



The labour market changes and non-standard workers in Italy:

Evidences from administrative data

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«The new labour market challenges and options for social protection»

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Motivations

- The ageing populations, globalization and the rapid developments in technologies are deeply affecting the nature of employment relationships;
- Less contract duration and job security,
- More irregular working hours, increased use of third parties (temporary employment agencies);
- Growth of various forms of dependent self-employment and also informal work arrangements.

These transformations "offer new opportunities, increase possibilities for self-employment and new types of activities and make career patterns more diverse, yet also create new risks of "grey zones" in terms of labour rights and access to welfare"
(European Commission 2016, 3)

The main contributions of the report

- To provide a literature review of the future of work (new professions, new skills, new jobs).
- To document the evolution and the characteristics of non-standard workers and self-employed in Italy.
- To provide a particular focus on “platform workers” using a dataset, PLUS 2018, provided by INAPP.

Non-standard workers

- There is as yet no universally accepted definition of non-standard employment.
- There seems to be wide consensus that it covers three (partly overlapping) types of work:
 - Part-time jobs,
 - Fixed-term or temporary contracts,
 - Self-employment
- They are characterized by some common elements such as a **lower job security, limited training opportunities and upward mobility**, as well as **worse health and security conditions** (Matsaganis et al. 2016).
- They tend to suffer from several specific disadvantages regarding to social protection, depending on the provisions of labour law and social insurance legislation in their countries (Jessoula and Heinrich 2012; Emmenegger et al. 2012, Buschoff and Protsh 2013).

Non-standard workers

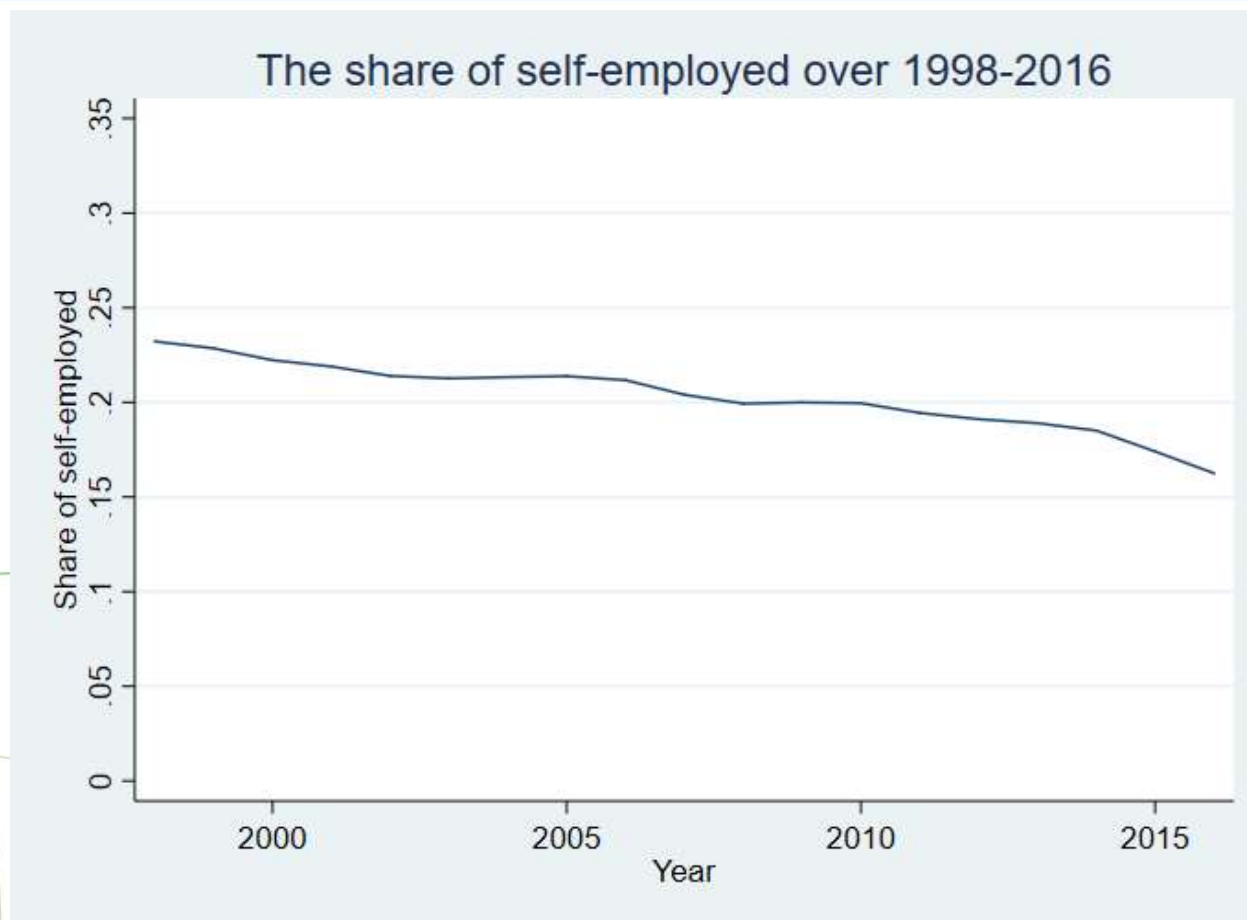
Among the main risks (Giubboni et al. 2013) :

