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**EUROPEAN COMMITTEE OF SOCIAL RIGHTS
COMITE EUROPEEN DES DROITS SOCIAUX**

8 April 2025

Case Document No. 5

Confederazione Unitaria di Base (CUB) v. Italy
Complaint No. 234/2024

**SUBMISSIONS OF THE GOVERNMENT
ON THE MERITS**

Registered at the Secretariat on 21 February 2025



*Ufficio dell' Agente del Governo
davanti alla Corte europea dei diritti dell'uomo*

AVVOCATURA GENERALE DELLO STATO

European Committee of Social Rights (ECSR)

Collective complaint n. 234/2024

Confederazione Unitaria di Base (C.U.B.) vs. Italy

**OBSERVATIONS OF THE
ITALIAN GOVERNMENT**

Ct 2438/2024
Avv. Monica De Vergori
Avv. Eva Ferretti



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I. Introduction

1. The Secretariat of the General Directorate of the European Social Charter requested the Italian Government to present its observations on the collective complaint no. 234/2024 (“the complaint”), submitted by Confederazione Unitaria di Base (also “C.U.B.”) (“the complainant”).
2. In compliance with the request of the Secretariat of the European Social Charter, the present observations are intended to contest the merits of the complaint.

II. Subject Matter of the Complaint.

3. In the complainant union’s opinion, the national regulations non assicurerebbe un adeguato livello di contrasto alla povertà.
4. According to the association’s perspective, with the recent reforms, Italy would have abolished its universal poverty support instruments (*Reddito di Cittadinanza* or RdC) replacing them with new, more restrictive income support legislative measures (*Assegno di Inclusione*, also AdI and *Supporto alla Formazione e al Lavoro*, also SFL).
5. The complainant states that the new measures adopted by the Italian Government would not be adequate to fight poverty and would not guarantee a universal minimum income also in view of the inflationary phenomenon.
6. The complaint alleges an unsatisfactory implementation of Articles 1, 4, 12 and 30 of the European Social Charter by the Italian Government which, in the face of high



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poverty rates as well as a growing number of workers with incomes below the poverty threshold, has failed to:

- a. established any form of universal minimum income;
- b. set a legal minimum wage level;
- c. adopted sufficient measures for the extension of collective bargaining and the reduction of precarious forms of employment.

7. The complainant reports data referring to poverty from the ISTAT - National Institute of Statistics - analyses and refers in particular to data from 2022 regarding the risk of poverty and not to the detection of poverty in concrete terms.

8. In the complaint, in addition to pointing out the issue of poverty and social exclusion, the complainant also contests the existence of “poor work” and complains about the inefficiency of the Italian system with regard to the guarantee of adequate minimum wages that take into account the economic situation.

9. In particular, the complainant complains that the Italian Government has not adopted adequate measures to prevent downward pressure on citizens’ wages.

10. Lastly, the complainant complains about the abolition of the economic measure of citizenship income and the adoption of substitute measures such as the *Assegno di inclusione* (Inclusion Allowance) and the *Supporto per la formazione e il lavoro* (Support for training and work), introduced by law decree n. 48/2023 and entering into force as of 1 January 2024.

11. In the complainant’s view, the new measures would impact only a small part of the needy population and would undermine the universalistic effect in the absence of the guarantee of a universal basic income.

III. Articles concerned.

12. The complainant seeks a declaration of infringement of the principles enshrined in the revised European Social Charter, with particular reference to articles 1, 4, 12 and 30 of the Charter.



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IV. Relevant domestic law

13. The Italian domestic law relevant to this case states as follows:

- a. decree-law No. 4 of 28 January 2019, which introduced the citizenship income (*Reddito di Cittadinanza*);
- b. decree-Law No. 48 of 4 May 2023, which introduced the *Assegno di inclusione* (Inclusion Allowance) and the *Supporto per la formazione e il lavoro* (Support for training and work);
- c. law No. 207 of 30 December 2024 (Budget Law) which introduced some changes to the Inclusion Allowance and Support for Training and Work, revising upwards the thresholds of the economic requirements and thus expanding the range of households potentially benefiting, as of 1 January 2025. In relation to the *Supporto per la formazione e il lavoro*, the Budget Law also increased the monthly amount of the allowance, and provided for the possibility of extending the benefit, at the end of the first 12 months, for a maximum of a further 12 months, if the beneficiary is still participating in a training course;
- d. ministerial decree no. 154 of 13 December 2023, clarifying the essential elements and implementation modalities of the Inclusion Allowance and specifying the categories of persons to be considered in a disadvantaged condition.

