

Productive Employment and the Evolution of Training Contracts in Italy*

1. Overview of the Problem

The new provisions relating to training contracts may be said to be among the most significant features – but probably also the most neglected by legal scholars – of the recent reform of the Italian labour market (the Biagi Reform, Act No. 30, 14 February 2003).¹ The underlying rationale of this reform may be summarised, in this connection, as an attempt to put an end to the ambiguities and grave anomalies in the use and development of “atypical” contracts. There has been an abnormal development, often in the grey area of the law, caused by the refusal to tackle the overall reform of the labour market, and as a result these atypical contracts have become a kind of safety valve for dealing with the persistent rigidities of standard employment contracts. In this perspective, it may be argued that training contracts have become just a form of temporary employment, a kind of fixed-term contract allowing for an exception to traditional labour law standards solely on the basis of age criteria. This form of employment is attractive to employers, not only because it is an additional instrument in relation to the limited range of options made available by the legislator for temporary work, but also because it is accompanied by generous incentives in the form of insurance contributions and tax relief,

* *This contribution was previously published in 2006 in The International Journal of Comparative Labour Law and Industrial Relations, No. 4, pp. 635-649.*

¹ On the reform of the labour market, reference can be made to the documentation and the bibliography on the Marco Biagi Centre for International and Comparative Studies website (www.certificazione.unimore.it), index A-Z, under *Riforma Biagi*.

though it provides no guarantee at all of the effectiveness of training, that in many cases has been inadequate.

It may be argued, at least in terms of industrial relations, that it is this improper use of training contracts that has made it possible on a number of occasions to put off the reform of the Italian labour market, thus making younger workers, who tend to be less represented by the trade unions, carry a good deal of the burden of flexibility required by employers. It is therefore not surprising that the problem of youth employment has become a major concern in Italy, due to the high levels of unemployment, without parallel in the rest of Europe, but also as a result of the lack of investment in training that has given rise to widespread precarious employment among young people.²

Within a normative and conceptual paradigm reflecting a Ford-Taylorist model of work organisation and production, training contracts providing access to the labour market have long been used as an instrument enabling employers not only to select workers most suited to productive needs in organisational contexts that are largely static and not particularly innovative, but also to benefit from lower labour costs during training, as a result of lower pay scales for trainees, and due to the generous subsidies made available, often in exchange for minimal or non-existent training programmes, as in the case of many work training contracts.

Like other Mediterranean countries, Italy has tended to subordinate training objectives to aims such as cutting labour costs, reducing the rigidity of the labour market in terms of protection for salaried workers, providing income support for young unemployed people and building social consensus. However, this strategy has turned out to be counterproductive, not only because it has failed to reduce the high levels of unemployment and precarious employment among young people. It also appears that the improper use of training contracts has had the effect of diminishing the overall quality of human capital in Italy to the point that there has been a sharp decline in international competitiveness.

It was therefore inevitable that as part of the overall reform of the labour market one of the main objectives was the adoption of a new system of training contracts in order to ensure their proper utilisation.

In this scenario it is possible to see the clear distinction made by the Biagi reform between apprenticeships and access-to-work contracts, that have

² On this aspect, that is beyond the topic of this paper, see Tiraboschi, M. "Young People and Employment in Italy: the (Difficult) Transition from Education and Training to the Labour Market", *The International Journal of Comparative Labour Law and Industrial Relations*, No. 1.

replaced employment training contracts. Whereas apprenticeship contracts are an effective training instrument for the market, in access-to-work contracts training is secondary to the primary goal, which is to promote access to (re)employment for particular categories. This explains why economic incentives are maintained only for apprenticeship contracts and only on condition that the worker is actually given training. For access-to-work contracts, normative provisions are made available for all categories of employees, whereas economic incentives will no longer be granted for those in the 18-29 age group, who are considered to be less disadvantaged.

By means of this reform it will be possible in the coming years to pursue a comprehensive new strategy in the use of training contracts and financial incentives based on a real investment in human capital as a key factor in facing international competition.³

2. The Functional Overloading of Training Contracts and their Improper Use

The difficulty of making a rigorous distinction between the training provisions in employment contracts and financial support for employers is not encountered only in the Italian system, though in Italy the improper and instrumental use of training contracts has reached a level of degeneration not found in other systems.⁴

It is evident that apprenticeship contracts and employment training contracts have been improperly used, especially in recent decades, also because of a degree of overlapping in typological and normative terms, which tends to make them even more dysfunctional. The training component has in many cases been neglected due to a kind of functional overload, either for political reasons simply to provide funding for enterprises, thanks to the surreptitious reduction of labour costs made possible by generous grants, which the European Union has started to take action against,⁵ or in relation to access to

³ For further details, see Tiraboschi, M. 2005. "The Italian Labour Market after the Biagi Reform", *The International Journal of Comparative Labour Law and Industrial Relations*, No. 2.