- **The lack of insurance coverage:** Some employment contracts are only insured against certain specific risks (e.g. accident at work) or are exempt from compulsory insurance contribution.
- **The lack of minimum insurance requirements:** Gaps in social protection may depend on limited possibility to meet eligibility criteria.
- **Difficulties associated to the calculation methods for benefits:** The take up rate of social benefits can be also lower for non-standard works and self-employed because of the calculation rules adopted for the accumulation of entitlements.
- **The impossibility of aggregating periods even when contributions have been made:** People in fixed term work or self-employment have often difficulties in preserving their acquired rights when they (frequently) change employment.
- **The risk of inadequate levels of social protection:** Non-standard workers and self-employed can fulfil eligibility criteria and get effective access to social benefit that however are far from providing sufficient protection against social risks.

- **Part-time workers**, as a percentage of the total EU-28 workforce in the 15-64 age group, increased from 15,8% in 2007 to 17% in 2018.
- A high share of part-time workers can be found in the Netherlands (about 38%); by contrast, in Central and Eastern European countries they are less common.
- **Fixed-term workers** in the EU-28: 14,2% in 2018, but it greatly differs across the European countries, ranging from more than 25% in Poland and Spain to less than 1,5% in Romania.
- The proportion of **self-employed** varies among Member States with a higher share in South European and Eastern countries and lower level in the three Nordic countries.

