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**New European Economic Governance and
decentralisation of the collective bargaining
structure in Italy: did it work out?**

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Introduction

The Italian collective bargaining (CB) structure has been, for a long time, at the centre of attempts aimed to promote its greater decentralisation:

- ❖ from 2009, a series of **cross-sectoral agreements** regulating the relations between the different levels, progressively widening the competences of the firm-level
- ❖ at the same time, **hard legislative** interventions on the hierarchy of CB levels and **soft policies** providing economic incentives for firm-level

Recently, an “exogenous” factor added onto this consolidated process: the NEEG (New European Economic Governance)

Starting from the “secret” letter sent in August 2011 by the ECB the Italian IR system has been under a sort of **special surveillance**

European Semester - Systematic invitation for Member States to intervene on wage setting mechanisms

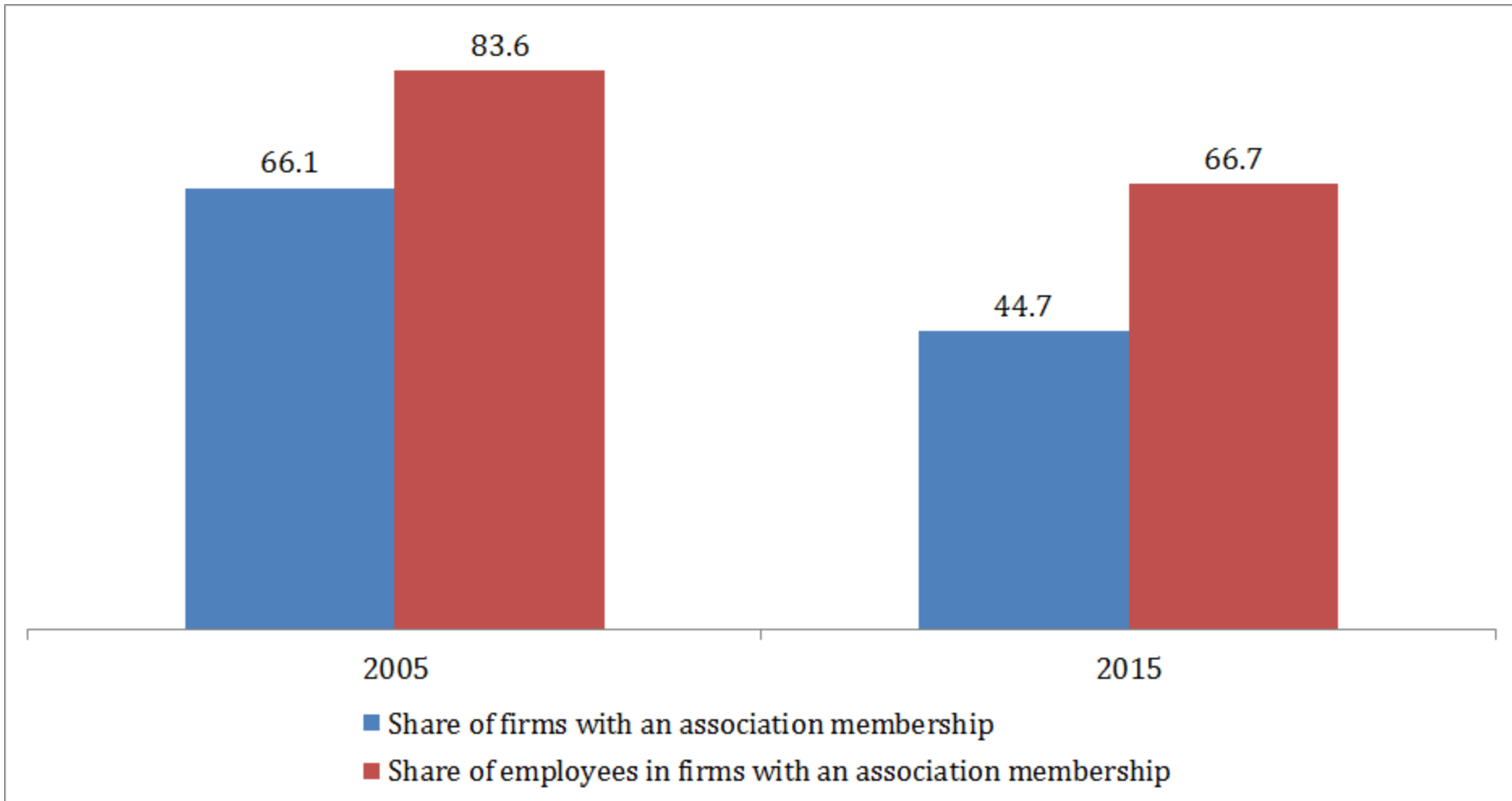
Paese	2011-12*	2012-13**	2013-14***	2014-15****	2015-16*****	2016-2017*****	2017-2018*****	Tot
AT						●	●	2
BE	●	●	●	●	●	●	●	7
BG	●				●	●	●	4
CY	●					●	●	3
CZ								0
DE		●	●	●			●	4
DK								0
EE						●	●	2
ES	●			●	●			3
FI		●	●		●	●	●	5
FR	●	●	●	●	●	●	●	7
HR				●	●	●	●	4
HU								0
IE								0
IT	●	●	●	●	●		●	6
LT								0
LU	●		●	●	●	●		4
LV						●	●	2
MT	●	●						2
NL				●			●	1
PL								0
PT				●	●	●	●	4
RO				●	●	●	●	4
SE		●						1
SI		●	●	●	●			4
SK								0
UK								0
Tot	8	8	7	11	10	12	14	70

