

***EMPLOYER SEMINAR ON COLLECTIVE BARGAINING AND COMPETITIVENESS  
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# **REFORMING INDUSTRIAL RELATIONS AND COLLECTIVE BARGAINING IN ITALY**

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# A BRIEF INTRODUCTION

# CONFINDUSTRIA: WHO WE ARE



# FOUNDED IN 1910, CONFINDUSTRIA IS THE MAIN EMPLOYER ORGANIZATION IN ITALY

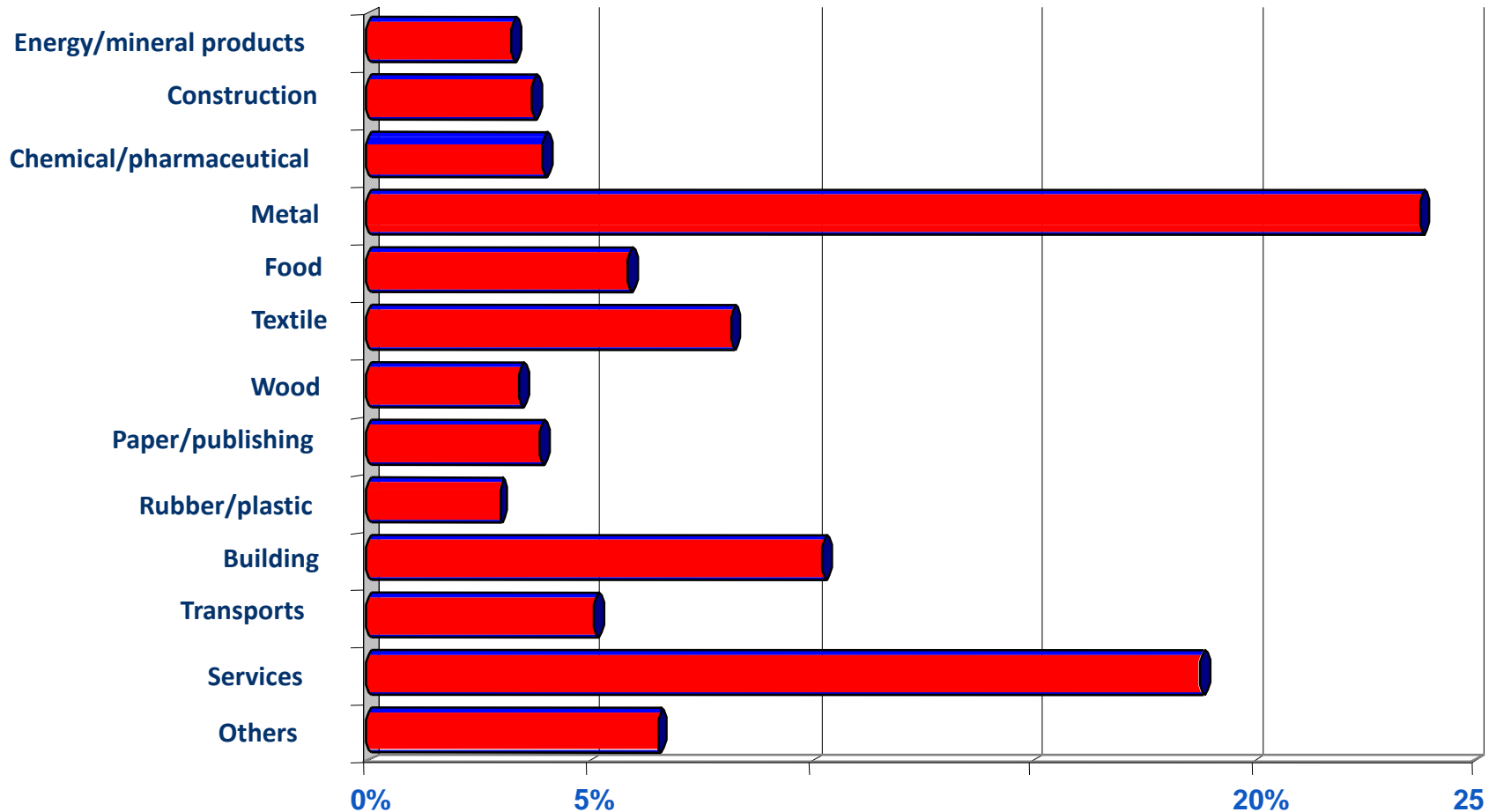
**150.000** member companies  
(voluntary membership)