⁴ For a comparative study see Biagi, M., and M. Tiraboschi. 1999. "La rilevanza della formazione in apprendistato in Europa: problemi e prospettive", *Diritto delle Relazioni Industriali*, No. 1. p. 87.

⁵ For an analysis of the problem, see Tiraboschi, M. 2002. *Incentivi alla occupazione, aiuti di Stato, diritto comunitario della concorrenza*. Torino: Giappichelli, ch. III.

the labour market for unemployed people and income support for the younger members of the labour force.

It remains the case that – as in other southern European countries⁶ – alongside traditional training objectives, an increasingly important, indeed a predominant, role has been played in recent decades by other functions that are improper, such as cutting labour costs, reducing certain (presumed or real) rigidities in the regulations that protect standard subordinate employment, providing income support for ever larger groups of young workers, attempting to achieve a social consensus, and so on.

All this is by no means surprising but it should be seen in relation to a critical position – which has hardly been applied in practical terms – which for some time now has highlighted the dysfunctional aspects of training policies.⁷ These policies, especially in Italy, are often confused with employment policies, and are assigned tasks and objectives that they cannot perform, such as the creation of new employment, the fight against unemployment and social exclusion, and so on. What clearly emerges from this is the ambiguous nature of so-called training contracts which are unable to provide genuine programmes with periods of alternation between work and training but which are actually used as a means to hire workers on lower rates than would otherwise be possible. Once it has been recognised that vocational training is not in itself capable of generating new employment, then it becomes possible to carry out a meaningful analysis of the role to be assigned to apprenticeships and other forms of training contract with an alternation between work and training, without expecting contracts of this kind to become a panacea for the complex problems of the labour market, a fact that was clear in the context of the reform of apprenticeship contracts in the Treu measures in 1997.⁸

In this connection the redesign of training contracts delineated in the Biagi reform must be seen in the light of the complex provisions included in Legislative Decree No. 276/2003, including provisions on adaptability, limiting the improper use of labour flexibility and training policies, and provisions on employability, aimed at strengthening the position of the

⁶ See again Biagi, M., and M. Tiraboschi, *La rilevanza della formazione in apprendistato in Europa: etc.*, cit.

⁷ See also the documentation and bibliography at bollettinoADAPT.it, index A-Z, under *Formazione*.

⁸ See Vittore, A., and F. Landi. 1997. “L’articolo 17 della Legge n. 196/1997: coordinate per la riforma del sistema della formazione professionale”, *Mercati e rapporti di lavoro. Commentario alla legge 24 giugno 1997, n. 196*, ed. Biagi, M. Milano: Giuffrè, p. 237.

individual worker in relation to sudden and unexpected changes in the labour market.

This is the overall logic that explains the clear functional and normative separation of the two forms of contract. Whereas apprenticeships now become an institutional channel providing young people with access to the labour market, by means of an alternation between employment and training properly speaking, employment training contracts are being phased out (albeit only in the private sector) and in their place the legislator makes provision for a flexible new type of contract, known as the access-to-work contract (*contratto di inserimento al lavoro*), in which the training objective is seen in relation to the primary objective of employment policy, that is the entry or re-entry into the labour market of particular categories of individuals. This is why it is only for apprenticeship contracts that the economic incentives currently made available are maintained. On the other hand, the new access-to-work contracts make use of normative incentives, operating on two distinct levels: the application of normative incentives is provided for all categories of worker, whereas economic incentives will not be granted to the groups of workers considered to be the least disadvantaged, that is to say young people between the ages of 18 and 29.⁹

3. Types of Apprenticeship after the Biagi Reform

Legislative Decree No. 276, 10 September 2003, reaffirms the right and duty to take part in education and training, including the training options providing for the alternation of training and employment adopted in the Moratti reform of the education system, and then identifies three distinct types of apprenticeship contract.¹⁰ In addition to the apprenticeship contract relating to the right and duty to take part in an education and training programme, the reform makes provision also for vocational apprenticeships, for obtaining a qualification by means of on-the-job training and the acquisition of technical and vocational skills, expected to be the type of contract that is most commonly used, and finally an apprenticeship leading to a diploma or specialised training.

