### Platform Reps

# ITALY: Country report 2022



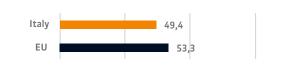




### 1. Context: Social dialogue and work in platforms

According to Eurofound, the overall quality of social dialogue in Italy is below the EU average (see **Figure 1** below).

Figure 1: Industrial Relations Index (2013-2017)<sup>1</sup>



Source: Eurofound Industrial Relations Index

At the same time, measured as a share of the adult population, work in digital labour platforms (hereafter referred to as "platforms")

in Italy is slightly higher than the EU average, amounting to 9.4% (**Figure 2**).

Figure 2: The share of workers in platforms in the adult population (2021)<sup>2</sup>

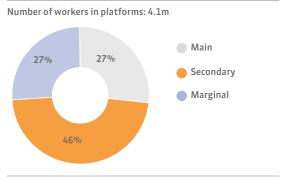


Source: EC (2021); Eurostat.

According to 2021 estimates, over 4 million Italians might have engaged in work in platforms more than sporadically, i.e., at least 10

hours a week or contributing to more than 25% of their income (**Figure 3**).

Figure 3: Number and categories of workers in platforms (2021)<sup>3</sup>



Source: EC (2021)

<sup>1.</sup> The index measures the overall quality of the "collective and individual governance of work and employment" across four categories, based on 47 indicators. See: Eurofound (2018). Measuring varieties of industrial relations in Europe: A quantitative analysis. Publications Office of the European Union, Luxembourg., p. 1.

<sup>2.</sup> The numbers cited are an upper-bound estimation based on 2021 survey results. They cover all types of work in platforms from low- to high-skill and from on-location (e.g., transport, delivery) to online work (e.g., ICT, data entry, creative work). See: EC (2021). Study to support the impact assessment of an EU initiative to improve the working conditions in platform work

<sup>3.</sup> Main workers work through platforms for at least 20 hours a week or receive at least 50% of their income therein. Secondary workers spend between 10 and 19 hours per week or receive between 25% and 50% of their income from work in platforms. Marginal workers spend less than 10 hours a week working via platforms and get less than 25% of their income via platforms.

### 2. Current legal framework

#### 2.1. LABOUR LAW

There is no unified labour code in Italy, and the provisions of labour legislation span various laws, regulations and statutes. The Civil Code (Codice Civile) distinguished between two basic categories of "subordinate work" (employment) and "autonomous work" (self-employment).

Furthermore, two "hybrid" regimes have been established, whereby workers are in between the employee and the self-employed status.4 These include "employer-organised work" (collaborazioni continuative organizzate or co.co.org.) and "employer-coordinated work" (collaborazione coordinata e continuativa, or co.co.co). 5 6 All the regimes are defined in **Table 1** below.

**Table 1: Definitions of different regimes under the Italian legal framework** 

Legislation	Definition	
Employee	A person "who undertakes to collaborate in the firm through remuneration, by providing intellectual or manual work, employed by and under the direction of the employer" (Article 2094 of the Civil Code)	
Employer-organised work (collaborazioni continuative organizzate - co.co.org)	Work performance is "organised" by the client, including in relation to the time and place of work. (Article 2(1) of the Legislative Decree No. 81/2015)	
Employer-coordinated work (collaborazioni coordinate e continuative – co.co.co)	Work performance is "coordinated" to the client's needs (with the worker maintaining autonomy in the performance of work. (Article 409(3) of the Civil Procedure Code)	
Self-employed	A person "who undertakes to perform a task or service using predominantly his or her own labour" and "without any link of subordination" (Article 2222 of the Civil Code)	
Occasional independent work (lavoratore autonomo occasionale)	A person who undertakes to perform work in return for payment, without subordination or on an entirely occasional basis	

Source: Visionary Analytics, based on interview results and EU-OSHA (2022). A national and local answer to the challenges of the platform economy in Italy.

The essential feature delineating the employment relationship from self-employment is subordination. Given the definitions in the Italian Civil Code are rather generic, some specific criteria for identifying whether a person is a subordinate employee have been established based on case law, including:7

- Fixed monthly salary
- Fixed and continuous working hours
- Continuity of service
- Being subject to the organisational, directive and disciplinary powers of the employer, limiting workers' autonomy
- Inclusion of the worker within the company's organisation

However, the distinction is less clear regarding these hybrid statuses, and Italian courts have come to different conclusions in rulings pertinent to workers in platforms (see section 3 below).

