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Industrial relations in Italy in the twenty-first century

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Abstract

Purpose – The purpose of this paper is to reflect on the developments which have characterized Italy's industrial relations from post-war Fordism to neo-liberal hegemony and recent crisis, with a particular focus on the major changes occurred in the twenty-first century, especially those concerning concertative (tripartite) policy making between the government, the employers' organizations and the trade unions.

Design/methodology/approach – This study is a conceptual paper which analysis of main development trends.

Findings – Italy's industrial relations in the twenty-first century are characterized by ambivalent features which are the heritage of the past. These are summarized as follows: "collective autonomy" as a classical source of strength for trade unions and employers' organization, on the one hand. On the other hand, a low level of legislative regulation and weak institutionalization, accompanied by little engagement in a generalized "participative-collaborative" model. Due to the instability in the socio-political setting in the twenty-first century, unions and employers encounter growing difficulties to affirm their common points of view and to build up stable institutions that could support cooperation between them. The result is a clear reversal of the assumptions that had formed the classical backdrop of the paradigm of Italy's "political exchange." This paradigm has long influenced the way in which the relationships between employers, trade unions and the state were conceived, especially during 1990s and, to some extent, during 2000s, that is the development of concertative (tripartite) policy making. However, since the end of 2000s, and particularly from 2010s onwards national governments have stated their intention to act independently of the choices made by the unions (and partially the employers). The outcome is the eclipse of concertation. The paper explores how the relationships among the main institutional actors such as the trade unions (and among the unions themselves), the employers, and the state and how politics have evolved, within a dynamic socio-political and economic context. These are the essential factors needed to understand Italy's industrial relations in the twenty-first century.

Originality/value – It shows that understanding the relationship among the main institutional actors such as the trade unions (and among the unions themselves), the employers and the state and their politics is essential to understand the change occurred in contemporary Italy's industrial relations.

Keywords Italy, Concertation, Industrial and employment relations

Paper type Research paper

1. Introduction

Italy's industrial relations in the twenty-first century appear to be characterized by ambivalent features. On the one hand, "collective autonomy" is a traditional source of strength for both trade unions and employers' organization. On the other hand, Italy features a time-long engagement with a "pluralistic-competitive" model, which is characterized by the prevalence of a contractual – in some cases explicitly "conflictual" – nature (Cella and Treu, 2009). In addition, the system retains low legislative regulation and weak institutionalization as a residue of the past (see Regalia and Regini, 1998). Specifically, it lacks legislative regulation in its "supporting structures," as, for example, the representativeness of trade unions and employers, the nature and effects of collective bargaining, and the forms of workers' representation at workplaces. The result is a rather ambivalent portrait, where the collective

autonomy assigned to trade unions and employers is exercised within a context characterized by some “fragility” factors, such as the low legislative regulation, weak institutionalization and a too small and little generalized “collaborative” participatory orientation as far as industrial relations are concerned. This is particularly evident in the private sector, whereas in the public sector a clear (legal) regulation of the structure and actors of collective bargaining, and of the forms of workers’ representation at workplace level, has existed since the mid-1990s.

As this paper will illustrate these distinctive analytical features are important when we understand how Italian industrial relations have developed from post-war Fordism to neo-liberal hegemony and recent crisis. Particularly, in the twenty-first century we seek to challenge the assumptions that formed the classical backdrop of the Italian paradigm of “political exchange” (Pizzorno, 1977). This paradigm has long influenced the way in which the relationships between the large social organizations of interests (i.e. employers and the trade unions) and the state were traditionally conceived. In order to maintain consensus national governments needed to resort to agreements with the social parties. In particular, they required support from large unions, with increasing quantitative and decisive influence, as, for example, during the glorious age of Fordist class struggle in Italy. As this paper will illustrate, things have changed since the end of the 1970s, when Pizzorno (1978) theorized the “political exchange” rationale, on the one hand. On the other hand, the Italian industrial relations scenario seems to be somewhat different from that debated by Italy’s industrial relations scholars during the 1980s and 1990s. Accordingly, concepts such as job regulation, which theorize how social compromises between employers, employees and the state may become a “positive-sum” bargaining game, were studied. Theoretical frames of reference were also offered with respect to norms and rules which were understood as emerging phenomena required to regulate the relationships between employers and employees at both macro and micro levels[1]. The extent to which employees’ participation could be considered a channel for establishing democracy at the workplace was also inserted in the bulk of industrial relations studies in Italy, particularly from a sociological and political science tradition (Regalia, 1992; Baglioni, 1995). As in other national contexts in Europe, the issue of employee participation and representativeness had progressively gained importance in Italy in relation to the emergence in the 1980s of the so-called jobs *tout-court*, such as the “new jobs” not necessarily associated anymore with traditional blue-collar, permanent workers in manufacturing, but mainly related to the emerging service economy. Italian industrial relations scholars were – and still are more than before – strongly engaged in studying the extent to which trade unions are able to represent new employees emerging from the creation of new forms of work, as well as the social objects which were supposed to facilitate the development of their level of representation in relation to the workforce (Carrieri, 1995; Zan, 1992; Pulignano, 2005)[2].

Behavior by national governments from the end of the 2000s, e.g. Berlusconi (2008-2011), Monti (2011-2013), Letta (2013-2014) and Renzi (2014-2016) has pointed to distinctive changes of tendency in comparison to some core analytical concepts of traditional industrial relations in Italy during 1960-1990s. In particular, we refer here to the concertative (tripartite) tendencies of the past, reckoning the early Pizzorno’s “political exchange” rationale and thereafter the macro and micro-concertation analytical concepts used to capture the social and political construction of the Italian economy during the 1980s and 1990s. It is important to remember that since early 1990s, and to some extent at the beginning of 2000s, Italy’s industrial relations evolved into a series of centralized (tripartite) agreements, where governments, trade unions and (to a lesser extent) organized employers spearheaded a new era of social pacts and collaborative policy making in Europe. Conversely, part the 2007 agreement, which was reached with the social partners under the Prodi Government in 2007, from 2010 onwards national governments did not only consider

it non-appropriate to resort to the support of the aforementioned large organizations (and especially the trade unions), but they also felt that this could be counterproductive to them electorally.

The paper provides an analysis of the processes and factors which have entailed a potential reconfiguration of the industrial relations setting in Italy in the twenty-first century. Particularly, it argues that examining the historical evolution in the relationships among the main institutional actors, such as the trade unions (and among the unions themselves), the employers' organizations, the state and the politics, within a dynamic socio-political and economic setting, is essential to identify the motives and understand the processes which have been conducive to change. As Gumbrell-McCormick and Hyman (2014) clearly illustrated that these relationships are not always straightforward, but they can be quite ambivalent, thereby leading to distinctive industrial relations developments.

