

Trade unions and collective bargaining in Italy during the crisis

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1. A premise

Not unlike a significant proportion of the trade union movements developing within the fold of older industrial traditions, in Italy, too, the trade unions are facing difficulties. The reasons why Italian trade unions are under pressure remain substantially similar to those affecting, more or less severely, the international trade union movement as a whole (Bryson *et al.* 2011; Visser 2012; Gumbrell-McCormick and Hyman 2013; Bernaciak *et al.* 2014). A range of epoch-breaking transformations have occurred, changes that have profoundly eroded and cast into disarray both the objective and subjective conditions that, in the course of the twentieth century, led to the development and consolidation of strong and influential trade unions in Europe. Among others, these changes include the consequences for labour of neoliberal globalisation: financialisation of the economy, post-Fordism and deindustrialisation, precarisation of work, neo-individualism and disintermediation in the representation of social interests.

In a global and increasingly common scenario, cross-national differences – in terms of the varieties of capitalism (Hall and Soskice 2001) and representation systems (Frege and Kelly 2004; Pedersini 2014) – still matter with regard to the character and severity of the challenges confronting national trade unions. However, beyond such enduring institutional diversification and path dependency, some scholars have stressed the growing ‘converging divergences’ (Katz and Darbyshire 2000) toward a fairly common neoliberal model (Baccaro and Howell 2011). This is the result of three decades of radical and global changes in Western employment systems, lately accelerated by the deep financial and economic crisis and the measures misguidedly taken to combat it (Lehndorff 2015). Labour law has been deregulated almost everywhere and, in the Italian case – through an endless series of ‘reforms’ – has led to a dramatic decline in the OECD Employment Protection Legislation Index. Collective bargaining, too, has passed from an ‘incremental corrosion to frontal assault’ (Marginson 2014). With the *new European economic governance* (NEEG), internal devaluation has become a functional substitute for currency devaluation, whereas ‘austerity’-oriented ‘structural reforms’ are aimed at increasing the ‘flexibility’ of labour market institutions, reducing multi-employer bargaining systems, freezing extension mechanisms, cutting or freezing minimum and public sector wages, indexation, fostering decentralisation and stepping up derogations (Schulten and Müller 2014; Van Gyes and Schulten 2015; Leonardi and Pedersini 2018). A ‘toxic austerity’ (Hyman 2015) has left little or no margin for domestic democratic institutions and social actors, which have been downgraded from political to executive subjects.

The countries worst hit by the sovereign debt crises – in southern Europe – have been the targets of and laboratory for unprecedented interventionism in the sphere of labour and industrial relations. This occurred in Italy in August 2011 when the government received a very detailed ‘secret’ letter from the ECB, calling on it to implement a series of ‘structural reforms’ and other painful measures. These included – among other things – the extension of the retirement age, deregulation of individual dismissals, decentralisation of collective bargaining and freezing of collective bargaining in the public sector.

In this chapter we intend to take a closer look at Italian trade unionism, analysing trends and the causes of the difficulties it is facing, as well as the countermeasures taken. Anticipating some of the conclusions arising from this chapter, we can affirm that the associative power of Italian trade unions is *quantitatively* more solid and stable with regard to comparable countries. Nevertheless, the situation is more critical from the structural, organisational and institutional points of view, where trade union outreach has been *qualitatively* undermined by challenges so serious as to threaten substantially its role in contemporary Italian society. One of the most impressive features here is this gap between a comparatively high level of power resources (membership, bargaining coverage, mobilisation capacity, finances) and the modest outcomes in terms of workers’ conditions (wages, employment, welfare, inequalities). This is certainly due to a number of *external* factors, such as Italy’s weak economy, structural shortcomings and current global difficulties, but also some *internal* ones, such as (i) changes in membership composition, both objective (sectors, type of workers, age, skills) and subjective (motivation, activists); (ii) the crisis of traditional voluntarism in industrial relations, with subsequent legal uncertainty and intra-union conflicts; and (iii) the eclipse of neo-corporatist political exchange, under pressure from the NEEG and complete dealignment between unions and political parties.

2. Italy in the turmoil of crisis and austerity

In recent years Italy has experienced an acute economic and social crisis, characterised by stagnation and recession, with falling industrial investment and production, domestic demand and savings. From 2008 to 2015 GDP contracted by almost 10 per cent, while the government debt-to-GDP ratio – the fourth highest in the world – rose from 103 to 132.6 (2015). Export performance has remained below that of competing countries, with Italy losing its share of international markets. Productivity has barely increased and remains far behind the German, Spanish and French levels. Wage development, one of the worst among the industrialised economies, has experienced a long stagnation, aggravated by one of the heaviest tax burdens.

Government action is dictated by the Treaties and the European Semester, according to which Italy must reduce its enormous public debt and push up GDP and productivity levels, against a backdrop of a national economy affected by structural shortcomings. Due to the fiscal adjustment of recent years, the government deficit fell from 5.5 per cent of GDP in 2009 to 1.9 per cent in 2017, whereas the public debt/GDP ratio remains extremely high, at 131.5 per cent. In the fourth trimester of 2017, GDP grew by 1.6 per cent on an annualised basis. Due to monetary union, currency devaluation is no longer

available. The required structural adjustment could have paved the way to fostering a ‘high road’ approach to reshaping the country’s production capacities. This has not occurred, however, because companies – enabled by new laws on labour market ‘flexibility’ – have opted for a mere reduction of production costs. The country’s rating according to the Employment Protection Legislation Index has fallen. In a first phase, between 1995 and 2007, more than three million jobs were created, while productivity remained stagnant. Flexible employment has been characterised by fixed-term contracts, involuntary part-time working and a peculiar explosion of economically dependent ‘self-employed’, mostly bogus, deprived of coverage by labour law and unions. Italy stands at the top of the list in Europe for the number of informal workers in the shadow economy, to which, by its very nature, unions have no access. During the crisis, these workers were the first to be made redundant. From 2007 to 2014 unemployment doubled, from 6 to 13 per cent, although mitigated by widespread use of short-time working schemes and redundancy funds. Even today, after the most timid recovery of all the euro-zone countries, Italy’s employment and inactivity rates are some of the worst in the EU, at 58.1 per cent (only 49.3 per cent for women) and 34.5 per cent, with a widening gap of 20 percentage points between the north of the country (almost back to the levels of 2008) and the south, with an astonishing unemployment rate of 44 per cent (2017).

With its ‘Jobs Act’, approved in spring 2015, the Renzi government again reformed labour market legislation, with a large package of measures, including – after the liberalisation of fixed-term contracts – a quite definitive abrogation of the right to reinstatement in case of unjustified dismissal (only if it was proved to be discriminatory),¹ better public employment services, more inclusive unemployment benefits, work–life balance and equal opportunities, labour contracts and review of task regulation, wage supplementation scheme, rationalisation and simplification of inspection activities, labour services and policy, and interventions in second-level contractual bargaining.

The government envisages the creation of new open-ended jobs by means of three years of tax relief on social contributions, which was initially full and then gradually reduced to the current 40 per cent of standard labour costs. These measures encouraged a modest resumption of hiring, between 2015 and 2017, with unemployment falling to 11.2 per cent (2017), still one of the highest in the euro zone. It is worth stressing that it has been driven entirely by fixed-term employment, while open-ended contracts (though in the weaker form of the new law on dismissals) dwindled rapidly when the strong tax incentives and social contribution reductions ended. And now hiring is decreasing again. The youth unemployment rate remains extremely high, at 31.5 per cent (with shocking figures in the south), as does that of NEETs, which is the highest in Europe.

By prioritising price-driven competitiveness, the government and companies have both neglected the overwhelming importance of internal demand for GDP growth and have therefore avoided tackling the true causes of the weaknesses of the Italian production system, namely, the deep territorial divide and its historical dualism, the inadequate

1. In the case of dismissals due to economic hardship (‘economic dismissals’), reinstatement in the workplace, provided for before the reform, was substituted by severance pay, based on the age of the worker and years of service.

average size of Italian enterprises (four employees on average), poor investment in R&D, public administration inefficiency, fiscal non-compliance and widespread corruption, low average levels of education and professional skills.

If we want to understand the role and power of trade unions in Italy, beside their subjective and organisational features and capacities, we always have to keep in mind the objective constraints and structural framework.

