



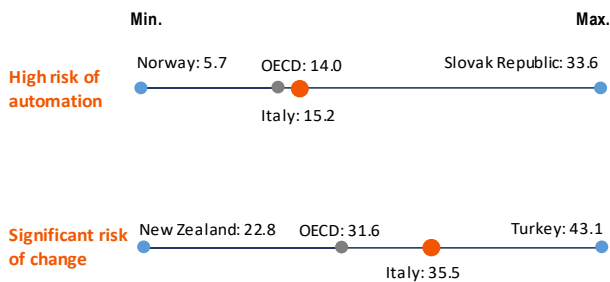
THE FUTURE OF WORK

How does ITALY compare?

OECD Employment Outlook 2019



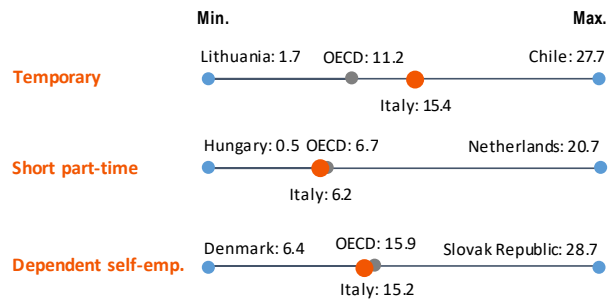
Jobs at risk of automation



Note: High risk of automation corresponds to a likelihood of automation of 70% or more. Jobs at risk of significant change are those with likelihood of automation between 50 and 70%. Percentages. Data refer to 2012 or 2015, depending on the country.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

Non-standard forms of work



Note: Temporary employment as a % of dependent employment. Short part-time (i.e. working 1-19 hours per week) as % of dependent employment. Dependent self-employment: incidence of own-account workers who generally have one dominant client as a % of total self-employment. Data refer to 2017.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

The quantity of jobs may not fall, but job quality and disparities among workers may worsen

Despite widespread anxiety about job destruction driven by technological change and globalisation, a sharp decline in overall employment is unlikely. While certain jobs may disappear (14% are at high risk of automation in the OECD), others will emerge, and employment has been growing overall. However, transitions will not be easy. There are concerns about the quality of some of the emerging new jobs and, without immediate action, labour market disparities may grow, as certain groups of workers face greater risks than others.

- In Italy, the jobs at high risk of automation are just above the OECD average: 15.2% of Italian workers may see their job being automated but another 35.5% may see it significantly overhauled (see Figure).
- The share of temporary employment is higher than the OECD average (see Figure) and has been growing markedly over the last decade. Moreover, the share of under-employed workers has more than doubled since 2006 and it is now the highest among OECD countries.
- On the other hand, the incidence of self-employed who are financially dependent

on one client – a particularly vulnerable group amongst the self-employed – is just below the OECD average.

- Labour market regulation plays an important role in protecting workers, but many non-standard workers are not covered. The rights and protections of non-standard workers can be strengthened by: Extending protections to workers in the grey zone between self- and dependent employment, including many platform workers, should also be considered.

Adult learning is key to help the most vulnerable navigate a changing labour market

Adult learning is becoming increasingly important to help individuals to maintain and upgrade their skills throughout their working lives. Yet most adult learning systems are ill equipped for this challenge. 40% of adults train in a given year on average across the OECD, but those who need training the most, including non-standard workers, train the least and training is not always of good quality.

- The Italian adult learning system is ill equipped for the challenges ahead. Only 20.1% of adults in Italy participated in job-related adult learning in the past 12 months. Moreover, only 60% of firms (with at

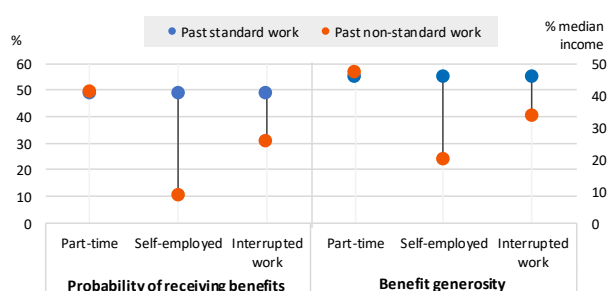
least 10 employees) provide continuing vocational training to their workers, against an OECD-European average of 75.2%.

- Moreover, the gap in participation to training between high and low-skilled adults is large in Italy at 37.8 percentage points (pp), just below the OECD average (39.3 pp).
- Collective bargaining can complement public policies in enhancing skills. In 2016, for example, unions in the metal sector in Italy traded lower-than-expected wage increases for a new provision at the sector level, ensuring a minimum amount of employer-supported yearly training to all workers, irrespective of the company they work for. However, the actual take-up on the ground of these new provisions remains so far limited.

Accessing social protection can be very difficult for non-standard workers

Social support may not be available to workers in less secure forms of employment. In some countries, workers engaged in independent work or short-duration or part-time employment are 40-50% less likely to receive any form of income support during an out-of-work spell than standard employees. Unless access gaps are closed, further increases in non-standard employment will have negative consequences for inclusiveness and equity.

Income support packages differ between different types of non-standard workers in Italy



Note: Benefit generosity as a % of median income. Estimates refer to able-bodied working age adults who were out of work and lived in two-adult low-income households without children in 2014-15 and with median earnings in the preceding two years. Past standard work refers to uninterrupted full-time dependent employment. For details on method, see Figure 7.6 in *OECD Employment Outlook 2019*.

Source: *OECD Employment Outlook 2019: The Future of Work*, <https://doi.org/10.1787/9ee00155-en>.

- Compared to other OECD countries, access to income support packages in Italy is relatively limited, while benefit levels for recipients are often fairly high.
- In comparison with other European countries, Italian part-time workers enjoy similar access to out-of-work income support as standard, full-time employees with uninterrupted employment in the previous two years (see Figure above).
- On the other hand, self-employed and employees with interrupted employment spells have more difficult access to social protection (see Figure above). For example, in 2014-15, the probability of receiving income support was only 10% for a working age adult who was out of work and lived in two-adult low-income household without children and earned median earnings as a self-employed in the preceding two years, against more than 50% for standard employees in the same situation.
- Italy significantly expanded minimum-income provisions in 2018 and 2019 and introduced a number of changes to the unemployment benefit system in 2015. However, effective income protection for the self-employed remains a major challenge.
- The recently introduced *Reddito di Cittadinanza* will help to direct a larger share of social transfers to people in poverty. However, its current level is high by international standards and its design should be improved to ensure that working in the formal sector results in an increase of take-home pay of low-wage workers.
- Finally, Italy's system of public employment services lacks skilled staff, IT infrastructure and resources in general and as such the quality of services is low and varies greatly across the country. In addition to further resources, an accountability framework has to be agreed between the regional and central authorities where part of regional budgets would depend on improvements in performance.

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