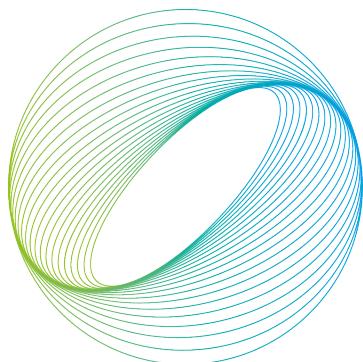


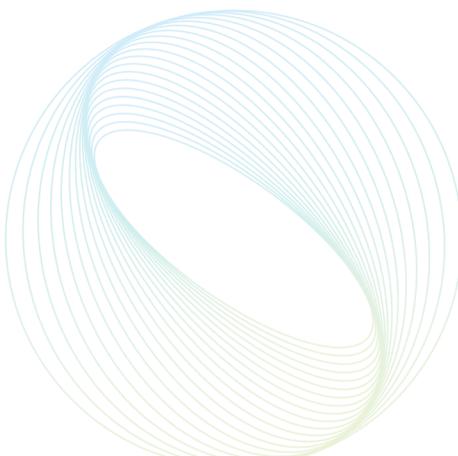


SEEDING - Grant agreement no. VS/2019/0073.
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SEEDING

Social Economy Enterprises addressing Digitalisation,
INdustrial relations and the European Pillar of Social Rights



  **CASE
STUDY
ITALY**

Doc Servizi

Doc 
l'arte si fa valore
RI-3VØLUTION

“This document reflects the views only of the authors, and the European Commission cannot be held responsible for any use which may be made of the information contained therein.”

  **FGB** Fondazione Giacomo Brodolini

COCETA

FISE>



GRUPPO
COOPERATIVO
cgm

Associazione
nazionale
cooperative
di produzione
lavoro e servizi
legacoop
PRODUZIONE & SERVIZI

 Združenje
SOCIALNA EKONOMIJA
SLOVENIJE

CONFEDERATION
SYNDICAT
EUROPEËN
TRADE UNION



Doc Servizi



Slick Steve and the Gangsters, Venice Carnival, Italy, 2019

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| NAME OF THE PRACTICE | | DIGITALISATION OF Doc SERVIZI SERVICES |
|------------------------------|--|---|
| Responsible actor | | <ul style="list-style-type: none"> management (with the involvement of workers) |
| Type of practice | | <ul style="list-style-type: none"> business plan |
| Challenges addressed | | <ul style="list-style-type: none"> platform work |
| Employment impact | | <ul style="list-style-type: none"> job retention health and safety at work other: social security |
| Geographical coverage | | <p>The company was born in 1990 in Verona, which was at the time and still is among the richest areas of the country. It expanded first to nearby Vicenza, and currently operates 34 branches across the country, and one in France. In terms of working days, activities are still concentrated in the north of the country (Venice, Verona, Rimini, Milan), with some notable exceptions, like Rome and Florence.</p> |
| Sectoral coverage | | <p>The core business of the cooperative is artistic events, especially concerts and fairs, though it is also active in other creative activities such as theatre, communication and artistic education.</p> <p>The artistic sector has some peculiarities. Most artists and technicians perform their work for various, sometimes occasional, clients, a condition which often guarantees a higher income than working for only one client.</p> |

