EUROPEAN COMMITTEE OF SOCIAL RIGHTS
COMITE EUROPEEN DES DROITS SOCIAUX

17 June 2025

Case Document No. 6

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

CUB'S RESPONSE TO THE GOVERNMENT'S SUBMISSIONS ON THE MERITS

Registered at the Secretariat on 30 May 2025

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Subject: Confederazione Unitaria di Base (CUB) V. Italy Complaint no.234/2024

The purpose of this deed is to reply to the observations made by the Italian State concerning the merits of the complaint lodged by the Confederazione Unitario di Base (hereinafter referred to as CUB), which are contested in their entirety insofar as they lack any legal or factual basis.

In fact, the arguments put forward by the Government only confirm the validity of the grievances of the application which, in order not to bore the Committee, are to be recalled in their entirety, subject to the following necessary clarifications. *

1. At the outset, it should be noted that these proceedings relate to three separate objections:

a) Infringement of Articles 1 and 12 of the European Social Charter because the Italian Republic does not provide a form of universal minimum income and has instead adopted restrictive policies on previously adopted social security measures;
b) violation of Article 30 of the European Social Charter because the Italian Republic does not provide for a form of universal minimum income to ensure the effective exercise of the right to protection against poverty and social exclusion;
c) infringement of Article 4 of the European Social Charter because it does not provide for a legal minimum wage or any form of income support from work, even though there are high levels of poverty-stricken workers also in breach of

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Directive (EU) 2022/2041 for the implementation of which the deadline of 15.11.2024 has now expired.

In particular, after explaining the ISTAT data that photograph the extremely fragile condition of millions of Italians, the complainant pointed out how, instead of implementing income support measures and intervening to support wages, the Italian state has cancelled measures such as the citizenship income.

In the face of the aforementioned grievances, the defence of the Italian State, far from really entering into the merits of contentions aimed at stimulating the implementation of policies to combat the rampant poverty afflicting a growing number of individuals, appears limited, at an early stage of these proceedings, to - unfounded - formal objections as to the legitimacy of the complaining trade union.

Having established the admissibility of the present complaint by Your Excellency's Committee, the respondent's pleading is articulated on the basis of apodictic considerations, devoid of any documentary support, and moreover addressed only to some of the grounds of complaint.

Emblematic, above all, is the passage contained in paragraph 74 where it is reported verbatim "in this regard, it should be noted that the previous RDC measure, in addition to causing distorting effects on the actual beneficiaries, giving rise to opportunistic behaviour that resulted in undue perceptions then recovered by the Italian State, had not yielded relevant results in the employment sphere, determining, on the contrary, a disincentive to seeking work".

There is no one who fails to see how this assumption is not supported either by the documents in the file or by any sectoral study, but is, on the contrary, completely contradicted by the data that will be explained below, as better reported in the attached documentation (Annex A).

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2. That being said, considering that this proceeding was introduced by act of 14.12.2023 and on the basis of a framework covering the years 2021/2022, it appears useful to provide updated data on the poverty situation in Italy and on wage trends in the subsequent period.

Now, contrary to the Respondent's vague assertion, the data has not improved at all, but the highlighted criticalities persist with clear signs of further deterioration.

Far from providing only data pertaining to the risk of poverty, as mistakenly noted in paragraph 7 of the memoirs, it is noted that in 2023, Italy recorded an absolute poverty incidence of 9.8 per cent of the population, involving more than 5.7 million individuals. This represents the highest value since 2014. The incidence is particularly high in the South (12.1%), but increases are also observed in the Centre (8.0%) and the North (9.0%).

Relative poverty, which considers households with an income below 60 per cent of the national median income, involved 10.6 per cent of households in 2023, or more than 2.8 million households. At the individual level, the incidence rose to 14.5%, involving almost 8.5 million people.

Turning to the population at risk of poverty, it must first be reiterated that this condition does not consist of a psychological state, but is embodied in precise indicators of fragility that negatively impact the lives of millions of families.

Now, in 2024, 23.1 per cent of the Italian population, some 13.5 million people, will be at risk of poverty or social exclusion. This composite indicator includes those who are at risk of poverty, in severe material and social deprivation or live in low-intensity households. The highest percentages are recorded in the South (39.2%), with peaks in regions such as Calabria (48.6%), Campania (44.4%) and Sicily (41.4%). With reference to real wages, the opponent's observations are also without merit. Indeed, the Bank of Italy has pointed out that, despite subdued inflation, wage dynamics have led to a partial recovery of real wages in 2024. However, household purchasing power remains below pre-pandemic levels, with consumption still affected by economic uncertainties.

