefore, both the extension demand and the replacement demand are likely to grow in the near future.



## Definition and development of PHS instruments

The PHS sector in Italy is legally defined as **domestic work**, which in its turn is defined as employment meant to provide services to a family. Therefore, the instruments promoting the **domestic sector** mainly focus on **regulating the employment relationship**

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<sup>1</sup> DOMINA (2019).

<sup>2</sup> DOMINA (2019).

Law no. 339/58 serves as a basis for the definition of **domestic workers**. The law states that employment relationships of domestic workers are „employment relationships concerning employees of domestic services who perform their work, continuous and prevalent, of at least 4 hours a day with the same employer, with remuneration in cash or in kind. Employees of domestic personal services are defined as workers of both sexes who work for the functioning of family life in any capacity, whether they are specifically qualified personnel or personnel assigned to general tasks”. Therefore, domestic workers are not defined according to their specific tasks, but according to the fact that they provide services for families.

The National Institute of Social Security (INPS) defines **domestic work** in the first **National Collective Labour Agreement (CCNL) for the Domestic Sector**, adopted in 2001. The Agreement states that “the contract applies to employees, including those of non-Italian nationality or stateless persons, however remunerated, employed in the functioning of family life and family relationships structured, taking into account some fundamental characteristics of the relationship”. Being applicable to all employees in the sector, irrespective of their political status, the law is very broad in scope, but remains at the same time unspecific.

From 2001 on, the domestic sector is regulated by the **National Collective Labour Agreement** signed by the employers' organizations FIDALDO, DOMINA and the representatives of the most important trade unions, Filcams, Fisascat, Uil Tucs and Federcolf.

CCNL is dedicated to the direct employment relationship established between the family and the domestic worker and it addresses the main elements of the employment contract and social protection system. This system of rules currently represents the legal framework for the majority of employment contracts in the PHS sector.

From the point of view of employment discipline, the CCNL provides for permanent employment (art. 6) and fixed-term employment contracts (art. 7). Moreover, the CCNL regulates the social protection system (sickness leave, holidays, maternity leave) and social security system in line with the Italian labour legislation.

However, not all forms of domestic work provision are covered by the national agreement. Thus, the **Family booklet**, which is dedicated to occasional work,<sup>3</sup> does not include the social protection for workers outlined above. Users are families and they can acquire work services through a pre-financed instrument of payment consisting of **vouchers**. Each voucher has a nominal value fixed at 10 euros, an amount aimed at compensating work activities of a duration not exceeding one hour. The family booklet can be purchased through payments through the F24 model Iliia, with LIFA description,<sup>4</sup> or through the “Payment Portal”.

This type of voucher can be used for hiring private persons, who are not registered as self-employed and do not run a business, and only perform certain work activities sporadically and occasionally.

In the Family Booklet, each voucher has a nominal value of 10 Euros, which corresponds to one hour of services to the home, the person and the family. Vouchers are purchased by the family from the National Institute of Social Security. The cost of a voucher is made up as follows: 8 Euros correspond to the worker's remuneration, and the remaining €1.65 and €0.25

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<sup>3</sup> The regulation of occasional work benefits was first introduced in 2008 and reformed with several changes in 2017 by art. 54 bis of law no. 96 21/6/2017, replacing decree-law no. 50 of 24 April 2017. Occasional work services can be provided by private individuals who want to undertake work activities sporadically and occasionally.

<sup>4</sup> Libretto di famiglia per l'accesso a prestazioni di lavoro occasionale. Art.54-bis-dl.50/2017.

are allocated to a special fund for the self-employed and accident insurance respectively. The remaining 10 cents support the management costs of the system. The services available to the family through vouchers are both household and personal care services, including:

- small domestic tasks, such as gardening, cleaning or maintenance;
- home care for children and elderly, sick or persons with disabilities;
- additional private tuition.

Occasional work benefits are subject to the following economic limits, based on the calendar year in which the work was performed:

- for each service provider, with reference to all users, to fees for a total amount not exceeding 5,000 euro;
- for each user, with reference to all providers, to fees for a total amount not exceeding 5,000 euro;
- for the total services rendered by each provider to the same user, to fees of an amount not exceeding 2,500 euro.

The introduction of these economic limits has considerably reduced the use of vouchers by households. This decrease is further based on the alarm that had arisen about the risk of limiting the application of the collective labour agreement CCNL, in order to evade the social security protection system, with the consequent attraction to the voucher of important shares of the domestic labour market.