V. On the merits

14. As mentioned above, according to the complainant, the measures adopted by the Italian legislature to combat poverty would violate Articles 12 and 30 of the European Social Charter as they would not provide for a “universal basic income”.

Article 12 (The right to social security): “*With a view to ensuring the effective exercise of the right to social security, the Parties undertake: 1) to establish or maintain a system of social security; 2) to maintain the social security system at a satisfactory level at least equal to that necessary for the ratification of the European Code of Social Security; 3) to endeavour to raise progressively the system of social security to a higher level [...]*”



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Article 30 (The right to protection against poverty and social exclusion): “*With a view to ensuring the effective exercise of the right to protection against poverty and social exclusion, the Parties undertake: a) to take measures within the framework of an overall and coordinated approach to promote the effective access of persons who live or risk living in a situation of social exclusion or poverty, as well as their families, to, in particular, employment, housing, training, education, culture and social and medical assistance; b) to review these measures with a view to their adaptation if necessary.*”

15. The objection is unfounded because Articles 12 and 30 of the European Social Charter do not require the contracting parties to provide each citizen with a basic income (this would be the meaning of universal basic income), but prescribe the adoption of instruments of assistance, inclusion, facilitation of access to employment and vocational training that are capable of concretely counteracting the phenomenon of poverty.

16. The complainant itself refers to the jurisprudence of the European Committee of Social Rights, pointing out that the provisions of the Charter are intended to introduce “*an obligation on the state party to establish advancement policies without leaving any room for reform in pejus of social security mechanisms*” (see p. 7 of the application).

17. The Committee’s decisions are clear, therefore, in not obliging the States to introduce a universal minimum income into their legal systems; the provisions of the Charter only require the adoption of instruments to combat poverty that cannot be derogated *in pejus* solely for economic and/or financial reasons (with the reinforcement of restrictive measures).

18. The complaint is unfounded, at least, with reference to the infringement of Articles 12 and 30 of the European Social Charter, which lay down, respectively, the “*right to social security*” and “*the right to protection against poverty and social exclusion*”.

19. According to the complainant, these provisions outline the legal framework of the set of policies and programmes designed to reduce and prevent poverty and the consequent risk of social marginalisation, with the obligation for the State to adopt appropriate policies for their advancement. The violation by the Italian Government



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would derive, again according to the complainant, precisely from its failure to implement the above policies and programmes.

20. That being said, in the Italian legislative panorama, there have been successive interventions over time aimed at introducing a single national measure to combat poverty.

21. Indeed, in a framework of reforms characterised by the will to increase the level of effectiveness and integration, the focus on poverty, also with the new income support measure called “**Assegno di Inclusione**” (or “ADI”), has been renewed.

22. However, it is considered appropriate to carry out a survey of the instruments to combat poverty that have succeeded one another over time.

23. The complainant’s allegations are, however, unfounded in view of the interventions of the Italian legislature over time.

24. In this regard, in fact, a first form of national minimum income has already been envisaged since 2018, the so-called *Reddito di inclusione* (REI), replacing the previous measure of “Support for Active Inclusion”, a measure to combat poverty that provided for the disbursement of an economic benefit to families in a state of poverty in which there was at least one member who was a minor, or a child (even an adult) with a disability or a woman in a state of established pregnancy. The REI was conditional on the assessment of the economic condition, it was universal in nature and provided beneficiaries with an economic contribution and a customised project of activation and social and labour inclusion aimed at overcoming the condition of poverty, prepared under the direction of the municipal social services. The project concerned the entire household and provided for specific commitments, identified by social workers on the basis of an assessment of the household’s problems and needs. The assessment took into consideration several dimensions: personal and social conditions; economic situation; employment situation and employability profile; education, training; housing condition; family, proximity and social networks.