In order to make the deterioration of the real situation of poverty in Italy even more evident, it is sufficient to show the above-mentioned data in the following comparative tables.

a) Incidence of absolute poverty

Year	**Absolute poverty - Households**	**Absolute poverty - Individuals**
2021	7,5%	9,1%
2022	8,3%	9,7%
2023	~8.5% (estimated figure)	9,8%
2024	Not yet available	9.8% (stable)

b) Population at risk of poverty or social exclusion (AROPE) Year Incidence (%) People involved

2021	25,2%	~15 million
2022	24,4%	~14.5 million
2023	22,8%	~13.4 million
2024	23,1%	~13.5 million

c) Family income and inequalities

Indicator	**2022**	**2023**	**2024**
Average household net income	€35,000 approx. (estimate All. B)	€37.511	Figure unchanged (updated to 2023)
Median household net income	€30,000 approx. (estimate All. B)	€30.039	Ditto
Upper/lower quintile ratio	5,3 (2022)	5,5	-
Real income	-2.6% (inflation)	-1,6%	-

d) Poor workers and low labour intensity

Indicator	**2022**	**2023**	**2024**
Employed people at risk of in-work poverty	10,2%	10,3%	10,3%
People in low-intensity households	8,6%	8,9%	9,2%

In conclusion, it can be reiterated that:

- Absolute poverty continued to rise from 2021 to 2023, reaching record levels. Relative poverty and the risk of social exclusion remain high and will continue to rise in 2024.
- Inflation hit lower incomes hard, exacerbating inequalities. The support measures (RoC, then AdI) have not been sufficient to neutralise its effects.
- Wages, while growing slightly in nominal terms, have not fully recovered the purchasing power lost in the two-year post-pandemic period.

This would be enough to ascertain Italy's alleged failure to fulfil its obligations under the European Social Charter, especially if one considers that, in the face of deteriorating economic hardship, the Italian State has adopted modifications in peius of the income support measures as explained in more detail in the introductory complaint and further clarified below.

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3. The Government's remarks on the impact of the Inclusion Allowance (ADI) and the Support for Training and Work (SFL) on the reported conditions of incapacity of an increasing number of citizens appear to be equally lacking.

Well, it was observed in the introductory complaint how, in the face of clear benefits recorded in the years of post-Covid economic recovery, the Italian State inexplicably removed a universal income support measure such as the Reddito di Cittadinanza (Citizenship Income) with Article 13 of Law Decree 48/2023, replacing it with the two subsidies mentioned above.

It was pointed out that the subsidies relate to a much smaller group of people than previously benefiting from the DRC (see p. 7 complaint).

In particular, and in a nutshell, it was pointed out that, while the Citizenship Income consisted of a universal income support measure paid only on the basis of a household's economic condition, the ADI is paid only to those households that include a disabled person, an over 67 or a minor.

These facts have not been refuted by the respondent's deductions.

And indeed, the Italian government's memory appears to be focused in a - vain - attempt to prove an alleged - not believed and not proven - greater impact of ADI and SFL in place of DRC.

Emblematic are the arguments in relation to the ADI implementation and extension measures taken from time to time by the Italian state.

In this regard, the Respondent merely lists categories of persons added from time to time to the ADI beneficiary population with ad hoc measures in order to mitigate the devastating impact of the original measure, which had left millions of people without support.

The effort is however in vain. Compared to a general income that was paid only on the basis of the real economic condition of a household, the opposing briefs confirm that the inclusion allowance only concerns certain categories of subjects. Mistakenly taking it for granted that those who are so-called able-bodied subjects are for that reason alone exempt from a condition of poverty.

But there is more. The Italian government's misrepresentation appears even more crystal-clear if one takes into account that the Citizenship Income was a measure that was also provided in support of those workers (i.e. subjects abstractly able to work and excluded from ADI) who were poor or low in work intensity. What has just been observed is confirmed by the evidence of numbers.

According to the Bank of Italy's Annual Report 2024, 752,000 households received at least one monthly payment of the Inclusion Allowance, with an average amount of EUR 621 per household. In addition, 130,000 individuals received at least one monthly instalment of the Support for Training and Work (SFL).

ISTAT, in its report 'Income Redistribution in Italy - Year 2024', estimates that the shift from the Citizenship Income to the Inclusion Allowance has led to a worsening of disposable incomes for about 850,000 households (3.2 per cent of resident households), with an average annual loss of about EUR 2,600. This loss almost exclusively affected the poorest households.

As if that were not enough, the reference to Recommendation 2023/C 41/01 in support of the legitimacy of differentiated interventions with respect to employable persons also appears without merit.

Contrary to what the Italian government seems to fear, the Citizenship Income was conceived not only as an income support measure to fight poverty, but also as an active labour policy tool.

The beneficiaries of the RdC were required to sign a Patto per il Lavoro (Work Pact) at the Employment Centres or a Patto per l'Inclusione Sociale (Social Inclusion Pact) at the municipal social services. These pacts provided for a commitment to participate in training, orientation, vocational retraining and other activities aimed at labour insertion or social inclusion. Failure to participate in these paths could lead to forfeiture of the benefit.

DRC beneficiaries were encouraged to participate in training and retraining courses in order to acquire skills useful for entering or re-entering the labour market. These courses were organised in cooperation with training organisations and included theoretical and practical modules.

The Job Centres had the task of monitoring the adherence of RoC beneficiaries to active labour policy paths, offering guidance services, job accompaniment and intermediation between labour supply and demand.

Now, there is no one who fails to see how utterly apodictic is every statement contained in the pleadings of the defendant in which it describes the ADI as a measure having 'the twofold objective of combating poverty and facilitating reintegration into the labour market'. An objective which contrasts with the real direction of the measures adopted by the Italian State.

Equally irrelevant is any reference to the Gini index with respect to 'the hypothetical situation of no instrument (-0.6 and -0.4 percentage points respectively)'. On this point, it seems evident that any income support measure, even a minimal one, can lead to an improvement over a situation without any subsidy. On the other hand, it would have been interesting to make a comparison between the situation under the ADI and the previous period of the RDC. A comparison that the Italian government evidently shies away from proposing.

The same considerations can be made with reference to the SFL, the insignificant amount of which and its characteristic of being an entirely temporary measure of very short duration (12 months) make it sufficient to refer to what has already been argued in the application.

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4. Last but not least, the Italian state has not taken a comprehensive position on the minimum wage and the ECSR recommendations.

Italy has not yet adopted legislation establishing a legal minimum wage, leaving wage determination exclusively to collective bargaining. However, this choice has raised concerns at European level.

Directive (EU) 2022/2041 of the European Parliament and of the Council on adequate minimum wages in the European Union emphasises the importance of ensuring adequate minimum wages for all workers. Although the directive does not require the introduction of a statutory minimum wage, it does require member states to ensure that minimum wages are adequate and that collective bargaining is promoted and strengthened.

Italy, despite having a high coverage of collective bargaining, has not yet transposed the directive despite the deadline of 15 November 2024 having largely passed. This inaction could expose the country to an infringement procedure by the European Commission.

More specifically, the statement of the respondent fails to mention that the 90% coverage of national collective agreements is a misleading figure. Indeed, it has already been emphasised and it is useful to reiterate here that this percentage should be assessed sector by sector, because in some sectors there is little bargaining and it is there that the phenomenon of poor work is concentrated.

Although the contracts signed by CGIL, CISL and UIL cover about 97% of workers, critical issues remain: among the thousand contracts registered with CNEL, only a portion is actually representative, and there is a mismatch between the data communicated by INPS and the Ministry of Labour.

About 290,000 workers are covered by representative contracts but with wages below EUR 9 gross per hour (threshold proposed by the oppositions), concentrated in sectors such as multiservices, private security, crafts, cooperation and trade. To these are added 700,000 domestic workers and 950,000 in agriculture.

Finally, the phenomenon of poor work is aggravated by irregular work, involuntary part-time and casual employment - areas where collective bargaining fails to act effectively.

As is well known, the European Committee of Social Rights (ECSR) has repeatedly recommended that member states ensure that minimum wages are sufficient to provide workers and their families with a decent standard of living. The absence of a legal minimum wage in Italy could therefore constitute a violation of the obligations under the European Social Charter.

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For all of the above reasons, it is urged that the Committee uphold the conclusions already formulated in the preliminary complaint with the adoption of all consequent measures.

In accordance with this procedure, we hereby request to be heard by your body in order to better explain the contents of this complaint.

With Observance.

Rome - Strasbourg 30 May 2025

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