The paper is divided in two parts. After a brief presentation of the main industrial relations actors and organizational structures, the first part examines the developments that occurred in Italy's industrial relations from the Second World War to 1980s and from 1990s to the beginning of 2000s at national, sectoral and enterprise levels. The second part analyzes the evolution and trends in Italy from the mid-2000s onwards, with particular attention to the evolution of social concertation. We conclude by speculating about future perspectives.

2. Setting the scene: industrial relations actors and organizational structures

Italy's interest representation system appears remarkably fragmented in comparative perspective, and organizations are divided both on functional and political lines. The most important employer association is *Confindustria*. This organization represents all kinds of enterprise interests. However – also due to a weighted system of voting – the interests of large enterprises predominate (Vatta, 2007).

Two different strategic orientations vie for power within *Confindustria*: on the one hand, there are the interests of large firms, which often face strong and militant unions at the company level, and hence are generally not prejudicially against retaining some form of dialogue with unions at national level. On the other hand, there are small and medium enterprises, which generally face weaker unions at the workplace level, and hence favor a more muscular approach to employment relations and labor-market policy.

Reliable data on representation and density are not available for employer organizations. In 2002, *Confindustria* declared that the total number of workers employed by its affiliates was 4,280,085 (Vatta, 2007). Aside from *Confindustria*, there are other specialized employer organizations in Italy that represent small enterprises, companies operating in the retail and service sectors, craft-based companies (which have a special legal status) and cooperatives. Organizations representing retail and service companies, craft-based companies and cooperatives are divided along party lines, with one organization being closer to left-of-center politics and the other leaning toward the right. While these additional employers' associations increasingly participate in national negotiations, their ability to shape the strategy of the employers as a whole in these negotiations is limited, and they generally follow the line of *Confindustria*.

Turning to the unions, scholars usually have focused on the three major union confederations, CGIL, CISL and UIL. There are, however, several other organizations that claim to represent workers in particular sectors or skill categories. Data on other organizations' members are sparse and often unreliable; if we were to accept their self-reported membership figures, the union density in Italy would be double, at least.

Data on union density in Italy are not available through official national data. Data collected directly through the three main trade unions organizations (i.e. CGIL, CISL and UIL) in Italy report that Italy's union density in 2013 was 37.3 percent which demonstrates a growing trend when compared to 2006 (33.6 percent) (see Figure 1).

Sources: Jelle Visser Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts, 1960-2014 (ICTWSS), Version 5.0

Figure 1.
Union density
in Italy (1998-2013)

It is important to note recent evolution (see Carrieri, 2018). In particular, very recent data collected as the result of a wide national survey conducted on union membership and working conditions at Sapienza University (Rome) illustrate some degree of change (cf. Carrieri, 2018). The survey is centered on 1,506 respondents and it was developed in May 2017, by the Quorum Group. It was based on a quota sampling of occupied workers. The sampling was based on three quotas: professional condition/sex/age; professional condition/territorial area of residence; and professional condition/qualification. When compared with the above mentioned administrative data, the 2017 survey illustrates a relative decline in union density. Survey data also illustrate that CGIL is the union with the highest membership (47.2 percent) when compared to CISL (16.6 percent) and UIL (10.4 percent), but they also highlight an increase of the independent unions' membership (14.9 percent) (see Figure 2) In other words, when considered together the three main union confederations in Italy still retain the majority of the membership but the percentage is relatively lower than in the past. This may reflect that a major part of the active labor

Source: Carrieri (2018)

Figure 2.
Distribution of union
membership

market population in Italy, such as young people and non-standard workers, are unlikely to be union members. This may indicate a process of progressive aging among the active population in Italy. This is confirmed by the survey data which show that 76.8 percent of the active population (including self-employed) in Italy currently is unionized.

The organizational structures of employer and worker organizations match each other: both *Confindustria* and the three confederal unions have both vertical, industry-based organizational structures and horizontal structures. In the case of the CGIL the most important horizontal structure is the local *Camera del Lavoro* (Labour Chamber). The other confederations have similar entities. The Camera's jurisdiction approximately corresponds to that of Italian provinces. The unions' vertical structures link the enterprise level, provincial industry organizations and national industry federations. As in other countries, over time there has been a tendency toward consolidation of the industry federations through mergers (Ebbinghaus, 2003). Aside from this trend, the organizational structure of the unions has remained more or less stable above workplace level, while it has changed considerably at workplace level itself. This has been the area in which the most interesting organizational innovations have emerged.

The organizational model of the early post-war years was that of the *commissione interna* (internal commission). Formally, it was not a union body, had no bargaining prerogatives and could not call strikes; rather, it was a small parliament in charge of ensuring smooth relations between workers (union and non-union) and companies. Its functions ranged from consultation to monitoring the implementation of collective agreements signed by external trade unions. However, because in the early post-war years, trade-free trade unions had not yet been established, the internal commissions were in some cases assigned bargaining rights as well.

With the Hot Autumn wave of strikes, the internal commissions were replaced by the *consigli di fabbrica* (factory councils), composed of workers' delegates elected by and directly accountable to small homogeneous worker groups. Simultaneously, a major legislative reform, the Workers' Statute (Law 300) of 1970, authorized the so-called "most representative" unions to establish workplace representation structures, *Rappresentanze Sindacali Aziendali* (RSA). The Workers' Statute never defined how exactly "most representative" was to be determined, and for a long time it was simply presumed that it were the three main confederations.

The synthesis between the organizational model embedded in the Workers' Statute and the one emerging from the workers' struggles was reached pragmatically: the three confederations recognized Factory Councils as their own and attributed to them the institutional benefits to which they were entitled by virtue of their "most representative" status under the law. Thus, the Factory Councils became union structures, but at the same time represented all workers in a workplace.

However, this synthesis had a downside. When in 1984 the three confederations broke up over the issue of wage indexation reform, relationships deteriorated at both the national and the workplace levels. In some cases, the unitary Factory Councils were dismantled and each organization established its own RSA. In other cases, Factory Councils were not renewed for several years, thus jump-starting a heated debate about the lack of union democracy in Italy (Baccaro, 2001).

