



DEFEN-CE:

Social Dialogue in Defence of Vulnerable Groups in Post-COVID-19 Labour Markets

Report on Italy and Spain

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Introduction

The objective of this research paper is to conduct a thorough analysis of the governance framework pertaining to vulnerable groups in the labour markets of Italy and Spain during the COVID-19 pandemic. The paper is an outcome of the DEFEN-CE project and encompasses multiple investigative goals. First and foremost, the paper seeks to empirically identify these vulnerable groups. These are people who have faced disproportionate effects from the occupational and social consequences brought about by the COVID-19 crisis. Through a rigorous examination of data and evidence, we aim to develop a deeper understanding of the specific groups that have encountered heightened vulnerabilities and challenges during this crisis. Secondly, the research paper offers comprehensive insights into the public policy and social dialogue measures implemented to address the employment and social protection of these vulnerable groups within the pandemic context. Special attention is given to understanding the pivotal role of social dialogue in facilitating the successful implementation of these measures. Finally, it endeavours to identify valuable lessons and opportunities derived from the COVID-19 pandemic experience, with the ultimate aim of enhancing social dialogue in both Italy and Spain. To achieve these objectives, the report employs a mixed-method approach that integrates qualitative and quantitative methods. A comparative approach serves as a central component across all utilized methodologies, allowing for a comprehensive understanding of governance practices concerning vulnerable groups in different contexts. The data collection process encompasses a diverse range of sources, including a reform dataset, semi-structured interviews, policy documents, academic literature, and relevant statistical data from domestic, as well as EU/OECD, levels. The key findings revealed a certain degree of heterogeneity between the two countries, not so much in terms of policy, as both countries focused on protecting employment and income. However, the main difference lies in the varying role of social partners in the implementation of these measures. In Italy, social dialogue primarily took place between trade unions and employers' organisations through bilateral negotiations. The Italian government played a dominant role in the political process, resulting in social partners being primarily engaged in consultation and information-sharing rather than decision-making. However, an exception was observed in the active involvement of social partners in formulating the Health and Safety Protocol. In contrast, in Spain, social partners played an actively involved role in formulating significant measures targeted at vulnerable groups. Tripartite dialogue, involving representatives from trade unions, employers' organisations, and the government, played a more prominent and influential role. This engagement led to the signing of 14 tripartite collective agreements, demonstrating the impact of collaborative efforts in addressing the challenges faced by vulnerable groups in Spain.

The first chapter of this report will provide contextual information on the labour market and economic indicators of the two countries, as well as an overview of the industrial relations system in both nations. The second chapter will delve into the impact of the pandemic on the labour market, empirically identifying the vulnerable groups affected and examining the policies implemented to protect them. The third chapter will focus on the role of social dialogue and the involvement of social partners in safeguarding the vulnerable groups during the pandemic. Lastly, the concluding fourth chapter will draw comparative conclusions and outline potential lessons to strengthen social dialogue in both countries.

Part I. Contextual information

The following section will provide a concise overview of the labour markets and industrial relations systems in Italy and Spain.

Labour market: a reconstruction of key indicators

The labour markets of Spain and Italy have faced considerable impediments in recent years, exacerbated by the global financial crisis of 2008 and persisting during the COVID-19 pandemic. Among the most significant challenges have been the persistent prevalence of high levels of unemployment and underemployment, with a particular impact on groups such as young people, women, and individuals with lower educational attainment.

The labour force participation rate in Italy for individuals aged 25 to 64 declined from 2008 to 2010, then steadily increased until 2019 when it reached 72.87%. However, it dropped in 2020 due to COVID-19, reaching 71.39%, and partially rebounded to 71.67% in 2021. In 2022, it stood at 72.3% (OECD). In contrast, Spain consistently had a higher participation rate than Italy, with a continuous increase from 2008 (77.54%) to 2016 (81.25%), marking a rise of 3.71 percentage points. In 2017, it slightly decreased to 80.89%, with a marginal decline in 2018 (80.83%). However, it rebounded in 2019, reaching 81.03%. During the COVID-19 crisis, Spain's labour force participation rate declined to 79.94% before subsequently recovering in 2021, reaching 81.52% (OECD).

In Italy, the unemployment rate observed a gradual increase, commencing at 6.8% in 2008 and reaching 12.8% in 2014. Subsequently, it embarked on a steady descent, reaching 9.3% in 2020, with a marginal upturn to 9.6% in 2021. By 2022, Italy's unemployment rate had moderated to 8.1%, as per data from the OECD. In contrast, Spain's unemployment trajectory was characterized by more pronounced oscillations and consistently higher figures than Italy. Between 2008 and 2009, Spain witnessed a remarkable surge, with the rate surging from 11.3% to 17.9%, that is a substantial 6.6 percentage point ascent. The peak was attained in 2013 at 26.1%. However, from 2013 to 2019, Spain underwent a progressive decrease, resulting in a substantial reduction of 12.01 percentage points and settling at 14.1% in 2019. In 2020, owing to the pandemic's repercussions, the rate briefly ascended to 15.5% before reverting to 14.8% in 2021 and further diminishing to 12.9% in 2022, in accordance with OECD data.

When considering the incidence of low pay - which is defined as the share of workers earning less than two-thirds of the median earnings - Spain shows a considerably higher trend when compared to Italy. An analysis of the available data for both countries reveals that, in Italy, the incidence of low pay was 8.2% in 2010. This rate nearly halved by 2014 and continued to decrease. In 2020 it amounted to 3.6% (OECD). On the other hand, Spain initially reported a higher incidence of low pay at 10.6% in 2010. Throughout the years, this rate exhibited a volatile pattern characterized by fluctuations. Nevertheless, it is noteworthy that in 2021, Spain experienced a notable surge in the incidence of low wages, reaching 11.4%, marking an increase of over 2 percentage points compared to 2020, as reported by the OECD.

Analysing the World Bank indicator for time-related underemployment ⁽¹⁾ (% of employment), it is essential to examine it by gender to obtain a more comprehensive understanding. Throughout all the years analysed, the female indicator consistently shows higher values than the male indicator. In Italy, the female underemployment rate increased from 3.8% in 2008 to 5.7% in 2014, with a sharp rise to

(1) According to the World Bank indicator, time-related underemployment refers to all persons in employment who (i) wanted to work additional hours, (ii) had worked less than a specified hours threshold (working time in all jobs), and (iii) were available to work additional hours given an opportunity for more work. For further details please visit: <https://genderdata.worldbank.org/indicators/sl-emp-undr-zs/>.

9.5% in 2020 due to the pandemic. In 2021, it returned to 5.8%. Meanwhile, male underemployment in Italy began at 2.5% in 2008, peaked at 4.6% in 2013-2014, and then gradually decreased to 3.4% in 2021. In Spain, female underemployment rose from 8.2% in 2008 to 14.9% in 2013 but started declining afterward, reaching 10.9% in 2021. For Spanish men, it began at 2.8% in 2008, peaked at 7.2% in 2013, and decreased. In 2020, it rose slightly to 4.7% and continued to 4.8% in 2021.

Another significant labour market flexibility indicator for Italy and Spain is the percentage of involuntary part-time work. Analysing the data for both countries, in Italy, the percentage of involuntary part-time work increased steadily from 2012 to 2015, reaching 65.6%. It then decreased between 2016 and 2017 to 62.5% but rose to 66.2% in 2020. However, in 2021, there was a reversal with a drop to 62.8%, followed by a further decrease in 2022. In Spain, the percentage of involuntary part-time employment was 61.3% in 2012, rising to 64% by 2014. From 2015 to 2020, there was a gradual decline, reaching a low of 52.2% in 2020, marking an 11.8 percentage point decrease from 2014. However, there was a slight increase in 2021, followed by a decrease to 50.8% in 2022 (Eurostat).

In addition, the increasing prominence of temporary workers in total employment is indicative of the flexibility of both countries' labour markets, particularly in Spain. In the case of Italy, the proportion of temporary workers in total employment increased gradually from 9.2% to 13.2% between 2009 and 2022, with fluctuations along the way, notably impacted by the pandemic in 2020. Spain's trend, on the other hand, is more discontinuous. Temporary workers accounted for 20.6% of total employment in 2009, but after various fluctuations, it dropped to 17.7% in 2022, with a notable decline in that year (Eurostat).

In conclusion, the labour market trends in Italy and Spain present a distinct and evolving landscape. Since the beginning of the economic and financial crisis in 2008, both countries have demonstrated consistent improvements across various indicators. However, it is imperative to recognize that significant challenges persist, particularly in terms of underemployment, which remains notably high, especially among the female workforce. Furthermore, it is noteworthy that Spain continues to grapple with a substantial unemployment rate, more pronounced than that of Italy. Additionally, issues such as a high incidence of low pay and the prevalence of temporary employment contracts persist, signifying enduring challenges within Spain's labour market. These trends collectively shed light on the nuanced dynamics at play in the labour markets of Italy and Spain, highlighting ongoing concerns, especially pertaining to job quality and stability.

Industrial relations systems in Italy and Spain

Coming to industrial relations, the scenario in Spain is characterized by a low trade union density of 12.5% in 2019 (OECD/AIAS, 2021), a trend that started declining in the 1980s. Furthermore, the coverage of collective bargaining in 2018 was around 80% (OECD/AIAS, 2021). The most representative trade unions in the country are *Confederación Sindical de Comisiones Obreras* (CCOO) and the *Unión General de Trabajadores* (UGT), both with several internal federations, and the most representative employer associations are *Confederación Española de Organizaciones Empresariales* (CEOE), representing mostly big companies, and the *Confederación Española de la Pequeña y Mediana Empresa* (CEPYME) representing small and medium ones. At national level (with also local sections) the main tripartite body is the *Consejo Económico y Social* through which social dialogue activities are carried about economic and social issues, i.e., in specific legislative processes. One of the most recent tripartite agreements is the one of December 2021 aimed to reform labour law in order to promote open-ended contracts. Generally, in the last years, especially starting in 2018 with the two pro-labour governments of Pedro Sanchez, the practice of tripartite agreements boosted.

In Italy the landscape of industrial relations actors is more fragmented. The trade union density is measured (in 2019) in 32,5% (OECD/AIAS, 2021) and the coverage of collective bargaining is measured

at 100% in 2019 (OECD/AIAS, 2021). There are three major trade unions representative in all the sectors: *Confederazione Generale Italiana del Lavoro* (CGIL), *Confederazione Italiana Sindacati Lavoratori* (CISL) and *Unione Italiana del Lavoro* (UIL). Recently also *Unione Generale del Lavoro* (UGL) has been admitted to trade unions consultations with the government. More narrow is the number of employers' associations, representing various sectors and companies' dimensions, the biggest are *Confindustria* (representing big companies, especially industrial ones), *Confcommercio* (representing companies in service sector of different dimensions), *Confartigianato Imprese* and *Confederazione Nazionale dell'Artigianato* (representing artisan workers), there are also smaller associations representing for example cooperative sector (*Confcooperative*) or other small companies' groups. The institutional body for social dialogue is the *Consiglio Nazionale dell'Economia e del Lavoro* (CNEL), where the social partners and civil society representatives sit, but actually is not recognized as the main body. In fact, the main social dialogue activities are directly between social partners and the government with consultation practices not institutionalized (especially after the first 2000s) and led by government decision case by case, together with auditions in Parliament during legislative processes, where social partners are involved directly by MEPs.

Figure 1 – Trade union density and coverage of collective bargaining in Italy

Trade union density	Adjusted bargaining (or union) coverage rate (% of employees with the right to bargain)
32.5%	100%

Figure 2 – Trade union density and coverage of collective bargaining in Spain

Trade union density	Adjusted bargaining (or union) coverage rate (% of employees with the right to bargain)
12.5%	80%

Part II. Covid-19 and its impact on vulnerable groups in Italy and Spain

The COVID-19 pandemic and the consequent halt of social and productive activities to contain the spread of the virus represented a violent stress test for the entire world, triggering the worst global recession since the Second World War. It was inevitable that the dramatic economic shock would have critically affected the functioning of labour markets worldwide. In this context, the European Union (27 countries) GDP registered a loss of 5.7 percentage points in 2020 and a decrease of one percentage point in the total employment rate (Eurostat). However, the social and economic impacts of the pandemic on labour markets were not evenly distributed across and within countries, with the most vulnerable countries and segments of the workforce being hit the hardest. With respect to this, Italy and Spain were emblematic cases, being among the countries most affected by the 2008 economic and financial crisis, still on the way to a solid economic recovery, and among the European Union member states which experienced the most severe health and economic consequences with regard to Covid pandemic.

As Fana et al. (2020) ⁽²⁾ emphasize, the extent to which a country suffered from serious economic effects depended on country specialisation. In this sense, countries in which the low productive service sector is predominant and where the public sector is of limited size will be the most severely affected by the crisis. Hence, it comes as no surprise that Spain and Italy, with their specific patterns of productivity specialization and labour market institutions, emerged as among the countries most severely impacted not only by the pandemic itself but also by the profound employment repercussions it brought. Alongside the United Kingdom, these nations endured the harshest employment consequences due to their already vulnerable labour markets, characterized by elevated levels of unemployment and a prevalence of non-standard employment arrangements, notably temporary contracts.

Based on the extensive research conducted by Defence and the comprehensive desk research within the European context, this section presents a meticulous analysis of the profound and unequal repercussions engendered by the COVID-19 pandemic, with a particular focus on its substantial impact on labour market dynamics. The elucidation derived from project interviews and exhaustive research conducted in both countries unequivocally underscores that certain segments of the population have borne the most substantial burden of these consequences, notably in terms of their social and employment rights. The disproportionately affected groups encompass women, migrants, individuals engaged in atypical employment arrangements (such as self-employment and temporary work), those with lower levels of educational attainment, and individuals situated within the lowest income percentiles. This part will delve into the effects of COVID-19 on the respective labour markets, providing a comprehensive examination of the repercussions of COVID-19 confinement measures on different categories of workers.

Taking as a reference the changes in employment levels, weekly hours worked and share of employees temporarily absent from work in 2019 and 2020, Italy and Spain were among the countries that experienced the largest decline both in the second quarter of 2020 when the pandemic firstly appeared and in the fourth quarter of 2020 (EUROFOUND and European Commission, 2021). Italy showed in the second and fourth quarter of 2020 a fall in employment levels of respectively -3,6% and -1,8%, a decrease in the actual weekly hours worked of respectively -1.3 and -0.7 hours, and an increase in the temporary absence from work of respectively 16.3 and 3.7 percentage points.

Observing Spain, the same indicators revealed that the drop in employment levels in the second and fourth quarter of 2020 was respectively -6.1% and -3%, the actual weekly hours worked dropped by -0.4 hours during both quarters, the raise in temporary absence from work was of respectively 20.6 and 2.5 percentage points (EUROFOUND and European Commission, 2021).

Looking at available indicators for both countries in 2020 and 2021, in 2021 the main indicators

(2) Fana, M., Tolan, S., Torrejón, S., Urzi Brancati, C., Fernández-Macías, E, The COVID confinement measures and EU labour markets, EUR 30190 EN, Publications Office of the European Union, Luxembourg, 2020, ISBN 978-92-79-18812-4 doi:10.2760/079230, JRC120578.

concerning the Italian and Spanish labour markets recorded a subtle general improvement, mainly linked to the extensive adoption of governmental measures (mostly temporary lay-off schemes and similar measures) which had the main aim to preserve the employment levels (EUROFOUND and European Commission, 2021). Available data from Eurostat stated that the total number of jobs supported by governmental measures actually used by the local units amounted to 1.086.470 in Italy from June to December 2021, and to 108.171 in Spain from June to September 2021, with the same figure recurring in every above-mentioned month. An important point to be made here is that the low figures in Spain cannot be solely attributed to job losses, according to Dolado et al. (2020), the primary reason for this subpar performance is the high prevalence of temporary employment in Spain.

