

STUDY

Requested by the EMPL committee



The impact of teleworking and digital work on workers and society

Annex VI- Case study on Italy



Policy Department for Economic, Scientific and Quality of Life Policies
Directorate-General for Internal Policies

Author: Daniela LOI
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Abstract

The study analyses recent trends in teleworking, its impacts on workers, employers, and society, and the challenges for policy-making. It provides an overview of the main legislative and policy measures adopted at EU and national level, in order to identify possible policy actions at EU level. The study is based on an extensive literature review; a web survey; interviews with representatives of European and national stakeholders; and five case studies of EU countries: Finland, Germany, Ireland, Italy and Romania.

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AUTHOR

Daniela LOI, Istituto per la Ricerca Sociale (IRS)

ADMINISTRATOR RESPONSIBLE

Aoife KENNEDY

EDITORIAL ASSISTANT

Roberto BIANCHINI

LINGUISTIC VERSIONS

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To contact the Policy Department or to subscribe for email alert updates, please write to:

Policy Department for Economic, Scientific and Quality of Life Policies

European Parliament

L-2929 - Luxembourg

Email: Poldep-Economy-Science@ep.europa.eu

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LIST OF ABBREVIATIONS

CIG	Cassa Integrazione Guadagni (Redundancy Fund or Wage Guarantee Fund)
CGIL	Confederazione Generale Italiana del Lavoro (General Confederation of Italian Workers)
CISL	Confederazione Italiana Sindacati Lavoratori (Italian Confederation of Workers' Trade Unions)
COVID-19	Coronavirus Disease 2019
D.P.C.M.	Decreto del Presidente del Consiglio dei Ministri (Prime Ministerial Decree)
D.P.R.	Decreto del Presidente della Repubblica (Presidential Decree)
EP	European Parliament
EU	European Union
ICT	Information and communication technology
INAIL	Istituto nazionale Assicurazione Infortuni sul Lavoro (National Institution for Insurance against Accidents at Work)
IRS	Istituto per la Ricerca Sociale (Institute for Social Research)
ISTAT	Istituto Nazionale di Statistica (National Institute of Statistics)
POLA	Piano Organizzativo per il Lavoro Agile (Organisational Plan for Agile Work)
RFL - ISTAT	Rilevazione sulle Forze di Lavoro ISTAT (Labour Force Survey)
SME	Small and Medium Enterprise
SMVP	Performance Measuring Evaluation System

STEM Science, Technology, Engineering and Maths

TICTM Telework and ICT-Based Mobile Work

UIL Unione Italiana del Lavoro
(Union of Italian Workers)

1. MAIN CURRENT AND FUTURE TRENDS IN TELEWORK AND ICT-BASED MOBILE WORK (TICTM) IN THE COUNTRY COMPARED TO THE EU AVERAGE

In Italy, ICT-based mobile work is called *lavoro agile* (smart working) in the legislation¹ and it means an organisational and working model based on flexibility and autonomy for the worker, the use of tools that allow remote working, and a specific agreement between the parties opting to use this method of work. Smart working is not simply 'working from home' and it is categorically different from the Italian definition of "telework", which in Italy is defined as working remotely from a fixed work station with equipment provided by the employer and involving the same working hours and conditions as in the office². This study focusses on smart working because it is the form of remote work currently most debated in Italy.

According to Italian law, smart working is primarily characterised by the absence of place and time constraints and also by an organisation by phases, cycles and objectives agreed between the worker and employer. It is carried out only within the legally prescribed limits of maximum daily and weekly working hours and in the framework of collective bargaining. However, during the COVID-19 health emergency, smart working has often been used synonymously with pure "remote working" (distance working without the features above described and without the real flexibility and autonomy required by the legislation).

Smart working was initially introduced for the public sector, under the so-called *Madia* reform in 2015, for the purpose of facilitating work and family balance. It was subsequently regulated for the private sector under Law 81/2017, which expanded its purpose to increase competitiveness. Smart working has long been debated between companies, social partners and work organisation experts, with much discussion of its positive and negative elements and prejudices against its use, and the way in which it is regulated is the result of that debate.

According to Eurofound (2020), Italy is among the Member States with the highest increases in the share of workers (18+) working from home during the COVID-19 crisis. While only 10% worked from home at least several times a week before the pandemic (compared to 15.8% on average in the EU-27), the first wave of the pandemic saw 39.9% start to work from home (compared to 36.5% on average in the EU-27).

According to the Smart Working Observatory in Milan Polytechnic (2020), approximately 30% of large companies were already engaged in structured smart working projects in 2016. This share had increased to 58% in 2019 (it was 16% of Public Administrations and 12% of SME). An increase of smart working can also be seen in the total numbers of smart workers in 2018 and 2019 – in 2019, there were 570,000 smart workers, 20% more than in 2018. The COVID-19 crisis of 2020 and the consequent policies implemented by governments to allow work activities to continue caused an explosion in remote work and in the spread of digital technologies and associated skills.

During the national lockdown period (March-April 2020), 94% of public administrations, 97% of large

¹ The terms 'smart working' and 'lavoro agile' are used interchangeably as they refer to the same organisational and working model. This case study uses only the term 'smart working'.