Frequency of the CSRs “Reviewing wage-setting system -align with productivity developments”

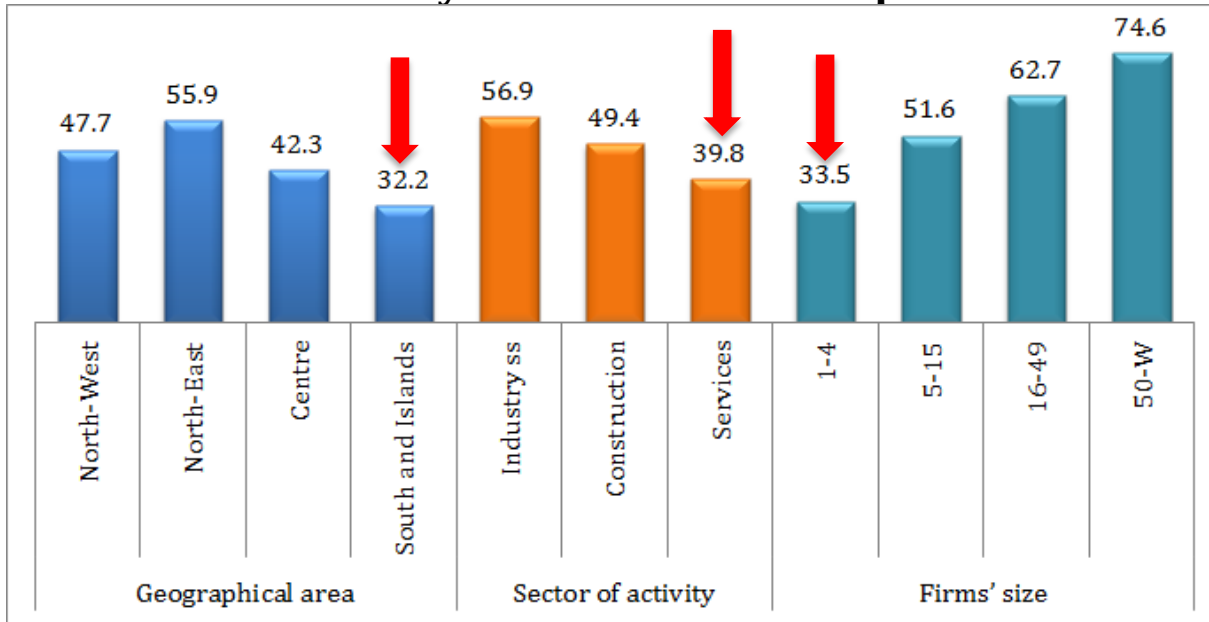
Source: Authors’ calculations based on Clauwert’s data, 2017
 * EL, IE, LV, PT and RO did not receive the CSR
 ** EL, IE, PT and RO did not receive the CSR
 *** CY, EL; IE and PT did not receive the CSR
 **** CY and EL did not receive the CSR
 ***** EL did not receive the CSR

