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Italy: the uneasy co-existence of different social models*

by

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Abstract

The "European social model" includes a welfare regime with generous social expenditure; high employment or income protection; a well-developed system of industrial relations; and involvement of social partners in policymaking. Within the Italian social model, however, one can find three major dividing lines. The first one stems from the coexistence of different models in different areas of the country. Second, an occupation-based principle in pensions and in unemployment benefits coexists with a citizenship-based one in health and education. Finally, core workers enjoy high job and income security, whereas outsiders are highly dependent on the market. These three dividing lines substantially endanger the legitimacy and social acceptance of the Italian social model: each of them profoundly affects the perceptions of workers and citizens, leading to widespread criticism of even those aspects that clearly benefit them and, at the same time, to fierce opposition to the several attempts at reforming it.

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1. INTRODUCTION

In the post-World-War-II period, European political and intellectual élites largely shared the belief that market economies could not and should not be left entirely to the market, but rather follow some sort of "social model." This was true for both Nordic social democracies and continental Christian-Democratic and conservative élites. Though in different ways, they all regarded the market as the most efficient mechanism for resource allocation, but at the same time as producing deep inequalities in income distribution, work chances and access to social protection, a mechanism, therefore, that needed to be combined with other instruments which could insure social justice, be they state policies, family and community networks, or interest associations.

However, the concept of a European social model of economic management and development has often remained vague, more normatively oriented than empirically specified; a rather poor blanket stretched in many directions to cover widely different beds. In this paper, by "European social model" we mean a specific configuration of the following features:

a) a type of welfare regime with relatively generous social expenditure and mostly non-means-tested provision of social services and welfare benefits;
b) labor-market regulation that combines companies' quest for flexibility with high employment and/or income protection;
c) a well-developed and institutionalized system of industrial relations based on inclusive and mutually recognized interest associations, as well as on coordinated collective bargaining;
d) a style of economic and social policymaking based on consultation and involvement of social partners, either informally or in formal tripartite concertation.

However, any comparative analysis of Western European economies immediately shows major differences among them along all four dimensions of the European social model identified above, and questions the usefulness of this categorization. The Nordic model does not have much in common with the Mediterranean one, but even *Modell Deutschland* exhibits deep differences from the next-door "Dutch miracle."

In this paper we try to show that, insofar as Italy is concerned, it is even difficult to clearly identify an "Italian social model." This is because, beneath the stylized account of that model commonly offered, one can find at least three major dividing lines, which make that account either a partial or an "average" illustration of the rather different phenomena characterizing that model.

The first and most obvious dividing line stems from the coexistence of different social models, which exhibit varying degrees of welfare standards, divergent objectives of territorial social pacts, wide variation in rates of unemployment and in actual labor-market regulation, different rates of poverty, etc., in different areas of the country.

The second, less well-known dividing line stems from the coexistence of quite different principles in the various national welfare programs: a particularistic, occupation-based principle in pensions and unemployment benefits vs. a universalistic, citizenship-based one in the provision of health and education.

Finally, even less noticed outside Italy is that different features of its social model apply to different categories of workers/citizens. Namely, high job and income security for core workers and their families (the insiders) vs. relatively high dependence on the market and on residual forms of welfare for the others (the outsiders).

The paper is organized as follows. First, we will briefly sketch what is commonly regarded as the typical Italian configuration of the four features mentioned above. Second, we will examine the three dividing lines that make this stylized account the end-result of internally different features: at times an "average" description of widely varying phenomena, at others a partial one, which focuses on some parts of the system while neglecting the others. We will present some data, where available, to support this hypothesis and we will briefly set the main lines of the argument, which would require far more space for full development.

A short conclusion will focus on the idea that these internal differences, or dividing lines, do not easily, even less happily, coexist. Rather, they are a source of tensions and constant instability for the Italian social model. Our basic argument here is that the three dividing lines substantially endanger the legitimacy and social acceptance of the Italian social model. In fact, each of them profoundly affects the perceptions of workers and citizens, leading to widespread criticism of even those aspects that clearly benefit them and, at the same time and somewhat paradoxically, to fierce opposition to the several attempts at reforming the "Italian model."

2. THE ITALIAN SOCIAL MODEL

In what follows we will briefly outline two major features of the Italian social model: 1) its welfare regime; 2) the mechanisms regulating the labor market and the involvement of interest associations in policymaking.

2.1. The welfare regime

In many respects, the Italian welfare regime follows the tradition of continental Europe. From its very beginnings it adopted the Bismarckian model: a selective type of welfare, created to protect workers against the negative effects of capitalism. The political-institutional conditions of the postwar period reinforced this Bismarckian stamp on the Italian welfare system. Alongside the principles of the centrality of work and the solidarity of the socio-occupational categories, there was the Catholic vision of the centrality of the family and the subsidiary role of the other institutions (such as the State) that supported it. In short, following the Esping-Andersen typology (1999), Italy is usually placed among those countries of continental Europe that have a "corporatist-conservative" welfare regime based on the support of the family and, in particular, the male "breadwinner" – whose coverage depends on the socio-occupational category he belongs to, and consequently results in a high degree of institutional fragmentation of the system (Ferrera, 1996).

Starting from the post-WWII period, interventions in the Italian welfare system can be divided into three stages (Jessoula and Alti, 2008).

- *From the 1950s to the 1970s.* At the height of the Fordist era and of Keynesian policies, important welfare reforms were introduced. The health and pension systems were expanded during the 1970s with the establishment of a National Health Service financed by taxes, and the introduction of a seniority pension which made it possible to retire after a certain number of yearly contributions, irrespective of age. Measures were also introduced to provide fragmented, minimum unemployment benefits depending on the occupational category, consisting of modest unemployment allowances or programs to replace the salary in case of total or partial reduction in working hours, the so-called *Cassa Integrazione Guadagni*, or Redundancy Fund). Finally, benefits to support the family through monetary transfers, though not widespread since they were considered as supplements to the salary, were introduced and financed by the contributions of dependent workers.

- *From the late 1970s through the early 1990s.* The period of stagflation, unemployment and high public debt led to some interventions aimed at reducing welfare expenditure (e.g., control mechanisms for disability pensions). Training contracts for young people were introduced in 1984, with tax relief for companies that hired them for two years and provided on-the-job or off-the-job training. On the other hand, more expansionary programs were also introduced. The most important were: early retirement schemes in 1981; more generous methods to calculate pension benefits; increases in social contributions paid by employers (that increased labor costs).