² Teleworking was introduced in Italy for public sector in 1998 by Law no. 191/1998 and D.P.R. no. 70/1999 that established its operative conditions (in the private sector it is regulated by collective bargaining). The legislation law allows public administrations to use remote work for their employees but only in fixed premises to which the employee is bound (generally their home), with the same working hours as the office, and while functionally and structurally connected to the company through information and communication technology (ICT) tools. Unlike smart working or agile working, teleworking is strictly regulated with regard to work-station, methods of connection, authentication of operating systems, etc. In this study will focus on smart working considering its great diffusion.

companies and 58% of small and medium-sized enterprises (SME) considered the possibility of remote working for 6.58 million workers, approximately one-third of employees³.

Those who already used smart working extended it to a higher percentage of employees (on average 56%) than those who had never used it (36%, on average) (Smart Working Observatory, 2020). Better remote access to equipment also led to the use of smart working for some types of workers previously excluded, such as those in call centres, counter clerk workers and skilled blue – collar workers who in some cases could access machinery remotely.

Data from the Bank of Italy show that during the first half of 2020, over 14% of workers in the private sector (non-agricultural) worked remotely, compared to less than 1.5% a year earlier (Depalo, Giorgi, 2021). The increase mainly affected women⁴, workers in large companies, and those in sectors whose jobs are more suited to being carried out remotely⁵. The share of companies using remote work went from 28.7% to 82.3%, and the gap between geographical areas (especially between the north and south of Italy) and sectors narrowed.

Proven results and greater worker responsibility means that companies and the public sector now consider that smart working offers opportunities beyond the COVID-19 pandemic. The stakeholders interviewed (social partners and experts) noted these positives, both from their experiences in recent years and throughout 2020. While the type of smart working implemented at short notice during the pandemic represents 'remote work' rather than truly smart working, many labour stakeholders are nevertheless looking past traditional organisational work models and processes towards a digital perspective. Beyond the COVID-19 emergency period, smart working may constitute a real competitiveness lever, rather than solely a response to workers' work-life balance.

According to the interviewees, public administrations and companies working in sectors where remote working is possible will continue to use smart working after the restrictions have been lifted. This is particularly true for companies that already see it as having organisational value. Companies that used smart working prior to the pandemic will likely use it more intensively, for example for more days per week. In contrast, those who adopted it solely to limit the impacts of the pandemic - thus without launching real organisational change - will return to their original ways of working.

It is clear that the enforced use of remote work helped to eliminate existing prejudices and triggered real cultural change that has yet to be consolidated. The fact that companies have now invested in technology will contribute to the continuation of smart working as businesses seek to optimise their costs. Some resistance will persist among employers, especially in relation to the difficulties in assessing the performance of remote workers, and among those workers with fewer digital skills.

The smart working trend as a whole is growing and, while it will drop off somewhat after the pandemic, it will nevertheless settle at high levels. The Smart Working Observatory (2020) estimates that the number of workers involved could reach up to 5,350,000⁶ (compared to 570,000 in 2019) and the intensity of smart working activities will increase compared to the pre-pandemic period (new company agreements already show a change from two days per month to at least two or three days per week).

³ In detail, the number of smart workers was estimated at around 1.85 million in the public administrations, around 2.11 million in large companies, around 1.13 million in SME and around 1.5 million in micro-enterprises (Smart Working Observatory, 2020).

⁴ The increase in smart working for women was 15.4% (to 16.9%), 4.1 percentage points (p.p.) more than men (at 12.8%).

⁵ These are ICT sectors and financial and insurance activities, in which smart workers were 58.6% and 51.1%, respectively, of the total (from 5.8% and 1.9%, respectively, in 2019); by contrast, smart workers in the hotel and restaurant sector, where the possibility of working remotely is reduced, remained at the low levels recorded in 2019 (less than 1.5%).

⁶ In detail, after the emergency, the number of smart workers is estimated at around 1.48 million in the public administrations (this growth is expected also in relation to the introduction of the POLA, *infra par.*), about 1.72 million in large companies, about 920 000 in SME, and about 1.23 million in micro-enterprises (Smart Working Observatory, 2020).

Companies will gravitate towards a mix of smart working that provides for days in and out of the office, in full compliance with the law. Although it represents a tool to attract talent living far away from company headquarters, according to some of the stakeholders interviewed, it seems unlikely that it will result in a permanent employment increase in southern Italy by companies based in northern Italy, unless it is purely remote work. In this latter case, social partners and experts emphasise the risk of personnel being outsourced increasingly from other European countries. Smart working is currently more widespread in northern Italy, where certain types of services and technological infrastructures are more widespread. However, the enforced use of smart working during the last year has extended the practice to southern Italy and this trend will be consolidated.

A recent survey on work and the pandemic (Svimez, November 2020) found that since the beginning of the epidemic, 45,000 Italians from large companies returned from northern to central and southern regions to work remotely⁷. The SVIMEZ study estimates that up to 100,000 Italians returned to central and southern regions from northern ones, when considering also workers in SME. Taking into account the companies that used smart working for their entire workforce or at least for more than 80% of them in the first three quarters of 2020, the study shows that about 3% had employees working in southern Italy. The pandemic and the consequent increase in smart working could act as an incentive for southern regions to transform these temporary transfers into permanent ones, improving digital infrastructures, providing co-working spaces, fiscal incentives and care services to make these areas more attractive for smart-workers.