Employers' Association fragmentation- Progressive and important decrease in membership rates and density

Share of firms with an association membership and share of employees in firms with an association membership, Years 2005 and 2015 (%)

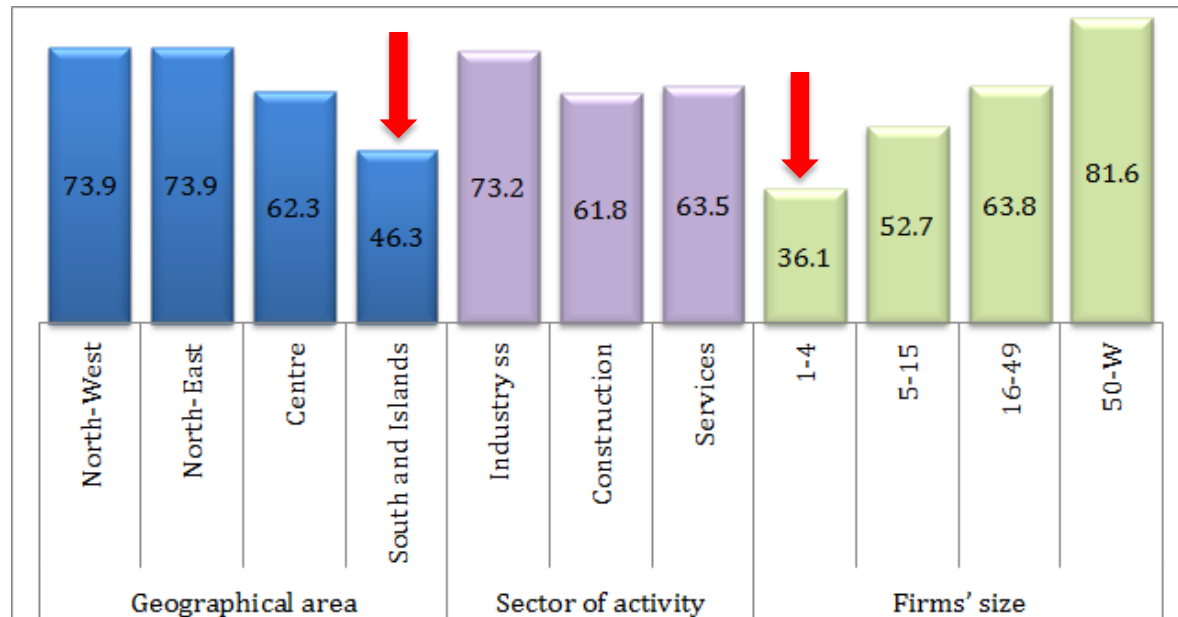


Employers' Association Membership – Clear weight of the classical “determinants” within the Italian IR system on membership rates and density