- *From the 1990s onwards.* At the beginning of the 1990s the Italian welfare system had reached a certain maturity, in line with the other European countries. However, in those years, the challenges facing Italian governments increased: an economic crisis, a deep political crisis, complying with European constraints regarding the spending/public debt ratio in order to enter the European Monetary System. Throughout the 1990s, state interventions were mostly aimed at labor policies: introduction of temporary employment in 1997; reform of the job placement system, entailing the end of public monopoly and the entry of private companies; the first active policy measures to allow weaker social groups to enter the labor market; and the reform of the pension system (1995), which introduced regulations regarding eligibility and criteria that were not as generous as before. On the other hand, during the 1990s even family benefits were reformed (in addition to attempting to introduce a minimum income) and more generously granted on the basis of "socioeconomic indexes." In more recent years, labor policies and pensions continue to be in the forefront.

Overall, we note that the amount of social spending as a percentage of GDP has been rather limited in Italy (see Table 1 in Appendix, p. 17) and, in the early 1980s, was still below the European average – despite the increase in welfare measures between the 1950s and the 1970s, especially concerning pensions and health care. During the 1980s, however, it increased substantially, to reach the EU-15 average in the early 1990s. At the end of the 1990s social spending once again fell below the European average.

Nevertheless, for historical reasons, Italy has the highest public debt of the EU member states (see Table 2, p. 17). This makes the problem of reducing public spending much more macroscopic and urgent than in the other EU countries and maintaining the levels of welfare provision a very controversial and delicate issue.

As to the tax burden, the Italian social model is characterized by a tax rate that is a few percentage points higher than the European average. Table 3 (p. 17) shows the tax burden as a percentage of GDP. Since both direct and indirect taxes as a percentage of GDP are higher than the European average, labor costs tend to be higher. Table 3 also shows the implicit tax rate on employed labor calculated by Eurostat.[1] It is quite evident that even in this case, the implicit tax rate tends to be higher than the European average. Italy is one of the countries that penalizes employed labor the most. This is caused not so much by the tax wedge – a recent study of the manufacturing sector (Capparucci, Ghignoni, Naddeo, 2005) demonstrated that in Italy the tax wedge for different categories of workers employed in the manufacturing sector does not differ much from other European countries – but by the incidence of such taxes on production factors as the Regional Tax on productive activities (introduced at the end of the 1990s).

Moreover, Table 4 (p. 18) shows that, in the last few years, the main indicators of economic performance have recorded rather low values. We see that in Italy production is stagnant, there has been a gradual loss of market share abroad, as well as a drop in investments and family consumer spending. Nevertheless, the prospect of lowering taxes on employed labor would have a negative impact on those measures that finance welfare institutions. As we have shown, in Italy social spending is below the European average; further cuts motivated by the need to reduce labor costs would penalize Italian workers compared to the other European countries.

2.2. Regulatory mechanisms and the involvement of interest associations in policymaking

As far as the other features of the European social model are concerned, the standard account of the Italian model usually focuses on the following: a) high labor-market rigidity; b) high influence of medium-strong unions and relatively coordinated wage bargaining; and c) diffusion of social pacts as methods for negotiated policymaking.

Actually, until the late 1960s, policymaking in Italy was characterized by unilateral initiatives of governments and by external pressures from social partners. Although the Italian economic situation required intervention in policies, the social partners had not developed structures and strategies suitable to directly affect policymaking.

On the one hand, up to the mid-1970s, governments were able to curb inflation by means of unilateral monetary and fiscal measures. On the other, trade-union confederations had little desire, and even less ability, to build consensus on wage restraint, not

[1] "The implicit tax rate (ITR) on employed labor is defined as the sum of all direct and indirect taxes and employees' and employers' social contributions levied on employed labor income divided by the total compensation of employees working in the economic territory increased by taxes on wage bill and payroll. The ITR on labor is calculated for employed labor only (so excluding the tax burden falling on social transfers, including pensions). The implicit tax rate on labor should be seen as a summary measure that approximates an average effective tax burden on labor income in the economy. " (Eurostat, *Structures of the taxation systems in the European Union*)

least because of their low levels of workplace representation. Although from the first half of the 1970s onwards the unions were able to increase their membership (see Table 5, p. 18), their strategy of action was still to exert external influence on decision-making processes by means of collective mobilization. However, by the end of that decade, the economic crisis in Italy generated very high rates of inflation and rising unemployment, creating conditions that made concerted agreements on economic policy necessary.

Inflationary pressures obliged governments to adopt measures contrary to those which they had imposed unilaterally (monetary and fiscal policies) in previous years (Salvati, 2001). Until the end of the 1970s, Italian governments were formed by unstable majorities consisting mainly of "center-left-oriented" party coalitions with strong affiliations with the unions. Hence it became increasingly necessary for them to negotiate economic policy measures – especially incomes policies – with the social partners. Both employers' associations and trade unions regarded such political negotiation as a second-best solution, but neither could pursue their interests the way they used to (for the unions, wage improvements by collective bargaining; for employers, by transferring high labor costs onto price increases). It should be noted that, in Italy, the unions are divided along political lines and often competitive but, until 2002, they found ways to overcome their divisions and to make concertation possible.

Thus began the period of "political exchange": "bargained laws" during the 1970s (in 1977 a law on the restructuring of firms; in 1978 the law on vocational training; in 1979 a law to support youth employment) and tripartite agreements during the early 1980s (on incomes policies in 1983 and on labor-market flexibility in 1984). After that period, tripartite negotiation entered a crisis until the early 1990s.

The distribution of social pacts over time shows that the first experiences in the late 1970s and early 1980s were disappointing and led the actors to abandon tripartite concertation for about a decade (see Table 6, p. 19). The two tripartite agreements of 1992 and 1993, however, were generally greeted as very successful in reaching their goals, as well as having the latent function of institutionalizing the highly voluntarist system of industrial relations in Italy. This very success of the method of concertation accounts for all the actors' greater willingness to rely on it as a consensual and effective mode of governance.

In 1995, 1996 and 1998 social pacts were tried again in different policy areas. But their effectiveness declined, and they slowly turned into little more than symbolic action, indicating all the actors' willingness to cooperate towards achieving the public good – until even their symbolic value was seriously undermined by the breakdown of the unions' unity in the 2002 Pact.

The 2002 Pact and the ensuing reform of the labor market led to a period of crisis of concertation (partly due to the end of trade union unity and partly to the unwillingness of the center-right government to involve the social partners). Following the victory of the center-left coalition in 2006 elections, the dialogue between the social partners resumed and, given the country's socioeconomic crisis, they immediately pressed for a new social pact. The "Pact for Welfare" finally signed in 2007 has been termed a "new generation pact," mainly for the issues that were the subject of the negotiation. In fact, the agenda of concertation for the first time included the management of flexibility and the reform of welfare in terms of greater inclusion.