3. Main features of Italian trade unionism: trends since the 1990s

3.1 Tradition and identity

Similar to other Latin countries, the Italian system is based on the principle of trade union pluralism, rooted in the ideological conflicts emerging from the ruins of the Second World War. Since the late 1940s, there have been three central union organisations: the General Italian Confederation of Labour (CGIL), the Italian Confederation of Workers' Unions (CISL) and the Italian Union of Labour (UIL). Minor unions include UGL, originally close to the post-Fascists; a plethora of professional 'autonomous' or 'extra-confederal' unions, fairly strong in banking, public services, education and transport; and radical left-wing unions (USB), relatively significant only in individual branches or plants.

All these organisations have differed in terms of their identities, ideology and purposes (Hodder and Edwards 2015; Leonardi 2016). CGIL has always been linked to left-wing parties (with a statutorily organised 'dialectic' between communist majority and socialist minority). CISL, originally close to the Christian Democrats, has had members sympathising with parties from a wider political spectrum. The third confederation, UIL, has been mainly associated with the Social Democrat left. Since the end of the 1960s, all union statutes have forbidden their officials at different levels from assuming roles of responsibility in political parties and elective assemblies. Nevertheless, their links with political parties, in terms of leaders, individual dual membership or engagement, has persisted, influencing their relationships with governments. This applies particularly to CGIL, whose members are traditionally more politicised and militant. Attempts at organising new separate unions linked to a party, as in the case of the xenophobic Northern League, have failed, although many of its voters are members of the other three confederations.

CGIL, CISL and UIL have adopted different combinations of the *logic of class* and the *logic of association*. One might mention the role of voluntarism and law in union affairs; bargaining centralisation and decentralisation; conflict and participation; militancy and accommodation; labour market regulation and flexibility. CGIL has long interpreted its role within the framework of the class struggle, practising a more political and rank-and-file kind of unionism, marshalling industrial conflict and social unrest. Favouring the primacy of the confederation over its sectoral federations and defending a centrally coordinated bargaining system, CGIL is favourable towards any form of direct and semi-direct democracy, making little distinction between members and non-members when electing works councils or in votes on collective agreements or social pacts. CISL – and to a certain extent also UIL – persists in a model of association in which members are

paramount and ‘come first’, for example, in consultations about draft agreements. After a militant period in the 1970s, when egalitarianism and self-management became a trait of the new CISL, the confederation gradually returned to a fairly moderate spirit, with an identity-dictated choice for *participation* in all possible forms and a more pronounced bargaining decentralisation. Traditionally reluctant to accept any legal interference, its preference is a voluntary system of collective autonomy, supported by organisational resources deriving from the provision of services and occupational welfare (Baglioni 2011). Even CGIL has not given up on developing pragmatic company-level bargaining and has revised some of its original views on the subject. Starting from the 1980s, the country’s largest confederation, through a lively internal debate, has gradually accepted *codetermination*, including the long rejected board-level employee representation.

The degree of bargaining decentralisation and labour market flexibility, the role of non-members and the weight of occupational welfare are some of the main issues on which the three confederations often disagree, sometimes to the point of interrupting their usual unity of action. Cases of separate agreements – especially at peak level under the Berlusconi governments, but also at sectoral and company level – have weakened the union fortress and paved the way, in the absence of legal rules on representation and bargaining, to a quasi-anomic situation in industrial relations. This is in fact one of the most serious criticisms of the current state of Italian unionism. At the same time, such a pluralism of identities, standing and programmes is probably one of the explanatory factors of its relative success, in terms of membership at least, as it offers the possibility to represent different cultures and expectations within both the old and the new multifaceted world of labour.

3.2 Organisational and associational power resources

A key indicator of trade union power (Lévesque and Murray 2010) is union density, which has the advantage – although a controversial one – of being more easily monitored and compared (Bryson *et al.* 2011; Visser 2015). International statistics have highlighted a continuous and widespread decline in membership rates over the years, albeit with varying degrees of intensity. EU averages range around 23–24 per cent, a far cry from the numbers recorded in the late 1970s, when they were over 40 per cent.

Union density has declined in Italy, too, but the downward trend has been slower and much more contained than elsewhere. It was 41 per cent in 1980 and is now estimated at 33.4 per cent (Carrieri and Feltrin 2016), still one of the highest rates in the world, falling behind only those recorded in Belgium and the Nordic countries that maintain the Ghent system (ILO 2015). No reliable data are available for the broad constellation of ‘autonomous’ trade unions, so that their members are not usually accounted for in official statistics. This means that, also assuming the possibility of certain inaccuracies in the calculation of members of the three confederal unions² – overall figures on Italian union density are hardly ever exaggerated. If we simply summed up all the active workers

2. Indeed, it cannot be excluded that a small proportion of active workers may have been registered twice, as a result of transfers from one job and sector to another during the same year.

Table 1 Trade union membership and composition, Italy, 2016

	CGIL	CISL	UIL*	Total
Total members	5,462,082	4,090,681	2,249,727	11,802,490
Employees	2,598,764	2,334,793	1,361,868	6,295,425
% of total members	47.58%	57.08%	60.53%	53.34%
Pensioners	2,863,318	1,755,888	583,399	5,202,605
% of total members	52.42%	42.92%	25.93%	44.08%
Total private sectors	1,893,803	1,603,077	943,321	4,440,201
% of total members	34.67%	39.19%	41.93%	37.62%
% of total employees members	72.87%	68.66%	69.27%	70.53%
Manufacturing, construction and agro-food industry	1,090,517	923,531	583,588	2,597,636
% of total members	19.97%	22.58%	25.94%	22.01%
% of total employees members	41.96%	39.56%	42.85%	41.26%
Services (transport included)	803,286	679,546	359,733	1,842,565
% of total members	14.71%	16.61%	15.99%	15.61%
% of total employees members	30.91%	29.11%	26.41%	29.27%
Total public sectors	574,285	513,051	349,179	1,436,515
% of total members	10.51%	12.54%	15.52%	12.17%
% of total employees members	22.10%	21.97%	25.64%	22.82%
Non-standard workers (TAWs, semi-dependent)	93,841	41,601	69,368	204,810
% of total members	1.72%	1.02%	3.08%	1.74%
% of total employees members	3.61%	1.78%	5.09%	3.25%
Others** (unemployed, tenants, consumers, etc.)	36,835	177,064	304,460	518,359
% of total members	0.67%	4.33%	13.53%	4.39%
Non-nationals	409,000	335,000	195,000	939,000
% of total members	7.49%	8.19%	8.67%	7.96%
% of total employees members	15.74%	14.35%	14.32%	14.92%

Notes: * The total exceeds the sum of 'employees' and 'pensioners' because, for UIL, 'others' are considered neither 'employees' nor 'pensioners'. ** For CGIL and CISL 'others' are considered 'employees'; for UIL 'others' are 'second affiliation' and are not considered 'employees' or 'pensioners'.

Source: Author's elaboration on union website data.

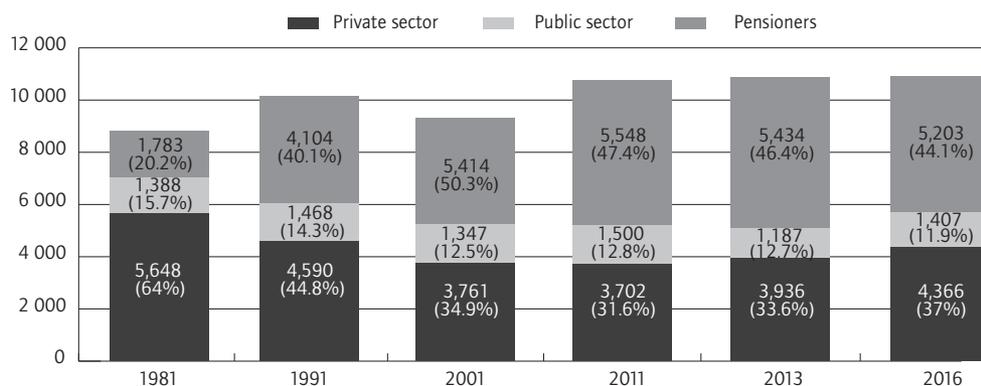
enrolled in only three confederate unions (6.3 million) and compared them with the total number of public and private employees (17.3 million), the result would be what we find in some international statistics, in other words, around 37 per cent.³ Starting from 1998, improved membership among active workers benefited from employment rates, which grew strongly in the period prior to the 2008 crash. It is a trend that continued at least until 2012, whereas the latest economic downturn does not seem to have affected membership as might have been expected. Taking 2008 as reference (= 100), CGIL's membership in 2014 rose slightly (+0.6 per cent) compared with an employment rate that in the same period fell by 4 per cent. Some regression was recorded between 2015 and 2016 at CISL (-122,509 members) and CGIL (-77,390), with UIL increasing by 19,331. Looking at the data for 2017, the overall picture appears quite stable, with CGIL's and UIL's membership slightly increasing, while CISL's fell somewhat. Importantly, after many years, the number of active members in CGIL rose once more to exceed that of retirees.