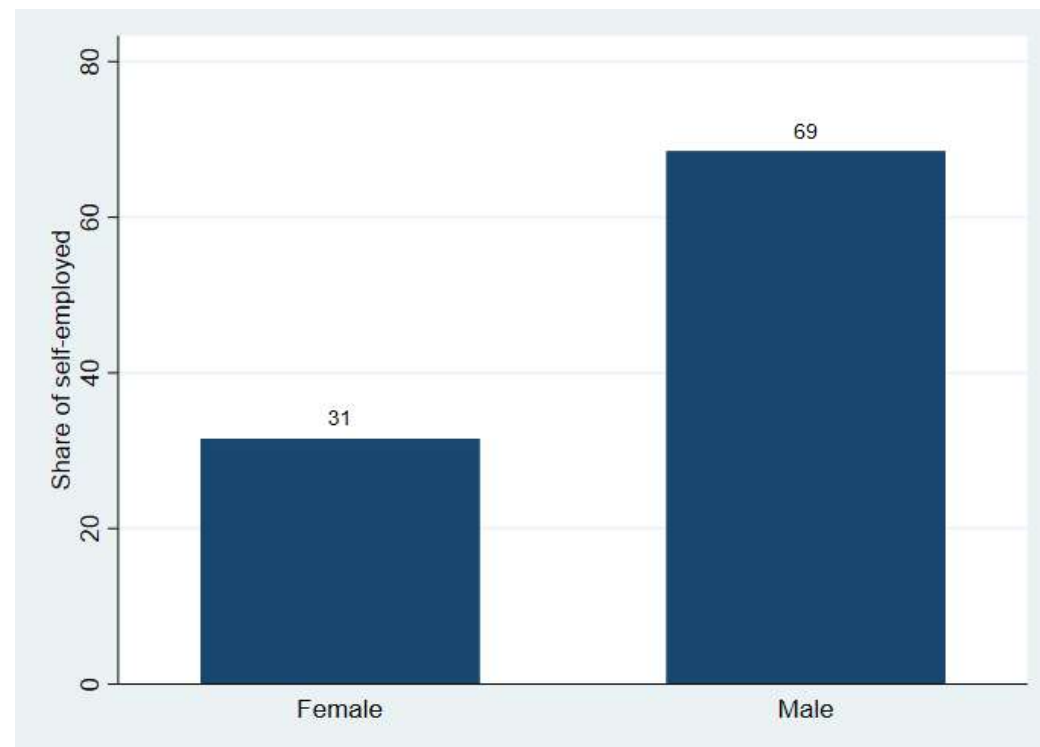
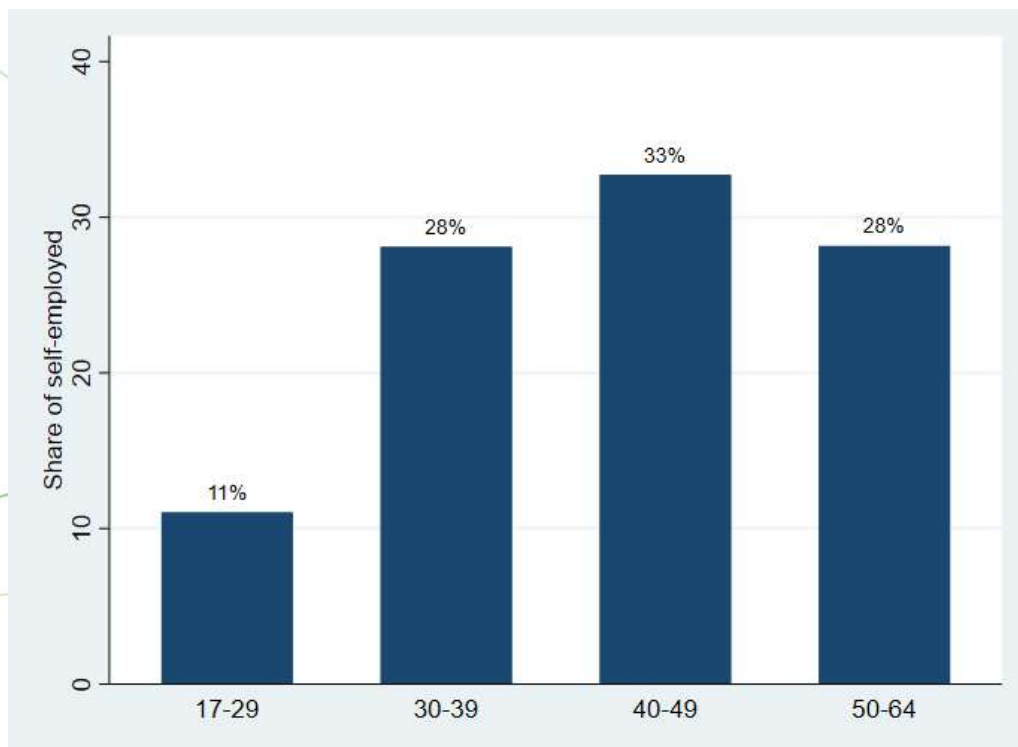
The Italian context: The data

- **Source:** Administrative archives collected by the Italian National Social Security Institute (INPS). The dataset can be distinguished in three macro-groups:
 - Employees: temporary and permanent; full-time and part-time
 - self-employed workers: independent contractors, standard self-employed belonging to professional associations.
 - *Para-subordinate* workers: individuals who are self-employed in legal terms, but are often “economically dependent” on an employer since, in most cases, their activity is reliant upon one or a small number of clients (Raitano, 2018)
- **Period:** 1998-2016.
- **Sample:** 43,781,169 record (individuals aged between 17-64 years old). In any given year, all workers in the sample are assigned a “main” contractual agreement (the one with the highest number of weeks worked).
- **Variables of interest:** weekly/annual gross wage, total worked weeks, the gap of not-worked weeks; type of contract, profession, gender.