In the same way, areas with high outflows of commuters will only benefit from smart working if there is also investment in technological infrastructure.

The use of smart working has produced new employment in technical sectors and constitutes a lever for digital transformation and the development of digital knowledge. Some professional roles will have to retrain and job segregation will become more marked for those without digital skills.

The use of smart working has also resulted in workplace changes, with the redesign of spaces and ways of carrying out work, both within and outside the company. The redesign of spaces also means redesigning relationships and adopting approaches that are orientated towards flexibility, team working and results, rather than being based on the physical workstation and workers' presence. Many corporate offices are likely to decommission, with single offices replaced with shared open space, or to relocate corporate hubs/offices or to create co-working spaces for workers from different organisations⁸ to allow people to work closer to home. The Smart Working Observatory (2020) estimates that the redesign of workspaces will affect 51% of large companies.

The trend is thus towards hybrid ways of working while retaining the fundamental role of company premises as part of workers' identity. The extent of the transformation wrought by the adoption of smart working (not simply remote working) is considerable and requires a cohesive approach to simultaneous spatial, organisational, technological and management changes.

⁷ The survey was carried out by Datamining on behalf of Svimez on 150 large companies, with over 250 workers, operating in the various areas of central and northern Italy in the manufacturing and service sectors.

⁸ As yet, coworking in Italy has been limited to a few initiatives, primarily in airports. Such practices reflect the greater need for 'cross-pollination' between smart workers for whom such work should not be isolating but, rather, constitute an advantage in terms of innovation and creativity.

2. MAIN CHALLENGES AND IMPACTS ASSOCIATED WITH AN INCREASED USE OF TICTM FOR WORKERS, EMPLOYERS AND SOCIETY

According to 2021 estimates from the Bank of Italy (RFL, 2020)⁹, some characteristics that determine the likelihood of working remotely had an increased impact in 2020, with differences in education levels, company size and gender particularly marked. In 2020, remote working was more widespread among women (during the pandemic the increase in smart working for women compared to 2019 was 4.1% more than men), especially among those with children between the ages of six and 14 (due to school closures). This result indicates that the measures aimed at parents and introduced during the COVID-19 health emergency had a differentiated impact by gender, at least in part (Del Boca et al., 2020)¹⁰. It is also more widespread among workers with higher educational qualifications or who occupy managerial positions, in central and northern Italy, and it increases with the size of the company. It is less widespread among disabled workers due to the inability of companies to provide adequate equipment at short notice during the pandemic. However, this can be overcome through planning of work activities and the use of smart working will, in any case, depend on the type and level of disability of the worker.

Overall, data from the Bank of Italy show that during the pandemic the option to engage in smart working had positive effects, such as higher average monthly wages for the greater number of hours worked, less recourse to the Redundancy Fund (CIG), and lower perceived probability of losing one's job. Smart working thus saved public expenditure and limited the community consequences of the pandemic by preserving wage levels and employment (Depalo, Giorgi, 2021). Positive effects also concerned the improvement of quality of life, especially reduction of travel times and transport costs for workers (Smart Working Observatory, 2020).

Workers highlighted many negative effects of remote working, such as feelings of isolation, the loss of a sense of belonging to the organisation (especially for new hires) and the lack of effective sharing procedures between company and worker. Maintaining a close link between smart workers and their companies while preserving the option to alternate in-office and out-of-office work is crucial, as is planning activities that truly meet the needs of businesses and workers through individual agreements – these agreements were waived in the COVID-19 crisis to simplify procedures.

Overall data are not yet available on the effects of smart working on productivity (many analyses are still underway). Any such assessment should be independent of the current exceptional period. However, positive feedback was obtained from workers and companies that decided to adopt smart working in a structural way¹¹. According to the representatives of the social partners and experts interviewed, smart working resulted in greater rationalisation of resources, a reduction in costs (staff transfers, energy, rent, etc.) and forms of continuous absenteeism, as well as optimisation of spaces, and overall improvement of the services offered, all of which positively impacted company productivity. However, this needs further investigation to evaluate productivity, given the coming

⁹ Data relate to the ISTAT Labour Force Survey (RFL) in Q2 2020 (compared with the same period in 2019) and refer to employees in the non-agricultural private sector (excluding health and education, in which public employment is more widespread), aged 15-64 years. These data must be considered with caution, as they refer to a definition of smart working that is likely broader than the legislative definition, as well as a period of exception and emergency. In Q2 2020, the actual number of remote workers was still low compared to the number technically possible, so it is likely that the extension of smart working to a wider platform could have positive impacts for the labour market.

¹⁰ Gender differences are statistically insignificant in the presence of younger children, probably due to the care measures already in place before COVID-19.

¹¹ For example, the TIM agreement currently being signed aims to involve 80% of all employees at national level in order to consolidate the productivity benefits obtained due to reduced absenteeism and travel costs.

challenges in worker performance. With reference to evaluation of productivity, most stakeholders interviewed believe that smart working increases it but they do not have studies yet to prove it. Strengthening evaluation systems based on objectives and results rather than presence at the workplace can highlight quality of work and reduce gender differences, with positive effects on women's careers (given their increased likelihood to work part-time to better balance work and family needs)¹². Evaluation by objectives and results can also help to reduce the negative effects of gender stereotypes in working relationships and in performance evaluation. Some stakeholders interviewed noted that the most obvious effects of smart working include an improvement in hierarchical relationships, with fewer formalities. They also highlighted the need to identify new forms of leadership and relationships to overcome prejudices towards this method of work organisation.