In 2016 CGIL had 5,462,082 members (5,539,472 in 2015), making it the third largest trade union confederation in Europe, behind the German DGB and British TUC. While 2,863,318 of these are pensioners, among the rest an overwhelming majority (96 per cent) are wage earners, who account for 75 per cent of the national workforce. CISL, with 4,090,681 members (4,213,190 in 2015), is the second-largest trade union in Italy and the fourth largest in Europe, including 1,755,888 pensioners. The third is UIL, with 2,249,726 members (2,230,396 in 2015), with 583,399 pensioners (see Table 1). It is important to underline that the figures for UIL and CISL include the two or three hundred thousand members affiliated to their related associations (tenants, consumers, unemployed and so on), which are quite significant in the case of UIL (13.5 per cent of total membership), although in the case of CGIL, similar organizations, and their 400,000 members, are excluded from calculation.

Using an oxymoron, we can say that Italian union membership has been *declining alongside growth* over the years. Between 1981 and 2014 nearly 2 million members were lost among the active workforce, just when the latter was growing, in the private sector, by 2 million jobs (Carrieri and Feltrin 2016). Nevertheless, in the same period, the total number of persons affiliated to the three largest confederations grew from 8.819 million to 11.708 million (11.8 million in 2016), an increase of 33 per cent which – in absolute numbers – pushes Italy into first place in Europe (see Figure 1). This is a huge number, corresponding to approximately one out of five adults in a country with 60 million inhabitants. The explanation of this apparent paradox lies in the peculiar proportion of retirees out of the total number of union members. Their percentage rose from 20 per cent in 1981 to 50 per cent in 2001, before going down to 44 per cent in 2016 (with some important differences between confederations, as in the case of CGIL and UIL, with the latter having half the members of the former; see Figure 1). This had an impact on overall union membership that has been greater than anywhere else in Europe. This success is probably because retirees do not subscribe to their old federations but their own, which is actively engaged in providing services and bargaining at territorial level, with the public administration, local services and welfare to improve the quality of life of elderly people.

3. As in fact according to the ICTWSS Database (Visser 2015).

Figure 1 Trade union membership and composition, in thousands (1981-2016)



Note: This figure does not cover overall membership, for which see Table 1.
Source: Author's updated elaboration on Carrieri and Feltrin (2016).

The massive changes under way in production have inevitably affected trade unions' sectoral and workforce map. Manufacturing has declined to a little over 20 per cent of total membership (it was 49 per cent in 1981), with a sharp downturn in branches such as textiles, chemicals and metalworking, which have almost halved in the past thirty years. At the same time, the increase in public (mostly teachers) and private services (from 5 to 15 per cent of total membership) has partially compensated such losses. Interestingly, after reaching the bottom in 2011, trade union membership in the private sector has grown again, rising from 34.4 per cent to almost 40 per cent. Presently, the largest federations affiliated to CGIL and CISL are those that represent workers in sectors such as trade, hotels and restaurants, private health care, cleaning and security services (with 482,302 and 351,346 members in 2016, respectively). Nevertheless, this impressive growth is far from corresponding to the employment increase in this broad and still expanding segment of the labour market, however, so that the rate of unionisation is more or less unchanged at the level of 1983, still the lowest with 17 per cent. The second and third federations in CGIL are the public sector and metalworking. In CISL, similarly, they are the public sector and construction, while in UIL the first is the agro and food sector, the second the construction and wood sector and the third is trade, hotels and commerce.

Today, the most unionised branches are banks and postal services (75 per cent), transport (52 per cent), public services and the interesting case of construction (63 per cent), in which employees are covered by one of the most widespread and effective systems of bilateralism and occupational welfare (see below). Teachers, health sector workers and industrial blue-collar workers are some of the most unionised jobs.

The incidence of female workers is on average weaker than that of males, also due to one of the worst gender gaps in the employment rate in the EU.⁴ The presence of immigrants

4. Equally, in the case of CGIL and CISL, female membership is 43 per cent (49 per cent of the workforce).

– with one million members in the three main confederations – is becoming more and more crucial, with an overall contribution of around 14 per cent (CISL) or 15.74 per cent (CGIL) among all active workers; approximately one in four if only the private sector is considered. Even more striking is their propensity for union membership; in a total workforce of a little more than 2 million, 939,000 (45 per cent) are unionised, substantially beyond the rate of Italian nationals. They come mainly from Romania, Albania and Senegal and are concentrated in transport and logistics, agriculture and food industry, construction, hotels and restaurants, and tend to have precarious contracts, harder working conditions and dirty and dangerous jobs. By statute, immigrants have the right to be represented on all union bodies. In CGIL, 8 per cent of executive committee members must be of foreign origin.

The weakest groups continue to be the under-35s – casual workers and less unionised workers (approximately 15 per cent) – with a gap of 30 percentage points in relation to members in the 45–60 group.⁵ They are the most affected by the precarisation of employment, but also with an inclination to lean to the centre-right politically. It goes without saying that such a key segment represents – in the era of the gig economy – one of the main trade union concerns. The geography of union membership is highly divergent and polarised. In CGIL, for example, approximately 1.7 million out of the roughly 5.5 million members come from just two regions, Lombardia and Emilia Romagna. In CISL, southern regions such as Campania and Sicily are particularly important.

CGIL, CISL and UIL can rely on significant financial and human resources. According to some estimates, the three confederations annually collect more than 1 billion euros in subscription fees (Feltrin 2015). Trade union sources, however, claim this sum is underestimated, with CGIL collecting this sum on its own. Since 1973, Italian trade unions have benefited from the check-off system: membership fees are deducted from wages and paid to the unions by employers. That subscription fee, about 1 per cent of the wages of a full-time worker, is renewed automatically every year, unless specifically revoked by the worker. Part of the Italian union membership stability can certainly be explained by this support, which provides financial continuity.

Additional revenues come from fiscal assistance services (7 million tax returns every year), retirement and welfare assistance provided by the *patronati*, individual advocacy by legal offices and occupational benefits provided by bilateral entities (see below). The grand total, including subscription fees and service charges, that trade unions receive would be nearer to 2 billion euros. This all-time high, it should be observed, also comes with low debt levels and a solid volume of real property. This financial strength allows trade unions to maintain a payroll staff of over 25,000, mostly holding regular, standard contracts. The figure was less than 10,000 in the late 1970s (Carrieri and Feltrin 2016).

Membership data are provided by the trade unions themselves. Figures are more accurate and reliable among public sector workers and pensioners, thanks to the role of

5. They amounted to 18 per cent of CGIL members (23 per cent of the workforce), while precarious workers (temporarily and on project) account for less than 5 per cent of members (17 per cent of the employed).

public authorities in the implementation of official data. Unreliable membership data can create problems during industry-level or inter-confederate negotiations, especially when discussions are under way to establish who can take part in the bargaining and what majority to apply when a resolution needs to be passed. This is quite a sensitive issue: in the voting on the approval of a collective bargaining agreement, CISL would prefer to involve only its own members, while CGIL wants to open consultations up to all the workers interested. The compromise between the two positions has been to seek a median average between number of members and votes obtained in the elections at the workplace level, both gathered and certified by third-party public authorities. This decision was passed by law in the public sector and is now going to be applicable in part of the private sector, following framework agreements (see below).

3.3 Institutional support

Among the peculiarities of the Italian industrial relations system, one is the high degree of voluntarism and the abstention of the law. Key issues such as workers' representation, collective bargaining (procedures and effects), minimum wages, strikes and employee participation in the private sector are not regulated by law, but by tripartite and/or bilateral agreements.⁶ Although the 1948 Constitution contains specific indications concerning those very institutions, their formulation has been in turn opposed by the centre-left parties, in some instances because they sounded like echoes of fascist-period corporatism, such as when the validity of an industry-wide agreement depends on the public registration of the signatory unions (Article 39). Inspired by the pluralism of Anglo-Saxon countries, CISL has always privileged collective autonomy, based on the social partners' mutual will, without any state interference. CGIL, which has a different view about the role of law, has never pressed home this demand, fearing it would undermine the already delicate relations with CISL.

