

## European Telework Status Report 1998: Italy

This is an extract from the country summaries section of the European Commission's 1998 Status Report. The complete report is online at <http://www.eto.org.uk/twork/tw98> in a variety of formats, including Word, HTML pages and Acrobat .pdf files. Links to further information about telework in Italy are in the Italy national page at European Telework Online - <http://www.eto.org.uk> .

### Summary

1997 saw several important developments in Italy. The Government has identified telework as part of a major Information Society initiative and there is agreement on co-operation for Information Society developments between Government and the social partners (Trade Unions and Industry Federations). Italy has the lowest level of ICT investment and use of the four largest EU economies, but the significance of this has been recognised. Telework has attracted the attention of Parliamentarians as well as industry; telework agreements have been made in both individual companies and industry sectors. Online, the Italian telework website is the most active national site in Europe and has been the start point for several initiatives - a remarkable achievement given that Italy has low penetration of home PCs and Internet. Italy has also taken to mobile communications with enthusiasm.

Extreme variations in prosperity and employment between North and South present a long-standing national problem, for which telework and teletrade could contribute to a solution, but there must also be concern that without strongly focused attention the Information Society might simply widen the divide.

### Telework background and take-up of ICTs

#### General background:

- Italy is substantially the largest and most highly developed economy in Southern Europe. Although Italy is one of the world's major trading nations, with per capita GDP near the overall European average, but its level of investment in and use of ICTs is well below that of the major Northern economies:

	GDP		IT investment	
	Total, \$Bn	Per capita, ECU	As % of GDP	Per capita
Italy	1088	19021	1.44	249
France	1451	24973	2.41	499
Germany	2252	27604	2.10	486
UK	1095	18849	3.24	490
Spain	532	13434	1.34	157

- There is a significant difference in overall economic activity levels, employment, incomes and living standards between the industrialised North of Italy, which is comparable to France, and the Southern half of the country. Italy's transition from a strongly agricultural to an industrial and service economy has been compressed into a relatively short period; as recently as 1951 agriculture accounted for 44% of employment (though only about one quarter of gross national product), by 1996 this had reduced to 7% of employment. There has been substantial government involvement in this transformation.
- Unemployment is a national priority, being persistently high and recently around 12%. Within this figure there are extreme variations between the main industrial region (Lombardia-Veneto-Emilia Romagna), which has fairly full employment, the central area with average unemployment, and the South (Mezzogiorno) which has very high local levels of unemployment. Self-employment is relatively high by European standards at around 29% of the workforce. Participation rates are among the lowest in Europe, with a relatively low (but now increasing) proportion of women in the workforce. Unemployment is much higher among women than among men.

- Budgetary policy has been tight in recent years, as Italy has taken steps to qualify for participation in the Euro.
- Tourism is an important industry for Italy, the world's fourth most popular tourist destination. Italy's exceptional wealth of arts and historic sites make the cultural domain a natural focus of Information Society activities.

#### Driving factors:

- In September 1996 the Government established a *Forum on Industrial Society* to develop guidelines on IS. In March 1997, the Ministry of Industry presented to the Forum a *Policy and Industrial Plan for the Informatic and Telecommunications Sector*, setting out fundamental objectives and terms of reference for strategic and long-term Government decision making. This plan highlights the Italy's relatively low investment in ICTs and fixes some strategic goals to be achieved:

	PC per 100 employees	Fixed phones per 100 inhabitants	Mobile phones per 1000 inh	Internet users per 1000 inh
Italy	26	43	68	13
France	38	55	24	*79
Germany	39	55	46	50
UK	45	53	94	69
Europe	41	46	52	43
USA	68	N/a**	N/a.	140
* Assumed to include Minitel users. Source: Ministry of Industry 1997				
** Not available				

The plan defines four main "strategic areas": electronic commerce; telework and co-operative work; civic networks and services to the citizens; and multimedia for museums and culture sector. Italy is thought to be the first Government to have highlighted co-operative working as a high priority information society activity.

- Relative to overall Internet penetration there is a high level of online activity, providing a good cross section of local and other Italian language material to motivate take up and use by citizens. Consistently through 1997 the main non-English-language traffic for the European Telework Online website has been from Italy.
- Telecom liberalisation is proceeding on time. A new range of local and distance call tariff arrangements optimised for consumer Internet use has been introduced in 1998 as a result of representations from industry and user representatives through an Internet Committee supported by the Ministry of Communications. Early liberalisation has already led to very fast growth in the use of mobile phones.
- The Government has started acting to increase labour market flexibility, substantially liberalising engagement procedures.
- Parliament has approved a law on electronic signatures and detailed regulations are being implemented by the Authority for Informatics in Public Administration.

