SMEs in Italy

In the Italian literature, the definition of SMEs does not always reflect the European Commission’s definition (enterprises employing fewer than 250 employees). A number of studies, for example, refer to medium-sized enterprises as those employing between 49 and 499 people (for example, Mediobanca Unioncamere, 2011). At the same time, much of the Italian Labour Law provisions use 15 employees as a threshold, with medium-sized and large enterprises being defined as those employing more than 15 employees. This implies that observing the effects of support measures by firm size can be difficult for those enterprises employing fewer than 15 employees. For these reasons, while SMEs are the backbone of the Italian economy, and restructuring is a topic of public debate, there is not often explicit reference to SMEs. In particular, and even more so in times of recession, there is quite an animated debate on what measures can be used to help firms restructure that have the least effect on employees. Indeed, while there has always been a public debate on SMEs’ restructuring and support in terms of business expansion and internationalisation, the public debate on the kind of restructuring that might negatively affect employment has been more prominent since the economic recession. This has resulted in the extension of support measures to SMEs that enable restructuring without impacting on employment levels.

Italian SMEs

The Italian economic structure is based almost entirely on micro, small and medium-sized enterprises (Istat, 2009). In 2009, Italy had over four million enterprises in industry, services and construction, employing almost 17 million employees, and with an average size per firm of only 3.9 employees. In fact, 99.9% of Italian enterprises are micro, medium
and small enterprises employing less than 250 employees. Micro enterprises (fewer than ten employees) represent 94.8% of all Italian enterprises and they alone employ almost half of the total active Italian workforce (47.5%). Micro enterprises have a turnover of over €675 million and they produce almost one third of the added value produced by all Italian enterprises. In fact, in order to stress the importance and incidence of micro enterprises within the Italian productive system, a number of studies started to refer to Italian SMEs as micro, small and medium-sized enterprises, (MSMEs). In Italy there are also 200,000 small enterprises (10–49 employees) employing 3.5 million employees, producing €617,919 million in turnover and €141,535 million in added value. Medium-sized enterprises (50–249 employees) employ over two million employees, in a total of 21,962 enterprises. They produce a turnover of €538,593 million and an added value of €102,915 million.