#### 2.2. PLATFORM-SPECIFIC LEGISLATION

Law Decree No. 101/2019, confirmed by Conversion Law No. 128/2019 (known as the Riders' Decree), came into force in November 2019. **The** Riders' Decree establishes a minimum level of rights for delivery riders, including basic social protection and collective bargaining.

<sup>. . .</sup> 

<sup>4.</sup> Ibid.

<sup>5.</sup> EU-OSHA (2022). A national and local answer to the challenges of the platform economy in Italy.

<sup>6.</sup> Furthermore, there is an "occasional work" contract with an annual income ceiling of €5,000. See EC (2018). Gaps in access to social protection for project workers on continuous collaboration projects in Italy: Case study.

<sup>7.</sup> Manca, G. (2022). The employment status challenge: Key considerations for employers in Italy.

#### The Riders Decree

The reform included two main provisions. First, it eased the scope of employer-organised work, by eliminating the requirement that both time and place of work should be organised by the client/employer and by adding that the organisation through a digital platform is a relevant criterion for the application of employer-organised work (co.co.org.).

Second, it guaranteed the same working conditions as those of permanent employment contracts for self-employed workers in delivery

**platforms,** including, among others:

- The platform must provide the worker with a service contract containing all relevant information for working conditions
- Social partners can negotiate wages via collective bargaining
- In absence of collective bargaining in place for a platform, workers must have a fixed minimum wage, based on minimum wage levels established in comparable sectors, and the wage cannot solely consist of a remuneration per delivery
- Workers are protected by anti-discrimination legislation

 They have guaranteed access to a social protection package and occupational safety and health provisions

Additionally, the law establishes a joint Observatory at the Ministry of Labour and Social Policies, which also includes employer and trade union representatives. The Observatory assesses the effects of the provisions on digital platform work and can propose amendments based on analyses of changes in the labour market.

Source: Visionary Analytics, based on Eurofound (2022). Social protection for self-employed delivery platform workers and EU-OSHA (2022). A national and local answer to the challenges of the platform economy in Italy.

On assessment, the Riders' Decree is ambiguous. On the one hand, it ensured basic access to rights (including health and safety) for delivery workers and opened the door for collective bargaining. On the other hand, the law only reaffirmed some already existing provisions of the labour legislation and did not address the main issue of statutory employment of workers in platforms, i.e., it did not recognise platforms as employers. Furthermore, it is limited only to self-employed workers in the delivery sector, ignoring the broad scope of platform work. Finally, it ignored important emerging issues such as algorithm transparency.8

Besides the Riders' Decree, <u>Decree No.104</u> of 2022 was passed in July 2022, which implemented the EU Directive on transparent and predict-

able working conditions. It aims to regulate the right to information in connection to essential elements of the employment relationship. Specifically, the Decree obliges employers to inform both employees and works councils or territorial trade unions of the use of automated decision-making or automated monitoring systems used for recruitment, management or termination of the employment relationship, the assignment of tasks or duties, etc. The employer must clarify the purposes and aims of the systems, their mode of operation and the relevant level of security. Employees have the right to access, directly or through trade unions, the data and to request further details on the information obligations listed. Last but not least, the Decree specifies the fines for violation of the requirements.

Finally, there have been some regional legislative actions. For example, in April 2020, the Lazio Region passed the first legislative provisions in Italy concerning the "protection and safety of digital workers", which, among other things:

- Established obligations for platforms concerning safe working conditions and parental leave
- Obliged platforms to inform workers on the functioning of the algorithm and rating system
- Created a Digital Work Portal for the registration of both platforms and workers and a
  Regional Digital Labour Council dedicated to
  monitoring the working conditions in platforms and facilitating social dialogue

<sup>. . .</sup> 

<sup>8.</sup> Interview results

<sup>9.</sup> EC (2021). Study to support the impact assessment of an EU initiative to improve the working conditions in platform work; L&E Global. (2019). Italy: First legislative provisions regarding "riders" of the "gig economy" arrive from Region Lazio).