#### Constraints:

- Digital leased line telephone costs are among the highest in Europe, acting as a barrier to competition among Internet Service Providers through points of presence networks.

- The very low level of use of PCs and Internet in Italy - especially away from the most industrialised regions - presents a major barrier to the spread of telework, since it means there is less awareness of the potential through "first hand" experience of networking. Additionally, use of PCs in the public administration is low.

Digital's telework experiment in Italy commenced in February 1996, when the company signed an agreement with the internal representatives of the Engineering Workers Union. The trial involves ten volunteering employees in the company's engineering sector, out of about 50. The chosen solution involves work at home. The company have installed the workstations, as well as the equipment necessary for linking it to the office and the company information system, including a dedicated telephone line. The teleworkers must be capable of being contacted for a period of two hours each day, agreeing the details with their direct superior, and must return to the office on at least three occasions each month, or as agreed with their superiors. The latter provision proved to be a useful instrument for ensuring flexibility, as in practice the teleworkers return to the office on average for at least one day a week.

The project forms part of a wider company design, which is known as European New Work Architecture (ENWA) and, in addition to telework from the employee's own home, also envisages the introduction of mobile telework in the Sales, Marketing, Software Support and Technical Assistance Divisions.

The new approach will have considerable repercussions as far as space rationalisation is concerned, translating itself into a saving of about 35% for these four divisions. The disappearance of individual workspaces will be compensated by the setting up of Business Centres, appropriately distributed and equipped to offer support for the mobile stations. Two of these are already in operation, one in Genoa, the other in Milan.

#### Telework activities and results:

- Trade Unions (CGIL, CISL and UIL) and the Employers' Organisations have published guidelines and recommendations for fast deployment of Electronic Commerce, Telework and Telecooperation. The social partners are now working together in the Forum on Information Society.
- The Transport Ministry has implemented a telework project, which was presented at the European Telework Assembly in Stockholm, September 1997.
- The regional government of Emilia Romagna approved a plan for the creation of nine telecentres in rural areas.
- A *Plan 1997-2000* for adoption of ICT in public administration includes telework as one of the applications to be pursued.
- A series of proposals were made to Parliament in 1996-1997, most recently Senate Proposition 2305: *Norme per la promozione e l'incentivazione del Telelavoro* (rules for promotion and encouragement of telework), now under discussion.
- Following individual agreements in a number of companies in 1996, two national agreements were signed in 1997 - for workers in the ICT and the Service & Commerce sectors. These agreements are broad in scope, covering the potential for telework at home, in telecentres and for mobile workers.
- Training for telework is beginning to happen on a quite widespread basis. As well as training for teleworkers this included some training for telecentre operators and specialists.
- The Italian Telework Website is substantially the most active national telework site in Europe, attracting 10,000 visits a month. In addition to email discussion and question answering it provides a facility for posting the CVs of teleworkers and by year end 1997 had fielded more than 100 emails from Italian firms seeking teleworkers.
- There are several positive exemplar companies prepared to make public the results of teleworking.
- The Municipality of Rome, with STET, announced ambitious plans for "cabling the city", including a network of 57 telecentres sited at the focal access points to the city.

#### **Conclusions**

Over the past two years the Italian telework scene has transformed from a limited amount of mainly academic research interest to become quite a hive of activity. In particular telework has got onto both the national and regional agendas, and there is growing interest among employers and unions. Italy is placing particular focus on telecentres and may well demonstrate quite a different experience than that observed with earlier activities in Northern Europe which mainly pre-dated awareness and widespread use of the Internet.

There can be little doubt that telework will now be on the increase in the Milan-Turin-Genoa triangle and in and around Rome. There are the usual barriers of management lack of awareness and resistance, together with slow progress in developing the appropriate legislative, regulatory and contractual arrangements, but the interest and will appear to be there to address these issues.

The two issues that remain are the most challenging, but they are far from unique to Italy: to address the overall low level of use and experience of ICTs by citizens, managers and workers, and to understand how ICTs can best be deployed to address the problems of the Mezzogiorno. Telework is an application that citizens can readily understand; it should play a central role.