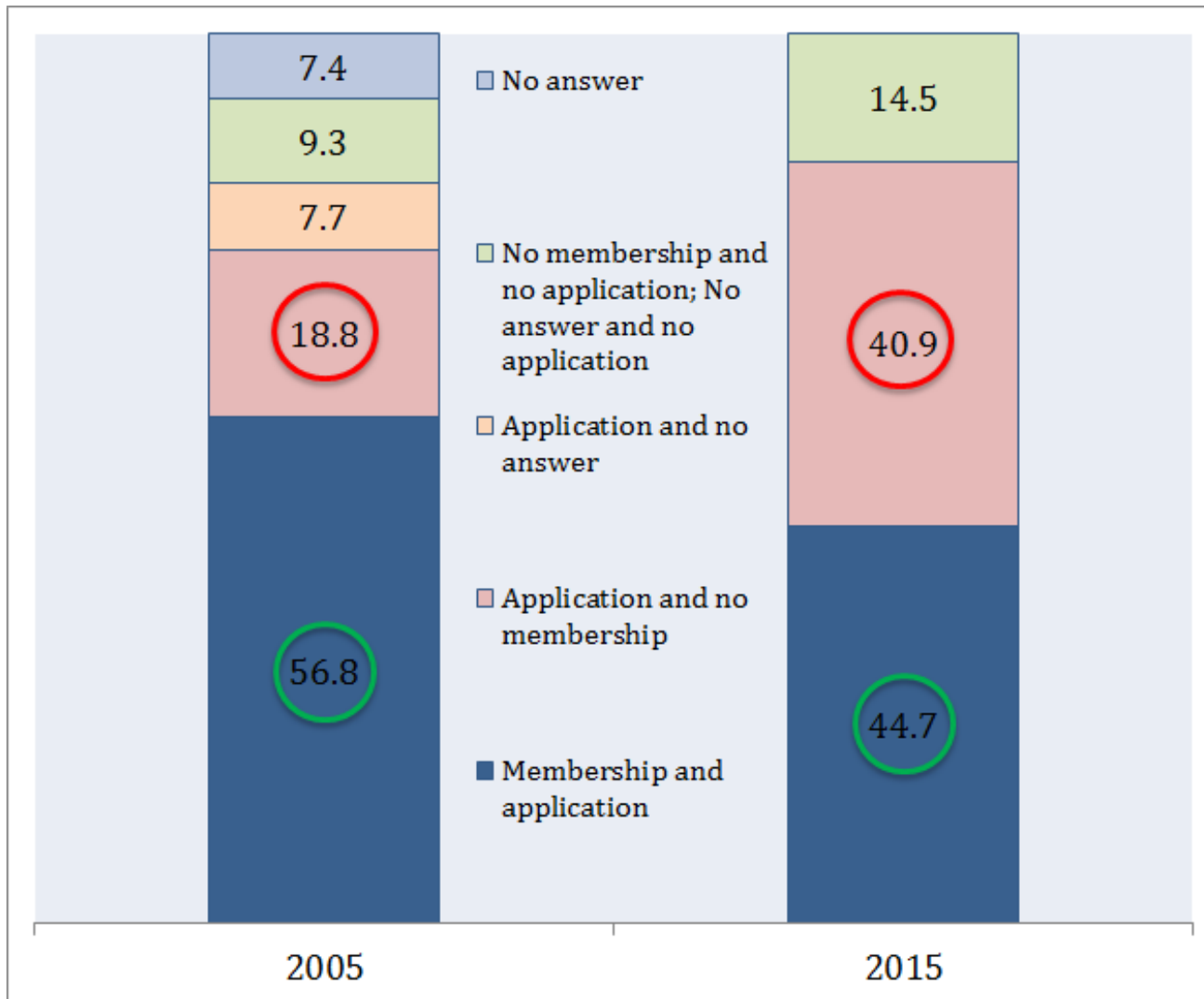
Membership rate of firms with at least one employee per specific characteristics, Year 2015 (%)

Incidence of employees in firms with at least one employee, members of an employers' association per specific characteristics, Year 2015 (%)



Multi employer CB - Increase of firms applying a CCNL... but outside of an employers' organisation

Composition of firms with at least one employee, members of an employers' association and applying a CCNL, Years 2005 and 2015(%)