⁹ On this point, also on the difference between economic and normative incentives, see Tiraboschi, *Incentivi alla occupazione, aiuti di Stato, diritto comunitario della concorrenza*, cit.

¹⁰ See the documentation and bibliography at bollettinoADAPT.it, index A-Z, under *Apprendistato*.

The employment provisions for these three types of apprenticeship contract are fundamentally similar, though the training schemes differ considerably for each of them, as a function of the result to be achieved.

In particular, the employment contract is required to be drawn up in writing and to contain a description of the work to be carried out, the training to be given, and the qualification to be gained at the end of the training period. In addition, it is forbidden to pay the apprentice by piecework, or to terminate the apprenticeship before it has run its full term in the absence of a just cause or justified reason.

The vocational qualifications gained with all the new apprenticeship contracts give rise to an entitlement to credits for further education and vocational training.¹¹

In order to harmonise the various qualifications obtained the Ministry of Labour and Social Policy is to set up a register of vocational qualifications. This will be drawn up by a commission set up by the Ministry of Education, Higher Education and Research, the employers' associations and the most representative trade unions at national level, and representatives of the Conference of the State and the Regions.

The national legislator, confirming earlier provisions, has laid down quantitative limits on the use of this type of contract. In particular the percentage of apprentices that may be hired in relation to specialised and qualified staff employed in the firm may not be greater than 100 except in the artisan sector (micro and small enterprises), that are regulated by more favourable provisions as laid down in Article 4, Act No. 443/1985.

Moreover, employers who have no specialised and qualified employees, or fewer than three, are not entitled to hire more than three apprentices. In all cases under the terms of current provisions the employer has the right to terminate the employment relationship upon completion of the apprenticeship, pursuant to Article 2118 of the Civil Code. This latter provision takes on a particular significance in defining apprenticeship contracts. Although opinion is divided among legal scholars, the apprenticeship contract may be said to be a special kind of open-ended employment relationship, which is characterised by the fact that both the employer and the apprentice are entitled to terminate

¹¹ The procedures for the recognition of training credits are to be established pursuant to Article 51(2), Legislative Decree No. 276/2003, in compliance with the competences of the autonomous provinces and regions and with the provisions of the Unified Conference of State-Regions-Autonomous Local Authorities in the Agreement of 18 February 2000 and the provisions of Legislative Decree No. 174/2001.

the relationship at the end of the period of training by giving notice to the other party (as laid down by Article 19, Act No. 25, 1955).

Unlike the procedure for fixed-term contracts, which automatically expire at the end of the agreed period, apprenticeship contracts require notice to be served pursuant to Article 2118 of the Civil Code, a provision expressly entitled “Termination of open-ended contracts”. In the event that notice is not served, the employment relationship continues in the same way as a normal open-ended employment contract.

On the basis of these particular provisions for the termination of the apprenticeship contract, it may be considered to be an open-ended contract (*a tempo indeterminato*), as it is not a fixed-term contract in the technical sense, but an employment contract with a maximum duration, linked to particular training objectives: once these objectives have been fulfilled, and in the absence of notice of termination, it is automatically transformed into an open-ended employment relationship.¹²

Especially after the Biagi reform, which aims to strengthen the training component and to provide an institutional channel for access by young people to the labour market, the apprenticeship contract should therefore be considered to be an open-ended employment contract characterised by a deadline by which the parties are free to terminate the contract, coinciding with the completion of the training period.

3.1. The First Level: Apprenticeship Contracts for Exercising the Right and Duty to Take Part in Education and Training

After the age of 15, young people can be hired on apprenticeship contracts for exercising the right and duty to take part in education and training. These contracts lay the foundation for implementing the new right and responsibility to take part in education and training for 12 years, introduced alongside the abolition of obligatory schooling, in compliance with the constitutional principle of labour law, which, pursuant to provisions currently in force on the employment of minors, could not be denied once a young person has reached the age of 15. With the entry into force of the Moratti reform of education, apprenticeship contracts become the only form of employment permitted between the ages of 15 and 18.

¹² In this connection see Suppiej, G. (heading) *Apprendistato*, in *Enc. Giur*, Giuffrè; Ferraro, *Contratto di apprendistato*.

This form of apprenticeship, that may be used in any sector of the economy, is intended to lead to a vocational qualification and has a maximum duration of three years. Young people who will be able to take up this form of employment, in principle, are those from 15 to 18 years of age, but not necessarily, because also those over the age of 18 who have not completed a sufficient period of education or training may also be employed on contracts of this type. In addition, the duration of the contract will be determined on the basis of the vocational qualification to be obtained, the academic qualification, the vocational and training credits awarded, and the skills assessment carried out by the public employment services or accredited private bodies, by means of the recognition of training credits pursuant to Act No. 53, 28 March 2003.

The regulation of the training component of apprenticeship contracts for exercising the right and duty to take part in education and training is the responsibility of the regions and the autonomous provinces of Trento and Bolzano, in agreement with the Ministry of Labour and Social Policy and the Ministry of Education, Higher Education and Research, on condition that they obtain the opinion of the employers' associations and the most representative trade unions at national level.

In order not to interfere with the competences of the regions in training matters, certain fundamental principles are laid down at national level. The definition of vocational qualifications is to be carried out pursuant to Act No. 53, 28 March 2003. Moreover, the total number of hours of training, both on-the-job and off-the-job, considered to be necessary to obtain a vocational qualification, will be established on the basis of minimum vocational standards laid down pursuant to Act No. 53, 28 March 2003.

Once again it is important to note that the decree does not lay down a fixed number of hours, as initially intended in the early drafts of the decree that specified 1200/1800 hours of training.

The extreme flexibility in terms of the number of hours of training, and the means by which training may be carried out, may be explained by the fact that these matters are to be determined by collective labour agreements at national, territorial or company level by employers' associations and the most representative trade unions, with the determination, also by joint bodies (*enti bilaterali*), of the most suitable forms of company training, in compliance with the general standards laid down by the competent regions.

To safeguard the effectiveness of training programmes, a tutor with the necessary training and professional skills is required within the company.

From this overview of the regulation of first-level apprenticeship contracts, it may be seen that there is no risk of the nature of such contracts being radically transformed.

Starting from the principle that the exercise of the right and duty to take part in education and training is a matter of public policy, concerning the training of young people, an alternative system might have been adopted (not proposed by the present author), in which the education system rather than the enterprise would have had to meet the cost of providing training to enable these young people to enter the labour market.

3.2. The Second Level: Vocational Apprenticeships

Young people between the ages of 18 and 29 can be hired in all sectors of the economy on vocational apprenticeship contracts, in order to obtain a qualification by means of on-the-job training and the acquisition of basic, transferable, and technical-vocational skills. Moreover, 17-year-olds can also be hired on such contracts provided they have obtained a vocational qualification pursuant to Act No. 52, 28 March 2003. At least in terms of the definition of those eligible, the historic difference between the artisan sector and other sectors has therefore been eliminated.

The duration of vocational apprenticeships is to be determined by collective agreements concluded between the employers' associations and the most representative trade unions at national or regional level, though in any case the duration must be at least two years and no more than six.

Moreover, it is allowed to add time spent in an apprenticeship for the exercise of the right and duty to take part in education and training, and vocational apprenticeship periods, provided that the total duration is no more than six years.

While safeguarding certain general principles, the regulation of the training component of vocational apprenticeships is the responsibility of the regions, in agreement with the employers' associations and the most representative trade unions at regional level. However, these agreements have been only partially negotiated, and it is for this reason that vocational apprenticeships have been implemented only in a partial and uneven manner, even now, some three years after the entry into force of the Biagi Act.¹³

¹³ See the documentation and bibliography at bollettinoADAPT.it, index A-Z, under *Apprendistato*.

Unlike the first type of apprenticeship, provision is made for a minimum number of hours, amounting to 120 per annum, for the acquisition of basic and technical-vocational skills. In contrast with previous legislative provisions, such training may be carried out in the company and even in the form of distance learning.

This means the abrogation of the principle introduced by Act No. 196, 24 June 1997, by which the granting of contributions relief to the employer was dependent on the apprentice taking part in training programmes outside the company.

Collective agreements concluded at national, territorial or company level by employers' associations and the most representative trade unions are to determine, also through joint bodies,¹⁴ the means by which training will be provided, whether within the company or externally.

Also in this case a company tutor with suitable qualifications and skills is required, and records must be kept of the training provided in the employee's training portfolio (*libretto formativo*).

3.3. The Third Level: Higher Apprenticeships

Young people between the ages of 18 and 29 can be hired in all sectors of the economy on higher-level apprenticeship leading to the award of a high-school diploma, or university and advanced qualifications, as well as advanced technical specialisations pursuant to Article 69, Act No. 144, 17 May 1999.

In this case the regulations laid down in the decree law are minimal, mainly making provision for apprenticeship contracts to be used for advanced vocational training, as in other countries. While no attempt is made to modify programmes that are already operational (the decree law refers to "agreements in force"), the task of regulating and deciding the duration of apprenticeships for the award of a diploma or for advanced training is assigned to the regions, in agreement with the regional employers' associations and trade unions, universities and other training institutions.

¹⁴ See the documentation and bibliography at bollettinoADAPT.it, index A-Z, under *Enti bilaterali*.

4. The Demise of Employment Training Contracts and the Birth of Access-to-work Contracts

On the other hand major changes are planned for employment training contracts, which are to be abolished.¹⁵ The legislator has taken account of the almost total lack of any training component in employment training contracts, and has reconsidered their function with a view to giving priority to access – and above all re-entry to the labour market – on the part of particular groups of workers. As a result, entry-level contracts (*contratti di inserimento*) in the public administration are being phased out.

Under the terms of the new definition,¹⁶ access-to-work contracts are intended to implement an individual plan for the adaptation of the vocational skills of the worker to a specific workplace, in order to facilitate access or re-entry to the labour market on the part of the following categories: a) young people between the ages of 18 and 29; b) those in long-term unemployment between the ages of 29 and 32; c) workers over the age of 50 who are not currently employed; d) workers who intend to start work again after a break of at least two years; e) women of all ages who are resident in geographical areas where the rate of employment for women¹⁷ is at least 20 per cent less than the rate for men, or where the female unemployment rate is at least 10 per cent higher than the rate for men; f) individuals who pursuant to current provisions have a recognised physical disability, learning disability, or psychiatric disorder.

Access-to-work contracts can be issued by: a) public undertakings, enterprises or consortia; b) groups of private enterprises; c) professional, social, cultural or sports associations; d) foundations; e) public or private research bodies; f) sectoral organisations or associations.

Making use of a scheme adopted in the regulations for employment training contracts, it is provided that the use of this type of contract, made more attractive by a mixture of both normative and economic incentives, is conditional on the employer having continued to employ at least 60 per cent of the workers whose access-to-work contracts have run out over the previous 18 months. In calculating this figure, no account is taken of workers who have

¹⁵ See the documentation and bibliography at bollettinoADAPT.it, index A-Z, under *Contratto di formazione e lavoro*.

¹⁶ See the documentation and bibliography at bollettinoADAPT.it, index A-Z, under *Contratto di inserimento*.

¹⁷ The employment rate referred to was calculated, pursuant to Article 54(1)(e), with a decree of the Ministry of Labour and Social Policy together with the Ministry of the Economy and Finance (November 2005 at bollettinoADAPT.it, index A-Z, under *Contratto di inserimento*).

resigned, those who have been dismissed for good reason, and those who at the end of their access-to-work contracts have rejected an offer to continue in employment on an open-ended contract, those whose contracts were terminated during or at the end of the probation period, and a maximum number of four contracts not converted into fixed-term employment contracts. This provision will take effect as from its entry into force, and therefore will not take into account the conversion of the old employment training contracts expiring during the period of transition to the new regime.

4.1. Vocational Access Plans

An essential component of access-to-work contracts is the vocational access plan. The hiring of workers on access-to-work contracts is conditional on the adoption, by the contracting parties, of an individual training plan aimed at guaranteeing the adaptation of the professional skills of the employee to the workplace.

Collective agreements concluded at national level, or at territorial level by the employers' associations and the comparatively most representative trade unions at national level, and company-level contracts concluded by the company trade union representatives or the unitary trade unions, also through joint bodies, make provision for the regulation of individual access-to-work contracts. They both take into consideration the provision of training, also with the support of multi-sector training funds, for the purposes of improving vocational skills.

4.2. The Regulation of Access-to-work Contracts

Access-to-work contracts are deemed to be equivalent to fixed-term employment contracts, though they are characterised by the presence of an access plan supported by a mixture of economic and normative incentives.

In the absence of different provisions in the collective agreements concluded at national or territorial level by employers' associations and the most representative trade unions at national level, and company-level contracts concluded by company-level or unitary trade union representatives, access-to-

work contracts are regulated, wherever compatible, by the provisions of Legislative Decree No. 368, 6 September 2001.¹⁸

The access-to-work contract is required to be in writing, specifying the individual employment plan. In the absence of a written agreement the contract is null and void, and the worker is deemed to be hired on an open-ended employment contract.

The duration of the contract may be not less than nine not more than 18 months. In the case of individuals with a serious physical disability, learning disability or psychiatric disorder, as defined by legal provisions, the contract may be extended for a maximum of 13 months. Access-to-work contracts may not be renewed between the same parties. Extensions to the contract are allowed up to the maximum duration. In calculating the maximum duration of the contract, no account is taken of periods covered by military or civilian service, or for maternity leave. Percentage limits on the use of this type of contract may be laid down by collective agreements.

5. Economic and Normative Incentives

Both apprenticeship contracts and access-to-work contracts attract a series of economic and normative incentives.

In this connection, in the absence of different provisions laid down by legislation or collective bargaining, no account is taken of workers hired on apprenticeship or access-to-work contracts in the calculation of the limits laid down by law or by collective agreements for the application of specific norms and practices. Moreover, it is permitted to hire a worker in an employment grade two levels below the grade applicable, under the terms of the national collective agreement, to workers carrying out tasks requiring qualifications corresponding to the qualification to be gained at upon completion of the apprenticeship or the access-to-work contract.

However, it is intended to change the economic incentives for these two types of contract. Pending the systematic reform of employment incentives, the economic incentives currently in place are to remain unchanged only for apprenticeship contracts. In the case of access-to-work contracts, on the other hand, the existing economic incentives for employment training contracts will be granted only for workers in the disadvantaged categories.

¹⁸ See the documentation and bibliography at bollettinoADAPT.it, index A-Z, under *Contratto a termine*.

The Biagi reform extends the range of flexible types of contract, so it was considered to be reasonable to concentrate economic incentives on the one hand on access/return-to-work contracts for disadvantaged workers, and, on the other hand, on apprenticeship contracts, considering that they fully comply with the requirement to provide effective training.

The financial incentives for the old employment training contracts have therefore been concentrated on a more limited range of individuals: formerly these incentives were granted to all those between the ages of 15 and 32, and even to older groups on the basis of regional provisions. The plan to focus financial incentives more sharply is intended to support workers who are far less attractive to employers than those who currently benefit from employment training contracts.

The savings on access-to-work contracts (replacing the old employment training contracts) will be used to compensate the higher costs, when the scheme is fully operational, of the incentives for apprenticeship contracts arising from the increase of the number of possible beneficiaries (by raising the age limit from 24 to 29 years of age).

This increase in costs should be more than offset by the savings achieved, more generally, by the provisions introduced by the decree that are intended to reduce the area of employment in the grey or black market, benefiting not just the workers concerned (in the form of a higher level of protection) but also the public finances (in the form of higher revenues).

In line with the overall aim of redesigning training contracts in order to make the training component effective, the legislator has made provision for sanctions in cases in which the training objectives are not complied with. In particular, in the case of a serious failure to implement the individual access-to-work plan, the employer is obliged to repay the training grant with a 100 per cent surcharge. For apprenticeship contracts, in cases in which no training is provided and the training requirements of the contract are not met, an employer who is solely responsible for non-compliance with the terms laid down in the contract is obliged to repay the training grant with a 100 per cent surcharge.

6. Conclusions: The Impact of the Inadequate Functioning of the Industrial Relations System on the Implementation of Training Contracts

The reform of training contracts was undoubtedly necessary, and there have been repeated calls for such a reform by legal scholars and even by the legislator. Even the Treu reform of 1997¹⁹ contained proposals for a reform of the kind later implemented by the Biagi Act.

However, the reform is making little progress due to the inadequate functioning of the industrial relations system. As a result, the objective that has repeatedly been emphasised of boosting investment in human capital, in support of enterprise and labour productivity, is still far from being reached.

In implementing the Biagi reform, the social partners have simply activated a transition from employment training contracts to access-to-work contracts,²⁰ without responding to the need to provide norms for apprenticeship contracts. The lack of a collaborative atmosphere between the government and the social partners, both at national and regional level, has led to a paralysis of the reform, resulting once again in an improper use of apprenticeship contracts that increasingly resemble the old employment training contracts rather than the new forms of labour market access with an alternation between education/training and employment.²¹

This is a demonstration of the fact that legislative reforms by themselves cannot achieve a great deal in the absence of an industrial relations system willing to implement them fully and coherently.

¹⁹ Article 16 (15), Act No. 196, 1997.

²⁰ Based on two interconfederal agreements, one on employment training contracts in November 2003, and one on work access contracts in February 2004. See also bollettinoADAPT.it, index A-Z.

²¹ For updated information on the implementation of the reform of employment contracts, see bollettinoADAPT.it, index A-Z, under *Apprendistato*.