Effectively, Italy's employment level increased by 0.8 percentage points compared to 2020, while the one of Spain raised by 2 percentage points. Simultaneously, in Italy the unemployment rate registered a fluctuating dynamic during the whole 2020, not exhibiting significant drops, while from the first quarter of 2021 to the last quarter of that year it showed a constant decline, standing at 8.9% in the last quarter of 2021. Concerning Spain, the pandemic effects on the unemployment rate have been much more visible. The country already departed with a much higher unemployment rate compared to Italy, amounting to 14.2% in the first quarter of 2020, and achieving its peak during the fourth quarter of 2020 when it amounted to 16.3%. However, thanks to the measures introduced by the government and to the transition of part of the workforce into inactivity, the Spanish unemployment rate experienced a gradual fall during the whole 2021, establishing itself at 13.7% in the fourth quarter of the same year (EUROSTAT). Due to the aforementioned interventions, the unemployment rate may not be a reliable indicator for measuring the real impact of the COVID-19 pandemic on the labour market. In fact, following the approach taken by Dolado et al. (2020) when examining the Spanish case, if we expand the standard definition of unemployment to include those who are not actively job searching due to lockdowns but are available for work, those who are covered by ERTes measures (which allow companies to temporarily suspend contracts or reduce the working hours of their employees in Spain), and those who have reduced working hours due to ERTes, the Spanish unemployment rate increased to 40.6% in the second quarter of 2020, before falling to 23.9% in the third quarter of the same year, which is still 6.4 percentage points higher than in the last quarter of 2019.

In addition, and mainly due to the above-mentioned governmental measures, it is also possible to note a decrease in 2021 in the total absences from work in both countries. In Italy the total absences from work (thousands) amounted in the second quarter of 2020 to 4779.8 thousand, to 2210.4 thousand in the first quarter of 2021 and to 1797.9 thousand in the fourth quarter of 2021. Referring to the same indicator in Spain, it passed from 4560.2 thousand in the second quarter of 2020, to 2423.1 during the first quarter of 2021 and it decreased to 2344.8 thousand in the fourth quarter of 2021 (Eurostat).

In order to obtain a deeper understanding of the real meaning of the above-mentioned general figures, especially for the purpose of identifying the vulnerable groups most hit by the pandemic, it is necessary to look at the COVID confinement measures introduced in both countries which, by severely altering the normal functioning of many economic and social activities, have had scarring effects on the national labour market. A great number of European and national studies investigating the impact on the labour market of governmental decrees imposing lockdown have been published ⁽³⁾. Given the comparative nature of the report and the higher degree of detailed contents available for both Spain and Italy, in the successive section the framework and the results of the JRC Technical report (2020) "The COVID confinement measures and EU labour markets" will be mainly examined, enriched by coherent and consistent findings of the above-mentioned researches, as well as with related literature on the subject. The JRC Technical report by Fana et al. (2020), analysing the legislative decrees emitted by Italy and Spain

(3) EUROFOUND and European Commission Joint Research Centre Report (2021) "What just happened? COVID-19 lockdowns and change in the labour market", the IMF Working Paper (2022) "Inequality in the Spanish Labor Market During the COVID-19 Crisis", the Occasional Paper by the Bank of Italy (2021) "The impact of the COVID-19 shock on labour income inequality: Evidence from Italy" and the JRC Technical report (2020) "The COVID confinement measures and EU labour markets".

(and Germany) until April 2020, classified the economic sectors according to the likely impact of confinement measures and examined the share of employment that resulted most affected. Consequently, the authors applied this sectoral classification to EU 2018 data on employment, in order to find the groups of workers most and least affected by the economic lockdown schemes.

Italy and Spain have regulated the productive lockdown by distinguishing between essential and not essential activities, mainly in relation to the satisfaction of fundamental needs, such as health, food, security, education, and administrative services. Nevertheless, even when the sectoral economic performance was legally allowed, both countries' legislation provided that it had to follow stringent health and safety requirements for employees, including the use of protective equipment and the maintenance of social distancing at the workplace (Fana et al., 2020). The division between open essential activities and closed non-essential activities was not completely inflexible: both in Spain and Italy many non-essential activities were allowed to operate because they did not constitute a significant threat for public health, such as many non-essential manufacturing sectors. Conversely, many businesses that were not only non-essential but also highly risky because of intense social interaction were explicitly closed. In addition, in classifying economic sectors, it was taken also in account whether a given sector could operate via remote work, since both legislations provided that irrespective of its essential or non-essential nature, whenever possible the remotely work option was preferable.

The analysis suggested that national confinement decrees were consistent with regard to the classification of non-essential and essential sectors. However, Spain was a little more restrictive compared to Italy, given the presence of fewer sectors considered to be essential. In Italy the greater part of the professional service activities were deemed essential, as opposed to Spain, and many manufacturing sectors had a part of activity judged as essential, while in Spain they were frequently regarded as fully non-essential (Fana et al., 2020). These assumptions are confirmed by a first picture concerning just the share of employment in the essential and non-essential sectors identified in both countries, hence not considering the possibility of remote working and the extent of cogent lockdown. The study found that Spain registered the lowest share of employment in sectors considered by the respective legislation as essential, precisely amounting to 44% of total employment, hence the remaining share of employment, 56%, was to be attributed to non-essential sectors. Looking at the Italian case, the share of employment in non-essential sectors amounted to 38%, so 62% of Italian total employment was in sectors deemed essential by Italian decrees.

With the aim of developing a more comprehensive picture of the employment effects of national lockdown provisions, so as to identify the categories of workers most hit by the pandemic effects, it is better to look at the demographic profile of the division of the economic sectors elaborated by Fana et al. (2020) according to the impacts of covid lockdown. In particular, five broad categories are individualised: essential and fully active sectors; active but via remote work; mostly essential and partly active non-remote; mostly non-essential and inactive, non-remote; closed.

Taking as a reference this classification, Italy and Spain were both characterized by a slightly lower prevalence of women in the essential sector, 42.15% in Italy, 44.21% in Spain and by a sharp concentration of men within non-essential sectors. However, they were overrepresented in closed sectors, where more than half of employment was constituted by the female workforce. It is worth underlining that the higher prevalence of women in forcefully closed sectors was not compensated neither by a higher presence of women in the essential sectors, as above evidenced, nor by a more elevated presence in remote sectors. This scenario thus suggests an evident gender imbalance in the impacts of Covid-19, with women far sharper hit by lockdown impacts than men (Fiaschi & Tealdi, 2022, Lariou and Liu, 2022). As highlighted by an Italian study, in sectors deemed non-essential the implementation of the lockdown (March-May 2020) exacerbated pre-existing gender disparities in terms of labour force participation in Italy. Among female employees, the likelihood of losing jobs increased by 0.7 percentage points compared to their male counterparts. Additionally, female workers in Italy were more likely to benefit from the wage guarantee fund (CIG) compared to their male counterparts, with a

difference of 3.6 percentage points (Bettin, Giorgetti & Staffolani, 2022). In effect, looking at the index of total actual hours worked in the main job by sex and age group (2021 = 100) (Eurostat, seasonally adjusted data), it can be noticed that both in Spain and Italy women (20-64 years) have experienced an overall greater reduction in working hours in all the quarters of 2019, 2020, 2021 and 2022 ⁽⁴⁾ compared to men in the same age class and period. An additional piece of evidence that confirms this thesis is given by the greater propensity of unemployed women, compared to unemployed men, to transition from unemployment to inactivity. A trend that, although already present before the exogenous shock brought about by the pandemic, is confirmed in all quarters of 2020 and 2021 (Eurostat). In Italy, the trend of unemployed women transitioning to inactivity showed fluctuations. It started at 42.4% in the first quarter of 2019, indicating relative stability. The most notable change occurred in Q2 2020 when the rate surged to 59.7%, coinciding with the onset of the COVID-19 pandemic and ensuing economic disruptions. Subsequent quarters, however, suggest a trend toward stability, with the rate reaching 42.2% in Q4 2022. Conversely, Spain demonstrated a more favourable trend. In 2019, the percentage of unemployed women transitioning to inactivity averaged 21.8%. In Q2 2020, the percentage of unemployed women transitioning to inactivity in Spain rose to 41.4% due to the pandemic's impact. Nevertheless, a significant stabilization ensued, with the rate decreasing to 20.4% in Q4 2020. When examining quarterly data for 2021, a similar stabilization trend was evident in Spain, mirroring Italy's experience. In Q4 2022, the rate slightly decreased to 22.7%, indicating relative stability.

Taking into account the age factor, the inequalities caused by Covid-19 seem to be significantly accentuated. Indeed, there is a consensus in the academic literature regarding the disproportionately high impact on young individuals, as attested by EUROFOUND (2020) and confirmed by a multitude of studies (Lee et al., 2021; Alon et al., 2021; Bluedorn et al., 2021; Adams-Prassl et al., 2020; Blustein et al., 2020). In Italy, almost one in four young workers (15-29 years), precisely 23.4%, was employed in closed sectors, with almost the same figure in Spain where it amounted to 22.62%. The particular negative impact on young workers is also confirmed by their lower presence in essential and remote work sectors. In Italy, the share of young workers employed in essential sectors was 10.71% and in Spain it amounted to 12.58%, while those who were able to perform remote employment were 6.55% in Italy and 10.48% in Spain. These findings are in line with national data on youth employment rates in Italy for 2020, 2021 and 2022, particularly considering that Italy, along with Spain and Greece, had the lowest youth employment rates in the European Union. To facilitate a comparison of data between these countries, it is necessary to examine the total employment rate for individuals aged 15-29 (resident population) as a percentage of the total population (Eurostat). In both Italy and Spain, the youth employment rate, applicable to individuals aged 15-29, followed a consistent pattern marked by an initial decline during the onset of the COVID-19 pandemic, succeeded by a subsequent period of recovery and expansion. In Italy, the rate, initially at 31.8% in 2019, experienced a significant drop to 28.3% in the second quarter of 2020, coinciding with the pandemic's emergence. However, there was a partial resurgence in the latter part of 2020, which persisted throughout 2021, characterized by consecutive quarterly increases. Ultimately, this recovery culminated in a rate of 33.8% in 2022 (EUROSTAT). Similarly, Spain witnessed a comparable trajectory. With a starting rate of 38.2% in 2019, the rate notably declined to 31.1% in the second quarter of 2020, reflecting the pandemic's impact. Nonetheless, from the third quarter of 2020 to the third quarter of 2021, the rate demonstrated consistent growth. This trend of continuous expansion led to a rate of 38.8% in 2022 (EUROSTAT).

Examining the impact of the COVID-19 pandemic on employment conditions, particularly for self-employed and temporary contract workers, Fana et al. (2020) asserted that the economic sectors that

(4) Except for Italy in the third and fourth quarters of 2021 and the third and fourth quarters of 2022, Spain exhibits a fairly consistent trend over the studied period. However, there are some deviations, including the fourth quarter of 2019, the first and fourth quarters of 2020, the second and third quarters of 2021, and all quarters of 2022 when the total hours worked by men were lower than those of women.

were forcefully shut down by government decrees were the ones with the poorest employment conditions. The pandemic had a severe impact on certain categories of non-standard workers and self-employed individuals, as highlighted by various studies including EUROFOUND (2020a, 2020b), ESPN (2020), Causa and Cavalleri (2020), and OECD (2020). In Italy, the percentage of self-employed individuals in closed sectors was 31.3%, whereas in Spain, it was lower at 21.43%. Despite this difference, self-employed workers in both countries faced challenges due to their low representation in essential and remote work sectors. Furthermore, about one in three workers with temporary contracts were in closed sectors in both countries. However, there were notable disparities in their concentration in non-essential sectors, which was 14.08% in Italy and 28.4% in Spain, as well as their presence in essential sectors, which was 19.18% in Italy and 30.32% in Spain. Moreover, Spain had a higher percentage of temporary contracts in the whole economy (26.81% vs 17.02% in Italy) and reported a higher percentage of temporary contracts with remote work options. In terms of employment declines, Spain experienced a significant net loss of temporary jobs, with one million in the second quarter of 2020 and another million in the following two quarters. Italy, on the other hand, saw a fall of 0.4 million temporary contracts or more during the last three quarters of 2020. However, both countries experienced only minor relative employment declines for permanent employees, with less than 1% in Italy and slightly more than 1% in Spain (EUROFOUND and European Commission, 2021). Effectively, in Italy, the proportion of individuals aged 20-64 who were employed on temporary contracts, as a share of total employment, decreased to 10.7% in Q2 of 2020. The rate remained relatively stable across successive quarters, reaching 12.9% in Q3 2022 (Eurostat). In contrast, Spain had a higher proportion at 18.6% in Q2 2020, which increased to 20.5% in Q4 of the same year. Despite minor fluctuations in early 2021, this figure consistently grew. However, from Q3 2021 to Q3 2022, Spain experienced a consistent decline, with the rate decreasing to 16.5% in the third quarter of 2022, marking a 4.8 percentage point decline compared to the same period in 2021. Similarly, the percentage of self-employed individuals aged 15-64 in Italy has demonstrated a continuous decline from 20.4% in 2019 to 19.5% in 2023. While, in Spain, notwithstanding an initial rise from 14.9% in 2019 to 15.3% in 2020, there has been a consistent downward trend, culminating in a rate of 15.1% in 2022 (Eurostat).

Examining the percentage of low-skilled and high-skilled workers in each of the categories, a clear divide also emerges. In both Italy and Spain, low-skilled workers were more prevalent in mostly non-essential sectors, with 44.29% and 46.31%, respectively. In contrast, high-skilled workers made up a significantly smaller percentage, with 9.69% in Italy and 29.82% in Spain. Additionally, when looking at low-skilled workers who held remote jobs, they only amounted to 7.77% in Italy and 9.86% in Spain, while high-skilled workers made up a much higher percentage at 47.20% and 72.97%, respectively (Fana et al., 2020). It is worth noting that among the low-skilled workers, migrants (mainly from outside the EU) were particularly overrepresented in low-skill key professions, particularly in frontline jobs where the risk of contagion during the Covid-19 pandemic was higher, such as personal care workers in health services, drivers, transport and storage laborers, and food processing workers (Baglioni et al., 2020; Fasani and Mazza, 2020). To get a better understanding of the impact of Covid-19 on low-skilled individuals in Spain and Italy, we can examine the employment rate of low-skilled individuals (those with less than primary, primary, and lower secondary education, ISCED 2011) aged 20-64 before and during the pandemic.

In Italy, the employment rate among individuals with lower skill levels experienced a decline over the years, starting at 52.1% in 2019, which decreased to 50.9% in 2020 and further dropped in 2021. However, in 2022, it exhibited a modest increase, reaching 52.8%. Conversely, in Spain, the employment rate for the same demographic group was 57.8% in 2019, which declined to 55.4% in 2020 but partially rebounded to in 2021. In 2022, it further improved to 59%, as per data from Eurostat.

In addition, it is necessary to underline a further significant differentiation in the workforce most affected by the pandemic impacts in both countries. In the forcefully closed sectors were employed workers belonging to the lowest average wage percentile, while the second lowest category was the partly active sectors. Then the essential and fully active sectors were composed by workers associated with an average

wage percentile around fifty, the percentage was slightly lower in the mostly non-essential sectors. Finally, the remote work sectors were those with the highest wage levels in both countries. Taking into consideration the impact of COVID-19 restrictive measures on the service industry, which was greatly affected compared to the overall industry, and based on the available data, it was observed that the bottom 10% of private sector employees in Italy earned an hourly wage of 8.76 euros for the entire industry, as classified by the ATECO system, in 2020. In the services sector, the same percentile earned an hourly wage of 8.08 euros during the same period. Further analysis of the ninth percentile of private sector employees for the entire industry showed that the workers in this group earned an hourly wage of 21.89 euros in 2020. Similarly, for the services sector, the same percentile earned an hourly wage of 21.35 euros (Istat) ⁽⁵⁾. Hence, it should come as no surprise that in both countries the economic consequences of the COVID-19 shock disproportionately affected households with lower incomes compared to higher-income families, leading to a significant rise in labour income inequality during the pandemic (Carta, F., & De Philippis, M.,2021; Lariou and Liu,2022).

The results of the above-mentioned analysis revealed that the workers who experienced the most negative effects of social distances measures and practices were the most vulnerable segments of the workforce, such as women, young individuals, migrants, those with non-standard contracts (such as self-employed and temporary workers), the lower educated, and those belonging to the lowest average wage percentile.