Different reform initiatives were launched in the late 1980s and early 1990s. In 1993, the three union confederations and the employers settled on the so-called *Rappresentanze Sindacale Unitarie* (RSU). Like the Factory Councils the RSUs were both union organizations and organs of general worker representation. Unlike the Factory Councils' delegates, however, RSU members were elected by workers at large, and no longer by homogenous groups. To ensure institutional continuity between external unions and internal workplace structures (also at the request of employers), it was established that two-thirds of RSU

representatives were to be elected by all workers in a workplace, while one-third were to be appointed by the signatory organizations of the national collective agreement applied in the company, usually coincident to the most representative unions, which would in this way almost certainly be assured control over these structures.

The creation of the RSUs allowed the main union confederations to set workers' representation on a more solid and predictable footing (Pulignano, 2006). The RSUs became the formal bargaining agents at company and local levels on issues explicitly referred to in national agreements; they were also attributed consultation and information rights, which concurred to identify them as formal bodies of employees' participation and therefore an important instrument for union democracy (Carrieri 1995).

The introduction of the RSU spurred a wave of union elections in Italian workplaces. CGIL, CISL and UIL obtained close to 95 percent of the workers' votes in most cases, except in the case of a limited number of well-identified skill groups (e.g. locomotive engineers). In 1997, the RSU was extended by law to the public sector. The so-called *Legge Bassanini* mandated the regular election of workplace representatives in the Italian public sector and imposed the official counting of membership data.

The purpose of these dispositions was the measurement of union representation. Those unions that passed a threshold of 5 percent (calculated as the average between electoral votes and quota of membership cards) were designated as "representative," and were therefore allowed to participate in collective bargaining in the various public sector compartments (e.g. schools, ministries and municipalities) and sign collective bargaining agreements that were binding for all workers. However, in the public sector all the members were to be elected by all workers, without the quota of one-third to be appointed by the unions signatories of the national collective agreement applied in the organization. The official data gathered by the *Agenzia per la Rappresentanza Negoziale delle Pubbliche Amministrazioni* (Agency for Bargaining in the Public Administration, or ARAN), the public agency in charge of public sector employment relations, revealed that the fragmentation of trade union representation was in some cases extreme – for example, in the healthcare sector, workers were affiliated with 68 different organizations. Notwithstanding this fragmentation, CGIL, CISL and UIL together organized 71 percent of all union members in the public sector. The number of votes that they obtained in the first RSU elections was slightly lower (68 percent), but still considerable. The 5 percent threshold (as average between the percentage of electoral votes on total votes and the percentage of membership on total membership) serves to select the unions admitted to bargaining tables in national-level negotiations. The general validity of national agreements is subject to a majority principle. National collective agreements are binding for all workers only if they are signed by a union or a group of unions with, all together, a representativeness of at least 51 percent. Before signing any draft agreement, ARAN has to check that this condition is satisfied.

Despite several legislative attempts at institutionalizing the election of workplace representatives in the private sector as well, the RSU remained private and voluntary in the private sector. Consequently, from the mid-1990s, the RSU displayed signs of fatigue (Carrieri, 1997). At the core of their difficulties was a lack of unity among the three main confederations, the limited diffusion of company bargaining and non-renewal of the elected representatives. The results of the RSU elections bolstered the confederal unions' claim to general representation of Italian workers and, for some time, contributed to re-legitimizing and re-energizing them (Carrieri, 1995, 1996). However, they did not prevent a serious erosion of union density.

3. Developments in Italy's industrial relations: from the Second World War to 1980s

The trajectory of Italy's industrial relations after the Second World War was linked to the evolution of the political system as a whole. In 1944, union groups of different ideological

orientations (Communists, Socialists, Catholics and others), joined ranks and established a unitary union confederation, the *Confederazione Generale Italiana del Lavoro* (CGIL). The unions' organizational structures were reconstituted almost from scratch and were populated by party personnel who often lacked specific union experience (Romagnoli and Treu, 1981; Turone, 1992).

With the onset of the Cold War, the unity of anti-fascist forces vanished, both at the governmental and the union level. In 1950, both the catholic faction and the republican and social-democratic factions quit the CGIL to establish independent union confederations: the *Confederazione Italiana Sindacati dei Lavoratori* (CISL) and the *Unione Italiana dei Lavoratori* (UIL), respectively.

In the 1950s, Italian trade unions were particularly weak and employers dominated industrial relations (Locke, 1995). Wages lagged below productivity (Salvati, 1984). Strikes were rare, and when they occurred, their motivation was predominantly political as opposed to economic (Bordogna and Provasi, 1989). Wage moderation and labor quiescence contributed to creating the preconditions for the low-cost, export-oriented strategy of economic growth from which emerged the economic miracle of the late 1950s to early 1960s.

Italy's industrial relations changed dramatically in the 1960s. Labor market conditions became much more favorable to labor, especially in the North-Western parts of the country. With the diffusion and consolidation of Fordist models of work organization in large firms, trade unions began devoting a greater deal of attention and resources to negotiating work conditions at the shop-floor level than it had previously been the case.

With the so-called "Hot Autumn," a massive wave of strikes in the 1969-1972 period, political divisions within the Italian labor movement were overcome (Pizzorno *et al.*, 1978; Sabel, 1982). In many industrial plants, especially in the metalworking industry, the three union confederations embraced unity of action. In 1972, there was a partial re-unification of the Italian labor movement with the establishment of the so-called *Federazione Unitaria CGIL-CISL-UIL*.

The Hot Autumn introduced a number of innovations in collective bargaining. Campaigns for the unification of blue- and white-collar job classification schemes, the abolition of territorial differences in wage levels, demands for equal wage increases for all workers regardless of skill levels, improvements in health and safety conditions, and reductions in the speed and duration of work were all promoted in these years.

The metalworking federations of CGIL, CISL and UIL, together with the unitary *Federazione Lavoratori Metalmeccanici* (FLM), acted as the vanguard for the whole labor movement (Golden, 1988). They consistently practiced unity of action and used their power to push for higher wages, limit overtime, regulate layoffs, restrict internal mobility and slow down the pace of work.

The Hot Autumn overturned virtually all the social, political and economic patterns established in the post-war period. However, it simultaneously impaired the national strategy of export-led growth by increasing inflation and unit labor costs, and by squeezing profits (Barca and Magnani, 1989). Italy's competitiveness on international markets deteriorated sharply and the current balance turned from positive to negative.

In the mid-1970s, a general consensus emerged among Italian political-economic elites that union demands and industrial conflict were imposing unbearable costs on the Italian economy (Lama, 1976). With the worsening of Italy's economic crisis in the second half of the 1970s, the three major union confederations, CGIL, CISL and UIL, embraced a new strategy, which became known as the "EUR Policy." With it they accepted to moderate wage demands and limit industrial conflict in exchange for participation in national policy making (Lange and Vannicelli, 1982). The EUR strategy was linked to the experience of national solidarity governments, as well as the 1977 first tripartite agreement entailing minor labor concession, partially amending the 1975 inter-confederal agreement on the wage escalator system.