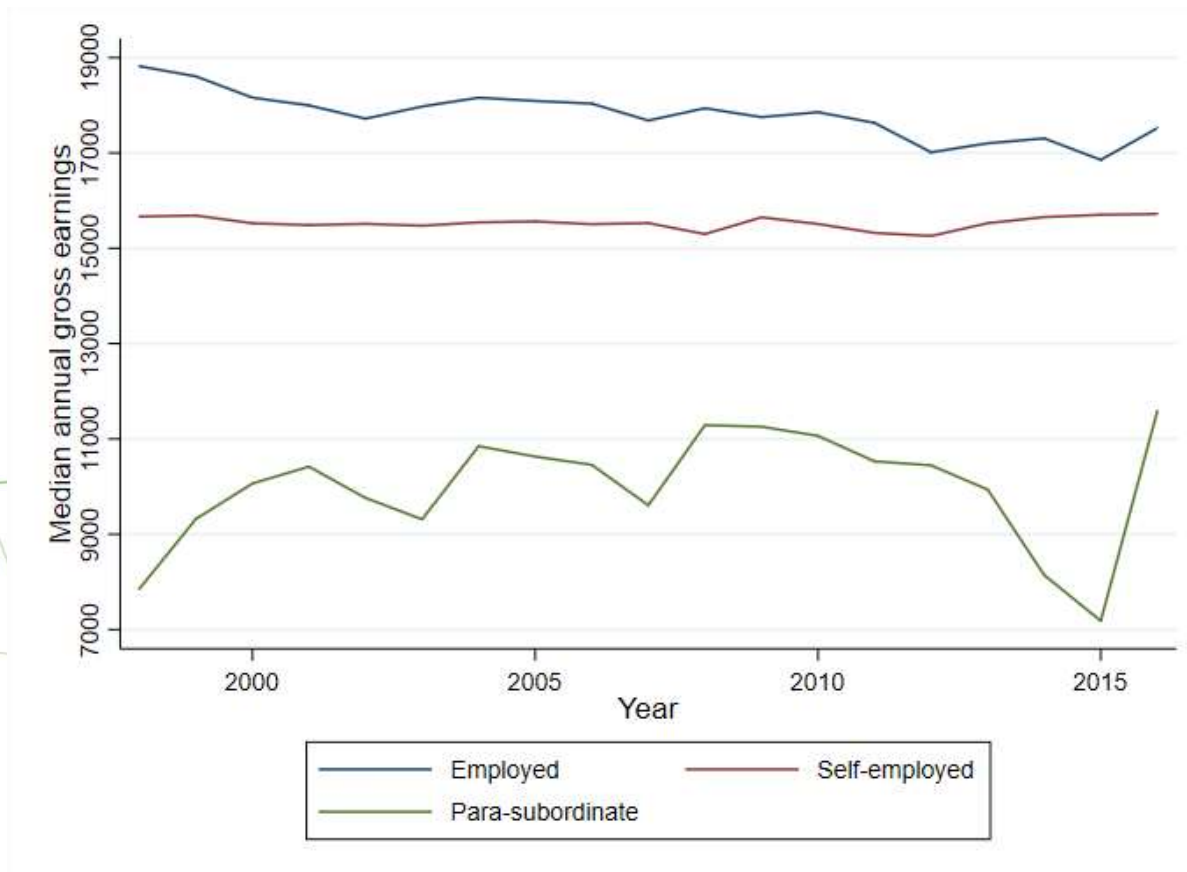
Source: Authors elaborations on INPS data