**219**  
territorial and  
sectoral  
organisations

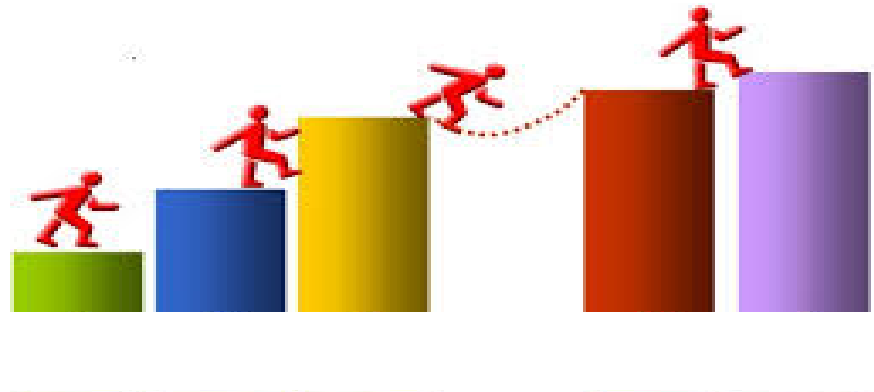
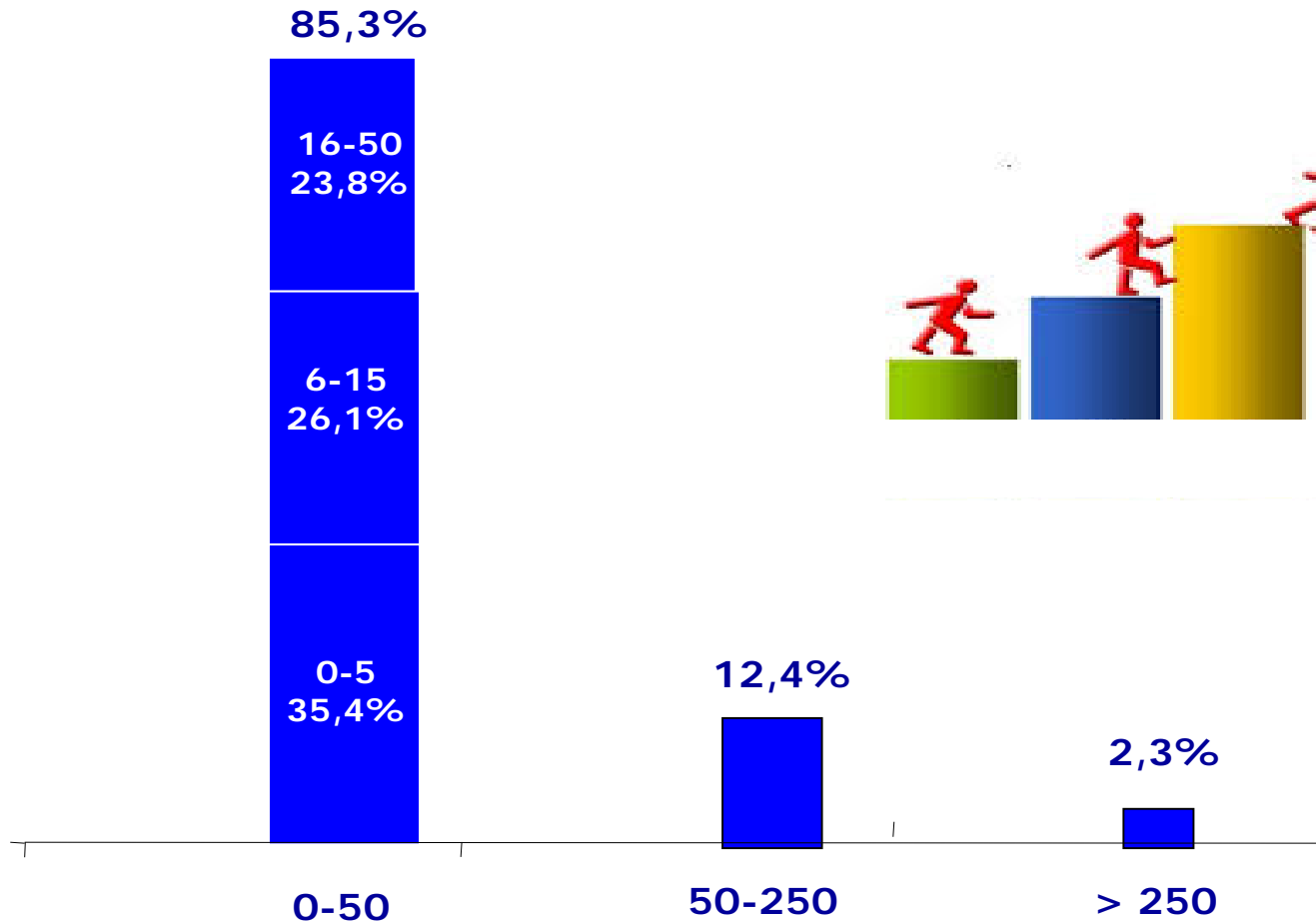
**5.440.000**  
employees



# CONFINDUSTRIA: member companies by sector



# CONFINDUSTRIA: distribution of member companies



*Number of employees*

# THE CONTEXT

# ITALY'S COLLECTIVE BARGAINING SYSTEM: THE MAIN FEATURES



**high level of social partners autonomy**

**extensive coverage and comprehensive national standards**

**sectoral collective bargaining agreements at the national level**

**decentralized supplementary agreements, usually signed at company level (although in some sectors they are signed at territorial level)**