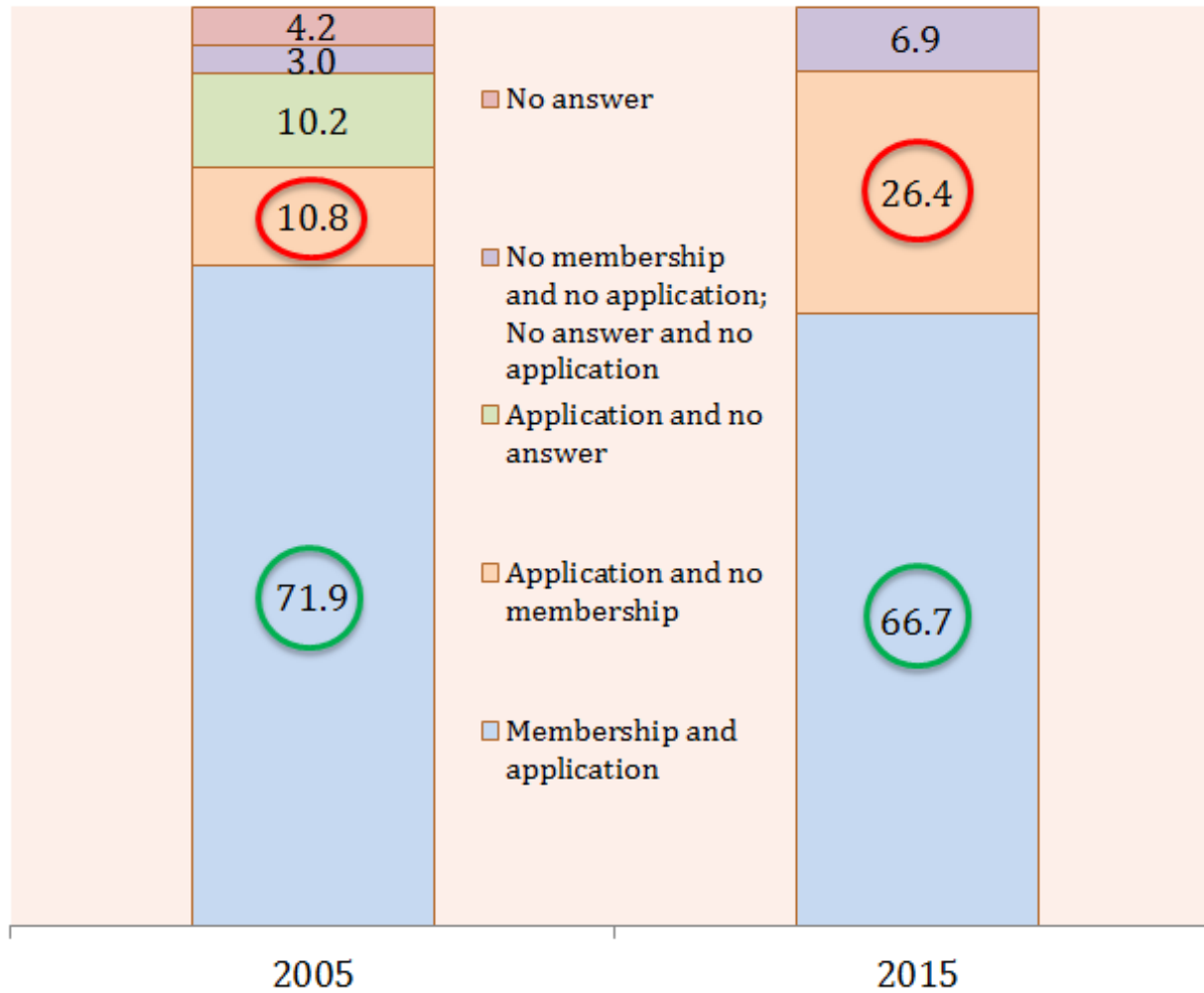


▣ decrease by about 12%, of firms members and applying a CCNL

▣ over 22% increase of the share of firms applying a CCNL, but non-members

Ccni and membership - Ccni coverage has been maintained ... owing to the increase in the share of employees in firms that do not join an Employers' Association

Composition of employees in firms with at least one employee, members of an employers' association and applying a Ccni, Years 2005 and 2015 (%)