The only broad-ranging law that in half a century has provided a framework of principles and general rules in the area of employees' rights was the Workers' Statute, passed in 1970, arising from the struggles and victories of the 'hot autumn' of 1969. Inspired by Roosevelt's Wagner Act, it was a case of auxiliary legislation, aimed at stabilising union liberties and power on the shop floor. The *Statuto* establishes the employees' right to elect workplace representatives and to freely exercise union rights and liberties in companies with more than 15 workers. While also setting down the right for workers to be reinstated when improperly fired, the *Statuto* prohibits the establishment of yellow unions and prescribes penalties for companies carrying out anti-union activities.

Thanks to the cross-fertilisation of collective cultures and plural identities among communists, socialists and Catholics (Cella 2008), the Italian labour movement, on the wave of a mounting cycle of class struggle (Pizzorno *et al.* 1978) experienced one of the longest periods of union growth and power in Western societies. This is indicated

6. This clearly distinguishes Italy from the other southern European countries, where state intervention is significantly stronger and the relations between trade unions and the political system are more deeply entrenched. It's worth mentioning that Italy is the only member state of the EU, along with Sweden and Denmark, that has neither a statutory minimum wage nor an administrative extension procedure to guarantee universal coverage of collective agreements.

by the historically very high frequency of strikes and trade union mobilisations. It is important in this context that solidarity and politically-motivated strikes, under Italian law, are not banned.

Many things in Italy would change in the 1980s, as they did in the rest of the world. The balance of power started to shift and Italian academics and trade unionists started to look with growing interest at the very neo-corporatism that had long been dismissed, just when neo-corporatism was slipping into a crisis in its Nordic birthplaces and bastions. Implementation is based on the notion of 'political exchange'. Starting from the early 1990s, Italy emerged as one of those countries that stimulated what has come to be known as the 'neo-corporatist revival' (Crouch 1998) through a series of social pacts, while industrial unrest began to decline. Italy's entry into the European economic and monetary union involved a major economic overhaul, which was also achieved through the definition of a wage policy that was the outcome of a concerted effort between the government and the social partners, the aim being to cut inflation and increase output. The tripartite Protocol signed on 23 July 1993 was the crowning achievement of that phase of Italy's industrial relations. It established the framework rules for collective bargaining, workplace representation and labour policies. Other important agreements were signed all the way to 2007, heralding reforms of pensions, labour flexibility and welfare that lawmakers implemented only after having found common ground with the main social partners.

This neo-corporatist approach, which called on workers to endorse all agreements in referendums, began to ebb with the great crisis of 2008. The centre-right governments tried to break the unions' united front by co-opting CISL and UIL, while isolating CGIL, which emerged as the point of reference for the opposition to the increasingly neoliberal policies.

Unlike what occurred in some members states to enable them to claim eligibility for the monetary union, European institutions now appeared to be very impatient with the pace and procedures of social democracy, calling national governments to enforce unilateral and often draconian measures. The countries that rekindled neo-corporatism in the 1990s are those that have now declared its death, under the unilateral imposition of governments: Greece, Ireland, Portugal, Spain, the central and eastern European countries and Italy. In August 2011, the ECB – with an unprecedented and controversial initiative – sent a secret letter to the Italian government, at that time headed by Silvio Berlusconi, demanding a list of detailed reforms. Rome was urgently required to carry out reforms in the areas of pensions, labour flexibility and collective bargaining decentralisation. This request was duly and unconditionally accepted by lawmakers, without seeking any previous agreement with the social partners, but in open conflict with the trade union side.

Berlusconi, Monti and Renzi (Gentiloni, by contrast, was more open in this regard) have all expressed their dislike for the 'old' policy concertation – stigmatised as one of the main reasons for the country's sluggishness – advocating the full right to govern and make laws unfettered, without being vetoed by the social partners. Trade unions and especially CGIL have been accused of being supporters of a worn-out notion of representation, concentrated on safeguarding the interests of the last bastions of the

‘protected’ workforce and increasingly out of touch with the younger generation and the new world of work. The fact that this criticism has been strongly reiterated also by a centre-left government indicates the rift that has increasingly widened between trade unions and political parties. Workers no longer seem to have a political partner they can refer to within parliamentary institutions.

One of the reasons for the widening gap between the associative power of Italian trade unions and the real power they can actually muster is their progressive marginalisation by the political system, which has been increasingly impatient with the ‘old rituals’ of political exchange and disdainful of the role trade unions can play in social intermediation.

4. Collective bargaining

4.1 The problem of measuring representation

Trade union representativeness has become a thorny issue as relations between the major confederations have worsened over the years, following the enforcement of some key agreements regardless of whether their signatories had a majority to back them up. This has occurred repeatedly, with the tripartite agreements on the labour market (2001) and the collective bargaining system (2009); in some industry-wide agreements, such as the tertiary sector and metalworking (2008–2010); and at company level, in some large companies, such as FIAT (2010). In all these cases, CGIL and its federations were cut out of the deal. The issue of representativeness is not something that affects only relations between the three principal confederations but also concerns the role of independent unions as well as of employers’ associations, whose acute fragmentation continues to be one of the most serious weaknesses of the Italian industrial relations system. In 2008, some 396 industry-wide agreements were recorded, of which fewer than 300 were endorsed by the large confederations; in 2016 that figure rose to 864 (CNEL 2017). The landscape is at best chaotic and without clearly-defined rules governing representation. There is also an increasing risk of wage dumping in the agreements signed within the same sector, with no involvement of the representative social partners.

This organisational fragmentation has had a number of consequences, which are often not only obtrusive but also unpopular, as when industrial action disrupts essential public services such as urban transport. While many hundreds of strikes are announced, only a few of them are actually carried out. Despite a quite restrictive law on striking in essential public services, actions by small unions, covering relatively few workers, can entirely paralyse services such as urban transport. The feeling generated is one of a generalised misuse of a right nevertheless considered to be fundamental.

In a climate of trade union splits, the lack of binding and effective norms concerning the most representative unions and the results of collective bargaining gave way to uncertainty and bitter disputes, both political and in the courts. A bid to overcome this quandary occurred between 2011 and 2014, with the stipulation of three framework agreements with Confindustria that defined specific rules about (i) who has the right to participate in negotiations and (ii) when an agreement can be considered sufficiently representative to be

binding for both sides. Unions need to pass a threshold of 5 per cent representativeness to take part in national collective bargaining, whereas a final agreement is binding if signed by unions representing at least 50 + 1 per cent of the relevant workforce. These thresholds are calculated as a weighted average between votes and members, gathered by public authorities, such as the National Institute for Social Protection (INPS). This is a fifty–fifty compromise between the preference of CGIL for electoral democracy and that of CISL for an associative mandate. Industrial action is barred to the workplace union representatives affiliated to the signatory confederations if they end up in the minority, a clause that has provoked discontent on the trade union left, such as the metalworkers in CGIL.

The choice once again for collective autonomy is clashing with a number of criticisms concerning scope and enforceability. Although the retail, cooperative and services social partners signed very similar framework agreements, not all sectors are still covered by these texts (banks and crafts are still outside). Besides, the data-gathering process has proved to be fraught with difficulties due to the reluctance of many enterprises to provide the required information to INPS, which is in charge of processing it.

The outcome so far has not been entirely satisfactory and the latest round of national bargaining in 2015–2017 has not yet benefitted from the new model. However, the fragmentation and uncertain representativeness of the employers' associations raises the need to establish transparent and certified parameters, even on this side, with regard to the total number of members and workers. The cost gap between a national agreement signed by the most representative unions and one signed by others – in the same contractual unit – can be several thousand euros a year and with lower pay rates (by up to 20 per cent), which is wage dumping by any estimation. So-called 'pirate' agreements, signed by unknown or ambiguous associations, risk undermining the whole system of collective bargaining 'from the top', fostering fraudulent strategies and downward contractual dumping (Leonardi *et al.* 2018). That's why, both historical and comparatively most representative social partners associations are jointly insisting for making more transparent and reliable the measuring and certification of collective bargaining actors. Confindustria and the three main confederation signed an agreement, at regard, in March 2018. A debate on the need for a specific law is once again on the cards and some bills were presented before the last parliament. One possible way forward could be to transpose into law what the social partners have subscribed to, based on auxiliary legislation, but there is resistance in some quarters in political parties and confederations. All the trade unions, instead, are firmly united in rejecting the idea of a statutory minimum wage, which was included in but not achieved by the Renzi Jobs Act, and now included in the programme of the recent election victor M5S. As an alternative, they propose to give the industry-wide agreements *erga omnes* binding effect, as foreseen in Article 39 of the Constitution.