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25. As is well known, in 2019 the REI was replaced by the *Reddito di Cittadinanza* (RdC), a means-tested cash benefit intended for poor families and conditional on participation in job search or social inclusion activities.

26. The RdC was an income of last resort scheme, complemented by other benefits available to families in poverty. The measure was called “Citizenship Pension” (*Pensione di Cittadinanza*, or PdC) if all household members were over 67 years old or if household members under 67 years old were disabled; in these cases, it was not conditional on active policy project activation.

27. With the so-called Budget Law of 2023, the RdC programme was abolished in favour of the activation, as of 1 January 2024, of two new measures for inclusion and access to work, subsequently defined by Decree-Law n. 48/2023, converted into Law no. 85 of 3 July 2023, namely, the *Assegno di Inclusione* (AdI) and the *Supporto per la Formazione ed il Lavoro* (SFL), referred to above in their essential features.

28. Like the RdC, the AdI consists of a family income supplement, to which a contribution to cover the rent for rented households is added. On the whole, access to AdI is subject to more precise anagraphical and economic requirements than the RdC, while the residence requirement is relaxed for households of foreign origin. As for SFL, it is non-renewable, has a limited duration and very selective access requirements.

29. According to estimates made by the Bank of Italy, the AdI reduces both the incidence of absolute poverty and the *Gini index* of equivalised disposable income (a summary measure of inequality) with respect to the situation in which there was no economic support instrument (-0.6 and -0.4 percentage points, respectively).

30. Like the RdC, the new measures have the dual objective of combating poverty and encouraging the reintegration into the labour market of both AdI recipients who do not receive SFL but are deemed employable by social services and SFL recipients.

31. Therefore, as can be seen, the minimum income measures outlined over the years have always included, as a rule:

- a. the provision of an economic incentive;



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b. the definition of pathways out of poverty and marginalisation, through the provision of social welfare or active labour policy interventions, based on the needs and characteristics of the household and its individual members.

32. In fact, legislators have always aimed to provide economic support accompanied by services to get out of the state of need.

33. With this in mind, the National Fund for Combating Poverty and Social Exclusion (*Fondo nazionale per la lotta alla povertà e all'esclusione sociale*) was earmarked to strengthen the services to combat poverty. Its first allocation, provided for by the 2016 Stability Law, was aimed at implementing the National Plan to Combat Poverty and financing the measure to combat poverty (then SIA - Support for Active Inclusion, later replaced by REI - Inclusion Income, then by the Citizenship Income, now by the Inclusion Allowance).

34. The total resources pertaining to the Poverty Fund in the 2018-2020 three-year period amounted to EUR 297 million in 2018, EUR 347 million in 2019 and EUR 587 million in 2020, earmarked to finance the essential levels of social benefits, interventions and services in favour of persons experiencing extreme poverty and homelessness, and interventions, on an experimental basis, in favour of those who, upon reaching the age of majority, live outside their family of origin on the basis of a court order, aimed at preventing conditions of poverty and enabling them to complete their growth path towards autonomy.

35. These sums were allocated to the territories according to the criteria identified in the first three-year Plan for social interventions and services in order to combat poverty (2018-2020), approved on 10 May 2018 by the Unified Conference. On 28 July 2021, on the other hand, the second Plan for social interventions and services to combat poverty (2021-2023) was approved, which identifies the priorities linked to the National Social Policy Fund and its programming, distinguishing between broader systemic actions and interventions aimed at persons under the age of 18.



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36. All this being said, with specific reference to the counterparty's complaint concerning the inadequacy of the new inclusion allowance measure, it is necessary to make some further clarifications.

37. In particular, the *Assegno di Inclusione* takes the form of a transfer of money, subject to means testing, destined for families in poverty who have at least one person in their household who is a minor, sixty or more years old, disabled or in a "disadvantaged condition" (outlined in Ministerial Decree No 154 of 13 December 2023).

38. The Inclusion Allowance is granted through the Inclusion Card (*Carta di Inclusione*), a rechargeable electronic payment instrument with which it is possible to withdraw cash or purchase all kinds of consumer goods and services.