The social partners interviewed (companies and trade union representatives) all agreed that smart working must be adopted as a competitive tool and not just as a work-life balance tool. Smart working is crucial for increasing the employment of women, provided it is not a 'ghettoising' choice but, rather, is used by both women and men, allowing more equitable redistribution of care tasks.

Companies continue to experience challenges in safe circulation of data and worker safety, especially with respect to accidents and occupational disease. The General and Detailed Regulation (Circolare INAIL n. 48/2017) expressly requires a close connection between accident/disease and the performance or functioning of equipment in order to establish company responsibility (an event can also occur during the usual journey to and from the place chosen for work, outside the company premises).

The Regulation establishes the duty of the worker to cooperate in the implementation of measures by the employer and to use equipment correctly. The choice of workplace must be related to the needs of the work performed, or work and family balance, and should be reasonable. According to a trade union representative, company responsibility is limited and the practical applicability of the rules is unclear, as the legislation allows the worker to choose where and how to set up their workplace. In general, safety legislation mainly focused on production activities and less on administrative and consultancy activities, which are considered low-risk but are also those that can be carried out through smart working. It would be necessary to adapt the legislation to new needs and risks in order to avoid shifting the responsibility for safety to the worker.

In case of inadequate or excessive use of technological tools, risks such as so-called 'Zoom fatigue' can affect workers' health, while the perception of being 'always connected' can cause work stress¹³. Experience suggests that this may not be just a perception but a lack of clear boundaries between working time and non-working time, amplified by work based on objectives rather than on completed hours. The social partners noted that company and individual agreements (and national collective agreements, according to the union) must find a balance between worker autonomy and protections, including regulation of working hours and workers' right to disconnect. A challenge for workers is to recognise as working time any time spent working outside the office. The change that smart working requires is not only legal but psychosocial, with training on its correct use representing a 'soft' alternative to stricter legislation.

More generally, the adoption of this new organisational model requires an overall rethinking of public and private labour regulation. Current legal and economic regulatory and contractual provisions reflect organisational work models based on hourly and in-person work (e.g. permits, overtime). Although the implementation of smart working is not yet widespread in national collective agreements (many of which are currently undergoing renewal), the trade unions and experts interviewed hoped that some

¹² Interview with Representative of UIL Milano e Lombardia.

¹³ Interview with Director at *Osservatorio Smart Working* del Politecnico di Milano.

principles and general guidelines for smart working can be incorporated in the agreements, starting with the redefinition of objectives-based work¹⁴.

The clear predominance of company bargaining over national collective bargaining suggests that the adoption of smart working has depended on individual company agreements rather than regulating entire production sectors (Bersani Manna, 2020). The public sector will have greater room for the regulation of smart working through national collective bargaining, given its specific powers to regulate the work contract (Article 40 del D. Lgs. n. 165/2001). The recent "*Pact for the innovation of public work and social cohesion*" (10 March 2021) signed between the Government and the main Italian trade unions (CGIL, CISL and UIL) established in fact that smart working will be regulated by the national collective agreements of the public sector which are being renewed, as requested by the trade unions, since the beginning of the pandemic¹⁵.

Finally, the extension of smart working could impact the entire community, if public administration assets are redesigned and enhanced for public use, with less polarisation in urban centres and the suburbs better placed to attract investment and services. However, these changes will require strong territorial leadership if they are to avoid radical changes that produce negative and distorting effects for urban centres and sectors linked to commuting (transport, petrol stations, restaurants and shops)¹⁶.

Some work may be more effective for the community if carried out remotely, such as telemedicine, which, compared to face-to-face diagnostics, allows for greater screening activity¹⁷.

The need to invest in infrastructure and technological equipment (especially in some areas of the country and in public administrations) is crucial, as is training for workers to gain digital skills. Particular attention must be paid to enhancing training for women, as gender roles and stereotypes negatively affect female employment in technical sectors and their involvement in science, technology, engineering and maths (STEM) paths.

¹⁴ While the union stresses that it is possible to limit abuse by companies, the experts consider guidelines a priority in safeguarding the flexibility and freedom of both worker and company. The social partners representing enterprises disagreed with the use of national collective agreements to regulate smart working.

¹⁵ In particular, future national collective agreements will regulate aspects of the employment contract such as the right to disconnect, the brackets of availability, the right to specific training, the protection of personal data, permits and absences, balancing the needs of workers with the Public Administrations organizational needs.

¹⁶ Interview with Director of the area Work and Prevention, Assolombarda.

¹⁷ Interview with representative of UIL Milano e Lombardia.

3. MAIN LEGISLATION AND POLICY APPROACHES ADOPTED IN RECENT YEARS

Smart working was introduced for Italy's public sector by the Madia Reform (Article 14 Law no. 124/2015), which established that public administrations must adopt organisational measures such as new spatial-temporal forms of work in order to support work-life balance needs. The Reform also stipulated that at least 10% of workers make use of this organisational method within three years on a voluntary basis. The Directive on Smart Working and Teleworking No. 3/2017 provided specific guidelines on experimentation with and organisation of smart working.