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| | <p>At the same time, even when they are genuinely self-employed (i.e. working in the absence of a direction and disciplinary power by the client, and with their own work), they suffer from a weak contractual position vis-à-vis their clients, and encounter difficulties in bargaining for adequate pay and working conditions. Owing to pressure from the client or because of perceived mutual convenience in avoiding taxation and social security contributions, undeclared work is also widespread (Fondazione Di Vittorio, 2017; Istat 2019; INPS, 2020).</p> |
| Company coverage | <p>The company is one of the largest players in the sector, with a €50 million turnover in 2018 (12% more than in 2017), having more than 6,000 members (3,000 of whom were active in 2018), and employing more than 130 workers. Figures from 2010 onwards show an impressive growth trend, up from €15 million in 2010. Among the factors underpinning this growth is the ability to expand the geographical coverage and the range of services.</p> <p>Less than €2 million is generated by public tenders, e.g. for managing theatres. Most revenue derives from services contracted in the private sector, either bargained directly by members, or mediated by the cooperative (e.g. for the organisation of a big event or for scaffolding on concert stages).</p> |
| Occupational coverage | <p>Out of the 3,413 active members of the company in 2018, most workers (62%) are show technicians such as riggers, dimmers and scaffolders; followed by musicians (24%).</p> <p>Other occupations covered are entertainers (4%), theatre professionals (3%), teachers (1%) and other categories like web designers, photographers and translators (1%).</p> <p>The average annual income varies according to the job: (i.e. €15,000 for musicians, €38,000 for technicians, €8,000 for music teachers, €8,000 for photographers, €7,000 for actors and dancers).</p> <p>The practice concerns most members of the cooperative, especially those engaged in live performances.</p> <p>In addition to the sectoral features outlined above, it should be mentioned that administrative data and survey-based analysis suggest that many workers quit the sector in their 30s and 40s, a circumstance which may be read in the light of the poor prospects in terms of income, safety and job stability (Fondazione Di Vittorio, 2017; Istat 2019; INPS, 2020). The average declared income of entertainment and related occupations as tracked by administrative data of the National Social Security Institute (INPS, 2020) is €10,664 in 2019, remaining below €10,000 among those aged less than 34 and exceeding €20,000 only among those aged 55-59.</p> |
| Workforce addressed | <p>In 2018, 15% of members were female, while 85% were male.</p> <p>The average age was 39 years old.</p> |
| ACTORS INVOLVED IN THE ACTION | |
| Company management | Yes |

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| Worker members of the cooperative at large | Yes |
| Works councils | No |
| Trade unions | No (although the company supports sectoral collective bargaining with its experts, being one of the largest sectoral players) |
| Employers' organisations | No (although the company supports sectoral collective bargaining with its experts, being one of the largest sectoral players) |
| NGO | No |
| Public authority | No |
| DESCRIPTION | |
| Rationale for the adoption of the practice | <p>The cooperative was born in 1990, when a group of musicians joined together with the idea of tackling the widespread precariousness and informality of their employment. In this respect, it should be mentioned that, since 1947, social security provisions have obliged workers in the entertainment sectors to have an employer paying their contributions and declaring their remuneration, paid contributions and work periods, even if they are self-employed (an exception for self-employed musicians was introduced in 2004).</p> <p>While the reason behind these rules was to protect the artist, in the presence of weak sanctions and enforcement of rules, and given the costs of social security contributions and administrative formalities, work was (and is) often undeclared, especially when performed for one-off clients. The founders tried to circumvent this obstacle by creating a cooperative, which hires its musician members 'once and for all', guaranteeing them timely pay by concluding commercial contracts with their clients (like restaurant owners), and taking charge of the related obligations and risks. As a rule, these contracts and the related invoices should enable the cooperative to pay members at least according to minimum rates of pay established by collective bargaining. Over time, beyond expanding to other activities, the cooperative developed a range of new services, itself looking for clients on behalf of its members, organising events, and providing members with free or subsidised services such as fiscal and legal support, vocational training, health and safety courses, support to identify and apply for public grants, and organisation of travel arrangements, plus prepayment of related costs. In exchange, members pay a 14% share of their income to the cooperative.</p> <p>Until 2012, information to manage this system (including membership, fees, services etc.) was registered on spreadsheets. In order to smooth and simplify the information flow, this process was then moved onto a 'platform', automating payroll management and some of the related activities by means of algorithms. The cooperative is also developing web 'showcases', where clients can access basic information on artists and get an idea of the person(s) most suited for their event or show.</p> |