### 3. State-of-play of workers' rights

Workers enjoy different access to labour rights, depending on their status, as summarised in **Table 2** below.

**Table 2: Worker statuses and corresponding labour rights** 

Worker status	Legal basis	Social security	Union representation	Collective bargaining
Employee		<b>✓</b>	✓	✓
Employer-organised work	Labour law	✓	✓	✓
Employer-coordinated work		<b>✓</b> *	✓	×
Self-employed covered by the Riders Decree		✓ (self-paid)	✓	✓
Other self-employed	Civil law	✓ (self-paid)	✓	×
Occasional independent work		<b>✓</b> **	✓	×

Source: Visionary Analytics, based on interview results and EU-OSHA (2022). A national and local answer to the challenges of the platform economy in Italy. Note: \*Except for accident insurance and OSH if the work is performed outside the client's premises; \*\*Only for incomes above the threshold of €5,000 per year

Working conditions and access to rights depend

 Employment status: Given the initial widespread abuse of the "hybrid" statuses (which had often simply masked standard employment relationships), reforms have progressively been aligning the conditions of these workers to employees.<sup>10</sup> Nevertheless, the discrepancies between the employees and the self-employed remain. At the same time, most platforms have been registering their workers under the "occasional work" scheme, especially after the notorious legal cases (see below), to avoid any social security charges and "hide" their employment. <sup>11</sup> In response, the government introduced a new obligation for all employers to also report the hiring of "occasional workers" to national authorities. <sup>12</sup>

 Collective bargaining coverage: Collective agreements ensure an improved level of rights for workers, although, so far, they only cover a relatively small share of the workforce (see the section below).

Many actions have been taken in Italy to ensure proper enforcement of the legal framework, including courts' and administrative bodies' rulings. However, the judicial path is limited as it deals with specific cases and applies only to litigants, whereas the decisions of the Labour Inspectorates can be appealed and end up in lengthy court proceedings as well.<sup>13</sup>

on two main factors:

<sup>. . .</sup> 

<sup>10.</sup> As a result of the initial reforms, the number of "collaboratori" almost halved between 2011 and 2015. See EC (2018). Gaps in access to social protection for project workers on continuous collaboration projects in Italy: Case study.

<sup>11.</sup> In fact, as of March 2022, there were no longer any workers declared in the INPS (the Italian social security body) archives by platform companies, either as employees or collaborators. See INPS (2022). Direttiva del Parlamento Europeo e del Consiglio relativa al miglioramento delle condizioni di lavoro nel lavoro mediante piattaforme digitali and Giovannone, M. (2022). Proposal for a directive on platform workers: enforcement mechanisms and the potential of the (Italian) certification procedure for self-employment. Italian Labour Law e-Journal, 15(1), 65-83.

<sup>12.</sup> This should also provide more comprehensive data on workers in platforms. In just one month, there have been more than 3 million activations of this relationship (based on an Interview results).

<sup>13.</sup> Interview results

### Judicial and administrative rulings on work in platforms

First, several courts have ruled on the employment status and working conditions of workers in platforms:

- In 2019, a court in Turin ruled that the compensation paid to "co.co.co" workers in -home-delivery platforms should be based on the compensation paid to employees in the same sector.
- In 2020, the Italian Supreme Court confirmed a decision of the Turin Court of Appeal, that employee-like protections and the "employer-organised work" status should apply to Foodora's riders.
- In 2020, a tribunal in Palermo decided that a Glovo courier is an employee as the services are organised and managed by the platform in a way in which employees must adhere to its rules in order.
- In 2021, a court in Bologna ruled that an algorithm once used by Deliveroo to assess riders on its platform was discriminatory because it did not differentiate between the reasons a rider may have for not working. Deliveroo was ordered to pay €50,000 to compensate each rider
- In 2021, a case was brought to a court in Palermo on discrimination by the platform of a worker who was a union member.

