Introduction in the Italian I.R. System

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The Actors

- Three main confederations: Cgil, Cisl, Uil
- Other independent unions in services and public utilities
- One big employers association in the industrial sector (Confindustria)
- A network of employers association for small businesses, retail sector, etc.
The institutional framework for I.R.

• By law and tripartite agreements
• Art. 39 Constitution (1948) not implemented.
• Art. 40 Constitution (right to strike) partially implemented
• Workers Statute (1970)
• Law on strikes in public essential services (1990 and 2000)
• Basic agreement (triptartite) 1993 (revised in 2009 and 2011)
• Art. 8/dl August 2011 (following ECB letter)
I.R. and the State

• Role of the State: admission (promotion), exclusion, correction

• **admission**: workers statute (1970), 1993 agreement; desficalization productivity wage (2013)

• **exclusion**: law on strikes in public services (1990); shutdown of the concertation table (center-right gov.); opening clauses (2011).

• **correction**: 1993 agreement; art. 8 (2011).
The structure of the collective bargaining

• The degree of autonomy (inside and outside the structure).

• High degree of autonomy (from the law and from the central level of c.b) during 1970-85.

• After 1993 agreement reduction of the autonomy (inside the structure) but confirmation of the outside autonomy.

• After art.8/2011 a paradox: higher degree of inside autonomy, but drastic intervention of the law from outside.
Dimensions of the structure: extension

- The Italian structure is two tier or two level: **national** (intersectoral and industrial) and **local** (mainly company).
- The absolute extension (or coverage) of the structure is high: around the 80% of the labour force (intersectoral and industrial agreements). That explains the high (?) unionization rate (around 30%).
- **But** only 30/35% of the labour force is covered also by local agreements.
Dimensions of the structure: centralization

• The degree of centralization of the structure and system of the Italian c.b. is on the middle in the international ranking: in between the very low degree of USA and the high degree (but lower compared to the past) of the Nordic countries.

• With the 1993 agreement the decentralization of the bargaining activity is controlled by the central level (centralised decentralisation).

• After the financial/economic crisis of 2008, the Italian structure follows the decentralizing trend of the other European experiences.
Explanations of the structure

• The structure of the production system: the steady(?) importance of the national industrial level is explained by the high % of small businesses (bipolarity explained by dualism).

• In the metal sector in 2005 75% of small plants (until 50 employees) was not covered by decentralised bargaining. But practically all the units above 500 were covered.

• Also important the role of centralised employers association (Confindustria and industrial federations). But now look at the disaffiliation of FIAT!! The same reason for union confederations.
Explanations of the structure

• As for the effects of the economic cycle (ups and downs), in the past the effect of the downs was centralisation, but in the era of global markets (in Italy as in the other countries) it happens exactly the opposite.

• As for the role of governments and public institutions normally the promotion policies support a process of centralisation and institutionalisation of the c.b. That was true also in the Italian case. With center-right or “technical” gov. is possible a creeping process of erosion of industrial (or multy-employer) bargaining. This could be a serious problem where (as in Italy) it’s not functioning a system of legal minimum wage.