Hence, building on the definition adopted in the realm of the project, the aforementioned groups constituted those that the research considers as vulnerable groups, which is “groups whose social and employment situation have been hit hardest by the economic and social damage by the COVID-19 crisis”. However, relying on the above-mentioned conceptualization of vulnerable groups and on the databases elaborated in the realm of the project which captured information on the measures implemented during the COVID-19 pandemic towards vulnerable groups in the labour market as well as the involvement of social partners in those policies, it is possible to note that the pandemic did not only bring to the surface the vulnerability of certain groups within the labour market but has also expanded the classification of groups traditionally deemed to be vulnerable such as disabled individuals, migrants and ethnic minorities, homeless people, children, isolated elderly individuals, and low-income families ⁽⁶⁾. Effectively, while the examination of the responses of the respective governments towards the identified vulnerable groups contained in the databases will be explored more extensively in the subsequent sections, it is noteworthy to mention that both nations implemented measures aimed at safeguarding these groups in the workforce. In Italy, measures targeted towards vulnerable groups included the suspension of layoffs, the implementation of health and safety protocols in the workplace, various bonuses to support workers' incomes (targeting both vulnerable groups and workers in general), the right to absence from work with certification of health risk, and an extension of unemployment benefits. Similarly, in Spain, measures such as a ban on dismissals related to Covid, simplification and flexibility of workforce adjustment procedures (known as ERTes), expanded eligibility for unemployment benefits, multiple income maintenance schemes for self-employed, intermittent contract workers, domestic and agricultural workers, and measures to ensure workplace health and safety were implemented to protect vulnerable workers.

(5) In the case of Spain, the available data pertains solely to average and percentile wages disaggregated by gender and autonomous community.

(6) https://ec.europa.eu/employment_social/2010againstpoverty/extranet/vulnerable_groups_en.pdf.

Part III. Social partners and social dialogue in defense of vulnerable groups

1. Actors

This part of the report is dedicated to providing a comprehensive understanding of the role played by social partners in safeguarding vulnerable populations during the COVID-19 crisis. It seeks to unveil any underlying mechanisms that have facilitated their engagement in this context. To accomplish this, the study relies on several empirical fieldwork components. These include a robust database, rich with up-to-date descriptive data on policy implementations, and an analytical framework tailored to assess the active involvement of social partners in protecting vulnerable populations. Additionally, it capitalizes on insights derived from semi-structured interviews conducted with key stakeholders. This group encompasses national policymakers, social partners, and representatives from civil society organizations in both countries under examination.

In this initial section, focusing on the actors of social dialogue, our findings show that the individuals and organizations responsible for shaping and executing policies aimed at mitigating the impact on vulnerable groups closely align with the tripartite social dialogue framework inherent in the governance structures of the two nations under scrutiny. Notably, the most influential actors in the social dialogue alongside the state in both Spain and Italy were the employer and trade union organisations which enjoyed significant legitimacy due to their institutionalisation and representation of the sectors that were most severely affected by the pandemic. An inclusion, although marginal, of NGOs was also observed. While, as also witnessed by the interviewees, notably absent from the policy process was the role of scientists and experts.

In Italy, the employer organisations most involved in policies in favour of vulnerable groups within the labour market were: *Confindustria*, *Rete Imprese Italia* (which comprises *Confesercenti*, *Casartigiani*, *CNA*, *Confartigianato* and *Confcommercio*), *Confapi*, *Alleanza Cooperative* (which includes *Confcooperative*, *Legacoop*, and *AGCI*), *Confimi*, *Federdistribuzione* and *Conprofessioni*.

On the trade union side, the most politically influential organisations in Italy were the three confederal trade unions recognized by the Italian Republic as relevant counterparts: CGIL (Italian General Confederation of Labour), CISL (Italian Confederation of Workers' Trade Unions), and UIL (Italian Labour Union).

Looking at Spain, the employer organisations that have been protagonists in the decision-making process in favour of vulnerable groups are CEOE (Spanish Confederation of Business Organizations) and CEPYME (the Spanish Confederation of Small and Medium Enterprises). While, on the trade union side, the two dominant organisations in designing and implementing policies in favour of vulnerable workers were the two major national trade union federations, namely *Comisiones Obreras* (CCOO) and *Unión General de Trabajadores* (UGT).

Fig. 3 – List of the main Employer Organisations and Trade Unions in Italy

Employer Organisations	Trade Unions
Confindustria	CGIL
Rete Imprese Italia	CISL
Confapi	UIL
Alleanza Cooperative	
Confcooperative	
Confimi	
Federdistribuzione	
Conprofessioni	

Fig. 4 – List of the main Employer Organisations and Trade Unions in Spain

Employer Organisations	Trade Unions
CEOE	CCOO
CEPYME	UGT

In both nations, the aforementioned social partners, by virtue of their structural resources and power, have especially demonstrated a prominent role in the formulation, elaboration and implementation of national protocols aimed at safeguarding the health and safety of workers, preventing the risk of contagion in the workplace. However, they also acted outside of national social dialogue structures. In Italy, for example, as will be subsequently demonstrated, many measures to support income and employment and to strengthen and increase supplementary welfare allowances, as well as benefits such as exemption from contributions for employers, and more, have been implemented via bilateral bodies. Comparing the role of other stakeholders involved in policy-making towards vulnerable groups, the pandemic allowed for an informal opening of social dialogue, often jealously closed to new components, to non-governmental organisations and, to a lesser degree, the third sector.

In Spain, an interesting trajectory of the labour union movement was observed, stemming from its intersection with non-governmental organisations. This process was notably conspicuous owing to the collaborative endeavours between labour unions and non-governmental organisations, particularly those involved in the field of immigration and disability affairs, aimed at jointly addressing the detrimental effects of the pandemic in pockets of poverty and vulnerability. The outcomes were favourably assessed, testifying to the efficacy of this collaborative synergy. In this regard, one of the most virtuous examples concerned the collaboration between one of the most representative Spanish trade unions and an NGO providing assistance to disabled individuals to access free psychological assistance services for union workers with disabilities. Along similar lines, a comparable phenomenon was observed in Italy during the pandemic, whereby numerous initiatives were undertaken by trade unions, third sector entities, and NGOs (such as Caritas or the Comunità di Sant'Egidio) to assist individuals residing in specific social and economic hardship contexts. As an example, the *"Aggiungi un'ora a tavola"* project of the trade union agri-food sector, with Fai Cisl as the lead partner in collaboration with Flai Cgil and Uila Uil, and which also involves Caritas Italiana, Fondazione Banco Alimentare, and Comunità di Sant'Egidio, donated over 188 tons of food products, valued at 58 thousand euros, to associations that deal with food, housing, and health emergencies.

Notably, numerous interviewees highlighted a significant political exclusion in the Italian context, involving the lack of engagement from scientific societies and a preference for individual experts who frequently expressed divergent viewpoints. This resulted in the emergence of a dichotomous scientific discourse within the country. As stated by a Professor of Occupational Medicine: *"In my opinion, both the government and social parties were lacking in involving scientific societies that could have contributed more. Instead, they preferred to involve individual experts without involving scientific societies as a whole. For example, the Italian Society of Biology was not consulted"* (code 07, male, health and safety expert, IT)

2. Topics

When dealing with the impacts of the pandemic on vulnerable groups, all the social partners interviewed in the two nations pointed to a major reconfiguration of priorities resulting in two main topic directions, one is represented by health and safety, the other dealing with the organisation of work. Hence, it is possible to evidence a shift from individual rights-based bargaining, such as wages, towards a focus on collective rights.

One of the main issues addressed was a new organisation of work dictated by a series of needs caused by the outbreak of the pandemic. In fact, alongside the necessary protection of workers' health and

safety, the need to contain the number of contagions and the closure of schools, where possible workers began to work from home. This new modality, which was previously uncommon, in both countries, was adopted both to protect workers' health and to satisfy new work-life balance needs (child and family care).

The pandemic thus heightened concerns for personal and communal health and safety, particularly in the workplace, while prompting a reevaluation of work-life balance, productivity, and performance metrics. Generalised lockdowns contributed to and accelerated the disruptive change of work disengagement from the classic paradigms of time and place, exemplified by the new experience of remote work. As one stakeholder claimed: «*Life-time has become a little bit more important in recent years than working-time*» (code 08, female, workers' representative, IT).

However, as different studies have shown (e.g., Kosteas et.al., 2022) the use of work from home created gaps and inequalities between workers. First of all, between those who could work from home and those who could not. Indeed, not all jobs could be performed from home. This difference created an economic gap between those who were able to continue working while receiving their full wages and those who had to access income compensation measures and those who, working in the informal economy, no longer received any benefits. Moreover, working from home exacerbated some gender gaps since, in both countries, it is mainly women who take care of the home and family. Working from home in fact meant that some women experienced more stress from carrying out their work and the parallel management of their children's school activities or caring for elderly parents.

For this reason, among the topics discussed and addressed by social partners an outstanding gender question was underscored. In effect, as highlighted by interviews, the closure of schools and childcare services emphasised a growing awareness in recognizing that reconciliation policies, whose need has been intensified and homogenised across economic sectors by the pandemic, are conceived and directed towards women, thus distorting their de-facto intent, and, moreover, they are bargained, predominantly, by men. This novel consciousness was exploited by Italian and Spanish trade unions which, acting on behalf of women (one of the identified vulnerable groups), asked for more suitable and desirable reconciliation policies. In Italy, for example, two major measures of this kind were adopted, although not directly involving social partners. The first one refers to Article 23 of Legislative Decree No. 18/2020 which granted working parents in the private sector (including foster parents) a special parental leave as a consequence of the suspension of school activities. Additionally, from the resultant amendment of the same article, modified by Article 72, Decree-Law No. 34/2020, the possibility for parents of children up to 12 years of age to take one or more bonuses aimed at the purchase of babysitting services as an alternative to the Covid-19 leave referred to in the same Article 23, has been provided. The amount of the bonus was first stipulated by Articles 23 and 25 of Decree-Law No. 18/2020 as 600 euros for private workers and 1,000 euros for public employees, subsequently these amounts were raised by Art. 72 of Decree-Law No. 34/2020 to 1,200 euros for private sector workers and 2,000 euros for parent-employees belonging to the health sector and accredited health facilities as well as employees of the security, defence and public rescue sectors, respectively.

On the Spanish side, the new attention to work-life balance resulted in the Plan ME CUIDA (again adopted without the direct inclusion of the social partners), contained in Article 6 of Royal Decree-Law 8/2020 of 17 March and designed to facilitate the reconciliation of families in the complicated pandemic period. The measure allows employees to request flexible working hours or a reduction in working hours to care for family members affected by the pandemic and eligibility requires that the need for care is a direct consequence of Covid-19. Flexibility can include changes in work schedule, location, or tasks and does not result in a loss of salary, while a reduction in working hours entails a proportional reduction in salary and can be up to 100%.

3. Actors' interaction

Regarding the interaction of actors, a multifaceted panorama can be discerned not only between the two nations, but also within the social partners themselves and the diverse areas of interaction. Within Italy, considerable strides were made as a result of highly cooperative dynamics between trade unions and employer associations in pivotal sectors. The available evidence illustrates **constructive bargaining** marked by the exchange of crucial principles and value-sharing during a moment of great significance, such as the pandemic, which exacerbated social strife. Despite divergent interests, social partners put aside their conflicts to attain a consensus solution through a judicious intervention approach that ensured a measure of social accountability and equitable claims. As a trade union representative underlined:

“Looking back we have done an important job because I think we have used the right balance within a dramatic situation for the country and for society, to make just claims but at the same time also have the responsibility that there was already a virus to exacerbate social relations, the lives of people, the lives of communities. The whole community had been put to the test and therefore the intervention of the social partners in my opinion was a balanced intervention characterised by just demands while also being mindful of our role as an intermediate body and social partner” (code 10, male, a workers' representative, IT).

For example, in the agency work sector the bilateral system, especially the solidarity fund ⁽⁷⁾, gave social partners the possibility not only to intervene directly to manage and provide social safety net, with the partial support of public resources, but also to increase within 60 days supplementary welfare benefits expressly linked to Covid-19 (additional reimbursements in the case of quarantine and for health care and rehabilitation expenses associated with the virus, daily allowances in quarantine, additional allowances in the case of leave or parental leave).

Similarly, a spokesperson representing one of the largest employers' organisations reiterated their organisation's concerted efforts to adapt their funds, originally designed for specific healthcare or social security activities, to better withstand emergency situations. As emphasised:

“This has been made possible through sustained dialogue with our trade union counterparts” (code 02, male, employers' representative, IT).

Additionally, to maximise the benefits offered through existing bilateral tools in the sector, it was decided to extend the supplementary pension fund *Fon.Te.* (the complementary pension fund for employees of companies in the tertiary sector) to include freelancers and self-employed workers, thereby expanding representation beyond that of the union (agreement of 10 March 2021). This too was made possible through a shared commitment to redesigning the welfare system as a whole, rather than focussing solely on individual representation, with a broader perspective in mind.

What was implemented by *Fon.Te.* follows a practice that had already been previously implemented by the Fondo Solidarietà Veneto which, with the agreement of 20 September 2007, had opened the fund to the membership of atypical workers, direct cultivators, self-employed workers understood as holders of registration with the Register of Craftsmen's Enterprises and INPS and any partners and collaborators. Fondo Solidarietà Veneto was the first contractual pension fund in Italy that extended the historical measures of the employees also at the self-employed.

In general, in Italy, there has been an important role for bilaterality in the provision of new instruments

(7) Solidarity funds are instruments primarily designed to ensure ongoing job protection for workers in cases of reduced or suspended work activities, irrespective of the sector. This applies to sectors and companies that do not benefit from the Ordinary Wage Guarantee Fund (CIGO) and the Extraordinary Wage Guarantee Fund (CIGS). To this end, the most representative trade unions and employer organizations negotiate agreements and collective contracts, including cross-sectoral ones, aimed at establishing these funds (Italian Ministry of Labour and Social Policies, more details at: <https://www.lavoro.gov.it/temi-priorita/ammortizzatori-sociali/focus-on/fondi-solidarieta-bilaterali/pagine/fondi-di-solidariet%25c3%25a0-bilaterali>).

and the readaptation of existing ones to meet new needs.

On the other hand, the interaction between social partners and institutions was continuous, albeit with fluctuations. Social partners were acknowledged as “*crucial allies of democratic institutions*” (code 02, male, employers' representative, IT), particularly in quelling severe forms of protest that could have arisen during such a tragic period. However, their interaction primarily took the form of information sharing and consultation, with the government maintaining control and dominance over the political process. A more interactive relationship was only explicitly evident during the development of the Health and Safety protocol, whose details will be further investigated later, where social partners actively negotiated alongside the government.

On the basis of a thorough analysis of prevailing patterns of social dialogue in Spain, it is patently clear that the tripartite negotiations were significantly reinforced and substantially more efficient, both at national and regional level, when compared to those of Italy. In a concerted effort to counteract the deleterious impact of the pandemic on employment, a series of alliances were forged with social partners and governmental establishments. For example, the first Social Agreement, signed by the government and social partners on May 11th in defence of employment, gave rise to the establishment of the Tripartite Labour Monitoring Commission, consisting of the Ministry of Labour and Social Economy, the Ministry of Inclusion, Social Security and Migration, Spain's most preeminent employer associations (CEOE and CEPYME), and the two largest trade unions (CCOO and UGT). The objective, as articulated by the Secretary of State for Employment and Social Economy, was to evaluate the state of a diverse range of economic sectors and arrive at a decision, prior to June 30th, that provided a robust and reliable resolution for workers and companies that continued to be impacted by measures associated with the management of the pandemic, particularly those pertaining to ERTE's policies ⁽⁸⁾. Taken as a whole, the operations of the Commission can be duly regarded as a success, not just because the different parties demonstrated a remarkable inclination to collaborate towards arriving at a consensual solution, but also because a total of five social agreements were entered into, each of which treated the implementation and/or the extension of significant measures in the domain of unemployment benefits, income maintenance schemes, ERTE's policies, and employment protection regulations.

Despite having obtained significant results, there were reports of dissatisfaction from representatives of social parties regarding their interaction with the government in Spain's national tripartite dialogue. Specifically, the tripartite dialogue in Spain is regulated and institutionalised through the Economic and Social Council (*Consejo Económico y Social*). This public law body possesses an advisory nature and handles labour and socio-economic issues, operating under the Ministry of Labour and Social Economy. The Council consists of the most representative trade unions and employer organizations, along with experts appointed by the government. Its mandate is to issue required opinions on drafts of bills and royal decrees governing socio-economic and labour issues, as well as matters of organization, competence, or functionality of the Council. The Council is also responsible for conducting studies and reports as per the government's request or on its initiative and presenting an annual report to the government about the socio-economic and labour situation nationwide. Despite these functions, the social partners only possess a formal and advisory role in this organ, limiting their ability to prepare a legislative proposal that concerns their interests. This considerable limitation is stressed from a trade union representative who stated that:

“Legislation states that we should only be informed and we can say whether we agree or not, or whether it is accepted or not, or provide a document, which is what we usually do: always reach a consensus on a document among the organisations that go to the table, to tell the government what we want on a specific matter. Normally it is a document of matters that we would like to address or include in the scope of tripartite social dialogue. What happens here in this matter is that when we want to institutionalise tripartite action with the government and

(8) <https://www.inclusion.gob.es/web/guest/w/arranca-la-comision-de-seguimiento-tripartita-laboral-para-definir-las-medidas-extraordinarias-vinculadas-a-los-erte-tras-el-30-de-junio>.

employers and trade unions, there is no desire on the part of governments, regardless of their political affiliation, to involve us in this issue” (code 13, female, workers' representative, ES).

However, looking at the tripartite social dialogue at the regional level, an additional instance, revealed through the conducted interviews, which attests to an interactive and constructive model of social dialogue in Spain is exemplified by *El Plan de Choque para el Empleo*, which although not national in scope, operates at the regional level. This plan was signed on November 11th, 2020, by the President of the Junta of Castilla y León and relevant social partners to mitigate the adverse economic effects of the pandemic on workers, self-employed individuals, companies, and families. The plan comprised four main pillars and had a budget of 82.3 million euros. These pillars included aid to the hotel and tourism sector (21.4 million euros), the signing of 2,000 contracts by municipalities and councils (20 million euros), assistance for ERTE workers for objective reasons and unemployed individuals over 55 years of age (7 million euros), and initiatives for reviving consumption and supporting trade, culture, and fair activities (12.2 million euros), as well as training and digital transformation (10.3 million euros) ⁽⁹⁾. As the Castilla y León secretariat general of one of the main employers' organisations stated:

“Social dialogue in Spain is well established. There were no pressures, it was about talking and trying to reach an agreement. We were not in the media. I believe there were 12 meetings to arrive at this shock plan, 12 meetings in which everyone proposed, modified, and negotiated.” (code 17, male, employers' organization, ES).

The presence of shared values and power relations among social actors within the political process becomes evident through a careful examination of the Madrid Community's strategic plans. Two distinct plans, the *Estrategia Madrid por el Empleo 2021-2023* and the *VI Plan Director de Prevención de Riesgos Laborales de la Comunidad de Madrid 2021-2024*, serve as compelling examples of how these dynamics play out in the region. *The Estrategia Madrid por el Empleo 2021-2023*, backed by a substantial initial investment exceeding one billion euros, reflects a commitment to bolster employability, especially for those facing considerable barriers to entering the job market. It stands on six robust pillars, each emphasizing key aspects of sustainable employment. These pillars encompass lifelong learning, which acknowledges the importance of ongoing skill development, as well as fostering and supporting both individual and collective entrepreneurship. Furthermore, this strategy underscores the significance of social responsibility in the employment ecosystem. It also incorporates instrumental actions designed to enhance the effectiveness of these measures and, notably, provides incentives for permanent hiring, with a particular focus on supporting vulnerable groups ⁽¹⁰⁾. In parallel, the *VI Plan Director de Prevención de Riesgos Laborales de la Comunidad de Madrid 2021-2024* exemplifies the collaborative nature of power relations in the region. This plan, co-signed by the President of the Madrid Community and representatives from CEIM, UGT, and CCOO, underscores the responsiveness of the government to evolving challenges, particularly those stemming from the COVID-19 pandemic. It demonstrates a collective commitment to worker and employer safety and prevention, reflecting a shared understanding of the importance of safeguarding the well-being of all parties involved ⁽¹¹⁾. Together, these plans not only illustrate the interconnectedness of political actors and social stakeholders but also emphasize their alignment in addressing critical issues within the Madrid Community. They highlight a collaborative approach to fostering employment opportunities and ensuring safety in the workplace, underscoring the significance of shared beliefs in shaping the region's political landscape.

This atmosphere of tripartite collaboration and negotiation is well illustrated by the remarks of an interviewee representing the Madrid Autonomous Community who asserts:

(9) https://www.eldiario.es/castilla-y-leon/economia/castilla-leon-acuerda-plan-choque-empleo-82-millones-euros-resultado-insuficiente-sindicatos-patronal_1_6403259.html.

(10) www.comunidad.madrid/sites/default/files/estrategia_empleo_2021-2023.pdf.

(11) https://www.comunidad.madrid/sites/default/files/doc/economia/vi_plan_director_prl_de_la_cm_v5-def.pdf.

"During the pandemic, issues relating greatly to risk prevention were negotiated, and unions and business associations often met tripartite to reach various agreements that worked really well. It appears that employers and unions are at loggerheads, but the truth is that there was a full connection. The impression I got was that everyone was very willing to collaborate and attain agreements, and it was great"(code 18, female, political representative, ES). Additionally, the interviewee remarked: "During the pandemic, we talked with the social actors every day and sat around tables with administration, unions, and business associations daily. I recall the summer of the pandemic when we were all in our summer offices, meeting tripartite regularly all hours of the day. So, I believe that everything was negotiated, and what struck me was that everyone was in agreement, in other words, they were very aware of what was happening and what they needed to help" (code 18, female, political representative, ES).

About bipartite social dialogue there is also ample evidence in Spain of cooperative modes of interaction among social partners themselves, resulting in numerous bilateral agreements. Examples include the Workers' Workplace Protection and Prevention Protocol for the Recovery of Industrial and Distribution Activity in the Automotive Sector, the Guide to Prevention Measures against COVID-19 in the Paper Industry, Social Partners' Proposals to the Government to Protect the Hotel Sector, and Guidelines for Prevention against COVID-19 in the Construction Sector.

However, it is noteworthy that the acceleration of negotiations faced a setback during the post-pandemic era, following a period of high momentum during the emergency times. Interviews reported that trade union representatives raised concerns regarding the sudden departure of employer representatives from key negotiation tables for important reforms addressing minimum wage, pension system, and labour market post-crisis. In light of these observations, it can be inferred that while Spain exhibited a promising foundation of tripartite social dialogue during pandemic emergency time, in post-Covid-19 labour market and macroeconomic scenario, there exist certain pertinent issues that require a deeper consensus and mutual cooperation among the involved parties.

4. Outcomes

Both nations instituted public policies aimed at protecting vulnerable groups in the post-Covid-19 labour market. These policies, the borders of which are often blurred, primarily focused on three areas: job retention or labour market schemes, health and safety measures, and social security provisions.

Regarding Italy, one of the most significant policies concerned freezing layoffs (*Blocco dei Licenziamenti*), implemented by the government at the outset of the emergency and later repeatedly extended. This measure was the result of persistent demands from trade unions through institutional round tables with the government and employers' organisations, as well as informal lobbying and support from society through the media. Despite the conflicting interests of trade unions and employer organisations, in this case, the trade unions achieved an important victory by securing successive extensions of the measure. Another policy adjustment to protect vulnerable groups adopted by the Italian legislature, in which no social partners involvement can be discerned, was the vulnerable workers' right to absence from work equated with hospitalisation. This policy stipulated that private- and public-sector workers recognized as disabled with serious connotations or certified as having a risk condition resulting from immunodepression or oncological pathologies, referred to as "vulnerable workers," could be ordered to abstain from work, with the right to access sickness leave, albeit in the specific declination of hospitalization. ⁽¹²⁾

(12)The 'Relaunch' decree (Law- Decree No 34/2020) subsequently extended this protection until 31 July 2020, while the -Law-Decree No 104/2020 extended it until 15 October 2020, providing in addition that from 16 October and until 31 December 2020, vulnerable workers shall perform, as a rule, work in agile mode, with the possibility of being assigned to a different task falling within the same category or area of classification, as defined by collective agreements, or the possibility to perform specific vocational training activities, also remotely. Therefore, until 15 October 2020 the period of absence of frail workers was equated to hospitalisation, while from 16 October to 31 December 2020 only the (few) fragile workers who were able to work from home were able to continue their activity in favour of their employer, continuing to receive regular pay. Finally, the Budget Law 2021, (Law 178/2020, paragraph 481) reinstated from 1 January 2021 until 28 February 2021 the abstention from work with a medical

Additionally, a series of income maintenance schemes, largely provided in the form of a one-time bonus ranging from 600 to 1000 euros, were implemented for an indiscriminate range of dependent and autonomous workers possessing specific requirements (in particular, a one-time allowance of 1000 euros was provided for workers with exceptional health conditions, referred above by the Italian government as “vulnerable workers”). Regarding these measures, the majority of the representatives of the social partners interviewed consider the “bonus policy” of indiscriminate all-round distribution of one-off payments necessary, given the urgency of finding immediate safety nets and also useful for cushioning the negative effects. As stated by an interviewee:

“In my opinion, it was an important thing, almost salvific, and unfair for many reasons, but almost salvific. I don't think much else could have been done differently” (code 08, female, workers’ representative, IT).

However, at the same time, they accuse the lack of development of a selection strategy on who were the people who really needed economic aid. As a representative of an employers’ organisation observed:

“I must say that no specific measures have been taken for vulnerable groups. Certainly, the public interventions, all the parts that concerned the extraordinary wage integration and allowances, were very important, but if there is a major limitation of this operation, it is that there has not been a thought on vulnerabilities and their reasons. There has been an intervention of an assistance nature, sometimes even used opportunistically because the allowances went everywhere, there was not much difference between the people who were on wage integration and those who worked from home and received it equally. It was almost impossible to have controls, but then it's okay, it was an emergency, but then a strategy that thought about which were also the most vulnerable groups, we did not see it, then this thing of reliefs and allowances started” (code 01, male, employers’ representative, IT).

Furthermore, as highlighted by a trade union representative, the political decision to provide such widespread interventions has exposed the total absence of a welfare state capable of dealing with the pandemic consequences:

“I repeat, they were important interventions. But precisely because of their exceptional nature, it became even more evident the absence of a welfare system. They were all mostly interventions given in a scattergun approach, and mostly given as one-time bonuses. Created anew without relying on any pre-existing tool” (code 10, male, workers’ representative, IT).

Another deficiency identified by the interviewees relates instead to the complete absence of incentives for training for all those workers who were on furlough and therefore had significant amounts of time that could have been devoted to enhancing and improving their skills. In this regard, a prominent stakeholder asserts: *“The benefits and social safety nets undoubtedly helped to address the emergency, there is no doubt about it, but they did not help to resolve the employment problem. What was sorely lacking was a skills conversion plan utilising the substantial amount of furlough that was being used by companies at that time. Essentially, we had suspended employment relationships, individuals who were not engaged in any productive activities, and yet they were not directed towards training. This is something that would have been immensely useful and feasible during that time because they were not employed in production”* (code 04, male, labour law expert, IT).

certificate and the possibility to perform, if compatible, agile work (including training) under the same conditions provided previously. The Law-Decree No. 41 of 22 March 2021 intervened with a further amendment to Article 26 of the “Cura Italia” Law-Decree, extending from 1 March 2021 until 30 June 2021 the possibility of working remotely and if not possible abstention from work with a medical certificate. It also filled the period from 16 October 2020 to 31 December 2020 that the previous measures had left uncovered. Law No. 133 of 24 September 2021, the law converting the so-called Green Pass Decree (Decree-Law No. 111 of 6 August 2021), introduced Article 2 ter, which not only extended the right to smart working, but reintroduced for vulnerable workers the right to absence from work equated to hospitalisation until 31 December 2021.

The interviews also revealed that representative social partners were consulted in the development of this whole series of benefits and social allowances, offering proposals for intervention. As a trade union representative stated:

“The measures that were taken, in which we participated, from the ban on dismissals, but especially the construction of the reform of the safety nets, that was a phase in which, for the first time after so many years, we did not limit ourselves to judging the choices of the policy, but we tried a little to direct them. And this, in my opinion, was also the great opportunity that we had, but in short, the protocols, some measures, the ban on dismissals, the extension of the safety nets, the allowances were the things on which we tried to rebuild a strong link with the workplace and with workers. I don't think there was any doubt that the union played a role in that phase, that is, it acted not as a mere certifier of things but as a subject that autonomously tried to bring its demands” (code 08, female, workers' representative, IT).

In addition to the diverse range of benefits, social partners in Italy also actively advocated for additional measures, including the temporary suspension of contribution payments. This initiative offered the flexibility for companies to later repay the deferred contributions through an extensive repayment schedule, thereby injecting a certain level of liquidity into their operations.

Besides, an additional measure that addressed a portion of the aforementioned vulnerable groups was the implementation of the *Emergency Income (REM)*, envisaged by the Italian legislature as an economic assistance program targeting families experiencing hardship amid the Covid-19 epidemiological crisis.

In the same vein, the extension of the Wage Guarantee Fund to encompass the entire national territory for all employees across productive sectors was contemplated. According to this provision, employers that had to suspend or curtail their activities due to the epidemiological emergency were permitted to resort to the Wage Guarantee Fund, citing the reason 'Covid-19.' The applicability of this provision was subjected to a maximum time period prescribed by the law. Moreover, an extension of the unemployment benefit was also adopted.

Furthermore, three primary measures were conceived by the Italian government to enable better reconciliation of work and life, primarily aimed at women who in Italy, and as well in Spain, are primarily responsible for family care and as previously highlighted, one of the vulnerable groups most affected by the Covid-19 crisis. In this regard, the government unilaterally adopted the *Bonus Babysitter* ⁽¹³⁾, an extraordinary parental leave for private employees to be benefited as an alternative to *Bonus Babysitter*, and the extension of leave for the assistance of disabled family members.

The measure in which trade unions were involved through tripartite collective bargaining was, as previously mentioned, the *Health and Safety Protocol (Protocollo salute e sicurezza sul lavoro)*. In response to the invitation extended by the Government, social partners signed a shared regulatory protocol on March 14, 2020, containing measures to counter and contain the spread of the Covid-19 virus in workplaces. This Protocol provided guidelines to facilitate the adoption of anti-contagion security protocols in the workplace, and underwent three updates, taking into account the evolving pandemic situation ⁽¹⁴⁾.

(13) Decree Law No. 18/2020, in Article 23, paragraph 8, as amended by Article 72, Decree Law No. 34/2020, provides for the possibility for parents of children up to 12 years of age to take one or more bonuses aimed at the purchase of babysitting services as an alternative to the Covid-19 leave referred to in the same Article 23, i.e., the possibility to apply for extraordinary leave for childcare. The amount of the bonus was first stipulated by Articles 23 and 25 of Decree Law No. 18/2020 as 600 euros for private workers and 1,000 euros for public employees, subsequently these amounts were raised by Art. 72 of Decree-Law No. 34/2020 to 1,200 euros for private sector workers and 2,000 euros for parent-employees belonging to the health sector and accredited health facilities as well as employees of the security, defense and public rescue sectors, respectively.

(14) Regarding employees required to work on-site, the initial protective measure was maintaining a distance of at least one meter from other workers. However, given the challenges presented by certain work processes, when maintaining the required distance was not feasible, appropriate personal protective equipment, such as masks, was provided to affected workers. The Protocol emphasized the implementation of these measures, emphasizing the need for equipment and identifying additional compliant devices recommended by health authorities, such as gloves and goggles. In terms of maintaining interpersonal

As highlighted by a trade union representative representing the world of temporary employment, coordinated and continuous collaborations, and self-employment of VAT parties:

"The signing of the Protocol may seem like an ordinary practice, but I assure you that deciding which activities were essential and deciding on the modalities for defining safety protocols to prevent workplaces from becoming places of contagion (...) was not an easy responsibility to assume. Therefore, I believe that if the right choices have been made, certainly, like any mediation and negotiation, something is left behind. It is in the dynamics of bargaining where two parties have to come to an agreement. It cannot be assumed that the other party is equal in sensitivity, interests, and concerns; otherwise, it would not be a negotiation" (code 10, male, workers' representative, IT).