According to legislation and guidelines, public administrations must identify the activities that can be carried out through smart working and establish annual implementation objectives. They must also adapt their performance measuring evaluation systems (SMVP)¹⁸ to reflect results rather than hours worked, and assess the smart working effects in terms of effectiveness, efficiency and quality of the services provided. Training courses must target employees and management to foster innovation in organisational systems in order to increase smart working and reduce the digital divide.

According to the Department of Public Function itself (Public Administration Ministry, 2020), despite interesting examples¹⁹, the administrations that have trialled smart working limited themselves to compliance with the law, without any review of the organisational models, real adaptation of digital technologies (e.g. no external accessibility of many institutions' and organisations' databases), or revision of the SMVP necessitated by the new organisational approach. With the COVID-19 health emergency, administrations were forced to consider smart working as a substitute means of carrying out simplified services, without individual agreements between workers and administration, or the adoption of an internal organisational plan defining the rules. Over time, however, the overall strategy aims to shift from traditional work approaches towards an organisational vision that stimulates workers' motivation, autonomy and responsibility and produces greater administrative efficiency. The approach will also provide priority criteria for the use of smart working for those at personal, social or family disadvantage. Each administration is free to identify the organisational model that best meets its needs and characteristics within the regulatory framework.

In 2017, Law 81/2017 introduced and regulated smart working in the private sector (where compatible, its provisions are also applicable to the public sector). The legislation establishes the voluntary nature of smart working by requiring an agreement between the worker and the company that regulates: 1) the conditions for carrying out the work activity, 2) the forms of management/control by the employer, 3) rest time, and 4) technical and organisational measures to ensure the worker can disconnect from the technological work equipment. The law affirms the right to disconnect but its concrete application is left to 'time availability bands' in the individual agreement. Outside the bands of available time, the worker is free to organise their own work. The agreement also defines the tools used by the worker, following the 'bring your own device' logic, i.e. the possibility for workers to use their own personal devices²⁰. The shift from concrete regulation of the conditions of smart working to an individual agreement between the parties highlights the national legislator's preference for soft law rather than strict regulation.

¹⁸ The public system provided for public administrations after the introduction of the 'performance cycle' is available at: <http://www.funzionepubblica.gov.it/articolo/dipartimento/02-01-2018/linee-guida-il-sistema-di-misurazione-e-valutazione-della>.

¹⁹ Aggregate *think tanks* are being consolidated in the public sector around the first projects financed by the PON 2014-2020 (VELA Project and Agile work for the future of public administrations), which provide policy check-ups and implementation monitoring toolkits.

²⁰ The law does not expressly provide for the employer's obligation to supply the technological equipment, leading to some divergence between companies leaving the burden to the worker and those who provide the equipment.

According to the legislation, smart workers should have the same economic and legal treatment as other workers. The adoption of organisational flexible methods must not lead to discrimination that could impact careers. The legislation also recognises a specific priority for smart working for female workers in the three years after their maternity leave. This aspect highlights smart working's objective of balancing work and family.

During 2020, smart working was strongly promoted to continue remote production activities as part of the measures adopted by the government during the pandemic. Information obligations for companies were simplified, as were access procedures, allowing companies and public administrations to impose smart working unilaterally and without employees' consent. These provisions were confirmed with the extension of the state of emergency and thus the need for smart working both for public and private sectors where it has become the most recommended measure²¹. In particular, it has gone from being a provisional and emergency measure to being commonplace for public administration²², with the exception of face-to-face activities that cannot be postponed and cannot be otherwise provided, going as far as the obligation to cover at least 50% of employed staff²³ (this measure is in place until 30 April 2021). However, recent developments (*Pact for the innovation of public work and social cohesion*, March 2021) are now superseding the emergency regulation which allowed the public sector to use smart working without collective and individual agreement and with simplified regulation²⁴.

During the COVID-19 health crisis, the regulation of smart working has gradually introduced specific rights and priorities for public and private sector employees in accessing smart working, with particular attention to workers with care responsibilities and workers with disabilities²⁵.

To overcome the problems of parents who have to work and care for their children at the same time, a baby-sitting bonus was extended to smart workers to cover the costs of care services. However, the latest regulatory provision no longer provides it for smart workers, creating many critical issues for workers²⁶.

One of the main innovations of the smart working regulation in the public sector concerns the introduction of the "Organisational plan for agile work" (POLA)²⁷. This plan identifies the implementation methods of smart working and it represented a further shift towards a radical change in the organisation of public work. The proposed approach is a progressive application of smart

²¹ See: the D.P.C.M. 26 April 2020 and the D.P.C.M. 7 August 2020. Also the recent Prime Ministerial Decree of 14 January 2021 recommends the maximum use of smart working in the private sector for activities that can be carried out remotely and requires public administrations to ensure the highest possible percentages of smart working.

²² See: the Decree no 18 of 17 March (so-called *Cura Italia*), Article 87

²³ See: the Decree no. 34 of 17 May 2020 (so-called *Rilancio Decree*), as converted with amendments by law no. 17 July 2020, no. 77 and the Ministry Decree (so-called "*Dadone*" Decree, October 2020)

²⁴ The recent change in the Italian Government could overcome the provision of smart working as a common working pattern for the public sector and the minimum mandatory share of 50%, in favour of greater discretion in the use of smart working on the basis of the specific needs of each public department.