The risk of evading the social security protection system was noticed already in 2008, when the first experimental voucher system was adopted. Introduced into the Italian legal system in 2003 by the law “Legge Biagi”, with the aim of bringing undeclared work to the fore, the first experimental voucher system had rather had a reverse effect, insofar as it brought many workers out of the social protection system, without having a perceptible impact on undeclared work. This side effect was also due to a bureaucratically overwrought voucher purchase and use procedure, which proved difficult to handle for private employers such as families.

To date, the family booklet is used in a residual way, as compared to the broad application of the CCNL in the domestic work field. However, the use of vouchers is growing and the number of worked hours has raised up to 1.5 million in August 2019.<sup>5</sup>

The **Accompanying allowance** is an economic benefit provided by the National Institute of Social Security INPS to those who meet the legal requirements defined in Law 222/1984, art. 5. It has been developed as a means to support totally incapacitated individuals, who, due to physical or mental disabilities, which have been medically certified, are not able to walk or to perform the daily acts of life without the support of an accompanying person. The accompanying allowance is awarded to the beneficiary upon request. The allowance can be awarded to Italian citizens irrespective of their age. Additionally, it is up to the users, for whom a total inability of 100 per cent has been ascertained, to be permanent residents of Italy.

The allowance is not means-tested and paid on the basis of the user's needs. However, only 4.8 per cent of the population benefits from this form of financial support. It is not an

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<sup>5</sup> INPS (2019).

instrument directly connected to domestic work, as the allowance is freely expendable for every need of the beneficiary.

**Regional assistance allowances** are instruments developed within the framework of policies that focus on the provision of home care for the elderly according to resources and procedures established by the individual regions. They are usually means-tested, i.e. provided on the basis of the financial resources of the user, and their amount is determined by the municipalities. One of the objectives of regional assistance allowances is to encourage families to continue caring for their older relatives in home care.

In some cases, regional policies link the payment of the allowance to the hiring of a care worker and thus to the application of the national collective agreement and the payment of the relevant social security contributions. In a few regions this support was also linked to the family booklet.<sup>6</sup> However, the allowances are usually not sufficient to make regular work more affordable than irregular work. These benefits are also rather limited in scope. Only 0.5 per cent of older people, mainly residents of the North-Eastern regions, benefited from them in 2014.

**Tax credits** represent a further instrument targeted at the development of the domestic services sector. Families, who purchase housing and personal care services, benefit from tax credits, which vary according to their income and to the tax rates to which they are subject. However, the amount of credits is very small as compared to the expenditures incurred by the family.



## Landscape of users

Since 2015, 11.5 per cent of older people, mainly residents of the Southern provinces of Calabria, Campania, Sardinia and Umbria, have benefited from the **accompanying allowance**. However, there are no restrictions regarding the use of the accompanying allowance, which goes beyond the scope of domestic work.

**Assistance cheques and vouchers**, administered at the regional level, are used mainly by the inhabitants of the North-Eastern regions. However, the coverage of these services corresponded to only 0.5 per cent of the older people in 2014.

Additionally, there are two types of **voucher schemes**, introduced in 2017. The **Family booklet**, Libretto di famiglia per l'accesso a prestazioni di lavoro occasionale, is tailored to private individuals, who wish to use vouchers to pay workers who provide domestic and care services. The "buoni per lavoro accesorio" is tailored to other clients such as self-employed workers, professionals, entrepreneurs, associations and NGOs, as well as public administration bodies, mainly aiming to reduce undeclared work by offering a legal framework for hiring persons with limited availability for the labour market, such as students

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<sup>6</sup> DOMINA (2019).

or pensioners.<sup>7</sup> This second scheme sets out special provisions for clients in the public administration and agriculture sectors.



## Financing of the main instruments and associated prices

The **accompanying allowance** is financed by the INPS. Other **assistance allowances** are financed by the regions or municipalities.

In the **Family Booklet**, each voucher has a nominal value of 10 euros purchased by the family from INPS. Occasional contracts within the context of the family booklet are monitored by the National Institute for Social Security, which receives information about the worker and the service offered through an online platform. However, the main financing instrument remains the income of the family or the pension of the assisted person, as of course all the costs of direct employment in domestic work are assumed by the families.



## Work arrangements

Italy has the **highest rate of households directly employing PHS workers** in Europe. This makes Italian families that employ domestic workers the country's most important employers in terms of membership. Consequently, the CCNL, that is applied for more than 859,000 employment relationships, is one of the most widely applied employment regulation instruments in absolute terms.<sup>8</sup>

Since 1.2 million workers,<sup>9</sup> accounting for more than half of the workers in the personal and household services sector, do not have a regular employment relationship, of whom a high percentage do not have a regular residence permit either, it is legitimate to assume that the sector as a whole is the most populous from the point of view of employees, compared to all other public and private sectors.

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<sup>7</sup> Rustico (2016).