4.2 What kind of decentralisation?

The issue of trade union representation is linked to the theme of collective bargaining, repeatedly the object of a prolonged phase of transition that does not seem to have reached its end (Carrieri and Treu 2013). The system rests on a stratification of

framework collective agreements signed since the Protocol of 23 July 1993. It is a two-tier model, coordinated centrally through a hierarchical system of specialisations and non-repetition, where the higher level establishes and demands from the lower levels competences and prerogatives. The national industry-wide level defines basic common rules, while the second, which is facultative, serves to integrate related disciplines according to the long-standing principle of favourability. The latter can be company-based or territorial (common in sectors with many very small enterprises) and aim to stimulate corporate flexibility and competitiveness.

At the industry-wide level negotiations are conducted by the most representative social partners, while second-level bargaining is the prerogative of the unitary union representative body alone, unlike the recent past, when it was assisted by the territorial sectoral unions. The representative body, whose members are elected by trade union members and non-members alike, is the exclusive workplace representation body and may be elected in companies with a payroll staff of over 15.

Industry-wide agreements must protect consumer purchasing power against erosion by inflation. According to Article 36 of the Italian Constitution, a minimum wage must be 'proportionate' and 'sufficient to allow a person and their family a free and dignified existence'. As interpreted by the courts, it consists of the minimum sum laid down by the national sectoral agreement that covers the worker in question. Because such contracts do not formally have an *erga omnes* binding effect, case law dictates that the minimum wage as laid down in sectoral agreements is commonly extended to all workers. In this way, the system achieves the dual objective of having a 'constitutional' minimum wage, elsewhere enforced by law or administrative acts, which preserves trade union sovereignty over wage bargaining, a privilege that the trade unions guard jealously. The coverage rate and the Kaitz index are both estimated as among the highest in the EU (Garnero 2017). The share of the national sector-wide wages covers about 88 per cent of total earnings in the private sector and about 90 per cent in the public sector (Brindelli 2016). The opposite is the case with regard to pay and labour productivity, which are among the lowest in the EU. The two-tier system of wage bargaining has been accused by some as being too centralised nationally, limiting the room for company-level bargaining and performance-driven wages. This has triggered a major and ongoing debate about whether a new model should contain a higher degree of organised decentralisation.

In 2009, the main social partners (CGIL excluded) signed a couple of framework agreements, with a number of changes to the system in force since 1993. The duration of sectoral agreements has been unified to three years for both their normative and economic parts. Wage progression has been pegged to a new harmonised consumer price index (net of imported energy costs), fixed by a third-party authority and no longer in scheduled tripartite sessions, as was previously the case. The gap between forecast and real inflation will be closed only if it is deemed 'significant' at inter-confederate and not industry level. With a view to avoiding leaving workers uncovered by company-level bargaining, the industry-wide agreement will set the minimum wage level just for them. The most controversial point – the main reason why CGIL refused to sign – was the clause that made it possible for company-level agreements to deviate from national agreements, even for the worse.

Although not signed by the largest confederation, the 2009 protocol did not prevent the unions from renewing all industry-wide agreements in a unitary way in the following years. The glaring exceptions were the industry-wide agreements in the tertiary and metal sectors, from which CGIL's affiliated federations were left out. At company level, most controversial – also because they concerned the country's most important private employer – were some agreements signed at FIAT plants in 2009 and 2010. The company left the national employers' association and signed an unprecedented first-level agreement apart from the national metal agreement, offering an example of radically disorganised decentralisation and an exit strategy from the two-tier system.⁷

At last, aware of the risks to the stability of the whole industrial relations system, the social partners gradually re-established cooperative relations, signing new framework agreements on collective bargaining and workplace representation. By June 2011, Confindustria and all trade union confederations (CGIL included this time) signed the first of the abovementioned three agreements on representation and bargaining: in addition to defining stricter rules on negotiating parties and procedures, they confirm the substantial primacy of the industry-wide level, while admitting the limited possibility of applying less favourable conditions in terms of performance, working hours and labour organisation.

Indifferent to the will already expressed by most representative and signatory social partner associations, in August 2011 the government – responding to the already quoted request from the ECB – enacted a law (Act No. 148/2011) with the purpose of paving the way to a drastic decentralisation of the system. In fact, Art. 8 on 'proximity contracts' envisages 'specific agreements', signed at company or territorial level by the comparatively most representative associations, which can derogate (for the worse) on all issues regulated by the higher level of bargaining and – importantly – by the law. The system would be turned completely upside down, as now decentralised agreements might become the new core of the system, with the industry-wide level, in turn, relegated to a residual role. However, such disorganised decentralisation did not take place as the main social partner associations, again, confirmed (with a sort of follow-up in September 2011, and then again in 2013 and 2014) the aims and contents of the framework agreement signed in June. According to several surveys, derogating company-level agreements account for between 5 and 12 per cent of total company agreements.

In spite of reducing the weight of the sectoral agreements and fiscal incentives for collectively agreed productivity increases (the latter is in the stability laws for 2016 and 2017), the spread of decentralised-level bargaining is still very limited, – roughly 20 per cent of employers, 12 per cent by company and 8 per cent territorial bargaining, and approximately 35 per cent of wage-earners (Brindelli 2016) – covering only unionised medium to large enterprises (mostly in the north of Italy) while a substantial part of employees are not covered by this second level of bargaining, although branches such as construction, artisans and hotels and restaurants are covered by territorial agreements.

7. FIOM-CGIL, expelled from all company plants, opened a broad campaign, appealing to public opinion and petitioning the courts against anti-union discrimination. Courts at different levels have repeatedly upheld FIOM's arguments.

In contrast to what is claimed by the mainstream narrative, the basic reason for such weak development is not the hypertrophy of national agreements, but the structural shortage of workers' representatives in small and very small enterprises, the backbone of Italian production. According to recent surveys, covering firms with more than 10 employees, unitary union representative bodies operate in barely 12 per cent of all enterprises (23 per cent if non-elected union representatives are included). Presence is as low as 8 per cent in companies employing up to 50 workers (CNEL and ISTAT 2015). This fact alone justifies the reluctance of those who in Europe and in Italy oppose the full decentralisation of collective bargaining.

A new round of national collective bargaining started in 2015; by autumn 2017 bargaining involved around 7 million workers. After an almost 10-year freeze – in 2015 censored by the Constitutional Court – bargaining once again got under way for the renewal of the nationwide agreement covering three million public workers.

The scenario was in many ways unprecedented. The very low inflation rate of recent years – between 0.04 per cent on average in 2015 and 1.23 per cent in 2017 – has now turned into a very problematic deflation. Furthermore, it was not clear which rules would apply: the protocol signed on January 2009 expired in 2014, while the new system agreed in 2011–2014 was not yet effective.

A bombshell was thrown at the opening of the bargaining session in the chemical sector by the employers, who demanded the restitution of 79 euros in wages in consideration of the fact that real inflation in the previous three-year period had been lower than forecast. In the end things improved and an agreement was reached, but the situation remains uncertain and confused. Employers claim that no provisional indicator has to be taken into consideration, abrogating all forms of automatism and taking into account only real and not forecast inflation.

While appropriate in periods of high inflation, the harmonised consumer price index – adopted in the 2009 reform – has now become pretty meaningless in the current scenario, where prolonged deflation is a key feature.

According to the fundamental tripartite Protocol of July 1993, collectively agreed wages are 'condemned' never to increase but merely to remain aligned, at best, with the real value they enjoyed when the system was established, in July 1993 (Tronti 2016). That's why unions are now insisting for reforming the system, so to include macroeconomic variables such as industry output or average productivity. In January 2016, CGIL, CISL and UIL jointly signed an agreement to be handed to the employers' association and to the government, in which they assume that the relevant economic conditions will no longer be confined to recovering purchasing power, which has become a marginal issue due to deflation.

A wage increase policy is required that can herald wage-driven sustainable growth. An wage increase that went beyond the mere conservation of purchasing power would act as an indispensable driver of consumption and internal demand, which is responsible for the largest portion of GDP. However, collective bargaining will increasingly be called on to counter the effects of the government's Jobs Acts (see above), in particular

with regard to atypical contracts, demotions, long distance controls and disciplinary measures. Safeguarding clauses are required to prevent the erosion of acquired rights. A bitterly disappointed CGIL official sums up the situation: ‘I’ve spent my life negotiating the enforcement of the law and now I find myself having to negotiate *against the law*, or act as if it didn’t exist.’