Second, several administrative actions have been taken by the authorities:

- In October 2020, the National Labour Inspectorate issued specific guidelines on the correct application and enforcement of the "employer-organised work" regime, In March 2021, the Inspectorate updated the annual programme document that identifies platform work as a priority area of intervention.
- In February 2021, the Milan Public Prosecutor's Office and the Italian Labour Inspectorate confirmed that the employment relationship between riders working in Foodinho, Glovo, UberEats, JustEat and Deliveroo must be considered "employer-organised work" and not "occasional independent work". The companies were initally urged to fully hire their 60,000 couriers and fined €733 million due to their failure to ensure that health and safety regulations are followed. Should they employ workers, they would also need to catch up with their missed social security payments. The investigation ended with the reduction of the fine from €733 million to €90,000 (excluding the multiplication of the penalty by the number of workers involved). The decision led to only partial results in the enforcement of health and safety obligations by platform companies.
- A new experimental protocol was established in March 2021 to detect and sanction illegal labour intermediation and labour exploita-

- tion in the food delivery sector. It also created an observatory to monitor the conditions of the sector.
- The Italian Data Protection Authority has identified platform work (food delivery sector in particular) as a field of a specific investigation. In July 2021, the DPA fined Foodinho (a food delivery platform of which Glovo is the parent entity) with a €2.6 million fine for violating the EU privacy legislation and for discriminatory algorithmic management practices.
- In October 2021, Milan prosecutors closed investigations on Uber Eats for gangmastering ("caporalato") and exploitation of workers. Uber Eats was cooperating with an intermediary firm, Flash Road City, to hire workers without a residence permit (such as asylum seekers), paying them just 3€ per delivery, robbing them of tips and curtailing wages in case the workers did not comply with the rules. As a result, Uber Eats Italy was placed under special administration, Flash Road City has been fined €440,000 and one of its managers was sentenced to 3 years and 8 months in prison. The 44 riders concerned received compensation of €10,000 each.

Source: Visionary Analytics, based on interview results; EC (2021). Study to support the impact assessment of an EU initiative to improve the working conditions in platform work; and Eurofound (2022). Platform economy initiatives.

### 4. State-of-play of union action

Union action on behalf of workers in platforms in Italy can be analysed at three levels, as summarised in **Table 3** below.

Table 3: Action taken on behalf of workers in platforms

Level	Actions		
Established trade unions	The established trade unions negotiate collective agreements or extend the scope of existing collective agreements to platforms. They provide support to workers in platforms through dedicated sections (e.g., CGIL's <a href="New Work Identities">New Work Identities</a> – Nuove Identità di Lavoro) or online collaborative platforms (e.g., CGIL's <a href="Idea Diffusa">Idea Diffusa</a> or UIL's <a href="Sindacato Networkers">Sindacato Networkers</a> ).		
Emerging movements	New entities are being formed with the trade unions' support, which work as contact points between the unions and workers (such as <u>Riders Union Bologna</u> , the <u>Deliverance Project</u> , <u>Strike Raiders</u> , and <u>Riders for rights – Rider xi diritti</u> ).		
Anti-union action	Representatives of workers are appointed by the platforms rather than elected by workers. They undermine the genuine representation processes.		

Source: Visionary Analytics, based on sources indicated in the hyperlinks.

Most notably, trade unions in Italy have made progress in company-level collective bargaining, leading to the signing of several collective agreements, including the Just Eat agreement and MyMenu agreement, signed by CGIL, CISL and UIL. A first-of-its-kind charter (Charter of fundamental rights of digital labour in the urban context) has also been signed in Bologna, following negotiations between Riders Union Bologna, trade unions (CGIL, CISL, and UIL), the Municipality of Bologna, and the platforms MyMenu and Sgnam, later followed by Domino's pizza. The general aim of the trade unions is to cover the workers in platforms under the exist-

ing sectoral collective agreements.<sup>14</sup>
Nevertheless, only a handful of platforms (La-Consegna, MyMenu, and Just Eat) observe the company-level collective agreements negotiated by the trade union confederations that grant workers employee status. The rest (including Deliveroo, Glovo, and Uber Eats) apply an agreement signed by UGL and Assodelivery, which has been rejected by the Italian Ministry of Labour (which stated that UGL does not sufficiently represent Italy's delivery workers) and denounced by the three nationally representative unions, which argued that this agreement would worsen the conditions of the riders (in-

cluding the confirmation of the self-employed status and piece-work pay). 15

#### LaConsegna collective agreement

In May 2019, LaConsegna, a food delivery company active in Florence, signed the first company-level collective agreement in Italy with trade unions FILT-CGIL, FIT-CISL, and UIL. The agreement recognises riders as employees and includes them under the national sectoral collective agreement for transport and logistics. This grants the employees various rights, including payment per hour instead of per delivery, monthly remuneration and recognition of all the labour rights and protections (such as sick pay or holidays). Furthermore, the agreement establishes that the business risks related to the products and deliveries are borne by the company, and not by the workers.

Source: Visionary Analytics, based on Eurofound (2021). Collective agreement between LaConsegna and FILT-CGIL, FIT-CISL and UIL Trasporti of Florence.

Besides the collective action led by the established trade unions, several new movements have emerged organically in different Italian

 $<sup>\</sup>circ \, \circ \, \circ$ 

<sup>14.</sup> Interview results

<sup>15.</sup> Interview results; Eurofound (2021). Collective agreement between AssoDelivery and UGL.

cities. While some operate as collectives, networks, or platforms, some have been labelled as "unions", including <u>Deliverance Milano</u>, <u>Riders</u> <u>Union Reggio Emilia</u>, and <u>Si-Cobas</u> (<u>Sindacato</u>

Intercategoriale Cobas Lavoratori Autorganizzati, Inter-Sectoral Self-Organised Workers' Union). Nevertheless, these unions' negotiations with platforms have not resulted, so far, in significant benefits for the workers.

The key obstacles to more effective unionisation of workers in platforms are presented in **Table 4** below.

Table 4: Obstacles to unionisation for workers in platforms

Legal	Social and cultural	Related to platforms' business model
for collective action needs	third-country nationals (including undocu- mented), have little awareness about their rights and little experience in engaging with	<ul> <li>There is a lack of data on platforms, which makes it difficult to identify workers (especially the less visible ones, such as online gig workers).</li> <li>Work in platforms is often temporary or marginal (part-time) and, therefore, perceived as "not worth the fight".</li> <li>The organisation of work (dispersed workforce, no common space to meet, competition-based work, etc.) prevents workers from cooperating.</li> </ul>

Source: Visionary Analytics, based on interview results.

#### 5. Action checklist

## Potential application of the proposal for a Directive of EC and/or the ETUC policy proposal

The proposal for a Directive of the EU is generally seen as an important step towards guaranteeing workers in platforms adequate access to rights. However, according to the Italian trade unions, several elements need to be amended in line with the ETUC proposal, including guar-

anteeing the unconditional presumption of employment and the reversed burden of proof. Only these provisions put forward by the ETUC would improve the situation of workers in platforms in Italy. Furthermore, the definitions and criteria for establishing the employment relationship are a sticking point – the criteria proposed by the EC can be easily circumvented by the platforms.

Nevertheless, there do not seem to be major obstacles in implementing the proposal for a Directive of the EC or clashes with the existing legal framework. One problem is the use of the "occasional independent work" regime prevalent currently in Italy, but that is regardless of the Directive implementation.

Source: Visionary Analytics, based on interview results.

Preliminary suggestions for actions are summarised in **Table 5** below.

Table 5: Action checklist in two main areas

#### Policy

- Work to extend the "genuine" collective agreements to as many workers as possible.
- Lobby to address platforms' abuse of the "occasional work" regime.
- Lobby for an ambitious transposition of the EU Directive that would extend labour rights and the employee status to all workers (regardless of collective bargaining outcomes).
- Litigate against the non-representative unions (UGL), questioning their right to sign collective agreements.
- Build the capacity to address algorithmic management issues and act on the new power provided by the Decree No. 104.

#### **On-the-ground action**

- Set up mechanisms to ensure proper implementation of the collective agreements.
- Consider how to incorporate emerging movements and new unions to achieve synergy and effectuate results.
- Explore options to cooperate with local authorities in establishing rules (such as the Bologna Charter) and setting up infrastructures for riders (e.g., meeting spots).
- Step up awareness-raising efforts, both among the workers and the general public.
- Focus on broader trends as well (digitalisation and intermediation of work via digital means), improving trade unions' visibility and readiness, and defining the needs of workers in this context.
- Counterbalance the hypocritical narratives of platform companies, which advertise the widespread satisfaction and content among workers.

Source: Visionary Analytics.