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| | <p>The showcases do not entail any rating systems, while the cooperative's branch always interacts with potential clients upon receipt of a request, possibly identifying alternatives or additional activities for the show.</p> |
| Process of the adoption of the practice <ul style="list-style-type: none"> • | <p>The introduction of a digital platform did not significantly affect work organisation, rather empowering some activities and tasks that were already pivotal for the business model of the cooperative.</p> <p>Whereas the decision itself was taken by the management, the cooperative's governance is built so as to get constant inputs and feedback from the members, which may lead to the launch new services and activities.</p> <p>In particular, decision-making by the board of directors, the executive committee and area managers (e.g. marketing, human resources, and local development managers) is complemented by a 'bottom-up' governance.</p> <p>This is carried out via:</p> <ul style="list-style-type: none"> • the 'master members', i.e. members representing musicians, technicians, photographers and other occupations; • local representatives, representing workers according to their geographical area of activity; • local branches of Doc Servizi, ensuring at least a monthly contact with each member. <p>These workers and units filter the members' needs and quests, thus performing the role of assemblies, which often feature low participation by members. The representatives are not appointed by members but by the management, which often selects persons who already appear to be motivated for the role.</p> |
| Description of the practice | <p>As anticipated, starting from 2012, Doc Servizi replaced spreadsheets in the management of relations with members with a 'platform'.</p> <p>The company rented an employee management software package, later purchased, which speeds up the (digitised) data entry by members of their activities and pay, and data processing by the company up to the final payroll.</p> <p>The software (Cygnus X) is adapted to suit labour law and fiscal obligations, for instance taking into account tax reliefs for the reimbursement of travel costs and minimum rates of pay set by collective agreements for the different jobs.</p> |
| Dismissed alternatives | <p>None.</p> |
| ASSESSMENT | |
| IMPACT OF THE PRACTICE ON: | |
| Job stability and secure employment | <p>The business model of the cooperative, including the platform it runs, is thought to reduce the risks associated with freelancing by strengthening the collective power of members vis-à-vis their clients and guaranteeing them some of the protections associated with employee status. In fact, generally, workers are enrolled through on-call contracts, with calls activated each time a service is performed (e.g. a concert, or a related service).</p> |

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| | <p>The contract entails the same rights as employees, with some limitations, most notably concerning the effective coverage by social benefits, and the lack of proper guarantees in terms of protection against dismissals and guaranteed working hours. Although this latter aspect is less relevant for workers acting as freelancers, the risk remains of misuse whenever the client keeps contracting the same worker through the cooperative, thus avoiding qualifying as the employer.</p> <p>In order to avoid this situation, the local branches of the cooperative keep in contact with members and get back to them if over a period of six months they appear to work mainly for only one client, to check whether this is a still an independent collaboration or if the members should actually enter into an employment relationship with the client.</p> <p>The platform also enables at risk situations to be identified.</p> <p>At the same time, the company has refused to extend its activities to sectors where self-employment or casual work are largely used in a fraudulent way, as they are in the delivery sector.</p> |
| Skills needs and training | <p>Doc Servizi provides tutorials and training to make sure members are able to use the digital platforms. On top of that, technologies also enabled the cooperative to start providing some of its vocational training and health and safety courses through e-learning.</p> |
| Working conditions | <p>The digitalisation itself did not directly affect health and safety. Yet, as explained above, the company exploited its position to: (i) sustain collective bargaining and the adoption of a sectoral agreement covering artists and technicians; (ii) lobby policy-makers to adopt ad-hoc rules for health and safety in scaffolding stages. This has also impacted on the regulation of working time and breaks of scaffolders and technicians, and introduced the possibility to appoint a 'temporary' health and safety workers' representative within a 'workers' committee' at the workplace rather than at firm level (e.g. representing workers of different companies preparing a concert location).</p> |
| Company performance | <p>The company keeps growing year on year. It found a balance between the cost members are able to pay and the services they get by exploiting economies of scale granted by its large membership basis to develop new services and business areas.</p> |
| Overall strengths and weaknesses | <p>The use of a platform to mediate 'gigs' and related activities enables the company to seek fair pay for its members, and build its credibility in the market as a partner for quality events.</p> <p>At the same time, the employment contract usually adopted to deal with occasional events, i.e. the on-call contract, ensures poor social protection, especially in terms of unemployment and sickness benefits. Sadly, this is still better than protections granted to self-employed entertainment workers, who are fully excluded from unemployment benefits.</p> <p>Another weakness lies in the ability to ensure compliance with minimum rates of pay when the company has little grip on conditions actually imposed by the client on the worker, e.g. pushing the latter to declare fewer hours than those worked to simulate compliance with minimum rates of pay.</p> <p>Whereas the cooperative is not always in the position to detect such situations, the sectoral collective agreement supported by Doc Servizi disincentivises such practices by imposing pay for at least 4 hours a day in case of live events.</p> |