5. The main features of trade union strategies for union revitalisation

The changes in production systems and the labour market have resulted in new patterns of social malaise and representation, to which the trade unions need a new response. They are thus required to act strategically (Hyman 2007), expanding and revitalising their constituency beyond their increasingly eroding traditional bastions. Trade unions, wherever they are on the defensive, are engaged in developing and implementing an array of initiatives aimed at recruiting and retaining members, considered a prerequisite for regaining organisational and structural power resources. These initiatives – which include providing services, organising, mergers, union democracy and social coalitions (Frege and Kerry 2004; Phelan 2007; Bernaciak *et al.* 2014) – are well to the fore in the actions and plans of Italian trade unions.

5.1 Provision of services

Beside the ideational and value-based explanations behind the decision to join a union, the instrumental driver – supposedly based on an individual utility-maximizing decision – is recognised to play a crucial role (Leonardi 2005; Frangi and Barisione 2015; Feltrin 2015). In times of de-politicisation and a crisis of traditional collective identities, with labour market and employment relationships more and more fragmented and deregulated, provision of services to individuals gives the unions an important opportunity to establish contact with both employees and non-employees.

In Italy the trade unions provide a wide range of services in the areas of pension and tax assistance, legal consultancy and advocacy, as well as with regard to welfare protection. The law recognises and supports such activities, with the unions acting as public goods providers, in a win-win situation in which the state decentralises some of its functions to qualified actors with a broad reach. Employees and citizens benefit from goods and services provided on better terms than in the ‘market’, while the unions increase their membership and reputation. The service system is today a pillar of Italian trade unionism, articulated in a wide range of areas, providing new members and financial resources. It includes: (i) so-called *Patronati*, (ii) centres for tax assistance and (iii) legal advocacy offices. *Patronati* are state-recognised and regulated institutes providing assistance in applying for benefits in the areas of social security, health and safety at work, social assistance and migration. They play a key role at the end of a worker’s career, when with retirement in view they provide specialist support in determining acquired entitlements and rights. The centres for tax assistance support employees and non-employees in making their tax declarations, while the legal centres provide workers

with professional advocacy before the courts in cases of dispute with an employer. Most of these services are offered to both members and non-members, but once the contact is established, the latter are invited to become a union member, within the sectoral federation they belong to because of their job. CGIL alone issues some 600,000 membership cards in this way every year.

A commitment to immigrants is at present a strategic issue for trade unions and in various forms, including the setting up of local offices to provide assistance in complying with bureaucratic requirements, the translation and diffusion of collective agreements and other labour norms, the inclusion in agreements of clauses responding to the specific needs of immigrants – specific dietary needs in company canteens, celebrations and unified holidays to allow immigrant workers longer home leave – as well as support for foreign workplace delegates and officials.

Another key access point is represented by bilateral bodies and funds: joint organs made up of trade union and employers' representatives in the field of volunteer occupational welfare. Their main goal is to manage social benefits in the areas of integrative pensions and health assistance, training and income support. Such bilateral entities have been implemented mainly in sectors such as construction, crafts, tourism, retail and agency work, giving a powerful incentive to membership for people who are otherwise hard to unionise. Financed by enterprises, they collect significant financial resources, contributing to widening the range of services that trade unions provide to employees, who appreciate the unions' efforts to improve their circumstances. Among the unions, CISL has backed bilateral welfare efforts with the most conviction, elevating them as a key element of its strategic activities. Segments of the trade unions' organisational structure have been transferred to these bilateral organs, indirectly helping to boost overall trade union action and outreach. 'Bilateralism' can probably be considered the most structured form of participation achieved in Italy in the past 20 years (Leonardi 2016).

While the assumption of semi-public functions is an additional perk for trade unions, and one likely to counterbalance their membership decline, it can also be a source of problems. Subjective union membership is transformed, with a shift from collective and ideational motivations to individual and instrumental. Members increasingly become *clients* rather than *activists*, lacking a political consciousness and interest in a durable commitment. Unions, for their part, could be tempted to relax their search for legitimacy in their traditional core activities of collective bargaining and industrial democracy, taking the advantages – organisational and financial – from managing pieces of welfare provisions, abandoned by a state which no longer seeks to provide universal guarantees. Full-time union staff, outside the workplace, would then increase at the expense of grass-root militancy, whereas organisational finances would depend more on government and company subsidies than on members' fees. The recent proliferation of new associations and national agreements could be explained by the strong financial appeal of bilateral funds. Both press and experts periodically raise the issue of trade union accounts and their alleged lack of transparency. For all these reasons, there is a need to maintain a balanced relationship between collective and individual representation, so as to not wholly to pervert the nature and functions of trade unions.

5.2 Organising

Many of the initiatives aimed at trade union revitalisation have focused on organising new categories of vulnerable workers, which are hard to reach through the traditional forms of union action and militancy: young and atypical employees on precarious contracts, the economically dependent (bogus) self-employed, 'knowledge workers' and immigrants. Nowadays, organising has become a key issue within a global strategy for trade union readjustment and renewal. This is already well developed in some Anglophone and Nordic countries, and Italian trade unions are committed to such efforts, which top of the list of their organisational agenda for more inclusive unionism (Pirro and Pugliese 2015). Multi-year 'resettlement plans' are laid down, mapping new social needs and demands, through campaigns targeting groups in respect of which there is potential growth in terms of stronger representation and membership.

From the late 1990s onwards, Italian unions were some of the first to create specific organisations for dependent 'self-employed' and agency workers. The aim was to improve protection for the underprotected, providing more inclusive welfare and labour rights, also through collective bargaining. Agency workers, since the category was recognised in the late 1990s, are covered by specific industry-wide agreements grounded on the principle of equal pay for equal work, enforcing trade union rights and granting continuing education financed by the bilateral funds jointly set up by employers and trade unions. Currently, Nidil-CGIL alone have almost 94,000 members, in slow but constant growth; summing up the other two other federations, FELSA-CISL and UILTEMP, atypical unions have reached a total of 205,000 members (80,000 in 1998), which is a good trend but still far from being fully satisfying. For freelance workers, CGIL set up a national committee for professional self-employed (architects, lawyers, translators, physiotherapists and so on), thanks to which a common struggle has finally been launched to make labour rights and welfare protection more inclusive, beyond the traditional boundaries of wage earners.

In recent years there has been a constant and strong mobilisation against precarious work, for example, in furniture and fast-food multinationals, call centres, schools and cultural entities. In agriculture, the focus is on combating the plague of over-exploitation of migrant workers by providing assistance on rights and contracts, for example, with the help of mobile information units and 'street unionism'. One of the unions' greatest apparent successes was the approval in October 2016 of a law severely punishing illicit labour intermediation by gangmasters, forced labour and slavery. Another success was the national collective agreement for domestic workers, a sector massively composed of non-national workers. Other campaigns concern the Made in Italy supply chain or against forced prostitution (called 'Way out'), setting up work-related support for victims. Action aimed at combating xenophobia in society and in the workplace has been another key feature of the campaign that has been going on for a number of years, countering the allure of the chauvinism disseminated by parties such as the Northern League. However, the recent general election results show how difficult it is today, in the most vulnerable sectors of the population, to reach agreement on solidarity and inclusion with regard to third-country migrants, even when they are refugees or escaping from bloody wars. The number of voters for the xenophobic League was certainly very high among the workers of the north, including trade union members.

Representing and enlarging legal and social protections for young, atypical and migrant workers is today considered an absolute priority, by means of specific campaigns and mobilising.

Beside the campaigns against xenophobia and migrant exploitation, the latest initiatives concern the highly worrying growth of the ‘gig economy’, with campaigns aimed at countering the worst abuses associated with the spread of low-cost services, especially in the area of home-delivery of food (so-called ‘Riders’), urban transport and some famous airlines. Some giant multinational companies doing business in these branches have reluctantly been forced into open confrontation with the unions, and also to sign some agreements, as in the case of Amazon or Ryanair. But in the end, they had to accept and sign the first, unprecedented national agreements. This is the challenge of an increasingly polarised labour market – with regard to levels of professionalism, quality of involvement and contractual conditions – in which unions must be able to reach workers with profiles very different from those that traditionally made up their core membership.

New digital technologies represent unprecedented challenge due to their pervasive impact on general working conditions. Italian unions intend to tackle with the new developments represented by the ‘4.0 economy’; they are urging government and employers’ associations to commit to a greater common effort. This also requires updating the repertoire of topics and the tools of collective bargaining, increasingly training workers and trade union delegates in the new technology, even offering online services to digital workers. All three confederations have established working groups and departments dedicated to monitoring and guiding change.