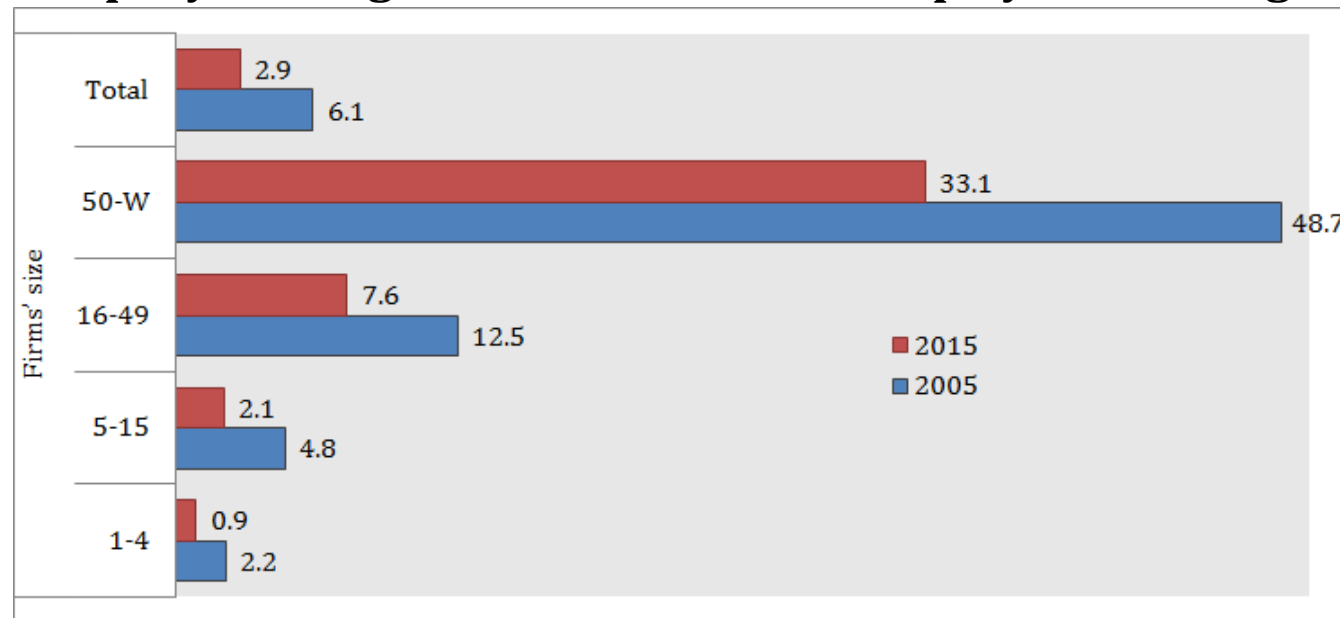


□ decrease by about 5% in the share of employees in firms that join an Employers' Association

