

Recent Changes in the Italian Labour Law

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I. General Picture of Labour Law in Italy

1. The system of sources at national and international level

Labour relations in Italy are regulated by a complex series of normative provisions and autonomous private bargaining, both at a collective and an individual level. With regard to the normative provisions, a distinction must be made between the national and the supranational level. The national sources are the Constitution as the basic law of the State, Acts of Parliament, regional laws, and customary use and practice. With regard to the supranational provisions it is important to distinguish between international and European Union (EU) sources. EU measures can have a direct effect on the Italian system, on the basis of the limitation of sovereignty and the attribution of competences. The international sources, on the other hand, can have juridical effects only if national legislation has been enacted to implement the relevant provisions. This is the case, in particular, of the Recommendations and Conventions of the International Labour Organisation (ILO).

EU law prevails not only over national provisions previously enacted, but also over those enacted at a later date. As a result the **primacy of EU law** is not simply a supplementary matter in judicial decisions, but in the light of the criterion of the attribution of competences among concurrent systems, EU law prevails in all those matters laid down in the European Community treaties. In determining the principles to be applied in a specific case, the national courts are obliged to disregard any national provisions that are in contrast with the norms deriving from EU law.

With regard to matters that are not within its exclusive competence, the European Community intervenes on the basis of the principle of **subsidiarity**, “only if and insofar as the objectives of the intended action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level.” (Draft Treaty establishing a European Constitution, Title III, Article 9, http://europa.eu.int/futurum/constitution/part1/title3/index_en.htm).

2. National sources

The Italian legislator has never attempted a codification of labour law provisions, unlike the measures taken with regard to private law, and for certain special branches of law. In fact, Italian labour law is the result of many layers of statutory provisions that cannot be considered the result of a unified and coherent overall design such as a Labour Code.

An attempt to consolidate earlier provisions was made in the Civil Code of 1942, that is still in force. This was carried out under the terms of the earlier monarchical Constitution (known as the Albertine Statute) and the Fascist corporative State. Book V (Libro V) of the Civil Code is expressly dedicated to labour law and regulates:

- professional activity, collective economic agreements and collective labour agreements (Title I);
- subordinate labour in the enterprise (Title II);
- self-employment (Title III);
- subordinate labour in particular relations not concerning an enterprise (Title IV).

However, this system was designed as part of a “corporative” regime, based on the idea of

institutional collaboration between “labour” and “capital” (hence the term corporatism) and on the consequent subordination of all particular interests to the general interest of national production and the State.

In 1944 the corporative system collapsed, and its basic principles were replaced by the system laid down by the republican Constitution of 1 January 1948. First of all, the collaborative view of labour relations was replaced by a perspective on relations between capital and labour that recognised countervailing interests (see for example Article 40 of the Constitution that lays down the right to strike). Second, in providing recognition in the Constitution for trade-union freedom and collective bargaining (Article 39), the juridical and institutional conditions were put in place for collective bargaining instead of state intervention imposing legal prescriptions. In the Constitution the philosophy of participation on the part of the workers is also recognised (Article 46), but this element tended to be of marginal importance in the development in the early years of relations between capital and labour, only to emerge again in recent years in a perspective of financial participation by the workers in the form of company profit-sharing.

With regard to labour relations, the Constitution mainly contains general policy statements and principles. This is the case for example of Article 4, that solemnly declares — though this statement does not give rise to individual rights to be defended in the courts — that “the republic recognises the right of all citizens to work and promotes conditions to fulfill this right.” Articles 35 and 36 are of a similar nature. Article 35 provides a generic statement, that is therefore susceptible to various interpretations on the part of the ordinary legislator, that “the republic protects labour in all its forms,” whereas Article 36 lays down a principle that has only been applied thanks to the action of case law, that “Workers are entitled to remuneration commensurate with the quantity and quality of their work, and in any case sufficient to ensure to them and their families a free and honourable existence.” Article 39 also contains a policy statement in providing for the registration of trade unions, for the purposes of giving collective labour agreements an *erga omnes* effect for all the workers in the sector covered by the agreement (“Registered trade unions...may jointly enter into collective labour agreements which are mandatory for all who belong to the respective industry of these agreements.”)

3. The five phases in the development of Italian labour law provisions

Although it is not the result of an organic and unitary design, the special Italian labour law legislation subsequent to the Constitution may be summarised in five distinct historical phases (though for certain matters there is a degree of overlapping):

- post-Constitutional labour law. The post-Constitutional phase of labour law was characterised by the following measures: efforts by the courts to adapt the provisions of the Civil Code and the Penal Code to the new juridical and institutional structure; decisive legislative intervention aimed mainly at establishing public control over the labour market (Act no. 264, 29 April 1949 regulating recruitment procedures) and the provision of minimum standards of obligatory protection of employment based on a model of open-ended stable lifelong employment contracts. As a result there was a drastic reduction in the decentralisation of production in all forms (Act no. 1369, 23 October 1960, repealed by the Biagi Law, Legislative Decree 276/2003), heavy restrictions on the use of temporary labour (Act no. 230, 18 April 1962, repealed by Legislative Decree 368, 6 September 2001) and a gradual reduction of the freedom to dismiss employees (Act no. 604, 15 July 1966);
- promotional labour law. This second phase was characterised by legislation aimed at promoting the trade-union presence in the company. This legislation aimed at channeling the employer’s powers into clearly defined procedures, culminating in Act no. 300, 20 May 1970, known as the *Statuto dei lavoratori* or Workers’ Statute. This *Statuto* was of considerable importance in implementing the principles and policy statements laid down in the Constitution. Alongside certain provisions relating to changes in the job description and duties of the worker, the exercise of managerial and disciplinary powers, reinstatement in employment in the case of unfair dismissal, and the matching of the supply and demand for labour, the *Statuto* represents the first significant attempt to implement by means of private-law labour relations the main constitutional safeguards with particular reference to:

- a) the recognition and the guarantee of inviolable human rights, be it as an individual or in social groups expressing their personality (Article 2, Constitution); b) the freedom to set up trade unions and take part in union activity (Article 39, Constitution); c) the need for private economic initiative to be directed towards social ends, and to be carried out in a way that does not harm public security, liberty, or human dignity (Article 41, Constitution);
- labour law of economic crisis and emergency. The third phase started at the end of the 1970s and the beginning of the 1980s, and was characterised by the introduction of emergency measures aimed at limiting the effects of the serious economic recession affecting the Western economies at the time. This phase, marked by the transition from individual guarantees to collective safeguards, saw the first signs of erosion of the obligatory protection measures in labour law, both with the introduction of new working patterns (part-time working, work training contracts) and with the introduction of measures aimed at governing company restructuring (solidarity contracts and new regulations for the Wage Guarantee Fund or *Cassa Integrazione Guadagni*);
 - labour law aimed at flexibility. This phase of labour law designed to deal with the economic crisis paved the way in the 1990s for a new conception of labour law which, alongside the objective of safeguarding individual workers in existing jobs, focused on the more general objective of defending employment and supporting the productive system. Labour law aimed at flexibility was therefore adopted, which, alongside certain exceptions to the general system of labour protection (for example Article 23, Act no. 56, 28 February 1987 on fixed-term working), aimed to redesign the system of protection and completely reorganize the means for matching the supply and demand for labour in order to provide greater scope for autonomous private bargaining, both collective and individual. Act no. 223, 23 July 1991, not only reformed the regulations governing collective redundancies, but also made provision for direct hiring for most kinds of workers, replacing the rigid numerical criterion laid down by Act no. 264, 29 April 1949. Subsequently Act no. 608, 28 November 1996, totally reformed the procedures for promoting access to employment, extending the method of direct hiring to all workers. Legislative Decree no. 469, 23 December 1997, implementing delegated law no. 59, 15 March 1997 (known as the Bassanini Act) abolished the principle of the public monopoly on employment services, recognising private employment agencies as legitimate undertakings. In the same period, Act no. 196, 24 June 1997, extended the range and increased the flexibility of the use of types of salaried employment providing an alternative to open-ended employment contracts, introducing incentive mechanisms for the employment of young people and for bringing black-market labour into the formal sector. Finally, the Biagi Law (Legislative Decree no. 276/2003) introduced further reforms aimed at enhancing the flexibility of the labour market;
 - the implementation of EU measures in the field of labour law. Alongside and supporting the process of making the labour market more flexible, a process of modernization of the rules governing labour relations has begun (represented in Italy by the introduction of private-sector management techniques in public services, Legislative Decree no. 29, 3 February 1993) arising from membership of the European Union. After the initial measures consisting of “hard laws” (such as those of the 1970s relating to collective redundancies, the transfer of undertakings and insolvency of employers), the European Union has more recently experimented with “soft laws,” consisting of guidelines and objectives, with a view to coordinating employment policy on a European scale, that has had, and continues to have, a considerable impact on the Italian system.