<sup>8</sup> INPS (2018).

<sup>9</sup> ISTAT Data.



## Landscape of intermediaries and quality management

In Italy, various intermediaries as well as formal and informal networks and platforms are active in PHS provision. They comprise market-oriented private enterprises, social enterprises, cooperatives, NGOs, church-affiliated charities and various other actors.

In the health and social care sector **cooperatives** play a pivotal role. They have contributed both the greatest amount of VA (Value added Euros) and overall employment, although their number is lower than in other economic sectors. Cooperatives, which represent 2.9 per cent of enterprises in the PHS sector, generated 21.6 per cent of the total VA and employed 34.4 per cent of the total number of employees in the sector.

As far as quality management is concerned, the regional qualifications system does not provide a systematic dissemination of qualifications under the CCNL Domestic Work. Therefore, the system of certification is also very weak in public structures.

EBINCOLF, the bilateral contractual body for the domestic sector, has promoted the drafting of a UNI standard in order to define the professional profiles of the workers in the domestic sector. The new standard is expected to bring about the recognition of the professions of housekeeper, babysitter and carer as well as a consequent certification frame and process. The legislative initiative has been completed in December 2019.<sup>10</sup> EBINCOLF has fixed the three professional profiles most absorbed by the market: general domestic worker/housekeeper, baby sitter and assistant to the elderly person, for which it has an investment programme for the training, qualification and certification of professional skills.

Additionally, there is a further professional profile, care assistant, Operatore Socio Sanitario (OSS), that is relevant for PHS provision. Regarding this profile, a standard training programme has been developed and implemented throughout the country for four years already. Consequently, several thousand certificates of attendance to courses that comply with the standard could be issued.



## Landscape of employees and degree of professionalisation

In the area of home care services and personal and family care, there is a predominance of female and immigrant labour. PHS represents therefore a major employment market for mainly migrant women. In 2018, there were more than 859,000 domestic workers and family assistants employed directly by Italian families.<sup>11</sup> The system of contractual protection provides for the payment of holidays, 13th month's salary, severance pay etc.

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<sup>10</sup> DOMINA, written comment, 18.02.2020.

<sup>11</sup> This number does not include workers employed by cooperatives (DOMINA, written communication, 18.02.2020).



However, as the Italian immigration law allows the renewal of the residence permit for persons employed on the basis of regular contracts for at least 25 hours per week, many domestic workers agree with their employers on contracts for this duration, but often continue to work irregularly after the 25 hours are completed. Estimates indicate that at least one million domestic workers are in undeclared employment and another half million in irregular employment.<sup>12</sup>



## Wages

The salaries of workers, both declared and undeclared, tend to be close: they range from €5 per hour for a domestic worker to carry out cleaning up to €8 per hour for a qualified family assistant. The latter professional profile refers to domestic workers educated and trained in the personal assistance and care field, who can work both in a family and in a residential care facility. The employment of this professional group is also regulated by the CCNL domestic sector labour agreement. However, the CCNL does not apply in residential facilities.



## Social dialogue in the field of PHS

EBINCOLF, the National Bilateral Agency of the Section of Employers and Family Collaborators, is a bilateral authority created in the framework of the National Collective Agreement on Domestic Work. It was established on 23 December 2002 by the national representations of the employers' associations and the trade unions representing workers in the domestic work sector. These are, on the side of the employers, FIDALDO and DOMINA and on the workers' side the trade union organizations Federcolf, Filcams Cgil, Fisascat Cisl and Uiltucs.

The authority seeks to establish an observatory to monitor working conditions in the PHS sector, to calculate the average standard earnings, to assess the level of implementation of the National Collective Agreement in different regions and areas as well as of the regulations on migrant workers, to check the welfare and social situation of domestic workers and respond to their training needs and to provide analyses and proposals on occupational safety in the sector.

**Ca.Sa.Colf** represents the integrative healthcare fund, launched within the framework of the National Collective Agreement on Domestic Work. The instrument provides additional healthcare services and benefits to both workers and employers members of Ca.Sa.Colf. These are the social partners signatory of the National Collective Agreement on Domestic Work: DOMINA and FIDALDO from the employers' side, FILCAMS CGIL, FEDERCOLF, FISASCAT Cisl and UILTuCS from the employee's side as well as the service provider Unisalute, member of the Unipol Insurance Group

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<sup>12</sup> Giuseppe Casucci, UIL Dipartimento Politiche Migratorie, written communication, 05.02.2020.



Italy has ratified the ILO Convention 189 on January 21, 2013, thanks to a simplified procedure that allowed to proceed with the signature of the ratification, without the text of the Convention passing through the examination of the Italian Parliament. The reason is that Italy had legislation on the matter, equal and in some cases better than the contents of the Convention itself.