The negotiation of incomes policy was incremental until the July 1993 Pact on the structure of collective bargaining. Studies on the impact of the 1993 pact show a relative wage drift. This means that wage negotiation at the company level sometimes tends to overlap with the national, industry-wide one. In Italy company-level bargaining has mainly pay components, but the "fixed" ones (or the traditional ones, i.e., the practices followed prior to the July 1993 agreement) have diminished over time, being replaced by bonuses based on company performance. The wage drift is thus relatively small and in 2007 not present at all (De Novellis, Origo, Vignocchi, 2002; CNEL, 2004; Bordogna, Marchetti, 2002; Bordogna, 1997; CNEL, 2007; Rossi, Sestito, 2000; Casadio, Lamelas, Rodano, 2004).

As to labor-market policies, in the early 1990s they were limited to generic pledges, while they came to the forefront with the 1996 Pact for Employment, the 2002 Pact for Italy, and the 2007 Pact for Welfare. From this point of view, trade unions and their role in regulating the economy acquired a certain importance vis-à-vis the challenges that European economies face regarding the need for greater flexibility in the labor market (Regini, 2000).

In 1999, the OECD considered the Italian labor market one of the most rigid in Europe. In 2004, the OECD revised its estimate – because its analysis of the costs of dismissing a worker was based on a serious calculation mistake – and Italy is now considered to be one of the countries with intermediate rigidity. The last column of Table 7 (p. 19) shows the "overall EPL **(**Employment Protection Legislation) index" of the main European countries as a synthetic measure of rigidity of their labor markets. In 2003, Italy had an intermediate level of rigidity as far as the regulation of temporary employment is concerned. However, the index remains rather high if we consider the measures regulating the dismissal of workers.

If we observe the trend in the regulation/deregulation of the Italian labor market, we see that, over time, interventions regarding dismissals (including the shock absorbers and active policy measures) are virtually non-existent. One sees, however, numerous interventions that aimed to regulate entrance into the labor market (with increasingly less stringent restrictions) that culminated with the Law of 2003 that further expanded the scope of atypical work.

However, what characterizes these interventions aimed at those first entering the labor market is the relative consensus of the trade unions, since most of these interventions were negotiated between the social partners (either through national tripartite concertation or bilateral collective bargaining). The exception is Law 30 of 2003 that put into effect the social pact of 2002. In this case, the largest trade union confederation (CGIL) not only refused to sign the pact but also called a series of strikes in the following months. Instead, the last social pact that was signed (in 2007) represented an intervention aimed at offsettting the effects of the increased flexibility in labor-market entry. For the time being, the deregulation of the Italian labor market seems to apply mainly to those first entering the labor market and has not just been the result of unilateral interventions by governments.

The role of trade unions in socioeconomic regulation now stands at an important crossroads. Table 5 (p. 18) clearly shows that, since the 1980s, there has been a decline in trade union membership in Europe. This is mainly due to changes in the labor market (expansion of the tertiary sector, spread of fixed-term contracts, higher unemployment, etc.). The decrease in the number of unionized workers has generally weakened trade unions' bargaining power and has made them more dependent on the decisions and support of other actors in the political and industrial arena (Visser, 2005). Compared to the past, however, the differences are less noticeable in Italy than in other European countries: in 2003, 2004 and 2005, union membership in Italy was still about 33 percent (Giacinto, 2007). Trade unions continue to be rather strong and deeply rooted in the workplace and continue, therefore, to be an important component of the overall Italian social model.

3. THE MAIN DIVIDING LINES WITHIN THE ITALIAN SOCIAL MODEL

The social model described in the previous pages represents a kind of "national average." However, as pointed out in the Introduction, in Italy there are various types of "deviations from the average."

3.1. The territorial differences: how many social models?

The most obvious and studied internal dividing line in Italy is the territorial one. As far as the theme of our paper is concerned, we may highlight a coexistence of different social models in different areas of the country that show varying degrees of welfare standards, divergent objectives of territorial social pacts, wide variation in unemployment rates and actual labor market regulation, different rates of poverty, etc.

Although the Italian welfare regime is considered to follow the traditions of the "conservative-corporative" model, some scholars have pointed out that it has some specific features that make it resemble the welfare regimes of other Mediterranean countries (Spain, Greece, Portugal) (Paci, 1987; Ferrera, 1996). Thus, it has been observed that in Italy the standards of welfare are not homogeneous, nor are the types of social coverage. This first section will describe the main territorial differences that have historically been the socioeconomic dividing line. The next section will describe the differences in types of social coverage.

The first territorial dividing line can be found in the different items of welfare expenditure. Table 8 (p. 19) shows Italian social expenditure in 2005 divided into three main items. The largest amount is spent on social security (to cover pensions, unemployment benefits, occupational accidents, maternity leave and sick leave), with over 80 percent to cover pensions (Istat, 2007). The National Health Service represents the second item of welfare expenditure.

In these two welfare programs, there are notable differences between North and South. Both types of program show that public resources are sometimes used for private purposes because of a double deficit of state authority (Ferrera, 1996, 2000) – namely, a low degree of institutional control over the distribution of welfare expenditure and over the recipients – and that this is particularly significant in the South.

The national health system is managed by regional governments, which control the local health agencies and set the level of user charges, although subject to some control of the Health Ministry. Differences between regions in wealth levels, political coalitions in office and competence of the political élite brought to very different outcomes, with the Southern regions often charged for *malasanità* – health inefficiency or corruption.

One of the most controversial aspects of health expenditure concerns the mixture of public and private. In Italy, numerous health services (diagnostic and therapeutic) are outsourced to private hospitals and the largest amount of such costs is spent in the South. This mixture has often led to a considerable waste of public funds and inefficiency (factors that are often associated with the way the National Health Service is administered in the South), as well as forms of outsourcing that are not transparent and even defined as "forms of collusive manipulation between private suppliers and public administrators" (Ferrera 1996: 80).

On the other hand, if we observe the total and per capita amount of health spending by geographic area (see Table 9, p. 20), the differences between North and South seem to be less marked. Since the 1970s (when the National Health Service was set up), health spending across the national territory has become more balanced. Nevertheless, there are still considerable differences in terms of the health services actually obtained considering the notable differences between expenditure and the financing objectively required. In many regions of the South, there continues to be a notable imbalance between the volume of resources possessed and the needs of the population (Mapelli, 2007). To give an example, a rough indicator of this imbalance can be the number of beds in hospitals per thousand inhabitants: the lowest number is recorded in the South with 3.7 beds, compared to 4.6 in the Center and 4.5 in the North. Even the number of personnel employed in the National Health Service is lower here, compared to the rest of Italy: about one doctor and four auxiliary personnel per 1000 inhabitants compared to almost three doctors and six auxiliary personnel in the Center and North (Istat, 2007).