39. In defining the "conditions of disadvantage" that allow access to the measure, the legislator deliberately included persons with mental disorders, those in charge of social or health services and persons with certified physical, psychic and sensory disabilities, persons with problems related to pathological addictions (including alcohol or gambling addiction), or with pathological substance abuse behaviour, victims of trafficking or gender-based violence, former prisoners or prisoners admitted to alternative measures to imprisonment and work outside, people with specific social fragilities, the homeless and care leavers aged between 18 and 21.

40. The legislator also reserved the possibility of identifying further categories of "disadvantaged" persons if they are not already included in the above categories.

41. In any case, the disbursement of the benefit is subject to the possession of specific requisites, among which the minimum duration of residence in Italy is particularly important, which, for ADI applicants, is five years (the last two of which must be continuous), unlike the ten years envisaged by the previous measure (the *Reddito di Cittadinanza* - RdC), with a consequent increase in inclusiveness for foreign households.

42. This legislative choice stems from the desire not to leave behind any family nucleus in conditions of serious hardship, nor any member within the nucleus itself, with the risk



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of a worsening, even irreversible, of the situation of the persons concerned, whereas a timely intervention could prevent a future of marginalisation and social exclusion.

43. The provision contained in letter b-bis) of Article 2, paragraph 6, of Decree-Law no. 48/2023, converted with amendments by Law no. 85/2023, according to which “*persons included in protection programmes relating to gender-based violence always constitute a separate family unit, also for the purposes of the ISEE*”¹ as an exception to the regulations in force, should be read in this logic, with a view to providing **maximum protection to women and their children included in protection programmes and to facilitating access to subsidised services of interest to women and children.**

44. The new measure aims to guarantee fragile families not only adequate income support, but above all activation and access to enabling social services, for the most vulnerable, and support for reintegration into the labour market, for those who are able to work.

45. Only in this way can one hope to overcome the phenomenon of “poverty” and social exclusion.

46. In fact, with the exception of members over sixty, with disabilities or victims of violence, **the AdI beneficiary, in order to continue to receive economic support, is called upon to define social and work inclusion paths, making specific commitments and receiving customised support according to needs.**

47. With the definition, through a multidimensional assessment, of the customised social and work inclusion pathway, in fact, the needs of the family unit as a whole and of its individual members are identified. If necessary, the multidimensional assessment is carried out by a multidisciplinary team defined by the social service involving operators belonging to the network of territorial services, with reference to employment services, training, housing policies, health protection and education.

¹ Unofficial translation: “*i soggetti inseriti nei percorsi di protezione relativi alla violenza di genere costituiscono sempre un nucleo familiare a sé, anche ai fini dell'ISEE*”.



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48. At the outcome of the multidimensional assessment, the members of the AdI beneficiary nucleus considered fit for work by the social services, must sign a “*Personalised Service Agreement*” (PSP) with the Public Employment Services, while the members not considered fit for work activation, sign a “*Social Inclusion Agreement*” (PaIS) with the social services.

49. Both “pacts” include the commitments that the member or household must fulfil and the services they can receive to promote empowerment and facilitate the process of moving out of poverty (training, childcare, family support, health services, etc.).

50. It is understood that household members for whom the signing of a pact is not mandatory (over 60 years old, victims of violence and persons with disabilities) **may** also decide to sign a pact on a **voluntary basis**, thus receiving possible additional support services.

51. With reference to the amount received as AdI allowance - in reference to which the complainant points out a *reformatio in peius* with respect to the provisions on Citizenship Income (also ‘RdC’) -, it should be noted that for a one-person household, this latter **supplements the annual income to EUR 6,500 and increases with the size of the household**. The increase in the amount occurs according to an equivalence scale that assigns specific increases in the income threshold as the number of household members belonging to the eligibility categories (persons with disabilities, minors, elderly, disadvantaged) or with care responsibilities increases.

52. The amount of the Inclusion Allowance is therefore made up of a family income supplement up to 6,500 euros per year, or 8,190 euros per year if the household is made up of all persons aged 67 years or older or of persons aged 67 years or older and other family members all suffering from severe disability or non-self-sufficiency, multiplied by the corresponding parameter of the equivalence scale. To this amount, a contribution may be added for the rent of the property where the household resides for an amount equal to the amount of the annual rent stipulated in the rental contract (where duly registered) up to a maximum of 3,640 euros per year, or 1,950 euros per year if the household is made



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up of persons aged 67 or over or persons aged 67 or over and other family members all suffering from serious disabilities or non-self-sufficiency. This supplement does not count for the purposes of calculating the household income threshold.