²⁵ The possibility of using smart working for the entire period of the COVID-19 emergency has been provided for employees with children under 14 years (*Rilancio Decree*, May 2020), for those families in which there is no other unemployed parent or beneficiary of income support measure. This provision confirms the use of smart working as a work-life balance tool. Moreover, Law no. 27 of 24 April 2020, amended by the 2021 Budget Law, established that, until the end of February 2021, public and private employees at risk of infection, as well as workers with severe disabilities, can normally carry out smart working (also assigning them different tasks or carrying out specific professional training activities). Law no. 126 of 13 October 2020 (converting the so-called *August Decree*), amended by Law no. 176 (converting the so-called *Ristori Decree*) finally established the right to smart working in the case of a child up to 16 in quarantine or whose presence in school has been suspended.

²⁶ See: the Decree 13 March 2021, n. 30, available at: <https://www.gazzettaufficiale.it/eli/id/2021/03/13/21G00040/sq>.

²⁷ According to the Decree no. 34 of 17 May 2020 (so-called *Rilancio Decree*), as amended by law no. 17 July 2020, no. 77, Public administrations, by 31 January of each year (starting from 2021), draw up, after consulting the trade unions, the Organizational Plan for Agile Work (POLA), as a section of the Performance Plan. For detail see: the Guidelines on the Organisational Plan for Agile Work (POLA) and performance indicators (2020), available at: http://www.funzionepubblica.gov.it/sites/funzionepubblica.gov.it/files/LG_pola_9_dicembre.pdf.

working by public administrations, which must draw up a three-year development programme. Administrations that adopt the POLA undertake to guarantee the use of smart working for 60% of workers who can carry out activities remotely. Those who do not adopt the POLA are obliged to accommodate 30% of the workers who request smart working (an increase in targets compared to the previous Madia Reform that stipulated at least 10% of workers within three years). However, the logic of the Plan's rules is easy to circumvent, as it is the public administration that establishes the type, number and frequency of activities for which remote work is possible²⁸. The indicators provided by the guidelines for assessing organisational and employee performance promote smart working as a strategy for competitiveness, effectiveness and administrative efficiency, and also seek to evaluate support actions (e.g. increase/reduction in working days, changes in organisational processes, training).

In Italy, smart working is regulated through legislation and company bargaining. Before Law 81/2017, smart working regulation was present in only six national sector agreements and 24 company agreements (Tiraboschi, 2017), which anticipated the regulatory provisions²⁹. Smart working is rarely included in national collective bargaining and is increasingly regulated by company agreements and then individual agreements.

The company agreements are customised to the needs of the company, for example the regulation of working hours and the right to disconnect. Some companies provide internal codes to regulate sending/reading of corporate email. Some agreements were signed specifically for COVID-19, while others, although signed during the crisis, represent the continuation and consolidation of earlier work in the framework of improved organisational flexibility (e.g. ATM company agreement of April 2020, Sanofi company agreement of May 2020, TIM company agreement of August 2020, see below). It remains to be seen whether many of the measures introduced by company agreements will be maintained after the COVID-19 health emergency.

Many companies obtained money from European funds for the technological equipment required for the implementation of smart working. Such funds have been little-used so far, or used mostly by companies in the digital, technological and green economy sectors.

The following box presents some examples of initiatives and agreements in the use of smart working.

Box 1: Examples of initiatives and agreements on the use of smart working

ATM (Local city transport company - Milan) already had the objective of involving 600 employees in 2020, which, in light of the COVID-19 health emergency, was expanded to 1,000 workers whose activities can be carried out remotely.

Sanofi (pharmaceutical sector) was one of the first companies in Italy to start smart working in 2014. It accelerated the transformation process of its innovative work culture, extending smart working from two to five days a week and providing specific contributions to equip workstations and refund internet costs for employees.

Similarly, the **TIM** company agreement of August 2020 extended the 2019 agreement to include smart working activities that were previously excluded. It explicitly states its intention to continue after the emergency, adopting new models of work organisation with a view to finding a new

²⁸ The guidelines provide specific indicators that count the total number of smart working days actually granted (indicative of the real size of smart working use).

²⁹ All company agreements provided for individual agreement between the parties on the use of smart working, the implementation of the activity mainly within the company and to a lesser extent outside the company, the absence of an exact time band for the part of work performed outside the office, specific categories of recipients, and a legal-economic treatment for smart workers equal to in-person workers.

balance between work and private life, between organisational and individual needs, between workers' efficiency and autonomy.

ES Field Delivery Italia - a company of the DXC Technology Group and FISTEL CISL of December 2020 defined a model of industrial relations that will retain the collaboration that began during the COVID-19 health emergency phase (Citterio, 2021).

On the basis of the positive results in organisation and productivity, it has been agreed with social partners that the organisational method of emergency smart working that applied to all staff working remotely would be restructured for the period after the end of the state of emergency. The company also provided insurance and psychological support for employees, and created specific communication moments (e.g. remote cafes, virtual games) at a transnational level to engage workers. It also supported virtual reverse mentoring between senior and junior colleagues for the exchange of know-how and focused on internal training of people through the 'Smart management project' for managers managing their teams remotely and supporting the use of available digital tools (YouTube and webinar).