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| Overall opportunities and threats | <p>The mutually reinforcing relations developed by the company with its members render the business model successful and scalable, with the company exploring new services or activities, like the marketplace for members' products.</p> <p>At the same time, the business may be threatened by the constant evolution and expansion of large platforms, which are already addressing some of the cooperative's activities, like graphic work, journalism and translation. In this respect, the overall legal framework deserves some clarification.</p> <p>Whenever a company neither organises the provision of a service (managing the means of production and running the related business risk), nor exercises decision power over the worker, the service provided may actually qualify as intermediation of manpower, falling under the temporary work agency regime. In line with the European Directive on Temporary Agency Work, Italian rules entail, among other things, the accreditation of labour market intermediaries, and the provision of services to workers for free, with the possibility for collective agreements to establish exceptions for highly specialised workers or for specific services.</p> |
| Potential for social partners and collective bargaining to upscale/transfer the practice | <p>Social partners could push platforms to exploit the economies of scale made possible by technologies to provide workers with a range of services, possibly defined through company-level bargaining, such as tax and legal advice or vocational training.</p> |
| Potential for public authorities to support upscaling/transferring the practice | <p>Apart from the need to clarify which rules apply to platforms dealing with genuine freelancers, the practice highlights the need to simplify administrative requirements for workers and employers. Over the last 30 years, this was often confused in Italian and EU policies with an increased 'flexibility' in employment, if not a reduction of workers' rights. Instead, the introduction of ad-hoc software, apps and IT systems could aggregate information supplied by employers and workers to digitalise and (partially) automate declarations necessary for employment and fiscal purposes, a process which is already ongoing in the country and which could be further improved.</p> <p>In addition, given the features of the entertainment sector, policy actions improving job opportunities (including by means of public procurement), the enforcement of labour rights, and social protection would be desirable, along with a reflection on the wider protection needs of genuine freelancers.</p> |
| List of annexes, sources | <p>Internal regulation of Doc Servizi:</p> <p>https://iprofessionistidellospettacolo.docservizi.it/wp-content/uploads/2018/06/regolamento-l.-142-2017-approvato.x15865.pdf</p> <p><u>Doc Servizi 2018 Social report:</u> https://www.docservizi.it/wp-content/uploads/2019/06/bilancio-sociale-2018_web.pdf</p> <p>-----</p> |

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|---------------------------------|---|
| List of annexes, sources | <p>Fondazione Di Vittorio (2017), Vita da Artisti. Ricerca nazionale sulle condizioni di vita e di lavoro dei professionisti dello spettacolo, available at: https://fondazionedivittorio.it/sites/default/files/content-attachment/vita%20da%20artisti%204%20maggio.pdf</p> <p>INPS (2020), Statistiche in breve, Anno 2019, Osservatorio Gestione Lavoratori dello spettacolo e sportivi professionisti, available at: https://www.inps.it/banchedatististiche/menu/empals/StatisticheInBreve_Lavoratori.pdf</p> <p>Istat (2019), Audizione dell'Istituto nazionale di statistica - Dott.ssa Vittoria Buratta, Indagine conoscitiva in materia di lavoro e previdenza nel settore dello Spettacolo, VII Commissione (Cultura, scienza e istruzione) Camera dei Deputati, Rome, 30 April 2019, available at: https://www.istat.it/it/files//2019/04/Istat-Audizione-lavoro-spettacolo.pdf</p> |
| Website | https://docservizi.retedoc.net/en/ |

The case study was prepared by: Fondazione Giacomo Brodolini (Italy).