Furthermore, the representative of an employers' organisation in a Northern Italian city that was severely affected by the virus explains: *"Bergamo was the first frontier of impact, and it was hit hard. Therefore, we worked on the definition of safety protocols, which were first tested here, and then refined. These protocols were subsequently adopted at the regional and national levels. Thus, we were deeply involved and believe that we contributed significantly to the overall response effort"*(code 01, male, employers' representative, IT). Another instance that further supports the success of that intervention comes from another union representative who stated:

"In my opinion, we played a fairly leading role in a phase that was not taken for granted. The main things are undoubtedly related to health and safety. Not only did we demand and obtain safety protocols, but these protocols also entrusted workers in the workplace with an important role in governance, participation, and construction. This is something that, in my opinion, has a strong potential to expand and also to overcome a logic where we only discuss participation from a strategic point of view of shareholding. This, in my opinion, was the strongest thing, i.e., being there with the Government and social partners in securing a leading role for workers in such a difficult phase"(code 08, female, workers' representative, IT).

Further confirmation of the factual and symbolic importance represented by the signing of the Health and Safety Protocol is provided by the words of a researcher from INAIL (the National Institute for Insurance against Accidents at Work): *"The approach adopted between the Government and social partners, starting from the bottom up, is an approach that allowed for a swift response because the pandemic was imminent. That was the challenge. There was a need to act immediately, and therefore, the protocol, the tripartite social dialogue, became a fast way to reach shared solutions. Moreover, in its discussion, development, and implementation, various stakeholders with different perspectives and expertise were involved. Another reason for its significance lies in the fact that the protocol paved the way for understanding how worker protection should be placed within a broader framework of public health protection"*(code 03, male, health and safety expert, IT).

With regards to bilateral actions, apart from the previously outlined bilateral measures, a noteworthy initiative in the business domain was the expansion of the Fon.Te. pension fund. Originally established as a complementary pension fund exclusively for employees in the service sector, it was subsequently extended to encompass freelancers and self-employed individuals. This expansion holds significant

distance, the Protocol defined management procedures for communal areas, which included adhering to numerical quotas to ensure minimum distance and limited time spent in these areas. It also regulated entry and exit areas, implementing staggered access. Face-to-face meetings and events were prohibited. Additionally, the Protocol encouraged sanitation procedures within companies to enhance the effectiveness of containment measures. This included daily cleaning and periodic sanitization of workplaces and common areas, specific cleaning and sanitization protocols in case of an affected person, and the sanitization of work tools, such as screens and keyboards. Workers' personal hygiene, particularly hand hygiene, and the availability of suitable detergents were also emphasized.

The Protocol required companies to adopt the specified measures and allowed for their integration with equivalent or more effective company-level agreements, following consultation with union representatives. It emphasized the importance of engaging in dialogue with employee safety representatives prior to implementing specific measures in alignment with the Protocol and legal requirements. Additionally, it advised the establishment of audit committees within individual companies to ensure adherence to the Protocol, with the participation of worker safety representatives.

importance in bridging the gap and providing pension benefits to a wider range of professionals beyond traditional employment structures. With respect to this matter, an employers' organisation representative stated:

"We were the first major representation system to open a contractual category pension fund, so a fund reserved for employees and managers who apply the Confcommercio contracts, to entrepreneurs. And this is because we are convinced that this type of worker today needs a second pillar pension. Perhaps having the money from the pension fund can alleviate a period of inactivity. This happened during Covid" (code 02, male, employers' representative, IT).

Examining the case of Spain, similar to Italy, the primary policy measures implemented to safeguard vulnerable populations encompass employment protection adaptations, income maintenance programs, health and safety protocols, and social security provisions.

One of the first significant interventions unilaterally adopted by the central government in response to the onset of the pandemic and the halt of many economic activities was the *Protection of workers in preventive isolation (Protección de los trabajadores en aislamiento preventivo)*. This measure stated that workers, both those in preventive isolation and those infected across all sectors, were to be considered in a situation of temporary incapacity comparable to absence due to an accident at work. This provided an advantage for workers in this condition, as they began to receive 75% of their salary from the administration from the day after their absence from work.

Like the Italian case, the Spanish government also introduced the *Prohibition of dismissal on grounds of Covid-19 (Prohibición de despido por causas objetivas relacionadas con el Covid)*, which implied that force majeure and economic, technical, organisational, and productive causes linked to Covid-19 could not be used as justification for the termination of an employment contract or dismissal. However, rather than an outright prohibition of dismissal, it was more of a deactivation of a legal cause for termination, aimed at directing the focus towards internal flexibility measures, particularly reductions in working hours and contract suspensions, precisely provided for by the Covid ERTE's.

To counteract the effects of the pandemic on the labour market, Spain also expanded the categories of beneficiaries eligible to claim unemployment benefits. Specifically, the following measures were implemented: *Exceptional unemployment benefit for termination of fixed-term contracts, unemployment benefits in the event of resignation resulting from the agreement to sign a new contract (which was not concluded due to Covid-19), unemployment benefits for termination of employment during the probationary period, an extraordinary unemployment benefit for artists engaged in public performances and the unemployment benefit guarantee*, which extended the right to receive unemployment benefits in cases subject to a six-month extension of entitlement so as to ensure that the failure to apply would have not resulted in the interruption or reduction of the duration of unemployment benefits.

In conjunction with the aforementioned policies aimed at safeguarding vulnerable groups, a notable unilateral policy developed by the Spanish government focused on supporting employees in reconciling their work obligations with caregiving responsibilities during the challenging circumstances brought about by the pandemic. *"El Plan ME CUIDA"* allowed employees to adjust or reduce their working hours to better accommodate the care of their spouse or partner and family members up to the second degree of consanguinity. For this policy to be implemented, it was required that the need for caregiving to the family member was a direct consequence of the pandemic whether due to age, illness or disability, or due to decisions taken by the authorities on Covid-19 (common circumstances that triggered the use of this measure included the mandatory quarantine of minors in educational institutions or the closure of such institutions).

However, the key measure adopted during the pandemic was the flexibilization and simplification of the so-called Temporary Employment Regulation Procedures (*Expedientes Temporales de Regulación del Empleo*, also called ERTEs) which allowed for temporary workforce adjustments to deal with hypothetical activity stoppages. Exceptional measures were adopted to facilitate the use of ERTEs and ensure affected

workers' access to benefits ⁽¹⁵⁾. The policy was initially implemented by the central government but underwent six subsequent tripartite agreements with representatives of the trade unions CCOO and UGT and employer organisations CEOE and CEPYME. As asserted by a labour law expert:

"In Spain, we had up to 4.5 million people in temporary employment regulation procedures. If these measures, initiated by the government with the support of social partners, had not been taken, the economic and social schism in Spain would have been severe. Therefore, all these measures, which were extended on five or six occasions in relation to temporary employment regulation procedures, I believe have been the most important measure" (code 19, male, labour law expert, ES).

The six tripartite agreements signed by the Spanish government and representative social partners, known as the "Social Agreements in Defence of Employment" (*Acuerdo Social en Defensa del Empleo*), yielded several noteworthy outcomes. First and foremost, they led to the repeated extension of the ERTes (Temporary Employment Regulation Measures). Secondly, they facilitated the expansion of the *MECUIDA Plan* and, additionally, they established a dialogue table with social partners to address unemployment issues, ushering in a new era of social dialogue that prioritises the protection of all workers. Importantly, addressing the vulnerability of young individuals during the pandemic, the IV Social Agreement in Defence of Employment introduced provisions enabling young people and unaccompanied foreign minors affected by an ERTE to join the National Youth Guarantee System. In further support of young individuals, Spain also introduced the Youth Guarantee Plus Plan, incorporating targeted measures and best practices identified across various autonomous communities. Notably, efforts had been intensified to guide young individuals toward labour-demanding sectors, such as digitalization, and to address the pressing labour shortages faced by the agricultural industry.

Moreover, an important aspect to highlight, especially for comparative purposes, is the clause provided within the III Social Agreement in Defence of Employment which stipulated for the first time that people affected by an ERTE would receive preferential attention for access to training. As expressed by a representative from an employer organisation:

"Considering that the aim of ERTE's was to maintain employees' relationship with the company, but also anticipating the potential termination of employment, this training helped improve their employability. What has been done is that the bonuses to companies were linked to the development of training, so that some of the bonuses were only obtained if the companies made training opportunities available to their workers, and in other cases, the amount of the bonus was higher if there were these training options" (code 15, female, employers' representative, ES).

Although there was initially a lack of immediate involvement of the social partners in the first decree

(15)Specifically, by Royal Decree-Law 8/2020, contract suspension and reduction of working hours procedures that were a direct cause of the crisis generated by the COVID-19 were considered as force majeure, including the declaration of a state of alert. That is, in cases of suspension or cancellation of activities, temporary closure of places of public access, limitations on public transport and, in general, on the mobility of persons and/or goods, lack of supplies that seriously affect the continuation of the ordinary course of business or in urgent and extraordinary situations due to the infection of the workforce or the adoption of preventive isolation measures decreed by the health authority, it is decreed that these causes cannot be understood as justifying the termination of employment or dismissal (Real Decreto-ley 9/2020, de 27 de marzo, de medidas complementarias, en el ámbito laboral, para paliar los efectos derivados del COVID-19).

For companies that do not fall under force majeure, but nevertheless need temporary flexibility in the regulation of labour relations, the possibility of resorting to contract suspension or reduction of working time (ERTE) for economic, technical, organisational and productive reasons was also envisaged, the existing regulation of which was simplified from a procedural point of view (Real Decreto-ley 8/2020, de 17 de marzo, de medidas urgentes extraordinarias para hacer frente al impacto económico y social del COVID-19).

In all ERTE cases, workers are entitled to unemployment benefits, even if they do not meet the contribution requirements. The suspension of unemployment seniority has also been established, so that the collection of the benefit in this circumstance does not count towards any future unemployment benefit.

The commencement date of the unemployment benefit is the moment when the suspension due to force majeure occurred, i.e., the moment when the undertaking communicates its decision to the authority, which ensures that the benefit is received from the moment of cessation of activity (Real Decreto-ley 9/2020, de 27 de marzo, por el que se adoptan medidas complementarias, en el ámbito laboral, para paliar los efectos derivados del COVID-19).

implemented by the Spanish government to address the emergency (Royal Decree-Law 8/2020), which resulted in significant difficulties for businesses, particularly regarding the prohibition of layoffs and interpretative issues related to ERTE 's measures, as highlighted by various employer association representatives, the subsequent active and meaningful participation of the social partners in the formulation of crucial measures throughout the entire pandemic period undeniably demonstrated the effectiveness of trade unions and employer associations in providing comprehensive solutions to the pandemic.

In effect, based on the interviews, the actions undertaken by the social partners were perceived by them as an overall successful outcome. As elucidated by a representative from a trade union:

"The path towards recovery from the pandemic and the swift revival of economic activity has been paved through extensive consensus and robust agreements forged via social dialogue. Despite the challenges imposed by the pandemic, Spain has managed to establish tripartite social dialogue agreements involving employers' and workers' organizations, as well as the government. Remarkably, in the vast majority of cases, these agreements have been unanimously endorsed by all parties involved. This serves as a clear testament to our success and imparts a valuable lesson for the future, highlighting the efficacy of crisis management through the safeguarding of individuals, fostering social dialogue, and forging agreements that entail equitable burden-sharing. Such an approach yields superior outcomes for all stakeholders and contributes to the well-being of society at large" (code 14, male, workers' representative, ES).

Furthermore, ERTE's institution proved significant regarding the suspension of temporary contracts. During the pandemic, temporary contracts were suspended and resumed once the ERTE's ended. As explained by an employer representative:

"Unfortunately, temporary contracts in our country often pertain to young people and women. So, avoiding the termination of the temporary contract but instead suspending it and entering the ERTE, and then resuming the contract when the situation in the ERTE ended, seemed like an important measure to maintain employment" (code 15, female, employers' representative, ES).

The measure, resulting from social dialogue, has thus been of enormous benefit for two of the previously mentioned vulnerable group categories. However, while recognizing the importance of the measure, social partners do not overlook some of its criticisms. As a representative of a trade union reported:

"With ERTE's the public budget supported more than 3.5 million people during the most acute phase of the pandemic. This was done through a social dialogue agreement of union and business obligations adopted by the government, which then had to be accompanied by a series of small complementary measures, insofar as the main decision left out certain especially vulnerable groups. The most important and vital of these are self-employed workers. (...)Then it left out the whole category of seasonal employment linked to tourism and the summer campaign and those people who had exhausted their unemployment benefits" (code 14, male, workers representative, ES) ⁽¹⁶⁾.

Along with ERTE's, a safeguard clause for companies that benefited from a Covid ERTE (*Compromiso de mantenimiento del empleo*) was introduced. It provided that in cases of ERTE (*Expedientes Temporales de Regulación del Empleo*) companies that took advantage of them were exempt from paying 100% of social security contributions if they had less than 50 employees and 75% if they had 50 or more employees, provided that these companies maintained the employment relationship with the workers involved for a period of six months from the date of resumption of activity.

Furthermore, Article 5 of Royal Decree-Law 8/2020 of 17 March, particularly the provision "Priority to

(16) It is worth highlighting that the Spanish government introduced a countrywide provision designed specifically for self-employed individuals, known as the extraordinary benefit for self-employed workers who ceased their activity (*Prestación extraordinaria por cese de actividad para autónomos*). Moreover, in further support of self-employed workers, measures were implemented to adjust tax payments based on their actual income, providing tax flexibility.

remote work," clearly stated that distance working, and remote work were to be preferred over the temporary suspension or reduction of activity. In this regard, the company had to implement appropriate measures, provided that they were technically and reasonably feasible, and the effort required for adaptation was proportionate.

On the other hand, concerning the measures that were not implemented despite being advocated by social partners, both in Spain and Italy, interviewees expressed discontent over the lack of protective interventions for interns, often young individuals entering the labour market for the first time. As highlighted by a Spanish labour law expert:

"Among the potential measures to safeguard groups in their 'para-work' situation, we find the so-called interns. This is a vast group of individuals who are clearly vulnerable, not so much due to personal characteristics, but because of the precariousness of their circumstances. I believe this is a major oversight by the government and social actors, as they have long sought to address this situation. I would probably consider it as one of the most neglected groups" (code 19, male, labour law expert, ES).

In the same vein, in Italy, a trade union representative asserted:

"From the perspective of employment relationships abruptly terminated without any form of protection, for example, in the case of extracurricular internships... During the pandemic, these individuals were left without any form of compensation, assistance, or support. No element of job security was provided, absolutely nothing. Their internship was abruptly halted, and they received no response from the state. For us, this would have been a sensible measure in terms of equity, but more importantly, it would have sent a social message to the younger generation, who are entering the job market for the first time. This issue, although stemming from the emergency, reveals structural problems such as the absence of a welfare system for certain types of employment contracts" (code 10, male, workers' representative, IT).

Furthermore, among the unimplemented measures, another intervention advocated by Spanish trade unions which failed to progress beyond the implementation stage pertains to the absence of government interventions aimed at regulating prices of essential goods and services, particularly in the fields of energy and rent.

5. Evaluation of the role of social dialogue in adopting protective measures in response to Covid-19

Starting with the Italian context, all representatives of the social partners interviewed emphasized a strengthening of social dialogue during the pandemic period. This is particularly remarkable considering the challenges posed by remote bargaining, which hindered the traditional means of negotiation and compromise. Many participants underscored the heightened level of responsibility displayed by all involved actors, including the state, and the spirit of collaboration among them. They were able to reach consensus-driven solutions that accounted for the priorities of all parties. Agreement among the Italian interviewees is found in the recognition of the pinnacle of social dialogue during the pandemic in the development of the Health and Safety Protocol. This significant moment provided an equal platform for social partners and the government to establish shared guidelines, ensuring the continuation of productive activities under safe conditions. The social partners delicately balanced the urgent need for crisis measures with the imperative to prevent exacerbating the concerns of employers and workers, who were grappling with income and profit declines due to the health emergency. As articulated by a representative of an employers' organisation:

"Protocols allowed to return in offices and workplaces. It may seem trivial, but at that moment, those protocols made the difference between closure and operation, between having income or not. It was an important experience

because, for example, on that day, I saw all business representative organisations and all workers' representation organisations sitting together at the same table"(code 02, male, employers' representative, IT).