With reference to the public sector, the recent introduction of the POLA and its inclusion in public administrations' performance plans is a good practice that can contribute to the spread of smart working through identification of specific objectives, short, medium and long-term period indicators and targets.

Other important initiatives are evident in research and organisational consultancy. The Smart Working Observatory³⁰, for example, which makes available data and research at a national level, providing an opportunity for exchange between organisations. The VELA project³¹ encourages the dissemination of smart working through a toolkit that includes theoretical content, methodologies, assessment tools and models useful for the preparation, implementation and monitoring phases of this new work method. The smart working kit is a concrete roadmap that is easy for public administrations to implement.

The recent specialised training course on smart working promoted by the Department for Equal Opportunities of the Presidency of the Council of Ministers and carried out in collaboration with P4I - Partners4Innovation and Forum PA is also interesting. The training course, which was implemented in 2019 (demonstrating growing interest, even before the COVID-19 health emergency) involved 10 regional and local public administrations and can be considered a preparatory action to the introduction of smart working³².

Finally, practices that combine the promotion of smart working and the redefinition of public and private spaces (coworking and nearworking projects) are particularly interesting. The good practice fiche presents detailed information on one such project in the Municipality of Milan.

³⁰ For more on the Smart Working Observatory, available at: <https://www.smartworkingvela.it/> and <https://www.smartworkingvela.it/kit>.

³¹ For more on the VELA project, available at: https://blog.osservatori.net/it_it/smart-working-cos-e-come-funziona-in-italia.

³² The project was developed as part of the 'Agile work for the future of the PA' project, funded by the PON Governance and Institutional Capacity 2014-2020, available at: <https://www.forumpa.it/progetti/formazione-specialistica-dpo-lavoro-agile-per-il-futuro-della-pa/>.

4. CONCLUSIONS AND POLICY INDICATIONS

This section summarises the perceptions and suggestions of national stakeholders on how to support the positive effects of TICTM and better address the challenges with reference to the role of European and national institutions and social partners. Accordingly, the European Union (EU) will contribute to addressing the challenges posed by the use of smart working in Italy through the Next Generation EU Programme, of which Italy is one of the major beneficiaries. Among the priorities of the National Recovery Plan is an ambitious digital agenda, with the aim of making the economy innovative and competitive. These funds can be used to strengthen networks, for the digitisation of databases, the development of digital skills, the acquisition of technological equipment and the creation of digital services and infrastructures for businesses and citizens, according to a fair and inclusive approach. In addition to digital transformation, the Recovery Plan supports the green transition which is crucial also for developing smart working and reducing emissions. Moreover, there is a clear correlation between smart working and productivity, and between smart working and socio-labour inclusion at all levels (geography, generation, gender).

Structural funds can be used to support youth employment if smart working is considered a possible tool for bringing young people into the labour market. The European Youth Guarantee Programme has so far focused on apprenticeship and traineeships as the main tools. The challenge will be to provide effective training and accompanying monitoring tools remotely.

According to the stakeholders interviewed, measures adopted at European level (e.g. Directive on Working Time and Directive on work-life balance) are a valid starting point. However, smart working is dealt with only marginally, and the regulation needs to address the challenges associated with this form of work organisation. In addition, the social partner representatives of the companies interviewed highlighted that compared to the European legislation (e.g. working hours), Italian legislation is characterised by stricter rules, making further European law unnecessary and risking excessively standardising regulation. The trade union interviewed was not in favour of setting limits at legislative level, despite recognising that the law currently leaves scope for possible abuse. The way forward is to strengthen worker protection through collective bargaining and company bargaining, thus responding to the specific needs of companies and workers.

Finally, the promotion of smart working can occur in the context of promoting corporate welfare and incentive tax systems, and its use can be supported by inter-professional funds.

It remains crucial to focus on company bargaining in the private sector and on the promotion of POLA in the public sector, even if its voluntary nature and absence of sanctions limit the effective spread of smart working. Care services for children and the elderly need to be strengthened to better separate smart working from workers' work-family balance needs and release its potential. Finally, stakeholders noted that it is desirable to involve European institutions and agencies in actions to promote smart working and culture change more generally in public administrations and businesses.