In 1977, a first tripartite agreement entailing minor labor concessions was negotiated. National-level negotiations continued in the early 1980s. In 1983, a tripartite agreement cut wage indexation (*scala mobile*), imposed a series of wage ceilings on sectoral collective bargaining negotiations, and banned plant-level wage negotiations for 18 months. In 1984, the government proposed a renewal and update of the previous tripartite pact by cutting wage indexation again (Carrieri, 1985; Regini, 1985).

However, this government proposal met with union opposition: CISL and UIL supported it, while the CGIL refused to sign it. Faced with union division, the government implemented the accord through an executive order. One year later, the Communist Party promoted an electoral referendum to abrogate the government's decree. The results of the referendum favored the pro-government factions but led to the demise of unity of action among the three union confederations. The *Federazione Unitaria* was dismantled.

The failed agreement of 1984, and the ensuing referendum, seriously undermined relationships among the three union confederations, as well as those among the unions and the government. The structure of collective bargaining was decentralized again and industry-level agreements lost much of their previous lustre (Locke, 1992). The demise of centralized bargaining was only a temporary phenomenon, however. Indeed, this type of agreement returned to dominate the scene in the early 1990s.

4. Centralized bargaining and social concertation in 1990s

4.1 *Developments at national level*

The establishment of national-level tripartite institutions had seemed highly unlikely in Italy due to the organizational and institutional structure of the Italian industrial relations actors, particularly the trade unions, which were unwilling to commit to a policy of pay restraint. However, the situation changed dramatically in the early 1990s. Two factors facilitated the re-emergence of centralized bargaining, which led to the upsurge of the golden age of Italian concertation (*concertazione*). The first was economic: in the early 1990s, Italy was faced with a serious economic crisis and the Italian currency was not acceptable in the European Monetary System in September 1992 (Vaciago, 1993). The second factor was political: the old political party system, which had both shaped and constrained relations among collective actors, disappeared in the space of a few years. The Communist Party changed in 1989. Then it pledged allegiance to parliamentary and reformist methods of action, and applied for membership of the Socialist International – that is, the international association of social-democratic parties. In early 1992, a wave of corruption scandals, *Tangentopoli* (Bribeville), shook all major governmental parties, including the Christian Democrats and the Socialists. Both parties went through a legitimization crisis and were dismantled. Their place was taken by a new coalition of center-right political party led by Silvio Berlusconi, a media tycoon.

The concomitance of both political and economic crisis provided the union confederations with a major opportunity to impose themselves on the national political sphere as the senior partners of emergency governments. The governments of 1992, 1993 and 1995 were weak, devoid of parliamentary majorities and (as in the case of the 1993 and 1995 executives) composed of independent “technicians” formally not affiliated to any political party. The range of tasks these governments had to perform was daunting. First, they had to avoid the nominal devaluation of the then currency, the lira, sparking a new inflationary spiral. For this, wage moderation was indispensable. Second, since public finances were disastrous (the public deficit was around 10 percent of GDP between 1992 and 1993, and public debt reached 125 percent of GDP in 1994), the government could not use counter-cyclical (Keynesian) policies. Instead, the authorities needed to engage in fiscal consolidation – a set of policies that generally prove unpopular as they involve cuts in public expenditure and/or rises in taxes (in Italy, it involved both) – while trying to preserve social cohesion and peace.

The three union confederations were well placed to provide the support and collaboration governments needed. First, unlike other major socio-political actors in Italy (e.g. the employers and the politicians), the confederations emerged from the *Tangentopoli* scandals almost unscathed. Second, due to the transformations in the political party structure, the unions' political sponsors either had disappeared or were for the first time in Italy's post-war history sitting together as partners in the same center-left coalition. This political rapprochement contributed to generate close unity of action among the three confederations. Between 1992 and 1998, a series of central bargaining agreements was negotiated by the three confederal unions and the Italian governments, with or without (as in the case of the 1995 pension reform agreement) the *Confindustria*.

In 1992, in an ill-fated attempt to stave off expectations of a forthcoming devaluation of the lira, a tripartite agreement brought about the abolition of wage indexation. In addition, enterprise-level bargaining was also temporarily banned. Another centralized agreement was signed in July 1993. This confirmed the abolition of wage indexation, linked industry-level wage increases to the government's macro-economic targets and introduced a two-tier structure of collective bargaining, at the industry and company levels.

In 1995, government, unions and some, but not all the employers, negotiated a comprehensive reform of the pension system. This introduced a simulated funded system in the long term (with benefits proportional to paid contribution), but only marginally attacked acquired rights. The 1996 tripartite "Pact for Labour" introduced a moderate flexibilization of the rules regulating flexible and contingent forms of labor. In 1998 the so-called Christmas Pact confirmed the structure of collective bargaining on the two levels established in 1993, and introduced a contractual obligation for government to consult with the social partners on all social policy issues and even to devolve decision-making authority to the social partners.

At the end of the 1990s, the newly emerged tripartite system seemed well on its way to institutionalization, and there was even talk of embedding it in the Italian Constitution (Carrieri, 1997). The three main union confederations also seemed close to merging into a single organization. However, this opportunity was missed: the CGIL and the CISL, in particular, had different views on key issues such as union democracy (with the CISL opposing widespread use of worker referenda and the CGIL favoring them) and the decentralization of collective bargaining (with the CISL being much more open than the CGIL). In some cases, these differences led to agreements signed only by the CISL and the UIL but not the CGIL as with the metalworking contract of 2001 and the proposed "Pact for Milan" in early 2000.

Within the changed government coalition in 2001, the control of inflation and of wage dynamics became largely dependent on the institutional framework of the EMU, *Confindustria* became increasingly disenchanted with tripartite negotiations and, on the eve of national elections in 2001, struck a strategic alliance with the center-right coalition. The new government's labor program emphasized labor-market de-regulation, criticized concertation (*concertazione*) as a pompous rite that blocked much-needed structural reform and underscored the need to move from job protection to employability. In 2002, another tripartite agreement was signed. This time, however, the union front split. These tripartite negotiations started with the ambitious objective of boosting employment creation with a comprehensive reform of both employment protection legislation and economic shock absorbers. Eventually, however, the scope of the agreement shrank and the proposed text ended up exchanging the promise of tax reductions for a less rigid regulation of individual dismissals. The CGIL refused to sign this agreement, and called for workers to mobilize in opposition. This call was largely heeded and the policy reform stalled. As a result, the government never implemented the new rules on dismissals that it had negotiated.