53. The maximum threshold, therefore, is EUR 13,800 per year.

54. In addition, regardless of household size, **AdI recipients receive an additional monthly amount as a supplement for the rent component.**

55. The above amounts were lastly increased by Law no. 207 of 30 December 2024, Budget Law for 2025, thus increasing the number of beneficiaries.²

² “198. Al decreto-legge 4 maggio 2023, n. 48, convertito, con modificazioni, dalla legge 3 luglio 2023, n. 85, sono apportate le seguenti modificazioni:

a) all'articolo 2, comma 2, lettera b):

1) al numero 1), le parole: «euro 9.360» sono sostituite dalle seguenti: «euro 10.140»;

2) al numero 2):

2.1) al primo periodo, le parole: «euro 6.000» sono sostituite dalle seguenti: «euro 6.500»;

2.2) al secondo periodo, le parole: «euro 7.560» sono sostituite dalle seguenti: «euro 8.190»;

2.3) dopo il terzo periodo è inserito il seguente: «In ogni caso la soglia è aumentata a euro 10.140 nei casi in cui il nucleo familiare risiede in abitazione in locazione, secondo quanto risulta dalla dichiarazione sostitutiva unica resa ai fini dell'ISEE»;

b) all'articolo 3, comma 1, le parole: «euro 6.000» sono sostituite dalle seguenti: «euro 6.500», le parole: «euro 7.560» sono sostituite dalle seguenti: «euro 8.190», le parole: «euro 3.360» sono sostituite dalle seguenti: «euro 3.640» e le parole: «1.800 euro» sono sostituite dalle seguenti: «euro 1.950»;

c) all'articolo 12:

1) ai commi 2 e 4, le parole: «euro 6.000» sono sostituite dalle seguenti: «euro 10.140»;

2) al comma 7, le parole: «importo mensile di 350 euro» sono sostituite dalle seguenti: «importo mensile di 500 euro»;

Unofficial translation:

Decree-Law No. 48 of 4 May 2023, converted, with amendments, by Law No. 85 of 3 July 2023, shall be amended as follows

(a) in Article 2(2)(b):

1) in number 1), the words: 'euro 9,360' shall be replaced by the words: 'euro 10,140';

2) in number 2):

2.1) in the first sentence, the words: 'euro 6,000' shall be replaced by the following: 'euro 6,500';

2.2) in the second period, the words: '7,560 euros' are replaced by the following: '8,190 euros';

2.3) the following sentence shall be inserted after the third sentence: 'In any case, the threshold shall be increased to € 10,140 in cases where the household resides in rented dwellings, as resulting from the single substitute statement made for ISEE purposes';

b) In Article 3, paragraph 1, the words: 'euro 6,000' are replaced by the following: 'euro 6,500', the words: 'euro 7,560' are replaced by the following: 'euro 8,190', the words: 'euro 3,360' are replaced by the following: 'euro 3,640' and the words: 'euro 1,800' are replaced by the following: 'euro 1,950';

(c) in Article 12:

1) in paragraphs 2 and 4, the words: 'euro 6,000' shall be replaced by the following: 'euro 10,140';

2) in paragraph 7, the words: 'monthly amount of 350 euros' are replaced by the following: 'monthly amount of 500 euros';



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56. In any case, the measure is compatible with the condition of employment or beneficiary of other measures. In fact, AdI may be granted to recipients of other social benefits in cash and in kind (e.g. AdI may supplement the amount of unemployment benefits if the family's total resources are below the income and wealth thresholds). AdI recipients are also automatically entitled to social bonuses, which are substantial discounts on utility bills for families in economic hardship: water bonus³, sanitation, gas and energy services⁴, which allow them to pay lower tariffs for these types of essential services and, in the presence of minor children, to the "Universal Single Allowance" (*Assegno unico universale* - AUU)⁵, which can be fully cumulated with the Inclusion Allowance, unlike the previous Citizenship Income measure.