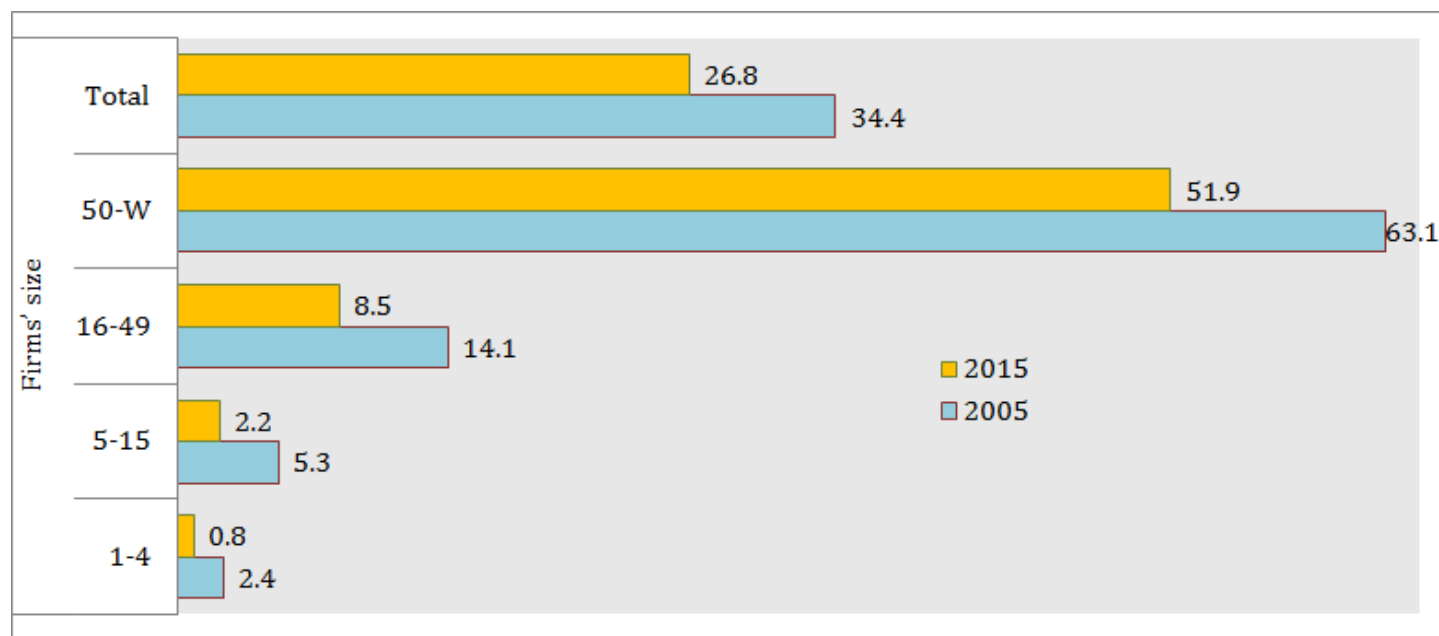
□ over 16% increase in the share of employees in firms that do not join an Employers' Association

Company-level CB: trends – Decrease in the share of firms stating to apply a company-level agreement as well as in employees' coverage

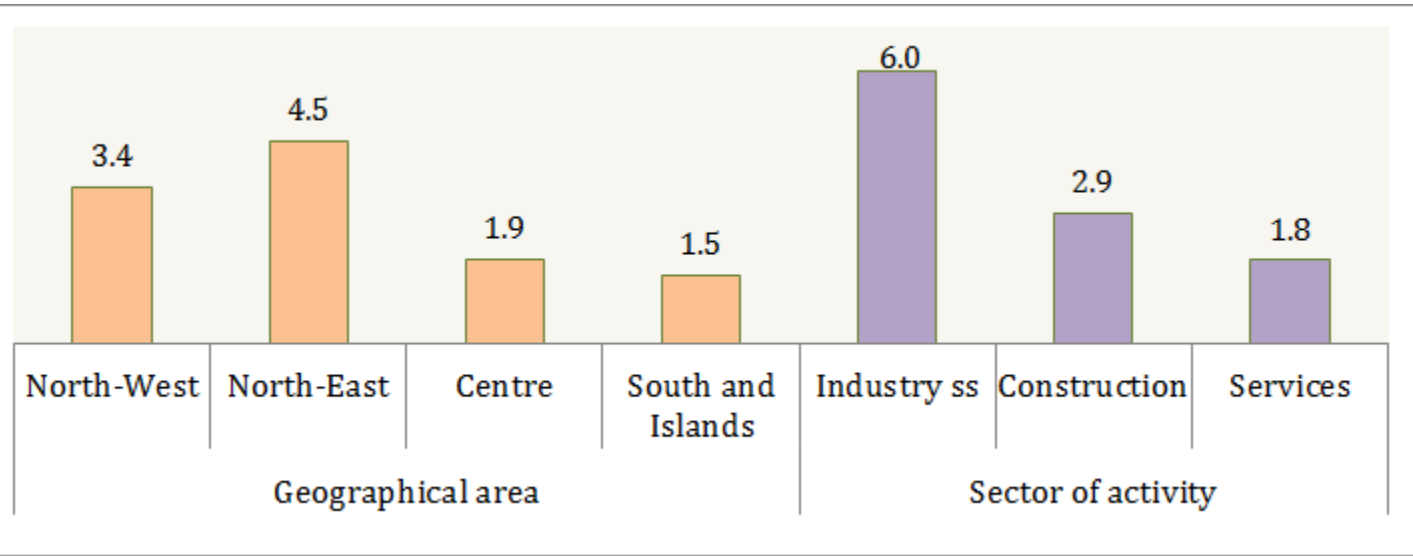
Incidence per firms' size, Years 2005 and 2015 (%)