In Italy the achievement of consensus among all stakeholders in support of the broader society has proven possible, particularly during times of significant criticality like the Covid-19 pandemic. The pandemic created a unique opportunity for social partners to collaborate and find common ground in addressing the unprecedented challenges faced by the nation. However, the transformative and positive momentum brought about by the crisis seems to have waned once the emergency subsided, as highlighted by a union representative. The social partners lacked the ability to assert their rights and maintain unity during the post-emergency phase, thereby failing to formulate robust and decisive responses to navigate the aftermath of the crisis and foster sustainable economic development and social cohesion. This loss of momentum is concerning as it underscores the ongoing challenges faced by the social partners in maintaining their influence and effectiveness outside of crisis situations. It points to the need for continuous efforts to strengthen the role of social dialogue in shaping policies and addressing societal issues in Italy and beyond.

Hence, the experience of robust social dialogue during the pandemic in Italy serves as a testament to the resilience and adaptability of the social partners. It showcased their ability to come together, transcend differences, and work towards common goals in times of crisis. The collaborative approach demonstrated the value of inclusive decision-making processes and the benefits of involving various stakeholders in shaping policies. However, the post-emergency phase revealed the fragility of this newfound unity. As the immediate crisis subsided, the social partners found it challenging to sustain the same level of cooperation and coordination. The pressing issues that emerged in the aftermath of the pandemic, such as the economic recovery, job creation, and social inequalities, required sustained dialogue and collective action. This highlights the need for ongoing efforts to strengthen and institutionalize social dialogue mechanisms beyond crisis situations. It is crucial to foster a culture of collaboration, trust, and shared responsibility among the social partners. This can be achieved through regular engagement, capacity-building initiatives, and fostering a conducive environment for open and constructive discussions.

In Spain as well, social partners perceived their actions as a success. They demonstrated a commitment to society and a sense of responsibility by ensuring prompt and efficient responses to companies, workers, and their families, thus enhancing their legitimacy. What emerges regarding social dialogue in Spain during the pandemic is a narrowing of the gap between the theory and practice of social dialogue. In this emergency situation, social dialogue was strengthened as social partners set aside partisan interests and maximalist positions, instead seeking consensual and shared solutions. As a Spanish trade unionist claimed:

"Yes, the emergency has indeed strengthened our role, although it is quickly forgotten here. We have a very fragile memory, but the truth is that our image in society has improved because they have seen that everything that was implemented in the first six months was done in collaboration between employers, unions, and the Spanish government. They have witnessed a joint effort and, despite the challenging circumstances of working from home during the lockdown, we worked tirelessly, using various means such as phone calls from the union. So, our image has been reinforced" (code 13, female, workers representative, ES).

Moreover, what is emphasised by stakeholders is the advancement of social dialogue not only at the national level, where 14 tripartite agreements were established¹⁷, but also at the regional level. Following the pandemic event, in many Spanish regions, the prior legitimization of social dialogue regarding any type of social policy to be adopted at the regional level has become practically mandatory. Hence, while

(17) The 14 agreements signed included also measures not strictly connected with the pandemic emergency such as the agreement on labour reform implemented through Royal Decree-Law 32/2021, the law commonly known as the "Ley Rider," the law on remote work, or the law for the revaluation of pensions based on changes in the consumer price index.

previously the presence of social dialogue was merely symbolic or formal, after the health emergency it has become substantive.

In addition to the national and regional levels, there has also been a push at the grassroots level, with unions expressing concerns to establish a presence in small businesses. During and following the Covid-19 emergency, they have taken proactive steps, such as representatives of workers visiting units that do not have representatives, solely to inquire about their problems, show interest in their issues, and bring them to the negotiating table. On the employers' side, the sharing of various government regulations through daily bulletins sent to companies has helped employers' organisations become known throughout the business community. As stated by a representative of one of the largest Spanish employers' organisations:

"It may sound wrong to say it, but due to COVID, we gained visibility because of all the information-sharing, communication efforts, and being there for businesses to ensure that everyone was properly informed about COVID-related matters" (code 17, male, employers' representative, ES).

There is agreement in recognizing the highest and most important point of tripartite social dialogue in the regulation of Spain's temporary job retention schemes, namely ERTes (Temporary Employment Regulation Procedures). As affirmed by the same employers' organisation representative:

"It has been a period of extensive agreement and negotiation. If it weren't for the ERTes, many companies would have closed, and many jobs would have been lost. During a certain period, over 3.5 million people were on ERTes financed by the government, but this support allowed companies to survive, and then almost all of these companies were able to resume their activities. It was essential that social dialogue was there to support the government" (code 17, male, employers' representative, ES).

Ultimately, the COVID-19 pandemic served to fortify social dialogue in Spain in a distinctive manner. Considering the prevailing confinement of social dialogue to a consultative body in the country, the onset of the pandemic prompted the coalition government, which assumed office shortly before Covid-19 outbreak, to establish the Social Dialogue Forum. This forum has witnessed an augmentation in stability and has infused social partners with a renewed sense of hope, as they aspire to witness its formal institutionalisation by the national government.

Part IV. Comparative evaluation and conclusions

The findings from the analysis unveiled that individuals who faced the most adverse consequences in the labour market due to the implementation of containment measures and practices related to the Covid-19 were those belonging to the most susceptible segments of the workforce. This includes categories such as women, migrants, people with non-standard employment arrangements (such as fixed-term workers, interns, part-time workers, and those with coordinated and continuous collaborations), self-employed and temporary workers, those with lower levels of education, and individuals belonging to the lowest average wage percentile. Consequently, based on the definition embraced within the scope of this study, these aforementioned groups can be identified as vulnerable groups, which are defined as groups that have been disproportionately affected by the occupational and social ramifications of the COVID-19 crisis. Both Spain and Italy implemented similar measures aimed at protecting these groups in the workforce, primarily ensuring income maintenance and employment protection adjustments. In Italy, the main measures targeted towards vulnerable groups consisted of the suspension of layoffs, the implementation of workplace health and safety protocols, various bonuses to support workers' incomes (targeting both vulnerable groups and workers in general), the provision of the right to absence from work with certification of health risk, and an extension of unemployment benefits. Similarly, in Spain, measures such as a ban on dismissals related to COVID-19, simplification and flexibility of workforce adjustment procedures (known as ERTes), expanded eligibility for unemployment benefits, multiple income maintenance schemes for self-employed, intermittent contract workers, domestic and agricultural workers, and measures to ensure workplace health and safety were implemented to safeguard vulnerable groups in the labour market. Furthermore, various bilateral measures were executed in both countries by the social partners themselves.

Regarding the role of social partners in adopting the aforementioned measures, distinct scenarios can be observed in Spain and Italy. In Italy, the interaction between social partners and institutions primarily involved information sharing and consultation, with the government maintaining control over the political process. However, a more interactive relationship was evident during the development of the Health and Safety protocol, where social partners actively negotiated alongside the government. On the other hand, in terms of bilateral interactions, Italian trade unions and employer associations demonstrated a highly cooperative approach. They set aside conflicts and engaged in productive bargaining during the pandemic, reaching significant bilateral solutions through judicious intervention approaches that emphasised social accountability and equitable claims.

In Spain, social partners and governmental establishments forged alliances to counteract the adverse impact of the pandemic on employment. Tripartite negotiations were significantly reinforced at both national and regional levels, although the initial set of national measures to counteract the effects of the pandemic were taken without the involvement of social partners. The successive establishment of the Tripartite Labour Monitoring Commission through a tripartite collective agreement exemplified the collaborative efforts between the central government, the most representative employer associations, and trade unions. A total of 14 tripartite collective agreements were signed, specifically for the purposes of this research, with six key agreements being the most significant, known as "*Acuerdos Social en Defensa del Empleo*" (Social agreements in defence of employment). In these agreements, the involved parties addressed matters pertaining to unemployment benefits, income maintenance schemes, ERTE policies, and employment protection regulations. At the regional level as well, the tripartite social dialogue was interactive and constructive, as demonstrated by plans such as "*El Plan de Choque para el Empleo*" in the region of Castilla y León and various regional agreements mentioned earlier.

Overall, it can be stated that the role of social partners in Italy in adopting measures to protect vulnerable groups has been much more visible in the numerous measures taken at the bilateral level than in those adopted in a trilateral manner with the government. Indeed, except for their active involvement in the

Health and Safety Protocol, their role in designing and implementing public policies for vulnerable groups during the COVID-19 pandemic has mostly been one of consultation and information sharing. They have also exerted various pressures through social media to demand certain claims and measures, but with unsuccessful outcomes due to the government's closed attitude. In Spain, on the other hand, social partners played a significant and proactive role in shaping these measures, accompanied by a government that was receptive to their input. They actively engaged in negotiations, exchanged ideas, and collaborated with other stakeholders to develop comprehensive solutions for the workforce and the economy. Importantly, the establishment of tripartite commissions showcased the significance of collective decision-making and cooperation in responding to the challenges posed by the pandemic.

Therefore, it can be argued that the Covid-19 crisis, unlike the previous economic-financial crisis of 2008 where both countries leaned towards unilateralism to adopt fast responses against deleterious economic conditions, has allowed for a revitalization of social dialogue in the two countries. However, the extent of this revitalization has not been equal in both countries. In Spain, tripartite agreements, varying in scope, had been concluded earlier, and with the onset of the Covid-19 crisis, tripartism not only gained prominence but also achieved stability, leading to agreements on various fronts, such as remote work (Canalda Criado, 2022). In contrast, Italy experienced challenges and divisions in tripartite social dialogue following the 2008 financial crisis. At that time the main trade union, Confederazione Generale Italiana del Lavoro (CGIL), did not sign the 2008 protocol on the 2008-2009 second biennium of public contracts or the 2009 framework agreement on collective bargaining reform, while Confederazione Italiana Sindacati Lavoratori (CISL) and Unione Italiana del Lavoro (UIL) did. In addition, successive governments that came into power also played a significant role in shaping the state of affairs. The subsequent governments, including the Berlusconi and Monti administrations, contributed to a limited role of social dialogue in Italy's response to the recession. Similarly, after 2014, tripartism did not regain its pre-crisis level in both countries, despite Spain signing agreements in 2014, 2017, and 2018 and establishing multiple social dialogue forums after the Socialist Party came to power in 2018 (Canalda Criado, 2022). Notably, no tripartite agreements were signed in Italy between 2014 and the onset of the Covid-19 crisis, reflecting the belief among subsequent centre-left governments that crisis periods were not conducive to extensive social dialogue (Regalia and Regini, 2018). As Tassinari and Meardi (2022) underlined, social dialogue practices observed in Italy during Covid-19 suggested a prevailing continuity in the patterns and constraints of concerted solutions, while the fact that this crisis shifted the focus from labour costs (as it was during the 2008 economic- financial crisis) to production issues provided trade unions with new opportunities and resources to advocate for their members. Instead of solely engaging in concession-based bargaining as they have done in the past, trade unions were able to take on more assertive roles, as exemplified by the Health and Safety Protocol negotiations, leveraging their discursive abilities to address pressing issues in a proactive manner. In this sense, the active involvement and agreement of all trade union organisations in signing the Protocol represented a significant deviation from the prevailing inclination in the country to abandon tripartism. From a political standpoint, another pivotal factor that disrupted the unity of action among social partners in Italy was the change of government that took place on February 13, 2021, amidst the ongoing pandemic crisis. Following the resignation of Prime Minister Giuseppe Conte, Mario Draghi, the former President of the European Central Bank, assumed office, forming a government that can be considered as a national unity government, due to the historical context in which it was established and the wide majority that supported it. This shift in leadership significantly altered the dynamics and further complicated the collective efforts of social partners in responding to the crisis, dividing them between those in favour of the different measures introduced by the newly established government and those in opposition but, at the same time, the formal involvement of social partner by a consultative point of views increased with the new government. On the other hand, the continuity of the government in Spain, established on January 13, 2020, and still in office, along with its proactive approach towards the proposals of the social partners, has undoubtedly worked in favour of both the social partners themselves and the entire society. Therefore, the differences in inclusion and

the role of social partners observed between the two countries can be partly attributed to their distinct political traditions of social dialogue as well as their varying levels of government continuity.

In light of this context, it is understandable that the Spanish social partners, through their significant endeavours to implement major initiatives addressing the repercussions of the pandemic, acquired legitimacy. This legitimacy, in turn, strengthened institutional influence, culminating in the establishment of the Social Dialogue Forum. In Italy, despite the actions and interventions as successful, social partners did not increase the perception of their legitimacy within society. Consequently, this did not contribute to the reinforcement of established channels of influence during the pandemic period. Despite this, however, from what has been implemented by the social partners at local and sectoral level, it can be said that in Italy collective bargaining has played a decisive role in the management of instruments aimed at coping with the emergency and designed to ensure a fair distribution of resources. In fact, collective bargaining did not limit itself to acting in accordance with the provisions of the legislation but showed that it knew how to deal with the pandemic crisis with autonomous instruments other than those provided by law.

What can we learn from the social dialogue in the pandemic period?

Several key policy implications and lessons can be drawn from this country comparison.

Firstly, the research paper emphasises the importance of social dialogue. The Covid-19 crisis has underscored the significance of collaborative discussions and cooperation between social partners and the government in formulating effective policies to address the economic and social consequences of the pandemic. Spain's emphasis on tripartite agreements and inclusive decision-making showcases the advantages of such dialogue in shaping comprehensive solutions.

Secondly, closely linked to the aforementioned points, the legitimacy of social partners is pivotal for their effectiveness in influencing policy outcomes. In Spain, social partners acquired legitimacy through their endeavours to address the pandemic's impact on employment, particularly during the recovery phase. Conversely, in Italy, social partners did not see a remarkable increase in their legitimacy within society, as they did not innovate their social dialogue practices following the post-Covid-19 crisis.

Thirdly, the scope of action and the extent of government responsiveness to social partners are intricately interconnected. The government's receptiveness to the input and concerns raised by social partners is crucial for the effective implementation of policies. Spain's government demonstrated a willingness to consider the ideas and proposals put forth by social partners, resulting in a more collaborative approach. Instead, in Italy, the government has shown openness to two major proposals from social partners: the Health and Safety Protocol and the Ban on Dismissals, with the latter being primarily championed by unions. Nonetheless, regarding the broader range of measures implemented to protect vulnerable groups, the government has retained a dominant role in the political process, relegating social partners to a consultative and informative role. Another salient aspect in this context concerns the two different governmental situations. On one side there was in Spain a centre-left government, that according to what the respondents told, was a factor that played a pivotal role in adeptly navigating the pandemic. In contrast, Italy underwent a significant transition, moving from a centre-left government to a broad coalition led by a technocrat, precisely during a crucial phase of the health crisis.

The differences observed in the inclusion and role of social partners between Spain and Italy, as highlighted in the study, necessitate further investigation into the political, historical, socio-economic, and industrial relations contexts of the two countries. This analysis has provided only a preliminary understanding of their distinct political traditions of social dialogue which need to be further examined. Taking into account the broader European context, the national Recovery and Resilience Plans adopted by Spain and Italy in response to the Next Generation EU initiative incorporate specific measures targeting the aforementioned vulnerable groups. Nevertheless, as indicated in a recent EUROFOUND report (2023), the involvement of social partners in the implementation of these measures has been minimal thus far.

In light of this and considering the engagement and responsiveness of social stakeholders during the pandemic, the European Union could play a proactive role in fostering greater participation of social stakeholders in diverse decision-making processes to safeguard the interests of the most vulnerable groups, which span across various economic sectors.

In conclusion, these insights can guide policymakers and stakeholders in developing strategies that prioritise social dialogue, enhance the role of social partners, and ensure government responsiveness. Ultimately, this will lead to more inclusive and effective policy responses tailored to the needs of vulnerable groups in both periods of crisis and times of stability.