The national pattern of social pacts in the early 1990s was brought about by way of "shared leadership" between a strong employers' association and equally strong national

trade union confederations. This occurred during a period in which the government and the political system were at their weakest point since the post-war period (Negrelli, 2000, pp. 101-106). However, following the crisis, linked to a succession of corruption scandals, CGIL, CISL and UIL gradually distanced themselves from the political system. The absence of a concrete political project created the political conditions for the trade unions to become directly involved as (arguably) the main actor in the process of concertation with the government and the employers' organization. As Regini (1997, p. 268) argued, authority was devolved to the interested organizations (especially to trade unions) in a framework of concertative policy making. It can also be argued that in the 1990s the Italian trade unions had a strong organizational structure that enabled them to be actively involved in wage moderation (Salvati, 1984). In addition, the economic and financial crisis and the reduction in (high levels of) public debt required to enter the EMU reinforced the need for urgency between the social partners and the government in negotiations over collective bargaining, income policies and pension reform.

4.2 *Developments at sector level*

Historically, the sector (industry) level contract has had a symbiotic relationship with enterprise-level bargaining, and the two levels have often vied for primacy. After the Hot Autumn, enterprise bargaining (in large firms) became the channel through which the most interesting collective bargaining innovations emerged, and the role of the industry contract was to generalize and diffuse them (Cella and Treu, 2009). In the 1980s, there was a trend toward collective bargaining decentralization, which Italy shared with other developed economies (Katz, 1993; Katz and Darbshire, 2000) and the industry agreement lost some of its significance (Locke, 1992). However, with the tripartite agreement of 1993, it was restored to its prime place (Regalia and Regini, 1998).

The 1993 agreement introduced a division of labor across bargaining levels. Something similar had been attempted with the tripartite agreement of 1983, but had been short-lived. Collective bargaining was to be conducted at both the industry level (every four years in the case of normative clauses, every two years as far as pay and conditions were concerned) and the enterprise (or territorial) level (every four years). The role of the industry agreement was to homogenize the working conditions of the employees belonging to a specific productive sector. As far as remuneration was concerned, industry-level negotiations had the function of keeping inflation expectations in check by tightly linking wage increases distributed at the industry level with the planned rate of inflation decided by the government. Also, they would guarantee purchasing power stability by compensating *ex post* for any positive difference between anticipated and actual inflation. Even in this case, the adjustment would be net of terms of trade changes.

By its institutional design, the 1993 agreement had the potential to cause a decline of the wage share in Italy. Productivity increases were supposed to be no longer redistributed at the industry level, but only at the enterprise or regional level. Hence, unless the coverage rate of enterprise bargaining increased dramatically, wages would grow less than productivity. To obviate this situation, from 2006 the metalworking contract began to include an additional (small) wage element to be paid to workers to whom only the industry contract applied.

The collective bargaining structure introduced in 1993 represented a delicate equilibrium among different interests and views (Mascini, 2000). This made it very difficult to reform it, despite repeated attempts. In principle, the employers were against collective bargaining at two levels, and argued for a single bargaining level. Initially they favored the industry contract; however, over time they shifted to the enterprise contract. The unions vocally defended the complementary nature of both the industry and the enterprise level of bargaining, and argued for the need to keep both. When push came to shove, however, the

CISL and the UIL proved willing to experiment with institutional solutions increasing the weight and importance of decentralized levels, while the CGIL casts itself in the role of defender of the industry contract. Similarly, employers' preferences were divided when referring to the bargaining system, as well as the relative importance of national- and company-level negotiations[3]. Divisions on the proper role of the industry level did not just pit different organizations against one another, but often also reflected specific sectoral traditions and peculiarities.

4.3 *Developments at the enterprise level*

At the enterprise level, too, the 1993 social protocol was a landmark. It did two things: it established the RSU, a new system of workplace representation that, at least for some time, reinvigorated and re-legitimized the Italian confederal unions; and it introduced, for the first time in Italian history, a series of rules regulating decentralized bargaining. These were contractual rather than legal rules, so institutionalization was weaker than it could have been. As argued above, the 1993 protocol attributed an important role to enterprise-based bargaining, and was in many ways premised on greater diffusion of enterprise bargaining than the *status quo ante*. Yet, the available evidence fails to indicate that the coverage of enterprise bargaining increased. A survey conducted in 1995-1996 by the Italian statistical agency, based on a representative sample of private-sector enterprises with at least ten employees, estimated that company bargaining involved only 10 percent of relevant enterprises and covered 39 percent of private-sector employees (ISTAT, 2002). Based on various sources of data, Rossi and Sestito (2000) concluded that enterprise bargaining in 1995-1997 had been less diffuse than in 1988-1989 and approximately as diffuse as in 1985-1986.

There had been a peak of enterprise-based bargaining in 1996, presumably as a result of the 1993 accord, but it had not been sufficient to bring the coverage rate back to previous levels. Overall, the time trend was negative. The propensity to negotiate at the enterprise level was strongly positively correlated with enterprise size (see also Bordogna, 1997, 1999) and enterprise-specific union density. Hence, the decline in decentralized bargaining appeared to be due both to a decline in average size and to a decline in union density. This analysis also showed that there had been no increase in the relative importance of wage increases negotiated at the enterprise level. Instead, increases decided unilaterally by management had become more important. However, the type of wage increases negotiated seemed to have changed in the direction indicated by the 1993 agreement. Wage bargaining at enterprise level had concerned mostly the so-called "variable wage," and had been linked to enterprise productivity or profitability (Pulignano, 2007). Overall, in those companies in which there had been negotiations, enterprise bargaining had been used to negotiate more flexible working conditions and to establish workplace partnerships.

A more recent analysis of decentralized bargaining trends confirmed the above findings and showed that bargaining had declined between 1998 and 2006 for a sample of private enterprises with at least 100 employees. The decline had been greater for companies of smaller size (CNEL, 2007). Thus, it looks as though the institutionalization of enterprise negotiations in 1993 did not increase the diffusion of this form of bargaining. Two forces possibly operated at cross-purposes: on the one hand, the 1993 protocol provided unions with a "right to access" that previously had been unavailable; on the other, due to the decline of their density, unions were increasingly unable to act on such a right. Recently, bargaining decentralization has been stimulated as a way to boost productivity and job quality by intervening on the organization of work, particularly in medium-sized companies (Pero and Ponzellini, 2015). However, so far the decentralization attempts have not stimulated labor productivity, which remains dismal.