However, the most striking difference is shown by the flux of patients hospitalized in other regions. Between 1999 and 2003, hospital inter-regional mobility increased: the percentage of patients hospitalized in regions different than their own increased from 6.7 percent to 7.1 percent. The flux of those leaving the region of residence is far greater in the South and the displacements are mainly to the North (in 2003, the number of non-resident citizens hospitalized in Lombardy amounted to 134,000) (Istat, 2005).

Why this flux of people from one region to another? Since the national health system guarantees health care for all citizens, the inhabitants of a region with poor or outdated medical facilities can request medical services in regions that are wealthier and have better equipped medical facilities. Especially for more complex and therefore more costly medical procedures such as highly specialized surgery (6 percent of hospital mobility is related to specialized treatment) or therapeutic treatments using state-of-the-art technology; therefore, there is a considerable movement of people from the Southern regions to the hospitals of the Center-North (Istat, 2005). Thus, the level of per capita health expenditure is only apparently analogous in the three main territorial areas. In fact, the available data that we give in table 9 are not adjusted to take inter-regional mobility into account, as the region where the inhabitant lives transfers the corresponding amount to the region providing the requested medical service only at a later stage. This means that the per capita expenditure of the Southern regions is actually far higher than in the North (which consequently has to manage its own health services much more effectively since it has a larger number of users than its residents alone) and therefore weighs much more on the public budgets.

The "state authority deficit" is particularly significant as far as pensions are concerned, not so much the amounts as the number of recipients. The welfare regime in the South has been – and, in part, still is – characterized by patronage in the payment of pensions. This has represented a hidden practice of income redistribution to the population in many regions of the South, along with exempting employers from paying social security contributions (Boeri, 2000). Up to the 1980s, in the South, the "social security market" (Ferrera, 1984) was mainly based on disability pensions (see first column in Table 10, p. 20). In 1984, the criteria for receiving these pensions were tightened and the social security market shifted to civilian disability pensions (i.e., no longer based on previous employment, thus making it even easier to obtain such pensions) (Ferrera, 1996, 2000). Table 10 shows that most of these welfare pensions are paid in the South. Data on civil disability pensions (in parenthesis) especially show their heavy concentration in the South.

Despite this "welfarist orientation," Italian social expenditure can barely provide adequate support to the poorest part of the population (Boeri, 2000). Eurostat (2005) estimates that in 2003 the risk of poverty did not significantly decrease after payment of social transfers (social security and welfare), unlike what occurs in Sweden or Denmark (countries where the risk of poverty decreases considerably after social transfers are paid). As shown in Table 11 (p. 20), most of the poor families and poor persons live in the South of Italy.

Moreover, the socioeconomic differences between North and South are historically characterized by a labor market that is territorially segmented. Graph 1 (p. 21) shows the trend of unemployment rates by geographic area. We can see that these rates are much higher in the South than in Northern and Central Italy and also that long-term unemployment is heavily concentrated there: in 2004 the rate was about 8.2 percent compared to 1.7 percent in the North-West (Ministry of Social Solidarity).

However, Graph 1 shows that since 2001 the unemployment rate has begun to decrease. This is mainly due to the resumption of the internal (within Italy) mobility of workers, although for shorter periods of time and with lower changes in residence than in the 1960s. What now seem to increase are the psychological costs of being uprooted. However, what also affects the type of internal mobility is the decrease in the number of available stable jobs in the areas to which people are moving. The Italian labor market is therefore characterized by almost full employment in the Center-North and what can be defined as mass unemployment in the South (Reyneri, 2005).

However, the flight from unemployment was not only characterized by emigration towards areas with a strong labor demand. There are two other factors that have historically affected the labor market in the South: the concentration of jobs in public administration and the size of the underground economy.

The desire to obtain a civil service job is traditionally much higher in the South than in the North. This is mainly because there are fewer jobs available in the South, but also because more jobs in public administration have been created in the South than in the Center-North (Boeri, 2000). The percentage of public employees on the total work force is in the South almost double what it is in the North.

The South has also traditionally been characterized by a large number of irregular jobs in the main sectors of the economy (while there are fewer atypical and temporary jobs compared to the Center-North): excluding public administration, almost four out of ten people employed have an irregular job. This deep-rooted situation is due to various factors: the widespread existence of small family businesses, the high rate of poverty, the lower educational level and lower civic pride (Reyneri 2005).

The existence of different socioeconomic areas in the national territory also led to the spread of decentralized levels of negotiation of public policies, especially those regarding employment and economic development. Since the second half of the 1990s, alongside national tripartite negotiations, "territorial pacts" have become widespread.

Territorial pacts, based on formal agreements among local governments, unions and employers' organizations, and other important local actors – such as banks, universities and various private participants – are innovative forms of decentralized social dialogue or concertation, aimed at the consensual planning of local initiatives for economic and occupational development. Another form of territorial pact introduced subsequently by legislation was the so-called "area agreement," especially targeted to less developed areas with higher unemployment, primarily, though not exclusively, in southern Italy. While intended to mobilize local resources, these latter agreements should have meant greater wage and labor-market flexibility as well; however, sharp divisions among the trade unions emerged on this sensitive issue.

A research study carried out in 2003 by the Ministry of the Economy and Finance shows that, since 1997, 220 territorial pacts have been signed. The percentage of the population and territory covered by these pacts is higher in the South: the municipalities affected by the pacts cover about 80 percent of the population and territory in the South compared to only 30 percent in the North. Some types of pact were mainly signed in the South: e.g., those signed at the end of the 1990s (termed "first generation pacts") and those for which the resources to support business initiatives were singled out in the budget law. Others were mainly signed in the North: these were pacts for territories struck by natural calamities. From the financial viewpoint, the territorial pacts (especially the first generation ones) seem to be efficient, as payment of funds takes place rather quickly. Nevertheless, they do not seem to have produced many economic and institutional outcomes (production of public goods, greater efficiency of administrations, consolidated relationships between the signatory partners).

The record of these forms of decentralized bargaining at the territorial level is, therefore, less impressive than was originally expected. While several case studies (Barbera 2001; Regalia 2001) have shown instances of success, the overall attempt to decentralize tripartism and broaden its scope has been hampered not just by divisions among unions and by insufficient resources provided by local institutions. More importantly, employers have in most cases been lukewarm participants and have generally not cooperated actively to insure success. The main reason is that they have mainly regarded territorial tripartism as yet another level of bargaining, at a time when they were becoming increasingly unhappy about the two-level structure of collective bargaining set up by the tripartite agreement of 1993.