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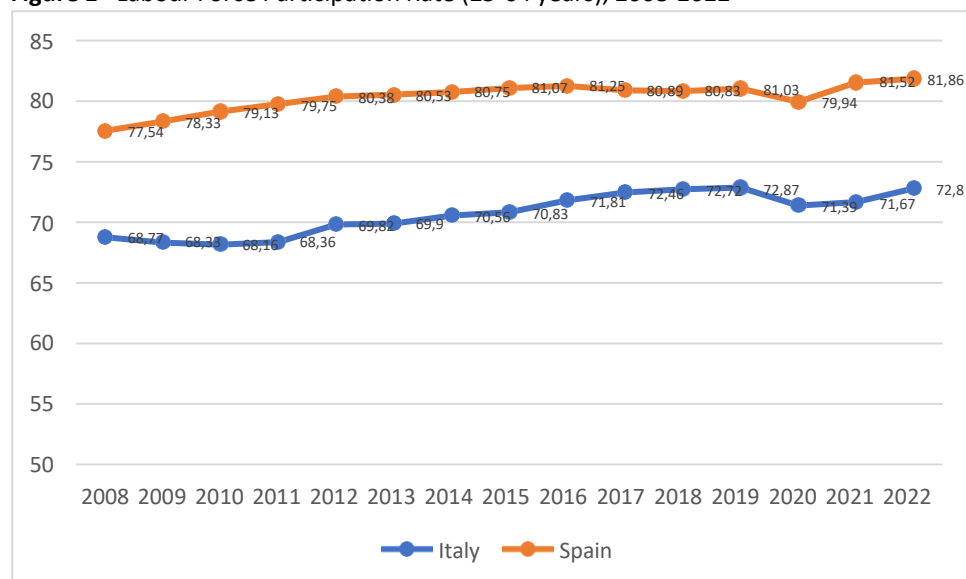
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APPENDIX

1. Graphs

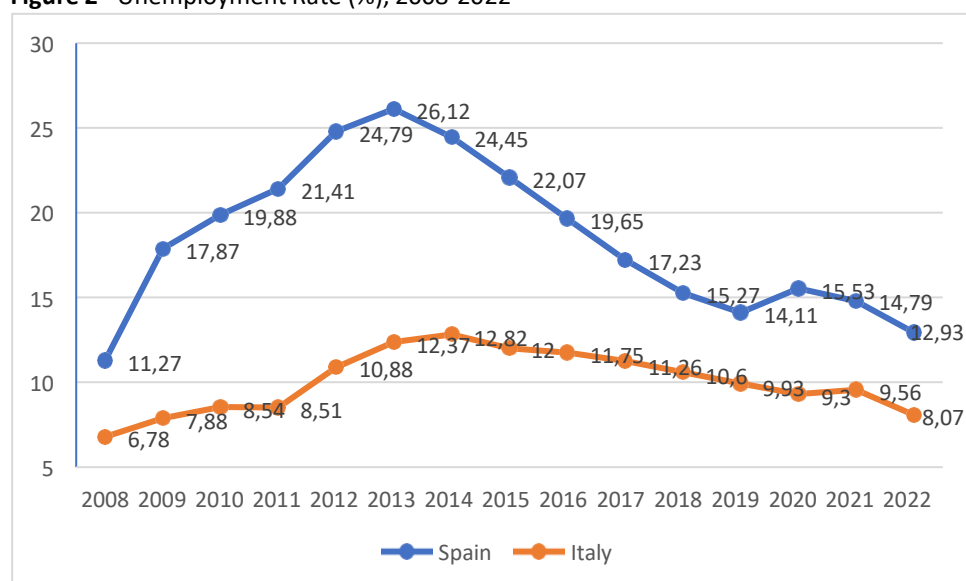
Figure 1 - Labour Force Participation Rate (25-64 years), 2008-2022



Source: Processing performed by ADAPT on OECD data

From 2008 to 2021, Italy's labour force participation rate for individuals aged 25 to 64 fluctuated. It decreased slightly from 68.77% in 2008 to 68.33% in 2010. However, from 2011 to 2019, it steadily increased, reaching 72.87% in 2019, indicating a growth of 4.1 percentage points. In 2020, due to the COVID-19 outbreak, it dropped to 71.39%, with a partial recovery to 71.67% in 2021. In 2022, it stood at 72.3% based on ISTAT data. In contrast, Spain had a consistently higher labour force participation rate than Italy. From 2008 to 2016, Spain's rate increased steadily from 77.54% to 81.25%, marking a 3.71 percentage point rise. In 2017, it slightly decreased to 80.89%, followed by a minor increase to 81.03% in 2019. During the COVID-19 crisis, it dropped to 79.94% but rebounded to 81.52% in 2021.

Figure 2 - Unemployment Rate (%), 2008-2022

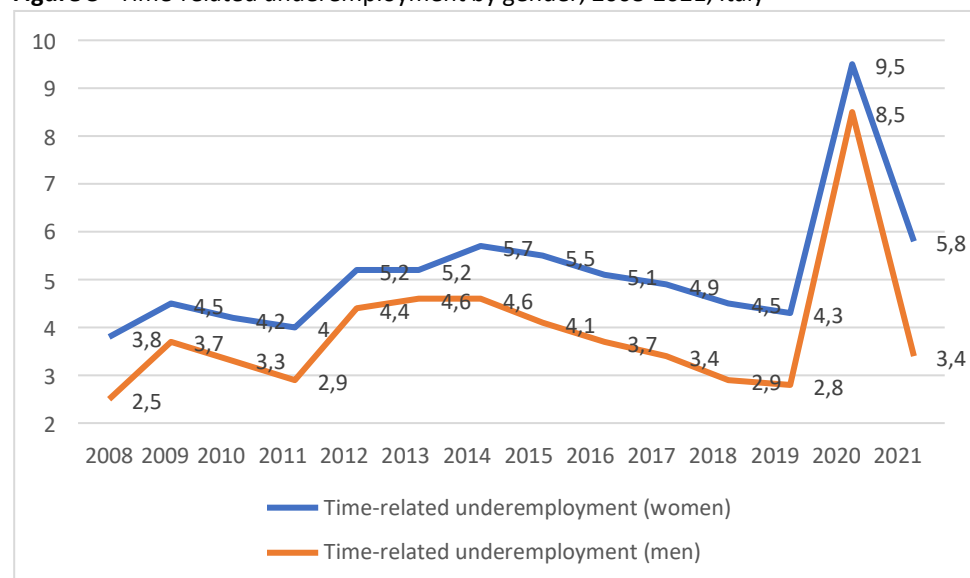


Source: Processing performed by ADAPT on OECD data

Analysing the unemployment rates of Italy and Spain from 2008 to 2022, Italy's rate was at 6.8% in 2008 and gradually ascended until 2010, when it reached 8.5%. Subsequent to a slight downturn in 2011 (8.5%), the rate continued to climb, peaking at 12.8% in 2014. From 2014 to 2020, the rate steadily declined,

reaching 9.3% in 2020, with a marginal increase to 9.6% in 2021. In 2022, the unemployment rate in Italy was recorded at 8.1%. Conversely, Spain's unemployment rate demonstrated higher rates than Italy with more pronounced fluctuations in all evaluated years. Between 2008 and 2009, the rate experienced a significant surge, escalating from 11.3% to 17.9%, resulting in a 6.6 percentage point increase. From 2009 to 2014, it continued to rise, reaching its pinnacle in 2013 at 26.1%. Nonetheless, from 2013 to 2019, it progressively declined, registering a 12.01 percentage point decrease, and stabilising at 14.1% in 2019. In 2020, due to the pandemic, the rate re-ascended at 15.5%, and then receded to 14.8% in 2021. In 2022, it amounted to 12.9%.

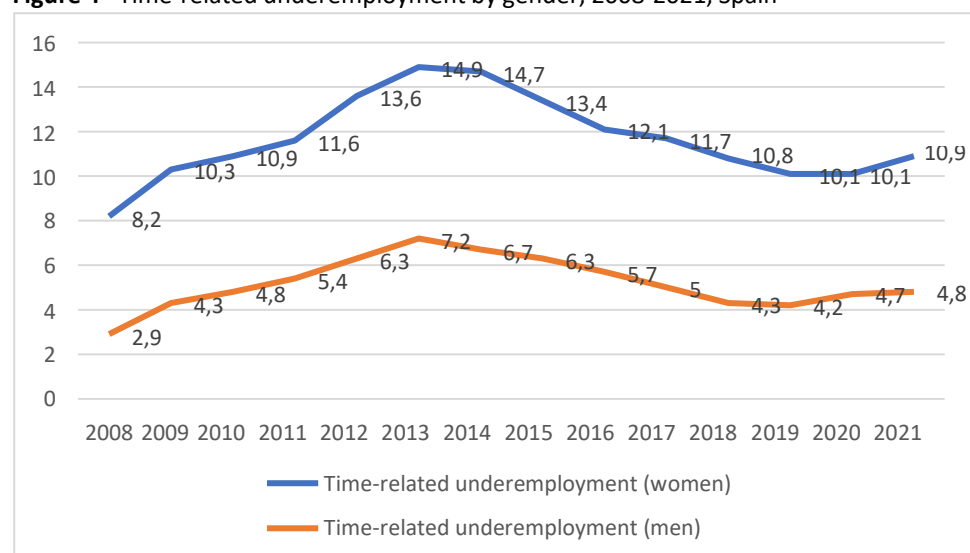
Figure 3 - Time-related underemployment by gender, 2008-2021, Italy



Source: Processing performed by ADAPT on World Bank data

In Italy, the female underemployment rate was 3.8% in 2008, increasing to 4.5% in 2009, then decreasing in 2010 and 2011, but then steadily increasing to 5.7% in 2014. From 2014 to 2019, the rate decreased gradually, reaching 4.3% in 2019. However, with the arrival of the pandemic and resulting economic closures, the female underemployment rate in Italy skyrocketed to 9.5% in 2020. Nevertheless, in 2021 it returned to a relatively standard level, coming in at 5.8%. Men follow a similar trend in the underemployment indicator as women, but with significantly lower rates. In Italy, the male underemployment rate was 2.5% in 2008, rising to 4.6% in 2013 and 2014. Until 2019, the rate gradually decreased, halting at 5.8% in 2020, but then declining to 3.4% in 2021.

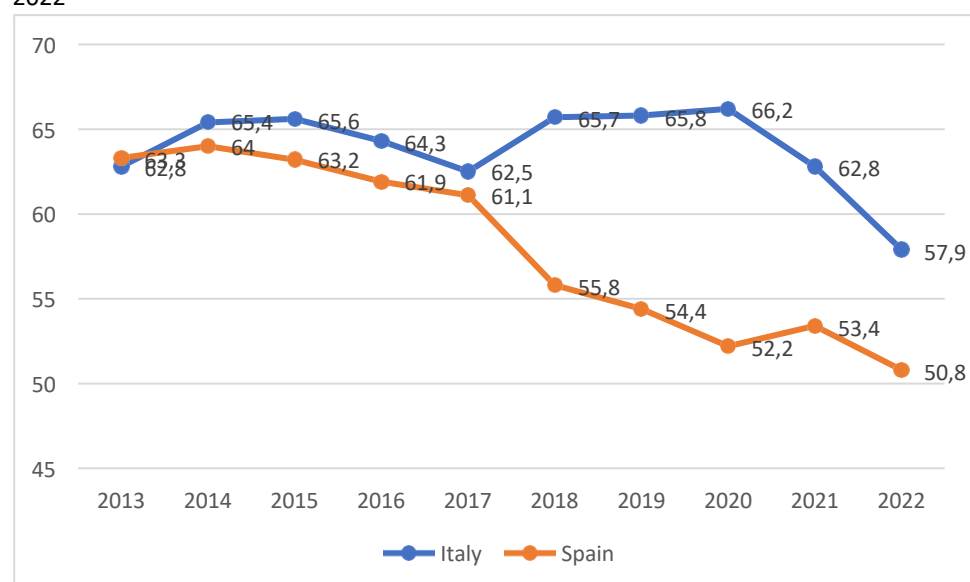
Figure 4 - Time-related underemployment by gender, 2008-2021, Spain



Source: Processing performed by ADAPT on World Bank data

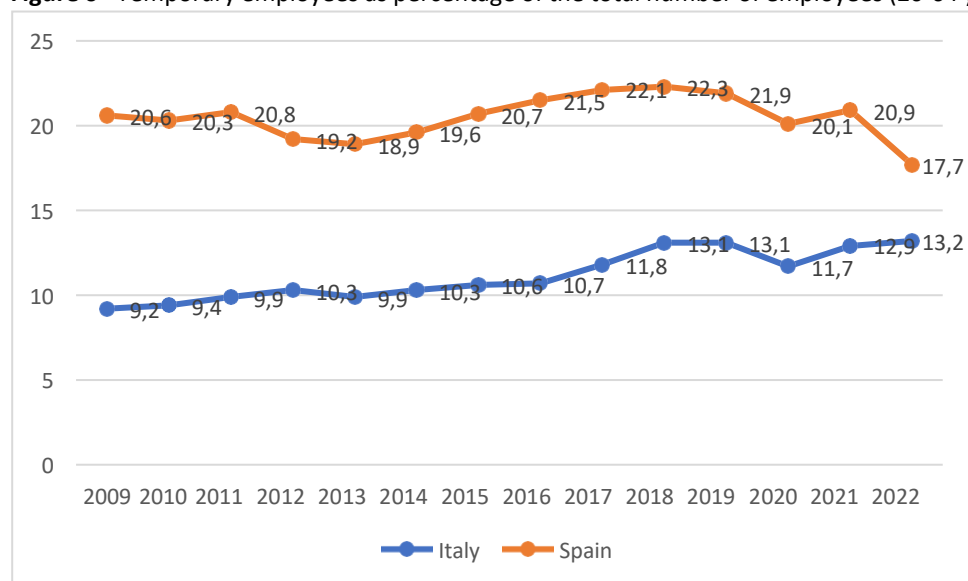
In Spain, underemployment rates are significantly higher than in Italy, especially with regard to women. From 2008 to 2013, the female rate increased continuously, from 8.2% to 14.9%, respectively. However, from 2013 onwards, it gradually decreased, reaching 10.1% in 2020, but then slightly increased to 10.9% in 2021. The male rate followed a similar trend as the female rate, starting at 2.8% in 2008 and increasing to 7.2% in 2013. From 2013 to 2019, the rate decreased gradually, halting at 4.2% in 2019. In 2020, it increased to 4.7%, growing slightly to 4.8% in 2021.

Figure 5 - Involuntary part-time employment as percentage of the total part-time employment (15-64 years), 2013-2022



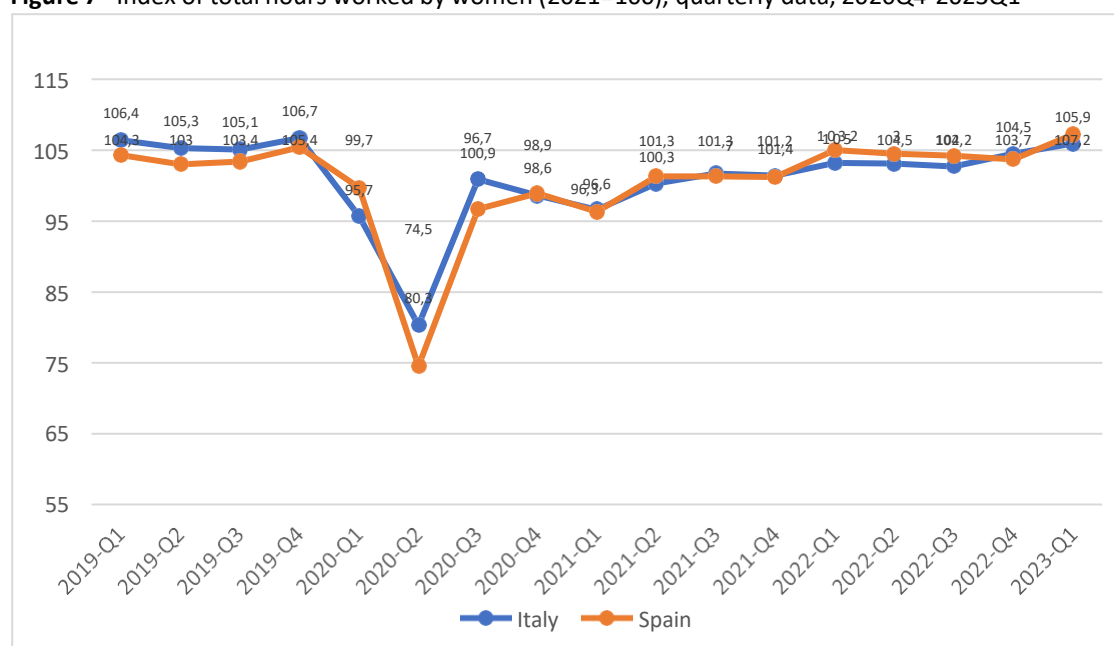
Source: Processing performed by ADAPT on Eurostat data

In Italy, from 2012 to 2015, the proportion of involuntary part-time employment steadily increased from 58.5% to 65.6%. However, between 2016 and 2017, the figure decreased to 62.5%, before rising again to 66.2% in 2020. The trend reversed in 2021, with the proportion dropping to 62.8%. It underwent a subsequent decrease to 57.9% in 2022 (Eurostat). Turning to Spain, in 2012 the proportion of involuntary part-time employment stood at 61.3%, before rising to 64% by 2014. From 2015 to 2020, however, the figure gradually declined, reaching a low of 52.2% in 2020, representing a decline of 11.8 percentage points from the 2014 level. Nevertheless, the proportion increased slightly in 2021, amounting to 53.4% while falling to 50.8% in 2022.