Descriptive statistics



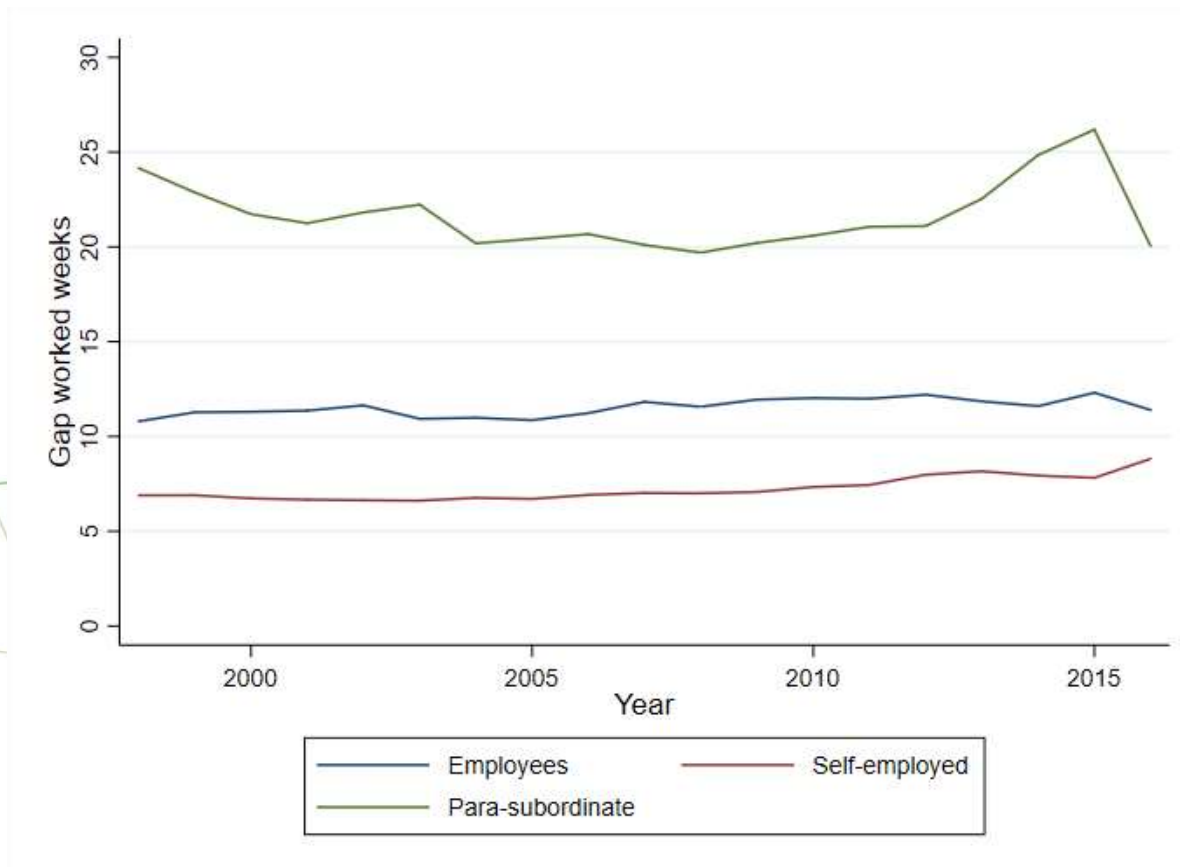
Source: Authors elaborations on INPS data

Para-subordinate earnings are lower and more volatile than those of employees and self-employed



Descriptive statistics

A clear gap in terms of weeks non worked (in a given year) between employees and self-employed arises