5. Industrial relations on-the-move: trends in Italy's twenty-first century

5.1 *From the instability to the eclipse of social concertation?*

In the context of institutional and economic emergency of the 1990s, which mainly coincided with the European integration process, social concertation (or tripartite centralized negotiation) was considered as the cornerstone for regulative policies in Italy (Regini, 2000). However, the 1998 Christmas Pact brought initial changes in Italy's political environment, which jeopardized the use of concertation as a method of policy making. This was because of the inability of concertation to deal effectively with broad economic and social reforms, for example, the implementation of the collective bargaining review process of decentralization at the company levels, formerly introduced by the 1993 social protocol (Negrelli and Pulignano, 2006). As the protocol indicates, the development of the second level of bargaining would have supported the creation of an industrial relations system in which the achievement of low inflation and national economic stability, through wage coordination and moderation, could have arguably been followed by an increase in national economic growth and productivity. However, divergent opinions between (and within) employers and trade unions concerning how to implement decentralization generated political confusion and prevented the implementation of what had been agreed earlier in the 1993 protocol.

Despite this, concertative tendencies returned in full splendor in 2007 over the issue of pension reform. While the reform of 1995 had fundamentally altered the future structure of the system, it had only a limited impact on the transition phase affecting workers who had matured pension rights under the old regime. To prevent a short-term increase in pension expenditure, in 2004 the center-right government unilaterally increased the minimum age for seniority-based pensions. However, it postponed the introduction of the reform to 2008 in order to avoid political problems with its base. The new center-left government abolished the unilateral reform and negotiated with the unions a gradual increase of the minimum age for seniority-based retirement. Leftist parties in the government opposed the agreement and appealed to Italian workers to reject it. The three union confederations organized a massive campaign of information among the workers, followed by a binding referendum. The workers approved the agreement by an overwhelming proportion, and thus contributed to bolster both the unions and the government's credibility.

In 2008, the center-right coalition returned to power. Strategic divisions among the three confederations resurfaced and the unions split again. The crux of the matter this time was the updating of the 1993 agreement and the reform of the structure of collective bargaining. This was a topic that had been tabled repeatedly in the past, including during the 1998 negotiations, but had never been dealt with due to the parties' inability to find a mutually agreed solution. The January 2009 agreement confirmed the 1993 articulation of collective bargaining on two levels (industry and company), but introduced some changes to the old regime. All the major employer organizations signed the agreement, as did CISL and UIL, but not CGIL. CGIL's refusal was motivated by the agreement's inadequate protection of the purchasing power of pay.

Although the incisiveness of the early pacts was largely gone (Carrieri, 2008), nevertheless, the social partners continued to negotiate national-level agreements, following what had become a rather predictable pattern, i.e. when the center-left coalition was in power, all three union confederations shared responsibility for the final agreement; when the government was in the hands of the center-right coalition, CISL and UIL (as well as the other union confederations) signed, while CGIL dug its heels in. CGIL seemed to find it difficult to negotiate agreements with a government it did not trust. On the other hand, it can also be argued that the lack of a stable framework of rules of the interest representation, as well as the strong engagement in a "pluralistic-competitive" (rather "conflictual") industrial relations model reduced the scope for both employers and trade unions in Italy to affirm

their common points of view and to build up stable institutions, able to support sustainable cooperation between them. Moreover, the financial and economic crisis contributed to weaken social concertation at the national level even further. In particular, since 2010 onwards, faced with the pressure from financial markets, all governments which followed in Italy – from both center-left and center-right – refused to seriously negotiate with the social parties on crucial government choices concerning the pension system and labor market (this eventually led to de-regulation). Specifically, these governments could better convey their choice not to resort to the support of social actors (and especially the trade unions), which they felt could be counterproductive for them. Therefore, concertation was not only practically obscured but also devaluated as a plausible instrument by the governments themselves. The technical Government of Monti (2011-2013), for example, unlike his former technical predecessor Ciampi (1993-1994), stated clearly that he did not want to decide through consultation with the social parties (especially the trade unions). Similarly soon after, the premier Renzi (2014-2016) strongly reiterated that he did not want to share his choices with the large representative organizations of social interests. Accordingly, Renzi's decisions (such as, e.g., the 80 euro bonus to be paid to low-income employees) were far from the mediation of these and with these organizations. In particular, the Renzi's Government position was to consider trade unions as not only an impediment for reaching general consensus, but also and more importantly as something which would not have helped the government to enlarge their electoral base. Why was this the case?

In Italy, we currently witness a clear reversal of the assumptions that had formed the backdrop of the traditional paradigm of "political exchange" (Pizzorno, 1977), and which influenced the way social scientists have understood the relationships between trade unions, employers and the state (see Streeck, 2013). Accordingly, national governments have often resorted to tripartite agreements with the social parties because they needed support from large unions, with increasing quantitative and decisive influence. In other words, influential social partners' involvement in centralized agreements has often offered support to national governments by fostering social organizations and political institutions to engage in national policy-making decision. As early illustrated, this involved centralized "wage moderation" as one of the major dynamics underpinning the development of social pacts in Europe during the 1990s (Rhodes, 2001).

Different interrelated motives explain the eclipse facing concertation in Italy since mid-2000s. First the diminished veto power of trade unions, and to some extent also of the employers' associations, as the result of their declining representative weight. Particularly, the weakening of the trade unions' social roots – more than their membership – has contributed to reduce their impact as either "supporter" or "dissenting" social party within Italy's changing socio-political and economic context. Moreover, recently Italy has witnessed a growing gap between "political sovereignty" and "party politics," which has affected the relationships between political and social actors. In other words, the capacity both actors now have in facilitating decision making and solving critical issues is weakened. This is because Italy's political actors have started to compete with the social ones (including the trade unions). As a result, national governments nowadays prefer to emphasize their ability to decide alone as the way – at least in their intentions – to act fast and efficiently. Thus, they ride the populist wave that criticizes the unions' role to represent workers in the process for decision making. Specifically, in Italy, governments have contributed to the creation of a negative image of trade unions by often depicting them as too old and overwhelmed due to their being slow and shaky when dealing with change. This image confirms, and thus comforts, the political choice of marginalizing trade unions.