4. Collective bargaining

It must be underlined that the rules governing labour relations are the fruit of complex interaction between statutory provisions, case law decisions, administrative procedures and agreements between the social partners (collective bargaining).

In this connection a matter of particular interest is that of the “binding” nature of provisions in relation to all workers, both members and non-members of the unions negotiating collective

agreements (the principle known as *erga omnes*). With reference to this particular practice, the Constitution makes provision for trade-union registration, that for political, trade-union and technical reasons has not yet been implemented, in order to provide for the negotiation of “collective labour agreements that are mandatory for all who belong to the respective industry of these agreements” (Article 39, Constitution). In the absence of ordinary legislation to implement this principle, specific regulations for collective labour agreements are lacking and as a result, since the provisions of the Civil Code relating to corporative collective agreements are not applicable, such agreements have been included in the area of private law, as atypical contracts. As such, like all contracts (Article 1372 (1), Civil Code) they are binding exclusively on the contracting parties (or rather, on the members of the associations signing the contracts). It is in this sense that it is possible to speak of common law collective agreements. As the result of private autonomous negotiations pursuant to Article 1322 (2), Civil Code, such agreements are regulated exclusively by the general provisions of the Civil Code governing contracts and obligations. However, on the basis of numerous case law rulings, common law collective contracts have a general effect *de facto*, and are not limited to the members of the associations.

5. Levels of collective bargaining

At present the structure and levels of collective bargaining are laid down in the Protocol on Labour Costs of 23 July 1993, signed by the Italian Government and the social parties. In brief, this agreement provides for two levels of bargaining: the first level is national sectoral collective bargaining, supplemented, where the social partners consider it appropriate, by second-level collective bargaining on a territorial scale, or more often, at company level. The national collective labour agreement is valid for four years in relation to the regulation of the terms and conditions of employment (the normative part) and for two years in relation to remuneration (the economic part). The second-level collective labour agreement if valid for four years and may only deal with points other than those dealing with remuneration covered by the national sectoral collective labour agreement (1993 Protocol, Clause 2).

6. Relations between the law and private autonomy

Relations in labour law between private autonomy (individual or collective) and the law are governed by the principle of the prevalence of the law broadly speaking over private autonomy. This is because it is believed that the law broadly speaking has the task of protecting the fundamental rights of workers, such as freedom, dignity and safety, in a mandatory manner. As a result, every regulation produced by private autonomy, whether individual or collective bargaining, that reduces the level of protection laid down by the law is null and void. In this sense it is said that individual or collective bargaining cannot introduce changes to labour regulations that are less favourable to the worker.

Complementary to this principle, it is always possible for lower level sources (private autonomy) to provide for terms and conditions that are more favourable to the worker, providing exceptions to a higher source (law in the broad sense). Bearing in mind the practically unlimited range of possibilities for improving working conditions compared to those laid down by the law, private autonomy is therefore competent to introduce changes provided they are advantageous to the worker.

It must be noted that the mandatory nature of the first of the principles outlined above — that conditions cannot be renegotiated if they are less advantageous to the worker — has been cast into doubt by the loss of centrality of statutory provisions and the expansion at the same time of processes of self-regulation by the social partners. Moreover, it should be noted that more and more frequently it is the legislator that delegates to collective autonomy the possibility of providing exceptions — even if less favourable to the worker — to regulations deriving from legislative sources, either for the purposes of saving a company in danger of closing down or for combating unemployment, since in these cases there is often a need to introduce flexible regulations reflecting local conditions and/or conditions prevailing in an individual company. Therefore the principle that exceptional provisions may not be introduced if they are unfavourable to the worker still exists as a legal norm, but in many specific cases it is set aside

due to the need to safeguard employment levels.

7. Relations between collective agreements of various levels and kinds

First of all it should be noted that at least in the private sector there is no general provision governing relations between collective bargaining sources.

The rules for resolving cases of conflict are therefore usually provided by legal opinion or case law. For many years case law treated the problem of the relations between collective agreements on the basis of the principle that conditions could not be negotiated that were less favourable to the worker. When cases arose in which there was a conflict between two levels of collective bargaining, the agreement that provided the most favourable conditions for the worker was upheld.

Today, however, applying a principle that is more widely supported both by legal opinion and case law, any problems arising from a conflict between collective agreements at different levels are resolved on the basis of a chronology, so that the more recent agreement prevails.

However, in many cases, in order to head off any possible contrast between the provisions of collective agreements, the social partners make provision for the relations between the different levels of agreement, specifying specific areas of competence for each bargaining level.

With regard to relations between collective and individual bargaining, though they remain substantially unchanged, they have been reconsidered by the legislator. Individual autonomy seems to have been given greater recognition by the legislator with the reform of 2003. In particular, on numerous occasions, the legislator delegates the negotiation of certain matters (for example, certain aspects of part-time contracts) to individual autonomy when such matters are not dealt with by collective agreements. However, it must be underlined that the main aim of this new approach by the legislator is to prevent the trade union from exerting power in such a way as to prevent individual arrangements, rather than to grant individual autonomy greater scope than collective bargaining.

8. Employees' representatives

The right of employees to form associations for the defense and promotion of their rights and occupational interests is recognised in Article 39 (1) of the Constitution, according to which "the organisation of trade unions is free". It is therefore the individual worker who enjoys the freedom to organise and to take part in trade-union activity.

Considered as the freedom of self-organisation — even more than the freedom of action and protection of individual or collective interests — the recognition of the right of trade-union freedom makes it possible to understand the variety of forms and structures of the organised group, together with the principle of **trade-union pluralism**, typical of the Italian experience characterised by the presence of the three main trade-union confederations: CGIL (*confederazione generale italiana dei lavoratori*), CISL (*confederazione italiana sindacato dei lavoratori*) and UIL (*unione italiana dei lavoratori*).

The organisational structure of the trade union may also be developed in a "horizontal" way, on the basis of territorial needs, divided into 1) the local level (*Camera territoriale del lavoro* for CGIL and UIL or *Unione territoriale del lavoro* for CISL); 2) regional (*Camera territoriale del lavoro* for CGIL and UIL or *Unione territoriale del lavoro* UIL) and 3) national (political trade unionism). This level includes all the trade unions of the productive categories present in a given area. A further dimension is the vertical one, depending on the category or sector of the workers or the productive activity of the enterprise employing the worker enrolled in the trade union (sectoral trade unionism): this is the case of confederations, sectoral federations, regional sectoral structures and territorial sectoral structures.

This organisation along vertical and horizontal lines is also to be found in the employers' associations, which may also be divided on territorial lines or by sector of production. However, an important difference must be noted in this connection: whereas trade unions belong automatically to both levels, horizontal and vertical, the entrepreneurial associations may belong to the territorial level without necessarily belonging to the sectoral level and vice versa.

With specific reference to the protection of the rights of the worker at company level,

workers have the express right in every establishment to set up company-level trade-union representatives or *rappresentanze sindacali aziendali* (RSA) within the framework of the trade unions that are signatories to the collective agreements in force in the establishment. These company-level trade-union representatives and officers have the right to carry out trade-union business in support of trade-union activity by the workers in the company.

It should also be noted that there is no specific model for company-level trade-union representatives, but their role is based on industrial relations practice. At present (as discussed below in III), the company-level trade-union representatives (RSA) coincide with unitary trade-union representatives (*rappresentanze sindacali unitarie*) (RSU).

Unlike company-level trade union representatives, the unitary trade-union representatives provide representation for all the workers in an establishment, and not just those who are union members.

II. Changes in the Contents of Labour Laws

In recent years economic conditions have undergone changes and as a result work organisation has also been transformed. The Italian legislator, in order to adapt to developments in the economic context and to govern the changes that are taking place, has recently introduced reforms affecting most areas of labour law. In particular, the Biagi Reform of 2003, based on the guidelines in the European Employment Strategy, laid down the following objectives: the creation of a transparent and efficient labour market capable of increasing employment opportunities and offering equal access to regular quality employment; the implementation of a coordinated strategy aimed at combating the structural weaknesses of the Italian economy: unemployment among young people, long-term unemployment, the concentration of unemployment in the South of Italy (the Mezzogiorno), the low rate of participation by women and older persons in the labour market.

Particular attention is paid to the reform of apprenticeship contracts, and work experience contracts are regulated as a means to improving access and re-entry to the labour market. Further measures include the monitoring of the conditions of every person of working age in order to prevent social exclusion, and to provide input into pro-active policy making; the setting up of an efficient system of employment services, both public and private, authorised and accredited, forming a network to accompany and facilitate contact between those in search of employment and those in search of workers; the introduction of regulated forms of flexibility, negotiated with the trade unions, in such a way as to strike a balance between the needs of the enterprise to compete on international markets and the essential forms of protection and promotion of the workers. Other significant measures include the introduction of staff leasing, and the provision of new types of contract aimed at adapting labour organisation to changes in the economy and extending participation in the labour market to groups at risk of social exclusion. Provision is also made for the introduction of “on call” working, a type of contract on the basis of which the employee is available to work as and when the employer requires; the introduction of job sharing, allowing two employees to take over the responsibilities of a single worker and share the salary and benefits on the basis of their individual contributions. Part-time working regulations were reformed, and employment policies for an efficient and modern labour market are being promoted especially for the South of Italy and for the categories of workers who today encounter most difficulty in finding regular quality employment. Moreover, a more significant role is given to bodies providing labour protection and representation, with particular regard to bilateral or joint bodies, as part of the management of active employment policies.

III. Changes in Labour Relations Laws

The most significant measure in industrial relations in Italy is the agreement of 1993 that introduced innovations regarding collective bargaining but also regarding company-level trade-union representation by setting up unitary trade-union representative bodies (RSU). These bodies provide representation in the enterprise, are elected by the workers and closely linked to the trade unions. Therefore, even today, it is not possible to speak of a system of dual

representation in Italy, that is to say a system that is both associative and institutional.

Subsequently, in 1995, a referendum repealed the regulations for the selection of representative bodies on the basis of the most representative trade unions. The immediate consequence of this reform is that today unitary trade-union representative bodies may be set up by the signatories of the collective agreement in force in the establishment.

The representation under examination has been the subject of debate for a long time. Moreover, in spite of the fact that a number of bills have been presented to Parliament dealing with this matter, the overall system of representation has not been reformed by the legislator and the application of the principle laid down in Article 39 of the Constitution (trade-union registration for the purposes of *erga omnes* application of collective labour agreements) seems to have been set aside.

However, with regard to collective agreements, the measures introduced by the 1993 tripartite agreement were negotiated with a view to bringing pay settlements into line with a rigorous incomes policy in order to combat inflation and contain the cost of living in a strongly competitive international environment.

The incomes policy pursued by the Government and the social partners at that time led to the redefinition of collective bargaining procedures. In the 1993 Protocol, two levels of collective bargaining were laid down, with a division of competences: the national level of sectoral bargaining, intended to set minimum wage levels on a sector-by-sector basis, is accompanied by a second level of bargaining, either at company or territorial level, aimed at introducing a measure of flexibility in terms of pay linked to company profits and increases in productivity.

As noted above, national collective agreements are valid for four years with regard to normative provisions and two years with regard to remuneration. Pay increases provided by the collective agreement are linked to the planned level of inflation that is adopted as a joint objective. For the purposes of establishing the entity of such pay increases, the social partners take account of the incomes and employment policies negotiated with the Government, with the objective of safeguarding the purchasing power of the workers, and the general tendency of the economy and the labour market, the competitive position and the overall performance of the sector. During biennial negotiations for the renewal of minimum wage levels, further points to be taken into consideration include the comparison between the planned rate of inflation and the actual rate of inflation over the previous two years, to be assessed also in the light of any changes in the balance of payments of international trade, as well as trends in overall pay rates.

Company-level bargaining on the other hand deals with matters that are different from and not a repetition of those dealt with by national bargaining for the sector. Locally negotiated pay increases are closely linked to the performance achieved in relation to the plans negotiated by the social partners, for the purposes of increasing productivity, quality and other elements of competitiveness for the company, including productivity margins, as well as company profits.

Company-level and territorial bargaining follows a four-year cycle and is carried out on the basis of the parameters laid down by the national collective agreement for the sector in the spirit of best negotiating practice, with particular regard to small enterprises. The national collective agreement for the sector also lays down the timeframe, on the basis of the principle of the autonomy of negotiating cycles, and the matters to be dealt with.

However, the effectiveness of this system of collective bargaining has been found to be limited. Whereas the national collective agreement for the sector has made it possible to effectively defend the purchasing power of wages and salaries, the second level of collective bargaining has been found to be ineffective. Empirical research into the practical impact of the 1993 Protocol based on the interaction between the two negotiating levels has shown that the big companies act in a way that does not take due account of the framework laid down by the national collective agreement. Moreover, decentralised bargaining (whether company-level or territorial) that was intended to introduce greater differentiation into pay rates, introducing greater flexibility into the system, has been found to be insufficient and unsatisfactory both in quantitative and qualitative terms.

Second-level agreements have been characterised to a considerable extent by measures of a traditional kind, not linked to objective parameters of productivity, profitability or quality for

various reasons: the lack of transparency in previous rounds of negotiation, a lack of awareness of the true potential of decentralised bargaining on the part of those taking part, a reluctance to widen the range of matters to be dealt with (such as work organisation), the lack of adequate structures, including organisational structures (with particular reference to territorial negotiation).

This scenario has been accompanied by an increasingly marked decentralisation of collective bargaining. The reasons for this trend may be summarised in the following three points:

- 1) a significant loss of importance for the national collective agreement due to the presence in Italy of a marked imbalance between the various geographical areas that raises questions about the desirability of a two-level bargaining system;
- 2) the need to deal at company level with questions relating to company restructuring and the adaptations required by the introduction of the single currency, representing a significant factor in the decentralisation of collective bargaining. The containment of inflation safeguarded by membership of the euro has resulted in national incomes policies being superseded;
- 3) a crisis of trade-union representation at national level, with the trade unions appearing to be less representative of workers than in the past.

IV. Labour Laws and the Labour Market

Labour law is utilised also in the regulation of the labour market. Employment policies in Italy have traditionally been characterised by strong safeguards for the worker in the “labour relation” while paying less attention to the protection of the worker on the “labour market.” A peculiar characteristic of the Italian tradition is the view of labour law, and of the policies underlying it, simply in terms of protection of one party, with a view to emancipating the worker, characterised as subordinate in both social and economic terms, the “weaker party” in the labour relation. In addition to these policies, others of a more pro-active kind have been introduced, in connection with Italy’s membership of the European Union. The coordination of employment policies among the EU Member States is based on four pillars: employability, entrepreneurship, adaptability and equal opportunities, that taken together form the European Employment Strategy.

Traditionally Italy has had a system of income support for unemployed workers far less developed than that of other European countries: since priority was given to defending existing employment, it was considered desirable to provide incentives for the worker to seek new forms of employment. Another area that has traditionally received insufficient attention is the enhancing of the employability of those seeking work (particularly disadvantaged groups and those in long-term unemployment), as expressly required by the European guidelines.

For these reasons in recent years active labour policies have been introduced aimed at changing the direction of legislative intervention, that has so far been concentrated on the static protection of those who are already in employment, paying less attention to the promotion of employment in general.

The most recent and most significant intervention in this direction was taken with the Biagi Law in 2003, that redesigned existing employment contracts (part-time work, apprenticeships, coordinated and continuous collaboration) and introduced new forms of employment (on-call working, job sharing, accessory working, work experience programmes, staff leasing on an open-ended basis).

In relation to the objective of employability, a wide range of instruments is being experimented with to facilitate the transition from school/higher education to the labour market: from access to employment contract to new forms of apprenticeship, from employment exchanges to new forms of work experience and career guidance.

Radical changes have also been introduced with regard to employment services. The public monopoly on services for matching the supply and demand for labour has been abolished, providing significant openings for private employment agencies to operate on the market.

With regard to the regulation and organisation of the labour market, an attempt has been

made to update public policies. On the one hand, the work of the private agencies in matching the supply and demand for labour is carefully monitored by the public authorities. On the other hand, the reform of the labour market includes an attempt to improve the services provided by the public authorities by decentralising them to the Regions and the local authorities, with a reorganisation of state and local competences, the simplification of administrative procedures for matching the supply and demand for labour, the strengthening of links between public and private operators and, finally the plan for setting up a computer network covering all employment services, with the creation of a continually updated national employment exchange, in order to link up the entire country to a network permitting the rapid circulation of information about vacancies and the availability of suitable workers.

A characteristic of this process of reform is the progressive decentralisation of labour policies that is intended to lead in the short term to labour programmes being run at a local level, diversified in such a way as to reflect the particular characteristics of the various labour markets.

The promotion of equal opportunities for men and women is an important policy objective, with incentives provided on a pro-active basis. With regard to the promotion of equal opportunities, Italy's response to the policy guidelines of the EU has been reasonably quick, in certain cases providing for affirmative action on the lines of measures adopted in the United States.