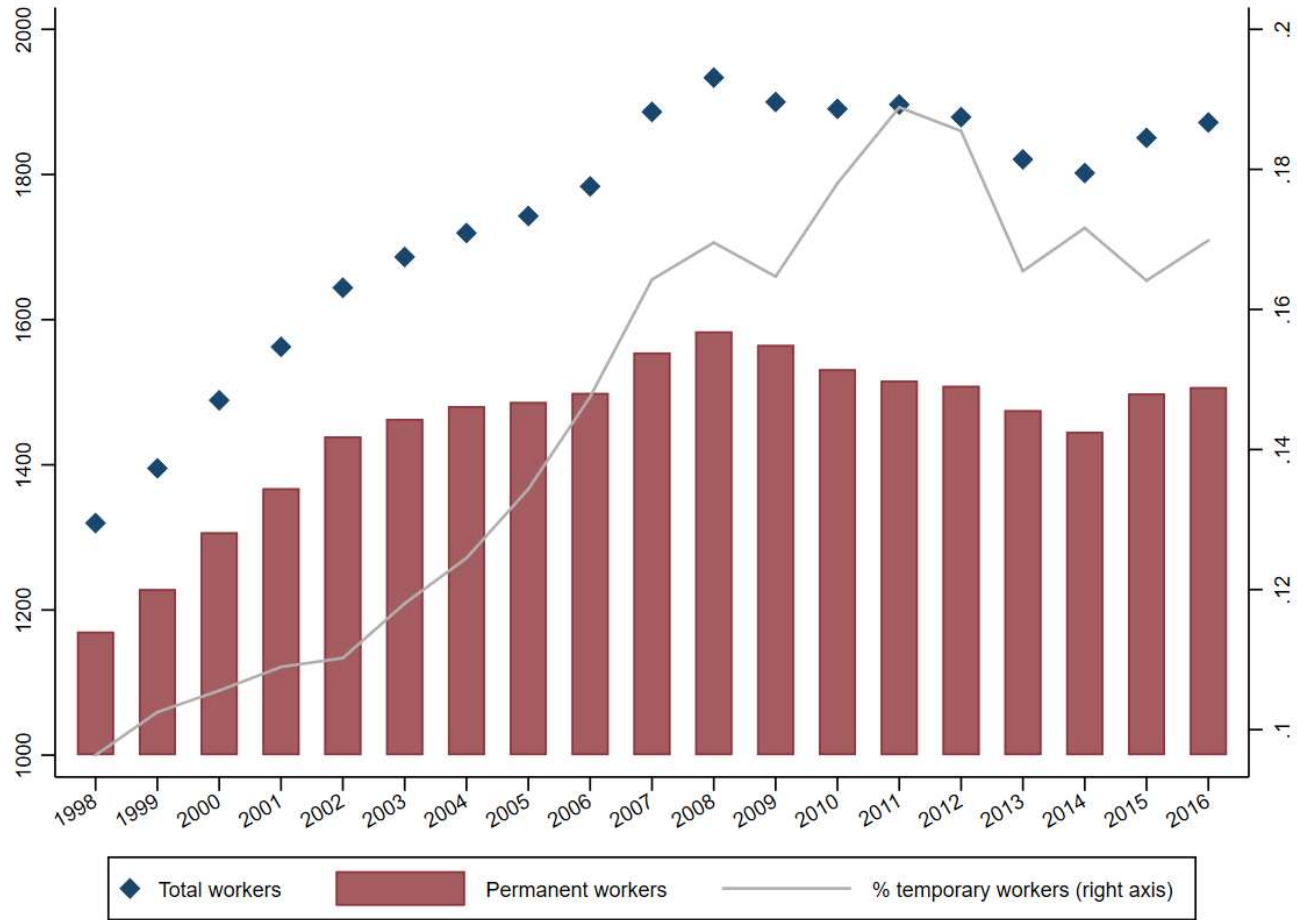
Pooled OLS regression. Dep variable: ln(weekly wage)

	First specification				Second specification			
	<i>Employees</i>	<i>Employees*</i>	<i>Self-employed</i>	<i>Para-subordinate</i>	<i>Employees</i>	<i>Employees*</i>	<i>Self-employed</i>	<i>Para-subordinate</i>
30-39 years	0.104*** [0,000]	0.156*** [0,000]	0.055*** [0,001]	0.101*** [0,002]	0.108*** [0,000]	0.156*** [0,000]	0.055*** [0,001]	0.101*** [0,002]
40-49 years	0.164*** [0,000]	0.234*** [0,000]	0.101*** [0,001]	0.252*** [0,003]	0.169*** [0,000]	0.234*** [0,000]	0.100*** [0,001]	0.252*** [0,003]
50-64 years	0.230*** [0,001]	0.292*** [0,001]	0.118*** [0,001]	0.314*** [0,003]	0.234*** [0,001]	0.292*** [0,001]	0.118*** [0,001]	0.314*** [0,003]
Female	-0.207*** [0,000]	-0.089*** [0,000]	-0.103*** [0,001]	-0.180*** [0,002]	-0.140*** [0,001]	-0.089*** [0,000]	-0.078*** [0,002]	-0.490** [0,215]
Gap	-0.015*** [0,000]	-0.008*** [0,000]	-0.001*** [0,000]	-0.272*** [0,079]	-0.014*** [0,000]	-0.008*** [0,000]	-0.001*** [0,000]	-0.013*** [0,004]
Gap_female					-0.004*** [0,000]	0.0026*** [0,000]	-0.001*** [0,000]	-0.277*** [0,079]
Experience	0.007*** [0,000]	0.007*** [0,000]	0.012*** [0,000]	0.011*** [0,002]	0.006*** [0,000]	0.007*** [0,000]	0.012*** [0,000]	0.011*** [0,002]
Extra	-0.121*** [0,001]	-0.124*** [0,001]	-0.034*** [0,002]	-0.001 [0,004]	-0.126*** [0,001]	-0.124*** [0,001]	-0.035*** [0,002]	-0.001 [0,004]
Other controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Constant	6.111*** [0,001]	5.983*** [0,002]	5.801*** [0,002]	11.968*** [0,003]	6.087*** [0,001]	5.983*** [0,002]	5.791*** [0,002]	11.917*** [0,003]
R2	0.394	0.233	0.051	0.085	0.397	0.233	0.051	0.085
Obs	32.491.713	32.488.958	8.168.334	2.335.814	32.491.713	32.488.958	8.168.334	2.335.814

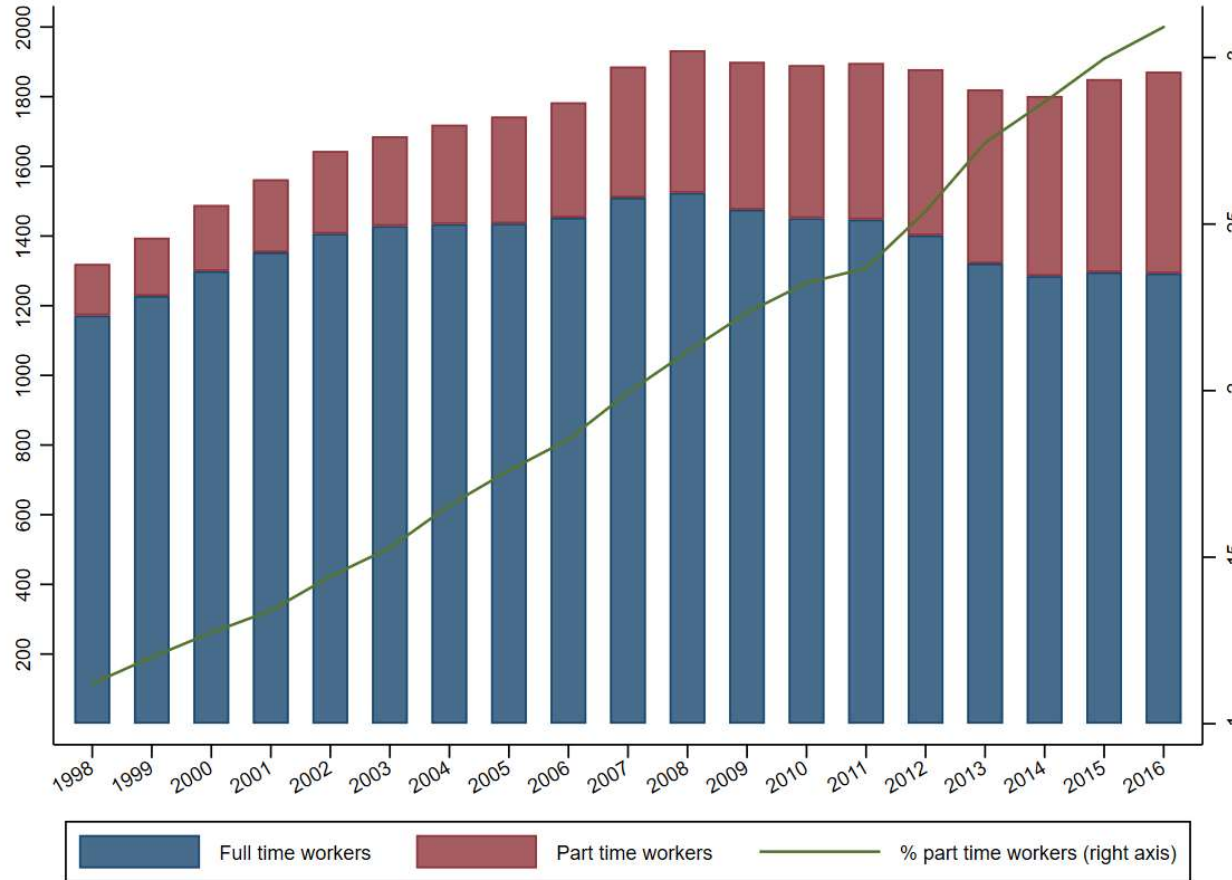
Pooled OLS regressions: the results

- The positive association between the age of workers/cohorts and social security contributions is higher for employees than self-employed.
- The opposite is true if we consider the labor market experience: the wage premium correlated with the labour market experience of both self-employed (+1,2% each year) and “*para-subordinate*” (+1,1%) is higher than that of employees (+0,7%).
- The gender gap is equal to -18% in the sub-sample of “*para-subordinate*”, -10% for self-employed and -8,9% for employees;
- Events that break the employment history of an individual (as measured by the total weeks not worked during a year) are associated with a substantial reduction of the wages earned by *para-subordinate* (-27%) while the penalty is limited for employees (-0,8%) and virtually not empirically relevant for self-employed (-0,1%).
- The negative relationship between the individual wage and the occurrence of a gap in the number of worked weeks is amplified for those woman that are self-employed (-0,1%) or “*para-subordinate*” (-1,3%) while it is reduced if a women is hired as an employee.

Descriptive statistics on employees: temporary vs permanent workers




Descriptive statistics on employees: part-time vs full-time workers



Pooled OLS regression. Dep variable: ln(weekly wage)

	First specification			Second specification		
	Manager	Office worker	Blue collar	Manager	Office worker	Blue collar
30-39 years	0.257*** [0.008]	0.106*** 0	0.095*** 0	0.257*** [0.008]	0.104*** 0	0.092*** 0
40-49 years	0.412*** [0.008]	0.203*** [0.001]	0.129*** 0	0.410*** [0.008]	0.201*** [0.001]	0.126*** 0
50-64 years	0.449*** [0.008]	0.294*** [0.001]	0.156*** [0.001]	0.447*** [0.008]	0.293*** [0.001]	0.155*** [0.001]
Fixed-term	-0.110*** [0.009]	-0.066*** [0.001]	0.028*** 0	-0.112*** [0.009]	-0.064*** [0.001]	0.030*** 0
Seasonal	-0.781*** [0.073]	-0.009*** [0.002]	0.155*** [0.001]	-0.779*** [0.073]	-0.009*** [0.002]	0.149*** [0.001]
Female	-0.194*** [0.003]	-0.202*** [0.001]	-0.128*** 0	-0.166*** [0.003]	-0.220*** [0.001]	-0.197*** [0.001]
Gap_female				-0.006***	0.002***	0.003***
Gap	-0.005***	-0.007***	-0.000***	-0.004***	-0.008***	-0.001***
Experience	0.029*** [0.002]	0 0	0.001*** 0	0.029*** [0.002]	0 0	0.002*** 0
Extra	0.153*** [0.009]	0.011*** [0.002]	-0.026*** 0	0.152*** [0.009]	0.011*** [0.002]	-0.024*** 0
Constant	6.714*** [0.012]	6.263*** [0.002]	5.864*** [0.001]	6.706*** [0.012]	6.274*** [0.002]	5.879*** [0.001]
R2	0.112	0.262	0.217	0.115	0.263	0.221
Obs	1.050.809	10.740.653	21.073.170	1.050.809	10.740.653	21.073.170

Pooled OLS regressions: the results

- The wage penalty suffered by female is higher for manager (-19%) and white-collar (-20%) than blue-collar (-13%)  In the Italian labour market, the glass-ceiling phenomenon compresses the career prospect of female.
- Being employed under temporary contract reduces the wage earned by manager and by white-collar (-0,6%), whereas it increases the wage of blue-collar (+0,2%).



- For the first two professional groups the temporary arrangements represent a “dead ends” for their perspectives of social contribution accumulation.
- Finally, experience a gap in the total worked weeks during a year is negatively correlated with the weekly wage for each professional group.



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