3.2. A mixed type of welfare regime

A second dividing line, whose implications are far less discussed, stems from the coexistence of quite different principles in the various national welfare programs, namely, a particularistic, occupation-based principle in such programs as pensions or unemployment benefits vs. a universalistic, citizenship-based one in the provision of others, such as health or education.

In terms of social expenditure, the former programs prevail over the latter to a greater extent than in other European countries. The quantitative and political salience of expenditure in occupation-based pension programs explains why Italy is commonly placed in the conservative type of welfare regime (Esping-Andersen 1999). But health and education are not irrelevant in terms of social spending, although below the European average (see Table 12, p. 21), and they are provided on a universalistic basis. This internal inconsistency of the Italian welfare regime has some important implications that we will discuss in the Conclusions.

Of the pensions paid out, up to 83 prcent (see Table 10 in the Appendix) go to people who paid contributions when they were employed. The Italian pension system is highly differentiated and based on occupational categories, especially as regards the amount of contributions and benefits respectively (Ferrera, 1996; Samek, 2000).

Table 13 (p. 21) highlights the benefits/contributions ratio (also excluding purely welfare transfers). For private employees, public employees and artisans, shopkeepers, farmers, expenditure for benefits is higher than revenues from the contributions paid. However, for the self-employed and fixed-term collaborators, the benefits are lower than the contributions paid in. In fact, fixed-term collaborators (*parasubordinati*, meaning that they are formally self-employed but actually working for one employer) form a contributory category created in 1996 following labor-market reform (see section 2), with pensions first paid in 2000. This category is therefore still evolving, mainly made up of persons aged 25-39 (Ministry of Labor and Social Security, 2007).

Hence, for many years, there has been an imbalance in favor of the traditional components of the work force, with social expenditure for them higher than contributions paid. The current imbalance represents a serious problem, given the decrease in the number of workers (and therefore contributors) due to demographic and labor-market trends. On the one hand, there has been a decline in birthrate and, on the other, a change in employment rates. As the data show, in the case of artisans and farmers, not only are benefits higher than contributions, but the number of pensions is much higher than the number of contributors, since in these sectors the replacement ratio is very low due not only to the decrease in birthrates but also to changes in occupational choices.

The Italian pension system is therefore extremely particularistic and social benefits differ considerably according to occupational category. The same is true for income support measures during periods of worker unemployment or reduced employment. In Italy, there are no unemployment benefits for the self-employed and people first entering the labor market (a minimum of "seniority" contributions are necessary). Even in this case, there is a high degree of fragmentation since the type of unemployment benefits depends on the kind of job lost (sector and size of firm, type of contract) and the reasons for dismissal (collective or individual dismissal) (Samek, 2000).

The ordinary unemployment benefits for unemployed workers (regulated differently for construction and agricultural workers) are based on contributions and have recently been increased to 40 percent of the previous pay and last only six months. However, in Italy, there is a form of unemployment benefits for the "partially unemployed" (*Cassa Integrazione Guadagni*, or Redundancy Fund). It is an income support measure for redundant workers and only applies to large companies. This tool to deal with partial unemployment has traditionally enjoyed high public support and is welcomed by companies, since they can avail themselves of this Fund instead of having to dismiss redundant workers. It is not the traditional unemployment benefit, since workers keep their jobs. Rather, it is a form of social protection for the "insiders" only, that we shall discuss in section 3.3 below.

In Italy, the expenditure on unemployment benefits as a percentage of GDP is far below the European average (see Table 12, p. 21). Italy is one of the European countries with the lowest income support measures for the unemployed and with a low rate of coverage (Reyneri, 2005). Only 22 percent of the unemployed in 2005 were covered by unemployment benefits (and 5.8 percent by mobility benefits). Moreover, the percentage of those benefitting from the Redundancy Fund have almost doubled compared to those receiving unemployment benefits. This demonstrates that the Redundancy Fund still represents an important "shock absorber," although it only applies to specific occupational categories, thus confirming the particularistic nature of the income support measures for the unemployed. We can therefore conclude that the Italian social security system is highly fragmented at the institutional level and in terms of coverage.

However, as pointed out earlier, there are two important areas of public spending that are characterized by universalistic coverage, namely, health and education. Table 12 (p. 21) shows that, as a percentage of GDP, the expenditure for both is close to the European average, even though slightly below. The National Health Service is a public and universalistic system aimed at guaranteeing health care to all citizens. It was planned to be an entitlement and was not means-tested. Later, the financial situation generated pressure to introduce user charges in order to avoid waste, even if this might lead to inequalities, and means-testing for most medical examinations and medicines. However, although regulated by law, both user charges and exemptions to them were often not enforced, due to the inability of administrations to make citizens comply with the laws (Ferrera, 2000). Therefore, the health system is fundamentally characterized by universalistic criteria based on citizenship. For some services, such as access to hospital emergency wards, Italian citizenship is not even required since everyone can be treated free of charge.

The public education system is also universalistic. Education is provided for all citizens, regardless of family income, and is almost free of charge. More specifically, education is free and compulsory for children between six and sixteen. It includes five years of universal primary school, three years of universal intermediate school and two years of higher instruction in high schools, in professional, regionally-administered schools, or with a parallel work and study program as apprentices. Primary school includes book benefits, while from the age of twelve the costs of books and transport, and the almost symbolic fees for high schools, are charged to families, sometimes with benefits from local authorities. Universities are both public and private; public universities are mainly financed by the State and have low, income-related fees and means-tested support for low-income students, while private universities (a small minority in Italian higher education) have much higher fees.

3.3. A social model for insiders only?

A third dividing line within the Italian social model has attracted less attention from sociologists and political scientists but has been highlighted by both economists and labor lawyers. A number of scholars in these fields have considered the extent to which different features of the Italian social model apply to different categories of workers and/or citizens. Namely, a high job and income security for core workers and their families (the insiders) vs. a relatively high dependence on the market and on residual forms of welfare for the others (the outsiders). Also, trade-union strategy has been heavily focused on protecting core membership and a tripartite concertation often conceived as an exclusive club in which the outsiders' demands are not represented.

Table 14 (p. 22) provides some data on the size of the Italian work force that we can consider core, in that it enjoys strong protection from the market. By enjoying "strong protection," we mean that the law provides a high level of both job and income security to about 41 percent of the Italian workforce (the "insiders," mostly employees in medium-large companies and in public administration), while about 59 percent (the "outsiders") enjoys far lower security. Moreover, welfare programs that are occupation-based, such as pensions, tend to be more generous to the insiders. Finally, trade unions overwhelmingly represent the interests of insiders, as well as retired workers, while the outsiders' interests are only occasionally or indirectly represented.