# Tripartite Agreement of 23 July 1993

*the first effort to create a systematic framework for collective bargaining and workplace-level representation, responding to the main challenges of that period:*



*high inflation rate*

*integration into the EU*



a new institutional  
framework for  
income policy

reviewed  
collective bargaining  
procedures, providing  
“universal” coverage  
through sectoral  
collective bargaining

new forms of  
workplace union  
representation



# **Emerging challenges in the 2000s:**

**lower  
inflation  
rates**

**need to increase  
competitiveness**

**need to better  
link wage  
increases with  
productivity**

**need to develop  
a new  
governance of  
the industrial  
relations system**

# **A pathway for reforms of industrial relations and collective bargaining: important developments in recent years**

**2009**

Agreement on  
the reform of  
the bargaining  
structure  
("IPCA" index  
as a reference  
for wage  
increases)

**2011**

Agreement on  
trade unions  
representativeness  
and derogations  
for the company  
level on working  
conditions

**2012**


Protocol on  
Productivity  
(first attempt  
to introduce  
derogations for  
the company  
level on wage  
increases)

**2014**

Code on  
trade union  
representativeness

# A LONG ROAD TO A NEW AGREEMENT...

**January 2016:** the trade unions present a joint proposal on industrial relations that is rejected by Confindustria



**December 2016:** Confindustria re-opens negotiations with the trade unions



**2017:** in-depth consultations of respective members to ensure “ownership” of the Agreement

**9 March 2018**

**A MILESTONE agreement  
on industrial relations  
and collective bargaining**

**signed by  
CONFINDUSTRIA  
and  
the trade union organisations  
CGIL, CISL and UIL**

# THREE MAIN OBJECTIVES:



industrial relations have a role to play to support competitiveness



social partners are engaged to re-orient labour market policies towards companies and employability



a new collective bargaining system to:

- reinforce the link between wages and productivity
- fight against “collective bargaining dumping”

# THREE MAIN CHAPTERS:

1

industrial relations

2

collective bargaining levels

3

shared priorities for concrete actions  
in the field of:

- Education and training
- Health and safety at work
- Active labour market policies
- Workers involvement

# **CHAPTER ONE: INDUSTRIAL RELATIONS**

**Autonomy and representativeness  
of the social partners**



## Strategic objective:

*Clearly identify which is the collective bargaining agreement to be taken as a reference in a given sector, in consideration of the fact that it is signed by the employer and trade union organisations that represent the majority of the companies and the workers.*

# **Actions:**

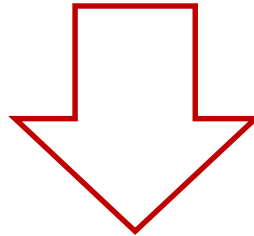
**Social partners will:**

- **complete the implementation of the 2014 Code on trade union representativeness;**
- **define the criteria to measure employer representativeness**
- **map all the existing collective bargaining agreements**

***Once the agreement is implemented,  
the social partners  
could ask its transposition into legislation.***

## Expected outcomes:

The “reference” collective bargaining agreement will be recognised by legislation to grant tax and social security contributions exemptions, other forms of benefits, access to public procurement, etc.



**Address unfair competition  
and  
fight against “collective bargaining dumping”**

# **CHAPTER TWO: COLLECTIVE BARGAINING LEVELS**

# New guiding principles for collective bargaining:

collective bargaining must develop in the framework of the reforms for competitiveness

a two-level bargaining structure is confirmed (national + company/territorial level), avoiding overlaps

promotion of “virtuous” second level bargaining

TEM (minimum wage level)

TEC (“comprehensive” wage level)

# “TEM” – Minimum wage level

national collective bargaining agreements set the minimum wage levels, for a duration that the signatory parties are free to determine

minimum wage levels are defined “TEM”

TEMs will vary according to registered changes in the “IPCA” index

in the future, the TEM (of the reference collective agreement) could become the minimum wage to be taken as a reference if a legal minimum wage is introduced in Italy

# **“TEC” – Comprehensive wage level**

national collective bargaining agreements set also the TEC, defining allocations and durations of all its components

TEC is composed by the TEM + all other elements that are valid for all the workers

TEC can include also welfare benefits and provide the possibility for second level agreements to determine further elements of the comprehensive wage levels

TEC shall in any case avoid overlaps of costs in the two collective bargaining levels

# Decentralisation of collective bargaining

a two-level bargaining structure is confirmed: national + company level (the territorial level remains limited)

national collective bargaining agreements will encourage “virtuous” company level bargaining, highlighting the link with company performance, in particular with productivity

company level bargaining could take place even in companies where there is no trade union presence



## **Autonomy and certainty**

*National collective agreements shall establish rules and procedures to ensure respect of the agreements, also at the company level.*

# **CHAPTER THREE: SHARED PRIORITIES FOR CONCRETE ACTIONS**

# Specific agreements to be negotiated on:

