

**Italy** (ratification: 1971)

The Committee notes the detailed information contained in the Government's comprehensive report received in October 2005, as well as the relevant documents attached. It also notes the comments made by the Italian Confederation of Workers' Unions (CISL) and the General Confederation of Italian Trade Unions (CGIL).

1. *Employment trends and active labour market measures.* Supplemented by the data published by the OECD, the report demonstrates that, although the unemployment rate continued to decline (from 8.6 per cent in 2003 to 8 per cent in 2004), employment growth showed a marked slowdown and the employment rate (57.6 per cent in 2004) remained below the EU target. The Committee also notes that the labour market is still characterized by regional segmentation, with relatively high levels of employment and productivity in the north and the centre, and the opposite in the south. The report also highlights the labour market integration difficulties experienced by young persons under 25 years of age, whose unemployment rate stood at 26.2 per cent in 2004, as well as a persistently high proportion of long-term unemployment. In its comments, the CGIL points out that the Government has lacked the will to direct public resources to research, training and innovation, in order to assert a competitive strategy for the Italian economy on products and services of high added value, and that it has instead focused on unfair and inefficient tax cuts. *In this regard, the Committee asks the Government to provide information in its next report on the effectiveness of the programmes adopted and the measures taken to promote territorial cohesion in order to fill the gap between the various regions of the country as regards the level of employment. It also asks the Government to continue to provide information on the measures taken and the results achieved in reducing the proportion of long-term unemployment.*

2. The Committee notes that the Government's report refers to Act No. 30/2003 and implementing Decree No. 276/2003 concerning the regulation of the labour market. The report also lists a number of measures adopted by the Government mainly to promote labour market flexibility. For instance, labour contracts that include a training component have been rationalized, while more flexible forms of entering the labour market have been facilitated. According to the CGIL, and contrary to what had been previously announced by the Government, the measures implementing Act No. 30/2003 have not been the subject of any evaluation by the social partners and the new types of labour contracts have had little success. For its part, the CISL also calls for flexibility to be subject to the outcome of collective bargaining, in order to ensure that the use of these new labour contracts remains in the framework of the applicable legislation, thereby protecting the workers concerned. *In this regard, the Committee asks the Government to report on the measures taken to generate sustainable employment and improve employment security for workers who have benefited from the provisions of Act No. 30 of 2003. The Committee also asks the Government to keep providing information concerning the implementation, monitoring and evaluation of its policies to facilitate the full*

*employment of women, combat youth unemployment and facilitate the continued participation of older persons in the labour force (Articles 1 and 2 of the Convention).*

3. While the Committee notes that the Government cites the strengthening of education and training as one of its main employment priorities, data published by the OECD Economic Survey (November 2005) exhibit a significant deficit in terms of human capital vis-à-vis the OECD average. *In this regard, the Committee asks the Government to provide further information on its programmes and measures to raise the educational attainment of the workforce, reduce the school drop-out rate and increase the labour market relevance of tertiary education with a view to facilitating the transition from studies to work.*

4. *Participation of the social partners in the formulation and application of policies.* The Government indicates that all the legislation regarding the reform of the labour market was the outcome of a long period of dialogue with employer and trade union organizations. The Government also emphasizes that the National Plan of Action for Employment was the subject of consultations with employer and trade union organizations and that, during the period covered by the current report, continuous and in-depth discussions took place on all issues related to employment policies. On this issue, the CISL indicates that there has been a systematic deterioration in trade union participation in government decisions. The CISL states that the Government has replaced a concerted exchange of views and social dialogue with mere consultation. According to the CISL, the 2005 National Plan of Action for Employment was established without due consultation with the social partners. *The Committee recalls that, under the terms of the Convention, the measures to be taken in relation to employment policy should take fully into account the experience and views of the social partners with a view to securing their full cooperation in formulating and implementing employment policies. It requests the Government to provide detailed information in its next report on the consultations held with the representatives of the social partners and the progress achieved regarding the requirement of consultation on the matters covered by the Convention, as established in Article 3.*