In March 2017, CGIL, CISL and UIL signed a joint document entitled ‘*An Italian approach to Industry 4.0 that looks at the best European models*’. At its last programme conference, held in January 2018, CGIL made *Work 4.0* the fulcrum of its strategy in the coming years, including the slogan ‘negotiating with algorithms’: what may appear totally alien to every influence and control is in reality the result of precise human and organisational interventions, dictated by someone’s interest and profit. Despite the enormous difficulties, this must be subject to deliberate and socially sustainable regulation, of which only collective bargaining is capable.

5.3 Organisational changes

Another key area of reform is the internal organisation of trade unions. While membership levels have remained substantially the same, composition has changed, with an increase in the number of lower paid workers in the tertiary sector and the decline of better paid workers who would be able to pay higher subscription fees. Workers in manufacturing sectors have been receiving lower wages that are reflected in reduced trade union membership fees. The government, in addition, has significantly reduced the budget allocated to *patronati* and tax assistance centres. It has also halved the number of public sector union representatives on full-time release to perform union duties, thereby significantly reducing the contribution of functionaries at lower cost.

All these factors have led to a thorough rethinking of budgeting as the focus is increasingly on generating savings. To this end, trade union running costs have been cut by reducing the number of industry-related federations through mergers. The number of federations affiliated to the three main confederations varies between 10 (CGIL) and 20 (CISL). The trade union confederation which has primarily planned to reduce the number of member federations is CISL: the target is to merge and limit the number of federations to no more than five or six. The project is also intended to downgrade the confederation's centre and to transfer 70 per cent of membership fees to the territories, where the federations will be reorganised. UIL and CGIL are also considering changes very closely and some proposals are on the table. The latest mergers in CGIL, some years ago, unified public school teachers and academics with private sector researchers and knowledge workers (FLC), whereas the old and glorious textile and clothing workers unions merged into a conglomerate with the chemical and energy unions (FILCTEM). The metalworkers federation has proposed a deep reform, with no more than three or four federations, unifying all the industrial unions into a single entity, as in the European IndustryAll, and a similar simplification also of the number of sectoral agreements. Nevertheless, there is strong opposition to this approach as other unions fear losing their identities and specialisations forged over many decades. CGIL's internal reforms are aimed at strengthening bottom-up procedures in the selection of its leadership, with the inclusion of more elected members in the management, and boosting the presence of young people, women and migrants in the organisation.

5.4 Political programmes

CGIL, CISL and UIL continue to be trade unions with strong European roots and outlook. Within the ETUC, they are among those that have shown more willingness to transfer some sovereignty to the European level, with a view to strengthening coordination at sectoral level, transnational bargaining and the role of EWCs. While against statutory minimum wages as a viable solution in all countries, they nevertheless agree on the need to implement a minimum wage policy in the EU, either by law or collective bargaining. And they have always had a favourable stance on immigration, combating all forms of nationalism and protectionism. Today, public policies for more and better jobs, fighting precariousness, a wage-driven economic policy and modernising industrial relations are probably the main issues at the top of the unions' agenda.

First, although a key driver in certain product sectors, exports involve no more than 15 per cent of Italian enterprises, meaning that the issue of internal demand is a key factor in kick-starting the economy. In 2013 a mixed group of unionists and economists came up with a fully-fledged *Piano per il Lavoro* ('Plan for Jobs') for CGIL, with a view to defining an alternative economic policy to the one that has been de facto imposed by new European economic governance. Inspired by a similar plan previously launched by CGIL in 1949, in the aftermath of the Second World War, with some similarities with the DGB's *New Marshall Plan for Europe*, the new Plan aims to boost internal demand and create new jobs through public investments in public works and infrastructure the country sorely needs. The items listed are numerous but they mostly pertain to the development of a green and knowledge economy. CISL underscores the importance of

active policies to enhance stable employment relations, training and lifelong learning, joint management of company crises and restructuring, fair sub-contracting, bargained bilateral funds and welfare plans.

Secondly, work casualisation, which the unions intend to oppose with all their might, after years of labour market liberalisation. As one UIL official put it: 'In Italy we have slipped into the tunnel of precariousness and sub-employment. This plague must be removed; a trend reversal is needed.' The idea is to make flexible contracts more expensive for employers than standard jobs. Policy measures should discourage terms of employment that undermine workers' life plans and prospects. More inclusive social protections are needed to face the discontinuities and weaknesses of workers' paths and their reduced ability to make social security contributions. For CISL, labour policies must modernise the system of rights and protections, starting from the valorisation of open-end contracts, a precondition for improving quality of work and living standards, but also productivity. In April 2016, with one million signatures on a popular petition, CGIL launched an ambitious *Charter of Universal Labour Rights*, which in 97 articles reshapes labour law, industrial relations and the welfare state, aimed at more inclusive individual and collective protections, in a time of growing competition, labour segmentation, discontinuous jobs, digital innovation and interest dis-intermediation.

Thirdly, Italian unions are demanding a wage and domestic demand-driven economic policy, based supporting workers' incomes through changes in collective bargaining and fiscal reform, including a significant reduction of taxes for workers and pensioners, while increasing taxes on capital gains and combatting massive tax evasion. They are calling for a U-turn in European economic policy and approach, stating that the 'New European economic governance' and austerity policies have been the wrong answer based on a wrong diagnosis.

Last but not least, the three confederations are demanding the modernisation of industrial relations, based on innovation, inclusion and participation. In the Memorandum of Understanding signed jointly in January 2016 and handed to the employers' associations and the government, they ask for:

- (i) reliable and effective eligibility criteria for taking part in collective bargaining rounds and signing binding agreements, as already established in the 2011–2014 framework agreements;
- (ii) maintenance of a two-tier collective bargaining system, with primacy for the national industry-wide agreement, which includes, importantly,
- (iii) an extension mechanism, an explicit alternative to whatever version of a statutory minimum wage might be put forward, and
- (iv) employee participation in corporate governance, with a dualistic system and board-level representation, something totally new for Italy, with involvement in work organisation and possibilities for employee share-option plans.

These issues would all require legislative intervention which, at the moment – and especially after the last elections – seems far from likely to be included in a likely new government's agenda. This is why we can assume – in path dependency with the

country's traditional model – the social partners will continue to use the bipartite framework agreements as the main option in approaching and possibly solving the problems of industrial relations governance in the coming years.

6. Conclusions

Paraphrasing the famous opening lines of *Anna Karenina*, Mimmo Carrieri (2014) – one of Italy's foremost industrial relations scholars – has poignantly written that while in good times all trade unions are fairly similar, in hard times they all suffer in their own different ways. As we have observed, Italian trade unions can still rely on significant power resources, with consistent membership among workers and non-workers. The quota of pensioners, which is particularly high, gives trade unions critical mass, financial resources and staff experience, historical memory and the ability to mobilise masses of people at rallies. While membership among workers has been progressively falling since the 1980s, the pace of the decline has been slower than in other industrialised countries, with rates levelling at around 33 per cent. In the composition of trade union membership the private sector prevails over the public sector by three to one; the decline in manufacturing has been made up by rising membership in services. A significant boost to membership is nowadays coming from immigrants in the private sector, where one out of four is a member. Notwithstanding comprehensive efforts trade union membership continues to be inadequate among young atypical and knowledge workers, a segment of the working population that has grown enormously in the past few years.

Although substantially unchanged in absolute terms, membership composition has fewer members among the higher-income brackets (big industry, banks, public sector, skilled and senior workers), and more members among lower-income workers (tertiary, trade, services), so that finances are fairly solid but weaker than in the past.

Collective bargaining coverage continues to be very high and, importantly, without extension mechanisms. This is due to existing constitutional and legal support, according to which the industry-wide agreement becomes the threshold of reference to establish, even during litigation, what is to count as a *dignified and sufficient wage*. Contributing significantly to this situation is also the key role of industry-wide agreements. Strenuously defended by trade unions, it is also useful for employers to provide an equitable parameter in a production system mostly made up of small and micro-enterprises, preventing wild forms of competition and social dumping or transitional and conflictual costs for company bargaining, if not yet introduced.

The public sector unions are finally renewing their national agreements that expired almost ten years ago and a certain unity of action has been recovered, both at the central and the professional level. This renewed unified perspective (undoubtedly promoted by government pressure) has led to a certain maturity on the part of the union confederation, which is proposing a new vision of industrial relations and their functioning in step with economic, institutional and technological changes. The CGIL has managed to break out of the isolation in which it found itself during the period of 'separate agreements' (2001–2009), participating in all the most important inter-union and bipartite agreements,

either at cross-sectoral and sectoral level. This is also case with the metalworkers, FIOM-CGIL, which had been cut off in the past two rounds.