Figure 6 - Temporary employees as percentage of the total number of employees (20-64 years), 2009-2022

Source: Processing performed by ADAPT on Eurostat data

In the case of Italy, the percentage of temporary workers as a proportion of total employees rose gradually from 9.2% to 10.3% between 2009 and 2012. After a slight decline of 0.4 percentage points in 2013 (to 9.9%), the percentage of temporary workers began to rise again, reaching 13.1% in 2019. The arrival of the pandemic in 2020 caused this percentage to drop to 11.7%, but it rebounded to 12.9% and 13.2% in 2021 and 2022, respectively. On the other hand, the trend in Spain is more discontinuous. Temporary workers accounted for 20.6% of total employment in 2009, but after fluctuating increases and decreases over the years, this figure dropped to 18.9% in 2013. From 2013 onwards, however, the data showed a constant increase, reaching 22.3% in 2018. The figure then decreased to 21.9% in 2019 and 20.1% in 2020, before rising again to 20.9% in 2021. However, in 2022, there was a sharp decline of 3.2 percentage points to 17.7%.

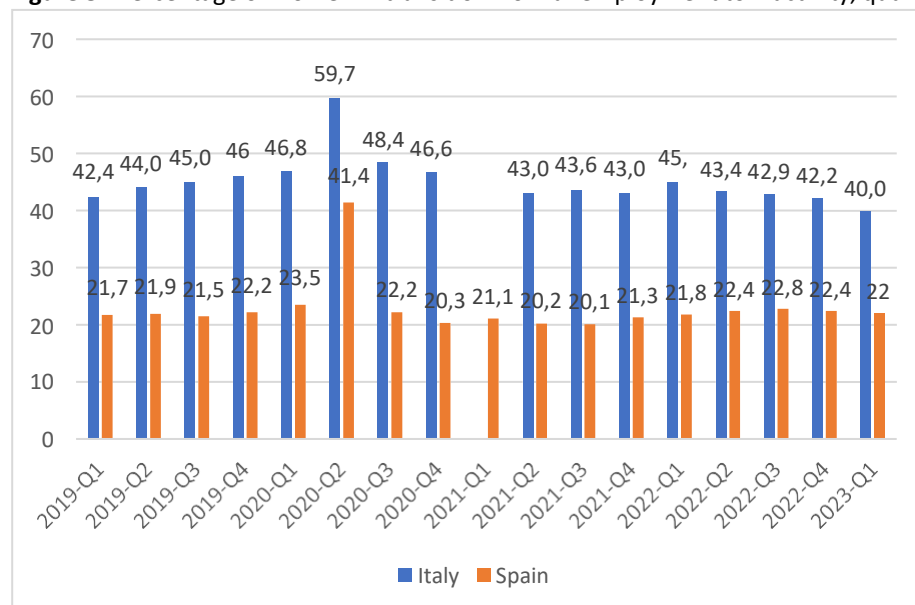
Figure 7 - Index of total hours worked by women (2021=100), quarterly data, 2020Q4-2023Q1

Source: Processing performed by ADAPT on Eurostat data

The graph exemplifies a substantial drop in the total hours worked by women in their primary jobs during the second quarter of 2020. In both Spain and Italy, with 2021 as the reference point (set at 100), the pandemic-induced loss of hours amounted to approximately 15 hours in Italy and 20 hours in Spain.

Specifically, hours decreased from 95.7 to 80.3 in Italy and from 99.7 to 74.5 in Spain. However, in the subsequent quarters, there was a gradual recovery in both countries. Notably, Spain outperformed Italy in the last quarters analysed in 2023.

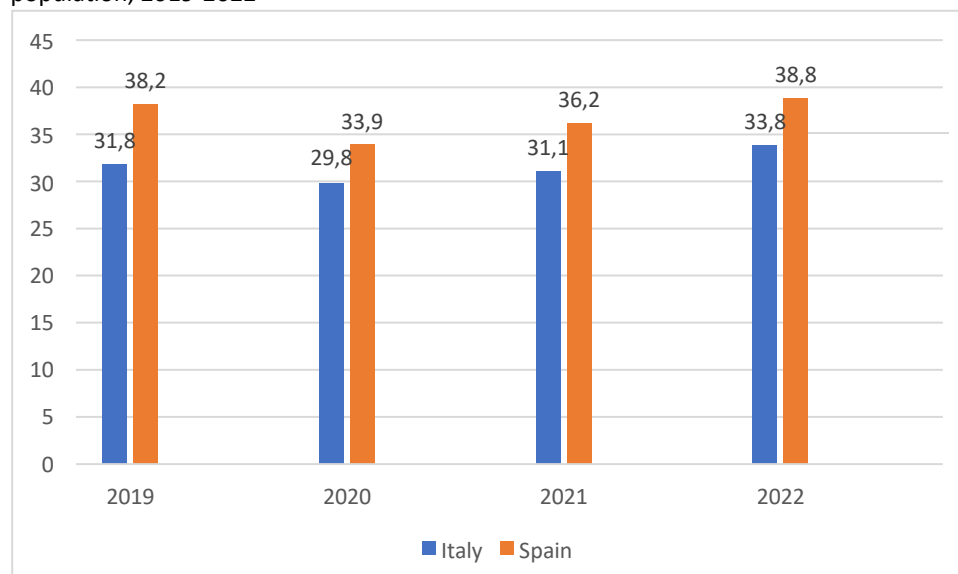
Figure 8 - Percentage of women in transition from unemployment to inactivity, quarterly data, 2019Q1-2023Q1



Source: Processing performed by ADAPT on Eurostat data

In Italy, the average percentage of unemployed women who transitioned to inactivity in 2019 amounted to 44.4%. In Q1 2020, it mounted up to 46.8%, and in Q2 2020, in correspondence with the Covid-19 outbreak, it surged to 59.7%. In Q3 and Q4 2020, the figures declined to 48.5% and 46.6%, respectively. Although the percentage for the first quarter of 2021 is unavailable, the percentage figures for the subsequent quarters of 2021 and 2022 suggest a development towards regularity, stabilising at 44.2% in the last quarter of 2022. The situation appears to be significantly better in Spain. In fact, the average percentage of unemployed women who became inactive during 2019 amounted to 21.8%. In the first quarter of 2020, the percentage increased to 23.4%, rose sharply to 41.4% in the second quarter, and stabilized at 22.3% in the third quarter, while in the last quarter of 2020, it was 20.4%. Upon examining the quarterly data of 2021 and 2022, a similar trend of stabilisation can be observed in Spain, as was seen in Italy.

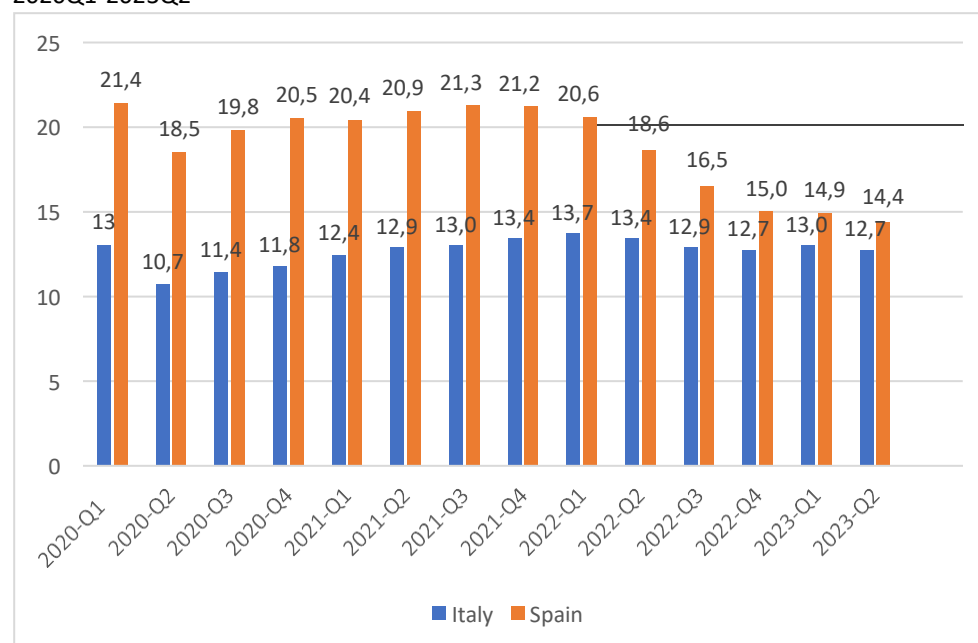
Figure 9 - Total employment rate for individuals aged 15-29 (resident population) as a percentage of the total population, 2019-2022



Source: Processing performed by ADAPT on Eurostat data

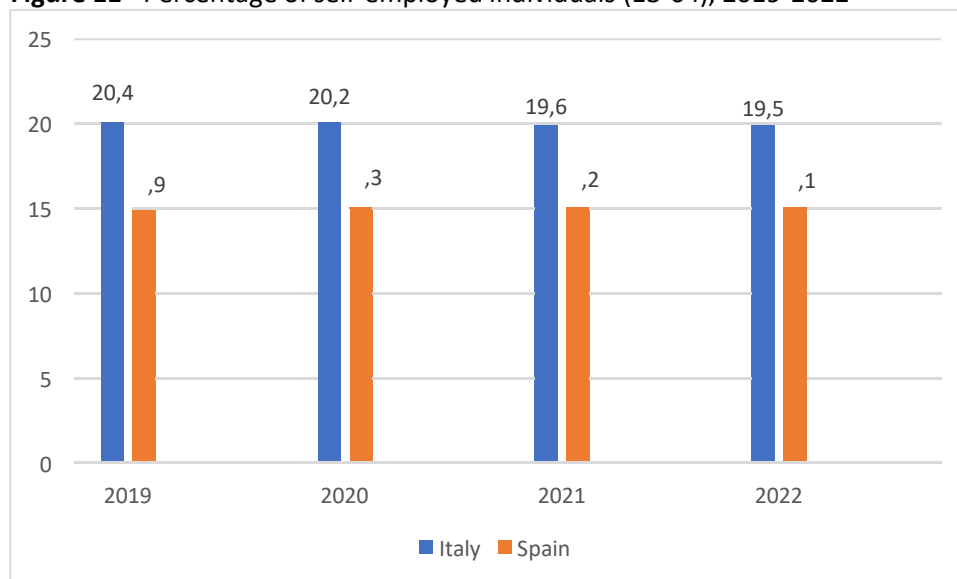
When examining the total employment rate among individuals aged 15-29, both Italy and Spain report some of the lowest rates in the entire European Union. In Italy, the rate stood at 31.8% in 2019, experiencing a 2-percentage-point decline with the onset of COVID-19 in 2020. However, it saw a slight increase in 2021 and a more significant rise of over 2 percentage points in 2022. In Spain, the situation is somewhat more optimistic. In 2019, the rate was 38.2%, but the pandemic led to a reduction of about 4 percentage points. Nevertheless, in 2021 and 2022, there was a consistent upward trend, stabilizing at 38.8% in 2022.

Figure 10 - Employed persons with temporary contracts as a percentage of total employment, quarterly data, 2020Q1-2023Q2



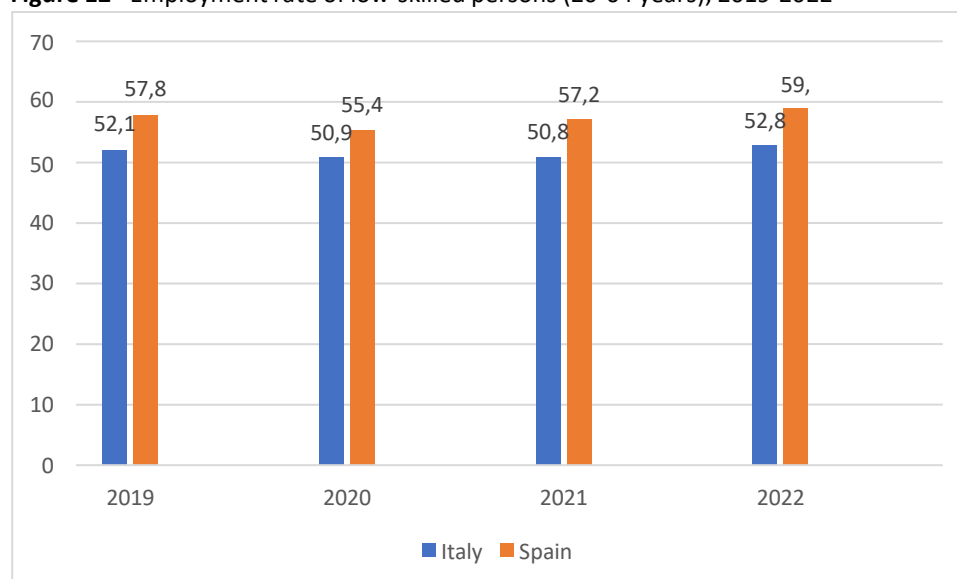
Source: Processing performed by ADAPT on Eurostat data

In Italy, the proportion of individuals aged 20-64 employed on temporary contracts declined to 10.7% in Q2 2020 but increased to 12% in Q4 2020. Throughout 2021, this percentage continued to rise, peaking at 13.4% in Q4. However, it decreased in the last two quarters of 2022. In the second quarter of 2023 it amounted to 12.7%. In Spain, the same rate was 18.6% in Q2 2020, rising to 20.5% in Q4 2020. Despite a decline in early 2021, it consistently increased in the following two quarters, reaching 21.3% in Q3. However, from Q3 2021 to Q3 2022, it steadily declined to 16.5%, marking a 4.8 percentage point decrease compared to the same period in 2021. In the second quarter of 2023, the percentage was attested at 14.4%.

Figure 11 - Percentage of self-employed individuals (18-64), 2019-2022

Source: Processing performed by ADAPT on Eurostat data

Analysing the self-employment rate, Italy witnessed a continuous decline from 2019 to 2022, reaching 19.5%. Similarly, Spain experienced an initial increase from 2019 to 2020, followed by decreases in both 2021 and 2022, settling at 15.1%.

Figure 12 - Employment rate of low-skilled persons (20-64 years), 2019-2022

Source: Processing performed by ADAPT on Eurostat data

In Italy, the employment rate of low-skilled individuals was 52.1% in 2019, which decreased to 50.9% in 2020 and further dropped to 50.8% in 2021. In 2022 it amounted to 52.8%. In Spain, the employment rate for the same group was 57.8% in 2019, which fell to 55.4% in 2020 but partially recovered to 57.2% in 2021, while in 2022 it was 59%.

2. List of interviewed stakeholders in 10 countries

Italy

1. Felsa CISL
2. Uiltucs-UIL
3. Federalberghi
4. Confcommercio
5. CGIL Nazionale
6. Zoelab
7. Confcooperative
8. Inail
9. Afol Milano
10. Università di Bologna – Dipartimento di Scienze Mediche e Chirurgiche

Spain

1. CEOE Castilla y León
2. UGT Castilla y León
3. Universidad de León
4. UGT Málaga
5. Comunità Autónoma di Madrid
6. Universidad de Huelva
7. Colegio Graduados Sociales Málaga y Melilla
8. CEOE Nacional
9. Unión de Cooperativas de Trabajo
10. CCOO

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The European Commission cannot be held responsible for them.