The one legal clause that provides the insiders with high job security is the (in)famous article 18 of the *Statuto dei lavoratori* (Workers' Charter) passed in 1970, at the height of union power. This clause regulates individual dismissals in an extremely restrictive way. Compared to other countries, sanctions against unfair dismissals are particularly severe and widely applied. Early legislation was passed in 1966, on the basis of the 1965 national collective agreement. The 1970 Workers' Charter then strengthened protection against unfair dismissals by extending its coverage to firms with at least sixteen employees and by introducing more severe sanctions. In 1990 coverage was extended to all firms, although smaller ones are subject to less stringent sanctions in cases of unfair dismissal. These norms are extremely rigid and the procedures long and quite complex. Moreover, the final outcome is often uncertain since it depends on subjective interpretations by the labor courts concerning the existence of justified grounds for dismissal. The entire process from notification of dismissal to the final decision by the court can take up to ten years (Samek, 2000). After several failed attempts, however, the abolition of article 18 is still on the Italian political agenda.

As to income security for insiders, since 1947, with major reforms in 1975, cash benefits are provided to those workers who are temporarily laid off or who work only for reduced time due to temporary problems at the workplace. In this connection, the Redundancy Fund (*Cassa integrazione guadagni*) aims to help companies in financial difficulty by relieving them of the costs of unused work force, and also supporting those workers who risk losing part of their income. The workers receive 80 percent of their previous wages, under a maximum level established by law, and their contributions for pensions are counted as paid, even if they are not (*contributi figurativi*).

Along with the Redundancy Fund, since 1984 companies can also apply for Solidarity Contracts: after a negotiation with the local trade unions, the company can establish contracts with reduced working time, in order to avoid dismissing redundant workers. The state will grant those workers 60 percent of the wages lost. These contracts can last up to four years, five in the South. Since 1993, these Solidarity Contracts can also apply to companies not entitled to the Redundancy Fund. In this case, the state and the company each give the workers 25 percent of the wages lost, for up to two years.

If the Redundancy Fund fails to help the company to recover financially, the workers can be entitled to mobility allowances (*indennità di mobilità*), if they have permanent employment contracts and have been employed in the previous twelve months. Other companies are provided incentives to employ them. The period of mobility allowance is generally up to twelve months. To remain entitled to these allowances, the worker is obliged to attend a training program or take on a similar job with a wage up to 90 percent of the previous one, or communicate to the Social Security Board that he/she has found a temporary or part-time job.

While core workers enjoy high job and income security, Italy has an unusually high rate of youth unemployment. One of the main causes has been the peculiar family regime of the Italian welfare state. Italy is the European country that spends the least on public policies in favor of those seeking a first-time job and the least generous in providing unemployment benefits. This situation exerts a certain pressure on those people who have lost their jobs. They are usually adults who are under considerable pressure to find a new job in order to prevent a sharp drop in the family income. In contrast, those who are just entering the job market are young people, still living at home. Since they can often count on their parents' financial support, they have more time to look for a job. The competition is therefore between ex-insiders, who have to find a job as soon as possible, and outsiders, who can afford to wait.

4. Conclusions

Internal differences within the Italian social model certainly make it rather inconsistent, but would not *per se* lead to the "uneasy co-existence" which the title of our paper suggests.

Our basic argument, however, is that the three dividing lines substantially endanger the legitimacy and social acceptance of what we labeled as the Italian social model. Each of the three contradictions that we described profoundly affects the perceptions of workers and citizens, leading to widespread criticism of even those aspects that clearly benefit them and, at the same time and somewhat paradoxically, to fierce opposition to the several attempts at reforming the "Italian model."

As a conclusion to our analysis, in what follows we'll deal briefly with this outcome of the coexistence of different social models in Italy, namely, the loss of legitimacy of the overall social model, plagued by contrasting grievances and demands; a paradoxical result indeed, if one considers that the very existence of a social model is meant to increase consensus and acceptance of market outcomes. This, incidentally, is likely to have played a major role in the recent (2008) political elections won by the center-right coalition.

4.1. It may not be difficult to understand why permanent, or even increasing, territorial differences in both the performance and the costs of the social model are in the long run a source of major tensions and conflicts. Residents of the areas - mostly in the South - that experience lower welfare standards, higher unemployment, inefficient mechanisms of labor-market regulation and public policymaking, come to see themselves as citizens deprived of their rights. They depend on state resources and policies to a far greater extent than residents of more economically developed areas, but, at the same time, they protest against the ineffectiveness of state policies and redistribution.

On the other hand, residents of the wealthier and more dynamic areas resent having to pay high taxes to support an inefficient, often corrupt, system which provides benefits unrelated to contributions; a system which, furthermore, is seen to hinder the competitiveness of those areas by devolving the resources needed for local infrastructures to the poorer areas, without actually helping their economic development.

4.2. It may be more difficult to see why the co-existence of a particularistic, occupation-based principle in pensions and unemployment benefits and a universalistic, citizenship-based one in the provision of health and education should have any impact on the perceived legitimacy of the Italian social model. Actually, the Italian welfare state began to be built along the lines of the corporatist-conservative model, or of its Mediterranean variant. However, in the 1970s, increases in public spending and a major focus on universality brought it on the same path as social-democratic regimes. These policies proved to be financially unsustainable, as public debt and inflation grew threateningly, and in the 1990s efforts at decentralization and privatization were carried on in order to cope with European pressures for economic stability. But the "seed" (so to speak) of universalistic coverage, namely the idea of a full social citizenship, remained deeply entrenched, forging citizens' attitudes and especially interest associations' strategies. To the extent that political rhetoric and public discourse are important instruments in the struggle for legitimacy and social acceptance, it is worth noting that two out of the three Italian labor confederations have made the explicit choice to redefine themselves as defenders of citizenship rights.

First came UIL, the third largest trade union in Italy, which some twenty years ago adopted the new slogan of a "citizens' union." Even more significant was the choice made by CGIL (the largest confederation) in its 1991 national congress, then reaffirmed in the following conventions, to change into a *sindacato dei diritti* (literally, a union for rights), in implicit opposition to the traditional role of any trade union to pursue (workers') interests. Whether these choices were just value options at a rhetorical-symbolic level, as several commentators maintained, or actual strategic decisions with practical consequences, they would have been unthinkable in a welfare regime exclusively permeated by a corporatist, occupation-based logic.

More importantly, they contributed to the widespread feeling that the specific forms of social protection historically achieved by legislation or by collective bargaining should be conceived as "rights" or entitlements, and as such non-negotiable and enforceable irrespective of changing power relations. It is this largely shared view, or perhaps ideology, which has shaped much of the diffuse opposition to labor-market and welfare reforms in Italy and which has proved especially resistant to changes in its social model more generally.

