

**INTERNATIONAL ORGANISATION OF EMPLOYERS**

**INSIGHTS ON DIVERSE LABOUR MEASURES IMPLEMENTED BY EMPLOYERS IN THE CONTEXT OF COVID-19**

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# **INDUSTRIAL RELATIONS AND THE CORONAVIRUS OUTBREAK IN ITALY**

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# Summary

1. «Essential» and «non-essential» sectors
2. The tripartite agreement of 14<sup>th</sup> March
3. The surge of *work-from-home* policies
4. The extension of wage supplementation scheme (*Cassa Integrazione*) at all sectors

## Synopsis

Since the outbreak of the SARS-CoV-2 epidemic in Italy (end of February), the government has adopted different decrees, introducing health and safety prescriptions and progressively halting economic activities.

In particular, «essential» sectors may operate, as long as safety protocols are adopted, while complete shutdown has been introduced for «non-essential» sectors, that may only resort to work-from-home solutions or wage supplementation schemes. **In both cases, the role of industrial relations seems central.**

# 1. «Essential» and «non-essential» sectors

- To contain the spread of SARS-CoV-2, on the 22<sup>nd</sup> March, the Italian government adopted a decree which suspended, throughout the country, all industrial and commercial activities, excepted those considered «essential».
- The list of the «essential» activities is based on ATECO codes (Italian version of Eurostat's NACE) and includes mainly food industry, chemical and pharmaceutical industry, some machinery and plant maintenance subsectors, energy & utilities industry, transport, medical equipment distribution, supermarkets.
- According to some estimates (from the Minister of Economy), **2.2 million firms (49,4% of the total)** and **8.6 million workers (51%)** fall into “essential” sectors.
- Confindustria has been warning that the production chains are actually very complex and that the mere selection of the sectors through the ATECO classification may interrupt supply flows also to «essential» sectors.

## 2. The tripartite agreement of 14<sup>th</sup> March

- The agreement, signed on 14<sup>th</sup> March by employers' organisations, trade unions, and the Italian government, aims at **ensuring workers' safety** and **contrasting the spread of the SARS-CoV-2** in the workplaces.
- The agreement envisages a list of **general guidelines** to adapt the business organisations and processes, in order to guarantee the continuation of productions in presence of adequate levels of protection for workers.
- Every firm should draw their **specific safety protocols** from these guidelines (*principle of subsidiarity*).

## 2. The main elements of the agreement

- ✓ **Information** about right conducts to prevent infection
  1. proper and frequent handwashing;
  2. staying at home in case of symptoms;
  3. staying at home in case of contacts with infected people.
  - The aim is to enforce responsibility from everyone in the workplace.
- ✓ **Access to firm's premises** only after temperature measurement, in accordance with privacy regulations, both for workers and external people.
- ✓ **Personal protective equipment (PPE):**
  - The first precautionary measure is respecting the distance of interpersonal security of at least one metre.
  - Only when that is not possible (e.g. assembly lines), workers are advised to wear masks.
- ✓ **Frequent sanitisation of workspaces**
- ✓ **Management of common space** (e.g. workplace canteens, locking rooms) must ensure people's safety.
- ✓ **Adaptation of business organisation** to limit contacts, through promotion of *home-working*, intensification of shifts, adjustment of the production level, suspension of business trips.



### 3. The surge of *work-from-home* policies

- According to the last survey of Confindustria, in 2019 **one out of ten member companies** had already adopted *work-from-home* policies.
- With the outbreak of SARS-CoV-2, both the emergency decree of the Italian government and the tripartite agreement of 14<sup>th</sup> March identified the so-called «smart working» as a way to limit the contagion and simultaneously try not to paralyse the economy.
- Smart working policies can be activated (especially for service sectors and office workers) in every firms, without the need for any agreement between the employer and the employees, exceptionally during this emergency.
- The Ministry of Labour reported +550,000 *new smart workers* during the first two weeks of the emergency - until 13<sup>th</sup> March.

## 4. The urgent measures in terms of wage supplementation schemes

- Wage supplementation schemes consists of income support measures for private employees, activated in case of suspension of, or reduction in, working activities due to temporary events that cannot be ascribed to the employer.
- Generally, since 2015 the scheme applies to every sector and to employers with more than 5 employees (that pay a monthly contribution to be covered).
- Exceptionally, Law-Decree n. 18/2020 has extended the possibility for **every employer**, regardless of dimension and contribution payment, to simply and quickly access this wage supplementation scheme to support employees' income.
- Furthermore, administrative procedures to access the scheme have been simplified.
- According to some estimates (*Parliamentary Budget Office*), in first month, the financial resources will add up to **13.5 billion euros** for **9.3 million workers**.



*Thank you*