It is even likely that the management of redundancies and corporate restructuring may actually have brought workers and unions into closer contact, with the latter providing assistance during negotiations and in defining mobility and redundancy pay plans.

Among the factors that can shed light on this relative success, some concern the institutional support trade unions can still rely on, while others concern their ability to act strategically and to revitalise themselves through reform. On the institutional side, trade unions benefit from a number of legal provisions, including the check-off system, under which membership fees are deducted as a proportion of wages and paid by their employers to the unions, which is an important stability factor in terms of membership and funding. There are also prerogatives granted by the state, albeit not on an exclusive or monopolistic basis, to the social partners as its proxies in the areas of tax and legal assistance and welfare. This aspect is a significant window for millions of employees and non-employees, who thus get the opportunity to gain first-hand knowledge of what trade unions offer also away from the workplace. It is an extraordinary incentive for individuals that brings the Italian experience closer to the Ghent system. By delegating these prerogatives, the state may be reducing the room for political exchange with the social partners, but in lieu of that gives new areas of action – complementary pensions and health insurance, income support for temporary unemployment, training – beyond collective bargaining and social dialogue.

While there is no doubt that institutional support is a crucial determinant of union membership stability, it is not enough to explain the continued stability of Italian unions and their power resources. Clearly, trade unions have been able to implement renovation, both cultural and organisational, by combining the core activity of collective bargaining with a more focused action on organising and servicing. Acting with a plurality of identities and associations has weakened the unity of the labour movement, but has also allowed trade unions to widen outreach and involve a broader range of workers in a sort of division of labour, unlike in other countries where trade unions are identified with one or, at most, two political-cultural cleavages. The competition among different unions has led to a greater focus on membership, engendering mutual learning, less pushing where unions benefit from very strong institutional support or where there is a substantial monopoly in workers' representation.

Last but not least, Italian organisations continue to stress the value of trade union democracy (Baccaro 2002). Albeit with some differences regarding the role and prerogatives of non-members, CGIL, CISL and UIL have invariably put collective agreements at all levels under the scrutiny of the workers concerned, regardless of whether or not they are trade union members. This is not what generally occurs elsewhere in Europe, where similar consultations normally involve only members or even, in some cases, trade union officials or representatives.

The overall picture that has emerged is that of a substantially resilient trade unionism, capable of resisting the onslaught of the crisis. Notwithstanding this substantially

positive picture, Italian trade unions face a number of serious problems, very much to the fore in the public debate, with insistent talk of a unionism that is beset on all sides and deep crisis. Comparatively, these problems appear to be more *qualitative* than *quantitative* (Leonardi and Sanna 2015). For example, there is a gap between the power resources Italian trade unions can still formally rely on – members, financial resources, bargaining coverage, ability to mobilise – and the results they have been able to achieve over the past 25 years. Results have been poor in the key areas of wage dynamics, employment rate, workers' participation, universalism in social protection, lifelong learning, gender issues and work–life balance, all indicators in respect of which the Italian workforce is at the bottom in Europe. Whether this is due more to *objective* factors – globalisation, post-Fordism, the EU's neoliberal economic policies, the nature of Italian capitalism and the death of a real political left – or to *subjective* ones (the conservatism of trade union leaders and their inability to address the changes in the world of work in the era of Industry 4.0, the exclusion from trade union bureaucracy of younger people and outsiders), this is the key topic in the current debate on the crisis of unionism, not only in Italy. While the radical left and the neoliberal right, though from opposite directions, emphasise the latter, trade union-related or -friendly commentators are more inclined to point out the profound changes that have occurred globally in recent years for the trade unions' slide.

Another problem is the crisis of the traditional voluntarism of Italian industrial relations. In the absence of binding rules governing competitive pluralism, there is a risk of the situation descending into chaos, with the parties seeking settlements in court. The Renzi government has shown its willingness to push through labour market reform by passing a law that will regulate industrial relations as a whole: representation, bargaining, strike action and, most likely, a minimum wage. Faced with the prospect of a law that could potentially undermine what has already been voluntarily agreed, trade unions might need to put up a common front, as they did in January 2016 (see above), with the proposal of a common approach to bargaining, representation and participation. A rejection of its proposals would herald a phase of potentially dangerous conflict for the government, which could see its actions combatted by an even more consolidated trade union front. Strong opposition by an undivided trade union movement could bring about the loss of what continues to be one of the major voting constituencies of the ruling centre-left.

This topic lead us to the third critical problem, the demise of the neo-corporatist practices that have dominated industrial relations over the past couple of decades. The last social pact was signed in 2007, in the area of welfare. Following the eclipse of the historical parties and the partial absorption of the old PCI and DC by Renzi's Democratic Party, trade unions find themselves to be, in practical terms, without a reliable partner in the political fray. With the alibi of the crisis and the diktats imposed by the EU, the new political power interprets government as a combination of technocracy and neo-populism, where there is no place for intermediate bodies and their 'tired rituals'. Trade union opposition to these policies has come up against the aggressive rhetoric of emergency that has dominated the media and permeated the national consciousness and the uncertainty of trade unions as to how the crisis should be tackled. CISL and UIL initially confirmed their pragmatic approach, showing a willingness to cooperate with

government. In this light, they signed, starting from 2000, a number of agreements with the centre-right government, side-lining CGIL in the role of social opposition. CGIL, on its part, has been reluctant to clash with the centre-left governments, fearing that such an antagonism could damage the country internationally, without being able – on the other hand – to count on a government that was pro-labour and friendlier to trade unions. This timidity has earned CGIL the accusation of being excessively moderate with regard to the Monti government (2011–2012) and his painful and unpopular reforms. This accusation cannot be replicated in the case of the Renzi government (2013–2016), relations with which were very tense and sometimes openly conflictual.

At the time of writing, the national political framework that emerged from the general election of 4 March 2018 has turned things upside down. The collapse of the PD and the victory of the League and especially of the M5S have left the country in unprecedented uncertainty. Two populist formations, openly opposed to the role of the social partners, but inclined to back some of the issues most prized by the electorate, including trade unionists, who voted for them (citizen's income, restoration of abrogated protection against unjustified dismissals, abrogation of the law that significantly prolonged the retirement age). In the face of an unfriendly government majority, albeit one not hostile to social dialogue, CGIL, CISL, UIL and Confindustria have signed a new framework agreement (9 March 2018), in which they demand autonomy in managing industrial relations and innovation, with a relaunch of collective bargaining and participation, along traditional lines, not on a statutory basis.

Meanwhile, surveys and opinion polls on how the country's main players and institutions are perceived show that the popularity of trade unions has somewhat declined over the years. An interesting recent finding in contrast with previous surveys, from the new survey on citizens' trust in institutions, is that, after a few consecutive years of decline, the union confederations scored a significant +6 per cent in 2017, with CGIL rising to +8 per cent. No other institution has approached such a figure, including employers' associations (Demos for *La Repubblica*, January 2018).

The more hostile forces – although fairly mainstream in the public discourse – contend that the unions are essentially conservative, incapable of commanding a broader perspective, firmly entrenched in their own backyards, unable to absorb the changes under way in the labour market and in society as a whole. Trade unions, according to this vision, are just another 'caste', made up of privileged bureaucracies and financed through channels that are not transparent, with self-seeking and residual interests, full of pensioners and distant from young people and their needs. This criticism from above (and the right), then combines with that from below (and the left), where trade unions are accused of being too accommodating and substantially unable to impede the protracted erosion of wages, job security, labour rights, welfare protection and prospects for young people. While the former approach wants a substantive and definitive sunset for the role of trade unions in twenty-first century societies, the latter hope for a deep renewal, suggesting a return to a more rank-and-file and antagonistic kind of unionism.

Although from different aims and backgrounds, both these conclusions neglect a number of things: (i) falling popularity is part of a wider crisis affecting the full

range of representative institutions and intermediation, including political parties, parliamentary institutions, European Union and even the church; (ii) it is not clear whether criticisms levelled at trade unions are due to an excess of conservatism, the defence of acquired rights or excessive weakness in defending them, meaning that the political consequences of one or the other are radically different; (iii) in hard times for all democratic actors, when bonds with political parties and social movements have weakened as never before, trade unions, still with over 11 million members out of a national population of 60 million, still manifest a remarkable associative vitality and presence in Italian society.

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