4.3. Lastly, the unfairness of a social model providing almost exclusive representation, as well as high job and income security, only to core workers and their families (the insiders), while leaving the outsiders largely unprotected, has contributed to its loss of legitimacy. On the one hand, trade unions and tripartite concertation (two pillars of the Italian social model) fell easily under attack for this reason. Italian trade unions had, at least from the time of the "struggle for social reforms" in late 1960s, traditionally voiced support of "general interests" over particularistic demands. The later adoption of a strategy in favor of citizenship rights that we just described was in a sense a logical development of this ideology. Yet such an ideology stood in sharp contrast to the concrete, daily action for the defense of insiders' interests. This led to conflicts inside the unions and to a general decrease in their acceptance by public opinion.

On the other hand, the view according to which the Italian social model was designed to protect insiders at the expense of outsiders, advanced by several economists with the aim of increasing its fairness (e.g. Bertola and Ichino, 1995), was often used in public debate as a powerful argument for cutting welfare provisions, weakening trade unions and rejecting tripartite concertation.

To conclude, the internal differences in the Italian social model that we highlight do not just lead to its fragmentation and low effectiveness. More importantly, they endanger its legitimacy and social acceptance. In fact, one rather neglected consequence of these differences is to affect the perceptions of workers and citizens, leading to an often paradoxical mix of severe criticism of the shortcomings of the Italian social model and of fierce opposition to most attempts at reforming it.

APPENDIX

Table 1. Social expenditure as a % of GDP

	1960	1980	1990	2000	2001	2002	2003	2004	2005
Italy	**16.8**	**18.2**	**24.0**	**24.7**	**24.9**	**25.3**	**25.8**	**26.0**	**26.4**
France		20.8	27.3	29.5	29.6	30.4	30.9	31.3	31.5
Germany	20.4	23.8	25.4	29.3	29.4	30.0	30.3	29.6	29.4
Spain		15.5	19.9	20.3	20.0	20.3	20.4	20.6	20.8
Sweden	15.4	28.6	33.1	30.7	31.2	32.2	33.2	32.7	32.0
UK	13.9	16.6	22.8	26.9	27.3	26.2	26.2	26.3	26.8
EU-15	:	**21.9**	**24.4**	**27.0**	**27.1**	**27.4**	**27.8**	**27.7**	**27.8**

Sources: OECD (1985); Eurostat (various years)

Table 2. General government gross public debt as a % of GDP

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Italy	**121.2**	**120.6**	**118.1**	**114.9**	**113.7**	**109.1**	**108.7**	**105.6**	**104.3**	**103.8**	**106.2**	**106.8**
France	55.5.	58.0	59.2	59.4	58.9	57.3	56.9	58.8	62.9	64.9	66.7	64. 2
Germany	55.6.	58.4	59.7	60.3	60.9	59.7	58.8	60.3	63.8	65.6	67. 8	67.5
Spain	62.7.	66.8	65.3	63.2	61.5	59.3	55.5	52.5	48.7	46.2	43.0	39.7
Sweden	73.1.	73.9	71.8	70.0	65.6	54.4	55.3	53.7	53.5	52.4	52.2	47.0
UK	50.6.	50.8	49.4	46.3	43.6	41.0	37.7	37.5	38.7	40.4	42.1	43.2
EU - 15	**:**	**:**	**:**	**:**	**:**	**63.2**	**62.2**	**61.6**	**63.0**	**63.3**	**64.2**	**63.0**

Source: Eurostat

Table 3. Taxes as a % of GDP

	Italy			**EU-15**		
	1995	2000	2007	1995[a]	2000	2007
Taxes (as % of GDP)	26.8	29.2	29.9	25.7	26.2	26.3
. Indirect taxes	11.8	14.7	14.7	13.3	13.3	13.5
. Direct taxes	14.5	14.4	15.2	12.1	12.7	12.5
. Capital taxes	0.6	<0.1	<0.1	0.3	0.3	0.3
Social contributions (as % of GDP)	14.4	12.4	13.3	16.1	15.8	15.2
Implicit tax rate on labor	37.8	43.4	43.0[b]	38.2	39.6	39.0[b]

a. Data refers to 1998 (except for Implicit tax rate which refers to 1995)
b. Data refers to 2006
Source: Eurostat

Table 4. Indicators of economic performance (Italy 1977-2007).

INDICATORS	1977	1987	1992	1997	2002	2007
GDP (% variation)	2.3	2.9	0.7	2.0	0.3	1.4
Import of goods and services (% var.)	1.7	11.1	4.7	10.1	-0.8	4.2
Export of goods and services (% var.)	8.2	4.5	6.5	6.2	-3.0	5.2
Gross fixed investments (% var.)	2.7	4.2	-1.4	2.1	1.2	1.2
Households consumptions (%var:)	4.0	3.4	1.3	3.3	0.0	1.3
Added value (whole economy - var. %)	2.2	3.0	0.9	2.0	0.4	1.5
Unemployment rate	7.2	12.0	11.6	11.3	8.6	7.8
Employment rate	54.4	52.6	53.1	52.3	56.7	58.7
Income from work per employee (var. %)	20.5	7.8	5.7	4.0	2.5	1.9
Gross pay per employee (var.%)	24.9	8.5	5.1	3.4	2.5	2.1
Labor cost per product unit (1995=100)		73.9	98.4	106.1	112.1	119.4
Real inflation rate			5.2	2.0	2.5	2.1
Hourly bargained wage (whole economy - % var.)			4.6	4.4	2.1	2.3
Hourly actual wage (whole economy - % var.)			5.2	3.4	2.6	2.3

Sources: our elaboration on Istat, *Rapporto annuale 2004-2007;* OECD; De Novellis. Origo. Vignocchi (2002); Cnel (2004, 2007)

Table 5. Trade union density in Europe

	1960	1970	1980	1990	2000	2001	2002
Italy	**24.7**	**37.0**	**49.6**	**38.8**	**34.9**	**34.8**	**34.0**
France	19.6	21.7	18.3	10.1	9.7	9.6	..
Germany	34.7	32.0	34.9	31.2	25.0	23.5	23.2
Spain				14.7	13.9	..	..
UK				39.3		30.7	30.4
Sweden	70.7	67.7	78.0	80.0	79.1	78.0	78.0
EU-15				**32.8**	**28.5**[a]	**27.3**	**..**

a. it refers to 1999

Sources: Visser (2005); OECD (various years)