Second, and directly linked to the former, the changing socio-political climate has contributed to the de-legitimization of the "public role" of the trade unions while exposing their "dependency" on institutional aid. In particular, over the last few years, unions have

been touched – albeit not overwhelmed – by the wind of controversy that has invested all social and political organizations. In particular, this wind has contributed to de-legitimizing trade unions by producing disruptive effects on political parties. This has, in turn, translated into a critical orientation toward the trade unions as social organizations and it has also affected the existing channels of representative democracy (Urbinati, 2014). Although portrayed as “giants with feet of clay” (Feltrin, 2015) Italian trade unions – and to a certain extent the employers’ association too – have been generally successful in maintaining their social ties. This is because they deal with the public decision-making arena, which has concurred to broaden their range of action and representation. However, as aforementioned, since the beginning of the 2000s we have witnessed a widespread wave of unilateral state policy making which considers “bad” any intervention of private actors, including the trade unions. As the following section will illustrate, this is reflected in the major trends occurring in the area of collective bargaining and representation, following Fiat’s controversial events in the second half of the 2000s.

5.2 Collective bargaining decentralization, coordination and representation

The 1993 protocol (which has resisted until 2009) revolved around the need to control inflation through the use of income policies which were set by the national government through consultation with the social parties. The paradigm used to control inflation, which in the 1980s reached to 20 percent on an annual basis, was the “programmed inflation rate,” which is a conventional measure below the actual annual inflation rate, and so as to discourage the expectations of rising prices. For this reason wages for a phase were pushed to grow less than inflation, which was then contained. Subsequently, national bargaining had the task of smoothing out the trends, and ensuring the maintenance of the power to buy wages. In short, national collective bargaining in Italy has had the task of discouraging inflationary tendencies, but at the same time ensuring the maintenance of real wages in relation to the cost of living. Aside from national bargaining, decentralized bargaining at the company level would encourage further adjustments, through wage increases linked to the actual results achieved by companies, using objective parameters such as “productivity,” “profitability” and “quality.”

These rules were soon able to offset inflation and stabilize the system, favoring an orderly and timely renewal of the various contracts. At the same time, however, it became clear that companies were not equally able to promote greater dynamism and to increase the propensity to innovate their production equipment. Since the 2007-2008 crisis, therefore, there have been trends toward firm-level decentralization. In particular, the 2009 national agreement explicitly set out to reform the architecture of Italian collective bargaining. Hailed as a historic event, the 2009 agreement did not fundamentally alter the existing system. Rather, it confirmed the dual structure introduced by the 1993 protocol. The 2009 agreement also increased the duration of industry-level agreements, from two to three years[4], linked industry-level wage increases not to Italy’s planned rate of inflation but to an EU-wide predictive index. Moreover, it reiterated the commitment that decentralized bargaining should take place only on issues explicitly delegated by the industry contracts and therefore not concern topics already negotiated at other levels. Finally, it affirmed the need for government to increase the diffusion of decentralized bargaining by introducing special tax advantages. The largest union confederation (CGIL) refused to sign it.

In 2010, at the insistence of Fiat Auto, the Italian multinational operating in the auto industry, an amendment to the 2009 agreement was added. It contained an explicit opt-out clause, which affected particularly the metalworking sector, as it allowed employers to conclude derogated company agreements to counter the effects of a company crisis. In addition, the introduction of an opt-out clause contributed to the weakening of the degree of coordination between the different levels of the collective bargaining structure.

However, minimum wage levels could not be changed, nor could inalienable workers' rights. Unsurprisingly, FIOM-CGIL (the major representative unions federation in the metalworkers sector – *Federazione impiegati e operai metallurgici*) was strongly critical of such initiative while the other unions found it helpful to promote employment and to navigate company crises (Sanz, 2011, p. 10).

Decentralization at the firm level tends to assume a “concessionary” connotation, since it often addresses restructuring and reorganization processes, and it is institutionalized as a means to derogate from collectively agreed or even legislative rules through lower-level collective bargaining (Pedersini and Regini, 2013). The derogations are meant to increase company competitiveness and boost employment levels. In this regard, the initiative taken in the second half of the 2000s to redesign Italy's bargaining structure was accompanied by a significant redefinition of Fiat Auto's industrial relations strategy. This strategy was characterized by the restoration, in perspective, of workplace representation based on RSAs. This happened through the 2010 *Pomigliano* and *Mirafiori* Fiat agreements which were signed under the threat of management to move production somewhere else with the consequent reduction of headcounts and plant closures (Pedersini, 2012a). In particular, the aforementioned agreements paved the way for Fiat to leave the traditional metalworking industry-wide agreement for a separate group deal, and attempt to infer possible changes in the *Confindustria*'s traditional representation system by avoiding making agreements with FIOM-CGIL. In accordance with the Workers' Statute (Law 300 of 1970), only trade unions which are signatories to a collective agreement that is applied in the relevant workplace can set up workplace representation structures. This would guarantee workplace representation only to the unions which sign the new group and establishment collective agreements, and exclude those who refuse to sign. Thus, by exiting from employer organizations and the termination of all existing collective agreements, Fiat contributed to make the new company bargaining system starting from scratch.

The case of Fiat leaving the traditional metalworking industry-wide agreement for a separate group deal marked a fundamental de-structuration of collective bargaining in Italy. Although Fiat's example was not followed by any other firm in the sector, nevertheless, significant changes and new interventions in Italy's institutional employment relations system occurred from 2010 onwards. Specifically, we refer here to the June 2011 inter-sectoral agreement signed by *Confindustria* and by all three union confederations, CGIL, CISL and UIL as a response to Fiat's strategy to dismantle the traditional representativeness issues in the industrial relations context. The June 2011 inter-sectoral agreement on representativeness and derogations from industry-wide agreements states that company-level agreements can introduce temporary and experimental modifications to rules set by industry-wide agreements, although in accordance with the limits established by the same industry-wide accords. Relevant in this respect is the introduction of Article 8 of Law 148/2011 on the derogations of both sectoral agreements and legislation by decentralized proximity agreements. Thus, the 2011 inter-sectoral agreement introduces new rules on the certification of representativeness for participation in industry-wide bargaining at national level, and on the validity of company deals. In so doing it “heals the rift” (Pedersini, 2012a, b) already created between the social partners in 2009, when CGIL refused to sign an agreement on the reform of the bargaining structure.

