



# Helping Young People by Improving the Quality of Temporary Employment

by Francesco Seghezzi

**Tag:** #youngpeople #labourmarket #futureofwork

**The Italian government's recent measures on employment have revived the debate on fixed-term contracts nationwide.**

Over the past few quarters, growth in fixed-term employment has slowed down, with a decline of 85,000 between March 2022 and March 2023. Furthermore, data show that in early 2023 the number of conversions from fixed-term to permanent contracts is growing. The share of fixed-term employees out of the total workforce (16.9 percent) is still 2.9 points higher than the EU27 average, although declining slightly.

**Yet the critical issue is the share of temporary employment among young people, with those aged 15 to 24 reporting a percentage which is 10 points higher than the EU average, and the same is true for those aged 25 to 34.** This is worrying, because this percentage is among the highest in Europe and concerns people who are supposed to have achieved professional maturity. The reverse seems to be true, and the risk is not to be granted stable employment. Eurostat shows that in Italy only 19.8 percent of people on fixed-term employment had their contract converted to a permanent one in the following year, as compared to the EU average of 27 percent. In the Netherlands, for example, the share of people in temporary employment is high, but in 44 percent of cases the contract is converted to an open-ended one.

**This suggests that the share of young people in temporary employment is at greater risk of being stuck in this condition, causing a polarization between them (one-third of the young employed) and the other segments of the population.** It certainly affects the share of extra-curricular traineeships, which in 2021 numbered 275,000 among those under 35 and which are often offered repeatedly, contributing to unstable employment upon completion of studies.

**These data are particularly important for defining policies concerning youth employment and temporary employment.** These policies cannot be the same as those aimed at more mature workers, given that some aspects affect young workers more significantly. One of the issues is the chain of fixed-term contracts, which should have a higher cost, favouring the conclusion of longer-term contracts.

**The reduction of wage disparities between temporary and permanent work is a further issue to deal with, especially because some remuneration items are only granted to permanent workers.** Finally, access to credit lines often requires a permanent contract and the same applies to rent.


**Consideration should be given to guarantee funds in this regard, with companies that should be compelled to limit their recourse to internships for the same positions.** First- and

third-level apprenticeships should be employed more often, as they are a true employability tool that can help the company and workers to know each other at an earlier stage, so stability of employment can take place earlier.

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