Table 6. Social pacts in Italy 1980s-2000s

1983: incomes policy
1984: incomes policy (no CGIL)
1992: abolition of wage-indexation
1993: reform of collective bargaining
1995: pensions reform (no Confindustria)
1996: labor market flexibility
1998: symbolic
2002: labor market flexibility (no CGIL)
2007: social security

Table 7. Summary indicators of the strictness of employment protection legislation (EPL)

	Regular employment			Temporary employment			Collective dismissals		**Overall EPL**	
	late '80s	late '90s	2003	late '80s	late '90s	2003	late '90s	2003	late '90s	**2003**
UK	0.9	0.9	1.1	0.3	0.3	0.4	2.9	2.9	1.0	**1.1**
Ireland	1.6	1.6	1.6	0.3	0.3	0.6	2.4	2.4	1.2	**1.3**
Denmark	1.5	1.5	1.5	3.1	1.4	1.4	3.9	3.9	1.8	**1.8**
Finland	2.8	2.3	2.2	1.9	1.9	1.9	2.6	2.6	2.2	**2.1**
Austria	2.9	2.9	2.4	1.5	1.5	1.5	3.3	3.3	2.4	**2.2**
Netherlands	3.1	3.1	3.1	2.4	1.2	1.2	3.0	3.0	2.3	**2.3**
Italy	**1.8**	**1.8**	**1.8**	**5.4**	**3.6**	**2.1**	**4.9**	**4.9**	**3.1**	**2.4**
Belgium	1.7	1.7	1.7	4.6	2.6	2.6	4.1	4.1	2.5	**2.5**
Germany	2.6	2.7	2.7	3.8	2.3	1.8	3.5	3.8	2.6	**2.5**
Sweden	2.9	2.9	2.9	4.1	1.6	1.6	4.5	4.5	2.6	**2.6**
Greece	2.5	2.3	2.4	4.8	4.8	3.3	3.3	3.3	3.5	**2.9**
France	2.3	2.3	2.5	3.1	3.6	3.6	2.1	2.1	2.8	**2.9**
Spain	3.9	2.6	2.6	3.8	3.3	3.5	3.1	3.1	3.0	**3.1**
Portugal	4.8	4.3	4.4	3.4	3.0	2.8	3.6	3.6	3.7	**3.5**

Source: OECD, *Employment Outlook 2004*

Table 8. Breakdown of social spending in Italy by welfare program (2005)

	Millions of euros	% of the total	% of GDP
Social Security	252,316	66.7	17.1
Health	95,158	25.2	7.3
Public assistance	30,834	8.2	2.0
Total	**378,308**	**100.0**	**26.4**

Source: Istat

Table 9. Breakdown of health expenditure in Italy by geographic area (2005)

	Spending per capita	National Health Service (% of total health expenditure)
North	1,594	37.82
Center	1,756	37.46
South	1,590	42.40
ITALY	**1,624**	**39.33**

Source: Istat

Table 10. % pensions paid by type and geographic area (2005)

	Old age, seniority, survivors	Occupational illness, accidents	Public welfare (civilian disability pensions)
North	51.3	44.1	31.5
Center	20.3	24.2	17.4
South	28.4	31.7	51.0
ITALY	**100.0**	**100.0**	**100.0**

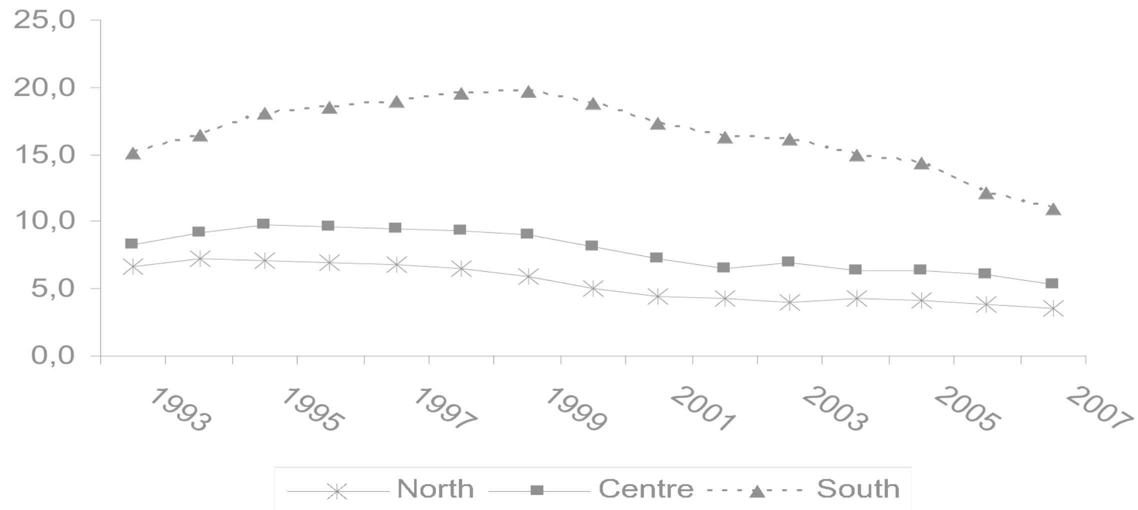
Source: Istat

Table 11. Distribution of poor persons (relative poverty) by geographic area (2006)

	North	Center	South	ITALY
poor persons (millions)	1,447	889	5,201	7,537
total persons (millions)	26,458	11,244	20,669	58,371
% poor	5.5	7.9	25.2	12.9

Source: Istat

Graph 1. Unemployment rate by geographic area (1993-2007).



Source: Istat.

Table 12. Social expenditure by welfare program as % of GDP (2005).

	Italy	EU-15
Pensions	14.0	12.0
Unemployment benefits	0.5	1.7
Health	6.8	7.7
Education	4.4	4.8

Source: Eurostat.

Table 13. Pensions by occupational category (2006).

	Private employees	Public employees	Artisans, farmers, shopkeepers	Self-employed professionals	Fixed-term collaborators
Benefits/ Contributions ratio	102.5	98.9	129.9	54.8	2.6
No. pensions/ No. contributors ratio	80.9	74.4	105.5	25.8	6.7

Source: Ministry of Labour and Social Security (2007)

Table 14 . Size of the Italian work force enjoying "strong protection" from the market (2005)

Italian workforce	***24.451.000***
Unemployed	1.888.000
Employed	22.563.000
Irregular and undeclared workers	2.538.000
Regular employees	20.025.000
Regular self-employed	5.560.000
Regular dependent employee	14.465.000
Dependent employees of private firms < 15 employees[a]	3.197.000
Workers who enjoy "strong protection"	***10.148.000***

a. Drawn from 2001 census of industry and services

Sources: Ichino (1996); Istat (2005)

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