57. Moreover, the AUU is not limited only to the recipients of the RdC or ADI, but extends its effects also to non-beneficiary households, acting as a preventive mechanism against the risk of falling into poverty, especially for those households that, although not falling under the selection criteria for the minimum income measure, still present vulnerability profiles.

³ The water bonus or bonus acqua was provided for by the Prime Ministerial Decree of 13 October 2016. Issued by virtue of Article 60 of the so-called Collegato Ambientale (Law 221 of 28 December 2015), it is one of the social bonuses that allows a household in an economically and socially distressed condition to reduce its expenditure on water service. Specifically, it allows a minimum quantity of water to be given free of charge for each member of the household. This quantity has been set at 50 litres per day (18.25 cubic metres of water per year), which corresponds to the amount of water deemed necessary to meet a person's essential needs.

⁴ It is a discount applied automatically on electricity, gas and water bills to households with an ISEE sub-threshold certificate. The household may also be entitled to the social bonus for physical discomfort, if a seriously ill person who needs electro-medical equipment for life support lives in the home.

⁵ The Assegno Unico Universale (Universal Single Allowance), introduced by Legislative Decree No 230 of 29 December 2021, is an economic support for families with dependent children up to the age of 21 and with no age limit for dependent disabled children. It is aimed at employed, self-employed, retired, unemployed and unemployed workers. It is a universal economic measure because everyone is entitled to it, irrespective of employment status (employed and unemployed) and with no upper income limit, and it can be cumulated with other economic poverty support measures. The amount payable varies according to the economic condition of the household on the basis of the ISEE valid at the time of application, taking into account the age and number of children as well as any disability situation of the children.



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58. Moreover, the Inclusion Allowance can also be supplemented by regional poverty support programmes with a consequent increase in the adequacy of the benefit received with respect to cost-of-living differentials between Italian regions.

59. Again, with regard to the amount received as AdI, it should be noted that cumulability with the AdI benefit is recognised, up to a maximum annual limit of €3,000 gross, also in the case of adhesion to active employment policy paths providing for allowances or participation benefits of any kind, or acceptance of job offers.

60. The need to prevent the fall into “poverty” of persons already in need and to fight the phenomenon of social marginalisation is also met, albeit under different conditions, by the active inclusion programme called “Support for Training and Work” (SFL), under Article 12 of Decree-Law 48/2023, converted with amendments by Law 85/2023, aimed at persons aged between 18 and 59 whose households are not among the potential AdI applicants.

61. Individual members of AdI beneficiary households who do not exercise parental responsibility and do not have vulnerability or care responsibilities may also apply for SFL. These individuals are defined as potentially insertable in the labour market with the provision of a lump sum “allowance” equal to €350 per month, conditional on participation in training activities, active labour policies or the so-called “Collective Utility Projects” (*Progetti di utilità collettiva* - PUC), already established under the RdC.

62. The SFL is granted for 12 months and is not renewable.

63. The definition of two different measures (SFL and AdI) demonstrates a change in approach with respect to the objective of guaranteeing fragile households not only adequate income support, but also activation and access to enabling social services, for the most vulnerable, and support for reintegration into the labour market for those who are employable.

64. In fact, both AdI and SFL were created with a view to guaranteeing adequate income support to fragile households and, at the same time, the integration into the labour market of those who are “activable”, in line with the Council Recommendation of 30 January



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2023 on an adequate minimum income guaranteeing active inclusion (2023/C 41/01) and with target 1.3 of the 2030 Agenda for Sustainable Development.

65. In particular, Recommendation 2023/C 41/01, with a view to guaranteeing a life of dignity, at all stages, *“aims to combat poverty and social exclusion and to pursue high levels of employment, by promoting adequate income support, in particular through a minimum income, and effective access to enabling and essential services for those who lack sufficient resources, and by favouring the integration into the labour market of those who can work, in line with the active inclusion approach”*. Recommendation 2023/C 41/01, moreover, recalls the Commission’s Recommendation 2008/867/EC on the active inclusion of persons excluded from the labour market, which defines *“a comprehensive strategy to facilitate the integration into sustainable, quality jobs of those who are capable of working and to provide those who are not capable of working with sufficient resources to live in dignity, supporting their social participation. This integrated approach, based on a combination of three strategic parts (adequate income support, inclusive labour markets and access to quality services), is particularly important for those furthest from the labour market or excluded from society”*.

66. Through the reference to such an integrated approach, Recommendation 2023/C 41/01, leaves open, therefore, the possibility of differentiated intervention with respect to employable persons, highlighting, moreover, that *“for those who are able to work, strong social safety nets must facilitate (re)integration into the labour market through specific support measures, combining active labour market measures, job search support, education and training. (...) Thus, social safety nets do not represent a passive instrument, but rather serve, as far as possible, as a springboard for socio-economic integration and upward social mobility, improving inclusion and employment prospects”*.

67. In line with the above, therefore, the two measures (AdI and SFL) aim to strengthen social safety nets for the reduction of poverty and social exclusion, increase employment levels and provide effective access to enabling and essential services for people without resources.



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68. Like the RdC the new measures have the dual objective of combating poverty and encouraging the reintegration into the labour market of both AdI recipients who do not receive SFL but are deemed employable by social services and SFL recipients.

69. On the basis of the provisional estimates made, to be updated with an examination of the measure when it is fully implemented, taking into account the increases that have taken place, it has emerged that a share of households (about 3 per cent in the first tenth) is at an advantage (large families, with more than three children, or with children under three years of age, or with only one parent). Besides benefiting from the full cumulability of the AdI with the AUU, in these households the adult members beyond the first one are counted on the equivalence scale because they have care responsibilities. In a household with the same income conditions assumed above, but composed of two parents and a child under three years of age, the 'second' adult is assigned a weight of 0.4 in the equivalence scale (*scala di equivalenza*), which is thus of a higher value (1.55) than the RdC deducted for the AUU (1.4). This typical family receives at least EUR 450 per year more than under the previous legislation. The mechanism is similar, for example, for single-parent households with at least one child and for households with at least three minor children.

70. It follows that the incidence of the measure must also be assessed in correlation with the other economic support measures provided by the State to counter economic situations of disadvantage and poverty.

71. The AdI reduces both the incidence of absolute poverty and the *Gini index* with respect to the hypothetical situation in which there was no instrument in force (-0.6 and -0.4 percentage points, respectively).

72. In addition, possible changes in individual behaviour, such as in labour supply, following the reform should be taken into account. A less extensive minimum guaranteed income scheme, by limiting the recourse to the benefit, should encourage job search and retention, especially by low-wage individuals and potentially sole recipients of labour income in the household. Compared to the RdC, in fact, for many individuals the stricter



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eligibility requirements for AdI eliminate monetary disincentives to labour market participation:

73. In this regard, it is noted that as also affirmed in the *considerando* of the Council's political agreement, sustainable and quality employment is the best way out of poverty and social exclusion. The greater the number of people in the labour market, the more sustainable funding will be available for social protection systems, as these are largely financed through taxes on labour.

74. On this point, it should be noted that the previous RdC measure, in addition to determining distortionary effects on the actual beneficiaries, giving rise to opportunistic behaviour that resulted in undue perceptions subsequently recovered by the Italian State, had not given relevant results in the employment sphere, determining, on the contrary, a disincentive to seeking work.

75. At present, the Italian State, in addition to having increased the number of AdI recipients, is also observing a greater increase in employment in at-risk-of-poverty groups.

76. Moreover, the Council itself, in its opinion on minimum income in 2023, agrees with the conclusion of the Commission services that vocational guidance, individual action plans and the integration of activation measures in the minimum income have a positive effect on the probability of finding a job successfully.

77. These measures are all guaranteed by the Italian Government.

78. In the light of the above, the statements contained on page 8 of the complaint, where a Committee Conclusion on the measures adopted by the Italian State is referred to, are also superfluous as it has been shown how, as of 2018, a series of support and protection institutions have been introduced, which certainly allow the provisions of the Charter of Social Rights to be considered respected as well.

79. In conclusion, for all the foregoing, the grievances represented by the complainant are unfounded, at least from the point of view of the infringement of Articles 12 and 30



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of the European Social Charter and, therefore, as regards the Italian legislator's failure to provide for a form of universal minimum income.