5. ANNEXES

Annex I - Good practice example

<p>Name/title of the measure</p> <p>Period of implementation <i>[Specify when the project/strategy/experience started, if it is still ongoing or finished and if concluded, indicate when]</i></p> <p>Body responsible for implementation</p>	<p>Local protocol and smart working organisational Plan (POLA) to Coworking</p> <p>2019 -ongoing</p> <p>Municipality of Milan</p> <p>Municipality of Milan 19 -ongoing</p>
<p>Type of intervention</p>	<p>Redefinition of public spaces to promote smart working.</p>
<p>Territorial coverage (national, regional, local)</p>	<p>Local (Milan).</p>
<p>Financial allocations</p>	<p>Not available</p>
<p>Main goals and reasons for introduction <i>[Specify the objects of the project/strategy/experience and the results it is supposed to achieve]</i></p>	<p>Smart working is an innovative way of work organisation that is gaining attention from a growing number of companies. It can foster work-life and family balance for workers, improve work organisation and increase productivity. However, it needs to be promoted through further initiatives and services that facilitate its use for workers and business, such as coworking and nearworking services.</p> <p>All these initiatives can foster the development of neighbourhoods as centres of services rather than dormitories, as well as new commercial activities that save time and commuter-driven emissions.</p>
<p>Main target groups</p>	<p>People working in Milan (women and men) and Milan Municipality employees.</p>
<p>Main partners/stakeholders involved (promoter and partners of the project/policy; typology and roles of actors involved)</p>	<p>Municipality of Milan is the promotor.</p> <p>The local protocol involved local trade unions (CISL, CIGIL and UIL) and local trade associations (Assolombarda).</p> <p>Social partner and business linked to Milan Municipality will be involved in the coordination committee.</p> <p>YES Milan society will be involved for the institutional communication campaign.</p>
<p>Main actions/ measures implemented</p>	<p>Realisation of coworking and nearworking initiatives.</p> <p>Coworking spaces are temporary shared workplaces with an hourly, daily, weekly, monthly or annual rate. They include other services in the space, such as meeting rooms, equipment, kitchen space, training courses and (sometimes) secretarial, personal and childcare services.</p> <p>Coworking gives the option to work in a place near the worker's home (nearworking initiatives).</p> <p>Coworking and nearworking spaces allow for the informal exchange of ideas and collaboration between members.</p>

<p>Name/title of the measure</p> <p>Period of implementation <i>[Specify when the project/strategy/experience started, if it is still ongoing or finished and if concluded, indicate when]</i></p> <p>Body responsible for implementation</p>	<p>Local protocol and smart working organisational Plan (POLA) to Coworking</p> <p>2019 -ongoing</p> <p>Municipality of Milan</p> <p>Municipality of Milan 19 -ongoing</p>
	<p>The Municipality of Milan has carried out some actions to promote smart working and coworking:</p> <ol style="list-style-type: none"> 1. signing of a local protocol with the social partners (trade unions and trade associations) to promote smart working and coworking by companies throughout the territory; 2. creation of an approved list of 65 coworking services in Milan for private sector workers, together with an interactive map to choose the workplaces; 3. adoption of POLA by the Milan Municipality for the consolidation of smart working as a complementary way of working in addition to traditional forms of work for Milan Municipality workers; 4. creation of smaller decentralised spaces/offices for Milan Municipality employees; and 5. an institutional campaign to promote its initiatives.
<p>Main results/achievements to date and expected longer term impacts according to available monitoring/evaluations <i>[Both quantitative and qualitative – specify results and outputs]</i></p>	<p>Coworking in Milan has expanded considerably in recent years, with several networks managed by different entities (65 coworking services currently).</p> <p>In the local protocol, the Milan Municipality commits to promoting forms of facilitated access to coworking spaces for workers and businesses and monitoring their use. Enterprises commit to disseminating these initiatives and training their managers to promote awareness and use of smart working.</p> <p>The initiative is ongoing, with more results needed.</p>
<p>Main weaknesses/obstacles and how they have been addressed</p>	<p>The practice is ongoing. It will be possible to identify critical issues during the implementation of POLA and coworking/nearworking initiatives.</p> <p>However, the resistance of the services and sectors connected to commuting (transport, gas stations, restaurants and shops) could constitute a weakness. The real challenge will be to find a balance and ensure that the process of transformation do not become distorted.</p>
<p>Main strengths</p>	<p>The recent introduction of POLA as an organisational planning tool for public administrations, as well as its inclusion in the performance plan, strengthens the intervention by requiring administrations to identify specific objectives, short, medium and long-term indicators and targets. This will have positive effect on the concrete application of smart working.</p> <p>A further strength is the availability of spaces owned by the Municipality, making them easily usable for coworking and nearworking services.</p>

Name/title of the measure Period of implementation <i>[Specify when the project/strategy/experience started, if it is still ongoing or finished and if concluded, indicate when]</i> Body responsible for implementation	Local protocol and smart working organisational Plan (POLA) to Coworking 2019 -ongoing Municipality of Milan Municipality of Milan 19 -ongoing
	<p>The opportunity to use company offices will also be tested, including those belonging to companies in which the Municipality of Milan has shared ownership.</p> <p>The institutional campaign will promote a new organisational culture that is focused on smart working and better use of public spaces.</p> <p>Finally, coworking can represent not only workplaces that foster work-life and family balance, but also spaces for sociability and organisational culture.</p>
Innovative aspects if any	The practice of the Municipality of Milan brings together support actions for smart working for all companies and workers in the Milan area (local protocol and coworking/nearworking areas) and actions specifically aimed at employees of the municipality.
Main lessons learnt	The practice is ongoing.
Additional comments (if any)	--

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Annex III – Interviewees

Experts

Smart Working Observatory, Politecnico di Milano.

Representatives of the social partners

Centro Studi/Economic Research Department, Confindustria (Italy's leading employers' organisation).

Labour and Social Security Area, Assolombarda (association of companies operating in Milan, Lodi, Monza, Brianza and Pavia).

UIL Milano e Lombardia (Trade Union).

The study analyses recent trends in teleworking, its impacts on workers, employers, and society, and the challenges for policy-making. It provides an overview of the main legislative and policy measures adopted at EU and national level, in order to identify possible policy actions at EU level. The study is based on an extensive literature review; a web survey; interviews with representatives of European and national stakeholders; and five case studies of EU countries: Finland, Germany, Ireland, Italy and Romania.

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