It can be argued that the inter-sectoral 2011 agreement represents the implementation of one of the main provisions of the January 2009 framework, such as to guarantee the validity and effectiveness of decentralized bargaining. In particular, the inter-sectoral agreement of 2011 includes the rules for the general validity both of national collective agreements and of company-level agreements, both based on a majority principle. Accordingly, company-level agreements on economic and normative elements are effective for all workers and bind all associations that are affiliated to the signatory confederations, if they are approved by the

majority of the RSU representatives elected according to inter-confederal rules. Furthermore, it was the inter-confederal agreement on productivity of November 2012 which specified the derogation potential of decentralized bargaining and envisaged the assignment of full autonomy to second-level agreements on work organization and working time. Moreover, on January 10, 2014, CGIL, CISL, UIL and the employers' association *Confindustria* signed an inter-confederation agreement on representativeness (*Testo Unico sulla rappresentanza*). The agreement addresses four main items: extent and recognition of representation for the purpose of national collective bargaining at sectoral level; rules of representativeness in the company; entitlement and effectiveness of collective bargaining at sectoral and company level; and provisions in case of non-compliance. In particular, following the 2014 agreement on union representativeness, all members of the RSU should be elected by the whole workforce in a secret ballot[5]. The arrangements agreed in January 2014 bring the private sector in line with the public sector, as far as the procedure for the election for union representation is concerned. In spite of the importance of the content, however, until now the agreement has not been properly implemented, which supports the argument of those claiming for the intervention of the law on this matter. The 2011, 2012 and the 2014 agreements constrained the scope for reaching "separate" collective agreements by introducing to a different degree some limitations to the possibility of derogation to industry-level bargaining, on the one hand. On the other hand, the Constitutional Court's decision dated to July 23, 2013 reintegrated CGIL-FIOM representatives into Fiat's works councils by declaring that unions should not be discriminated based on their decision to refuse to sign a collective agreement.

6. Concluding remarks

The paper illustrates that in Italy's twenty-first century, and despite their activism, trade unions encounter difficulty in sharing a "synthesis" of the current transformations with the other major institutions, such as the state and the employers' associations. This may explain why the relationships between trade unions, the employers and the state in Italy are currently unable to lead to any strong progress. It also indicates why some argue about the weakening of the traditional "collective autonomy" of Italy's social parties.

Several critical aspects exist in contemporary Italy's industrial relations system. These issues raise complexity and they may not help in reversing the traditional difficulties typical of the Italian economy, such as wage and productivity decline and stagnation (Baccaro and Pulignano, 2015). Major revisions are needed in order to boost Italy's economy. The first question concerns the need to think about a new parameter able to relaunch the discussion on wages. The traditional inflation-based income policy instrument, which was introduced in the 1990s, has not produced the expected results. Particularly, this instrument was unable to stabilize wage growth. Between 1992 and 2000, the share of wages in Italy declined much faster than elsewhere in Europe (Baccaro and Pulignano, 2015). Moreover, and directly linked to the above, new indices are needed, which should take into account a number of criteria such as – alongside inflation – the performance of GDP or productivity gains. Second, there is a need to think about how to reduce the period required for the renewal of national contracts which in other countries is much narrower (i.e. the duration of the national contract oscillates from 12 to 18 months). The third question concerns the ability to impart greater dynamism to productivity gains, therefore favoring more widespread innovation and significant increases in human, technical and organizational capital in order to avoid the risks of stagnation. This is a crucial point for the Italian economy, given that productivity has been stagnating for more than 20 years.

Because of the reduced space for collective autonomy, the intervention of the law may be seen as indispensable to ensure greater national regulatory capacity. In this light we may understand the incentives to the second (company) bargaining level which were introduced

in 2015 and 2016 by the budget laws of the stat. However, although legal intervention may be an option for some, the key point is to understand the extent to which such legislative intervention can be intertwined with the guidelines by the collective social organizations, as the way to support social parties' decision making in the long run. This remains a crucial issue in contemporary Italy.

In sum, it is difficult to delineate clear perspectives for the future. Industrial relations in Italy appear in transition, in search of a more defined and institutionalized set-up, which will surely have implications for future analytical debate and theory building in Italy's industrial relations research. In particular, the key issue is how to handle the consequences inherited by the 2013-2015 bargaining round concerning the zero-inflation and the implications for the collective bargaining. In particular, actual inflation in Italy turned out to be significantly lower than the planned rate of inflation at the time of contract renewals, with the effect that wages and salaries paid by the employers resulted paradoxically "in excess" compared with the actual inflation, thereby the risk to pay back this excess (amounting to almost 70 euro) to the employers. It is in light of this that we should understand the 2016 inter-confederation agreement, signed by CGIL, CISL and UIL, titled "A modern system of industrial relations for an economic development based on innovation and quality of work." This agreement resulted from the pressure by the trade unions to deal with the deflationary pressures on real wages due to the institutional structure of the collective bargaining system during the 1990s. Moreover, the agreement also focuses on the need to strengthen a new system of industrial relations consisting of collective bargaining, participation and a set of new rules on representation. Therefore, it sets the scene for a much stronger institutionalization phase in Italy's industrial relations. Further moves in this direction can be seen in the 2018/2019 national collective agreement for the chemical sector and the 2016 metalworking sector agreement, signed in November 2016. In particular, the latter strengthens bargaining and participation. It also protects income from inflation and reinforces welfare, making strides in overall benefits for workers in the metal sector. It also defines the rules of democracy and representation between unions, members and workers. Maurizio Landini, General Secretary of FIOM-CGIL, praised the November 2016 agreement as the one which guaranteed "newly found unity of the workers," as FIOM-CGIL did not sign the contract renewals either in 2008, or in 2012. In particular, he said: "The agreement reached does not present any kind of improper trading, instead it broadens rights, goes beyond inflation in its overall cost structure, introduces a democratic path in the national agreement that has always been a central demand for our organization (www.industrialunion.org/italian-metalworkers-reach-a-new-national-collective-agreement)."

Whether the wish for a stronger institutionalization of the setting up of new industrial relations system will be achieved in Italy in the future yet to be seen, but if it does happen, it may require a virtuous interdependence between public and private actors, on the one hand, and the development of, although less cooperative, largely novel modes of action by the same actors, on the other hand. However, the difficulties that both trade unions and employers' organizations are facing are undeniable in this respect. These difficulties are not only due to the weakening of the organizational strength of the actors (Carrieri and Feltrin, 2016), but derive mostly from the weak capacity of such actors to influence the socio-political and economic sphere, thereby revealing the extent of deep strategic fissures.

Notes

1. See Regini M.'s concept of "micro-concertation" (cf. Regini, 1991).
2. For a wider discussion of this topic (see Pulignano, 2018).
3. See the surveys clustering a sample of 1,000 employers carried out for *Confindustria* by the Fondazione Nord-Est in 2002 and 2005.

4. The change applies only to the part of the agreement concerning the regulation of wages.
5. Before this agreement, two-thirds of the members were elected and one-third was nominated by the unions, in line with the support they had received in the election.

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