80. With reference to the violation of Article 4 of the Charter of Social Rights it is observed that the objections raised by the Claimant to the economic measures adopted by Italy have nothing to do with the violation of Article 4 of the European Social Charter.

81. In this regard, the Complainant represents a series of data that do not take into account the wage segment and the right to a fair remuneration of the terms declined by the provision whose violation it complains of.

82. Moreover, the same phenomenon can well be examined from different perspectives and, if one looks at the ISTAT findings on employment, it emerges that in the third quarter of the year 2024, labour input, measured by hours worked, increased by 0.2% compared to the previous quarter and by 1.5% compared to the third quarter of 2023. Over the same period, GDP remained stationary in cyclical terms and grew by 0.4% in trend terms.

83. The employed increased by 117 thousand units (+0.5%) compared to the second quarter of 2024, as a result of the growth of permanent employees (+111 thousand, +0.7% in a single quarter) and of the self-employed (+43 thousand, +0.8%), which more than offset the decrease in fixed-term employees (-37 thousand, -1.3% in three months); the number of unemployed decreased (-149 thousand, -8.7% in three months) and the number of inactive people aged 15-64 increased (+88 thousand, +0.7%). Similar is the dynamic for the rates: the employment rate reaches 62.4% (+0.2 points), the unemployment rate drops to 6.1% (-0.6 points) and the inactivity rate 15-64 years old rises to 33.4% (+0.2 points). In the provisional data for October 2024, compared to the previous month, the increase in the number of employed persons (+47 thousand, +0.2%) and in the related rate (+0.1 points) continues, which is associated with the decrease in the unemployment rate (-0.2 points) and the increase in the inactivity rate 15-64 years old (+0.1 points).

84. Employment also grew in trend terms (+517 thousand, +2.2% compared to the third quarter of 2023), also in this case involving permanent employees (+3.6%) and the self-employed (+2.6%) against the decrease in fixed-term employees (-5.9%); the decrease in



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the number of unemployed continued (-418 thousand in one year, -22.7%), while the number of inactive persons aged 15-64 grew (+100 thousand, +0.8%). This dynamic is reflected in the growth of the employment rate (+1.0 points in one year) and of the inactivity rate (+0.1 points) and in the decrease of the unemployment rate (-1.7 points).

85. On the business side, the cyclical growth in employed positions was also observed this quarter, with an increase of 0.5% in the total and of 0.4% in the full-time and part-time components. Compared to the same quarter of the previous year, the increase amounted to 2.2% in the total and in the part-time component, with slightly less growth in the full-time component (+2.1%).

86. With regard to wages and salaries, on the other hand, the hourly wage index rose by 3.1% year-on-year in 2024. Above-average increases characterised the industrial sector (+4.6%) and the private services sector (+3.4%).

87. The monthly index of hourly contractual wages and salaries in December 2024 recorded an increase of 0.1% compared to November and a decrease of 0.6% compared to December 2023; in particular, there was a tendential increase of 4.8% for employees in industry and 3.6% for those in private services, while there was a decrease of 14.1% for public administration. In detail, the highest tendential increases concern the engineering sector (+6.4%), wood, paper and printing (+5.3%) and food (+5.1%).

88. There is, therefore, an almost constant employment growth trend that, with the support of economic inclusion and training measures, needs to be assessed in the medium to long term, taking into account the economic situation.

89. Lastly, it is contested what the complainant asserts with regard to the alleged violation of Article 4 of the Social Charter by reason of the fact that the Italian Government would not have provided for any form of legal minimum wage or supplementary income from work. On this point, it is pointed out that in Article 4 the contracting parties did not undertake to guarantee the adoption of a specific minimum income provision or legal minimum wage but, rather, undertook to recognise the right of workers to a sufficient salary to guarantee them and their families a decent standard of



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living. This recognition, which is also enshrined in Article 36 of the Italian Constitutional Charter, is translated into collective bargaining.

90. It follows that the violations complained of are unfounded.

VI. Conclusions

91. In light of the present observations, the Italian Government request the Committee to dismiss the appeal as unfounded.

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