In truth, some discrepancies between the contents of the Convention and the employment contract in Italy exist (termination of the employment relationship and maternity), but have been referred to the social partners in the context of collective bargaining. Unfortunately, to date, these discrepancies have not yet been fully resolved.

Generally, given the ageing population and the growing share of resources needed for the assistance of the elderly people, the public support initiatives are absolutely inadequate, and the weight of the care of people in need of assistance is almost entirely borne by families. For this reason, families as employers are often objectively unable to comply with labour laws and contractual regulations.<sup>13</sup>



## Policy Process

Assistance services were concentrated at the level of local authorities through the 2005 constitutional reform on relocation, creating a consequent disparity of services between different regions.

Introduced into the Italian legal system in 2003 by the law Legge Biagi, with the aim of bringing undeclared work to the fore, the first experimental voucher system had rather had a reverse effect, insofar as it brought many workers out of the social protection system, without having a perceptible impact on undeclared work.

The Stability Acts of 2016 and 2017 introduced vouchers for personal and family services. However, this programme was interrupted due to numerous criticisms of vouchers, in particular due to the fact that vouchers created insecure jobs and prevented employees from collective bargaining.

After the first approval of the new provisions on the voucher system at the Deputy Chamber Budget Committee on 27 May 2017, CGIL started an online petition<sup>14</sup> criticising the voucher-based work regime, particularly the few conditions limiting the use of vouchers and the loose rules on the communication of work activities. However, the government insisted that the new regulations fully prevent the risk of abuse.<sup>15</sup> The new law reforming the voucher system through the development of the Family Booklet came into force in 2018.

Specific forms of birth allowances (single cheque and single dowry) could be included in the 2019 Budget Law, a law that was being submitted to Parliament for approval at the time of the investigation. Birth allowance is a means-tested benefit for low-income family households, amounting to EUR 960 against an ISEE reference value of up to EUR 25 000 per

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<sup>13</sup> Giuseppe Casucci, UIL Dipartimento Politiche Migratorie, e-mail communication, 05.02.2020.

<sup>14</sup> CGIL (2017).

<sup>15</sup> Il diario del lavoro (2017).

year. The amount is doubled for families with an ISEE<sup>16</sup> reference value of up to EUR 7 000 per year.



## Commonalities across countries

Like in other European countries such as Belgium, the segment of PHS covered by the use of vouchers in Italy is growing. By the end of the year 2019 more than 4 million vouchers will be ordered by Italian families. However, there are some major differences between the Italian family booklet and the Belgian titres services. Whereas the Belgian voucher system enjoys public support, in Italy no financial support by the authorities is available. Additionally, while in Belgium employment relationships in the domestic service voucher sector are regulated by collective bargaining, in the case of Italy there is a real risk is to evade the national job agreement and welfare state social security system.



## Previous Instruments

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## Promising practices

Launched in 2016, the **Welfare Aziendale** allows companies to provide non-monetary benefits to their employees. Companies can offer a broad range of services like supplementary healthcare, educational and training, family or long-term care services. These services - whose cost is entirely paid by the employer - are made available on an online platform and can only be used by the individual to whom they have been awarded. The Company Welfare voucher can be partially (when provided on a voluntary basis) or totally (when issued in compliance with existing regulation) tax-deductible.

On the social and solidarity economy side, **Spazio Aperto Servizi** is a social cooperative founded in 1993. It is a social community that invests resources for development and for a culture of open solidarity. The group is mainly made up of worker-members, as a guarantee of quality, professionalism and passion. It promotes and brings well-being and care to people through the management of social, health, welfare and educational services for families, the

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<sup>16</sup> ISEE: equivalent economic situation indicator (allows for assessment of families' economic circumstances and takes into account income, assets and composition of the household).

elderly, adults and children, and people with disabilities in the Milan area and its hinterland. Thanks to a solid network of links, skills and experience gained over the years, it offers an all-encompassing response to the needs of each user in an innovative way.<sup>17</sup>

**Lybra** is a social cooperative A, promoted by the Acli Provinciali of Trieste. It offers social housing services, job search support, educational services for minors and persons with disabilities, health and rehabilitation services. The cooperative was founded in October 2003, with seven working members, most of whom have a degree in humanities, scientific or economic-legal subjects, thus covering almost the entire spectrum of theoretical skills. The services offered are aimed at associations, public bodies, employers' associations, social cooperatives, but also at for-profit companies, that we are interested in developing services that are consistent with the corporate purpose of Lybra.<sup>18</sup>

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<sup>17</sup> Spazio Aperto Servizi (2020).

<sup>18</sup> Lybra (2020).

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