Incidence with regard to employees in firms with at least one employee per firms' size, Years 2005 and 2015 (%)

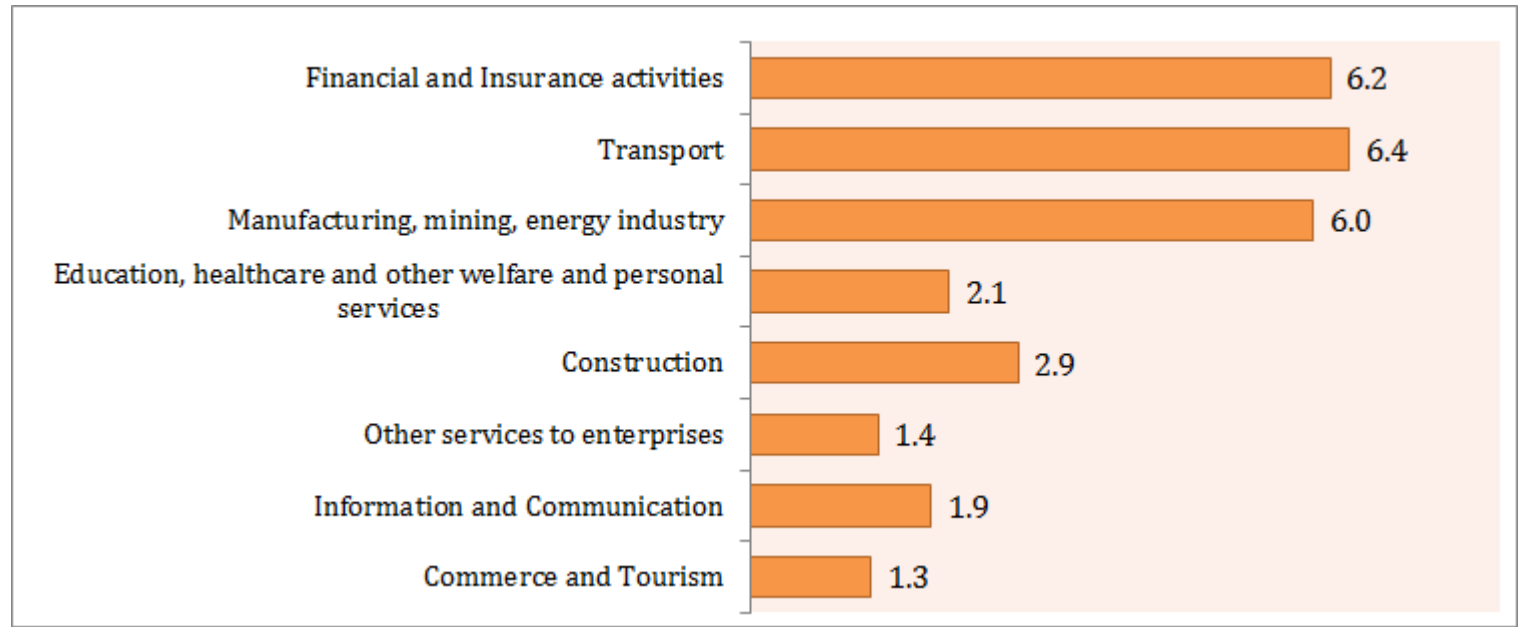


Company-level CB: firms' characteristics – determinant for the dissemination of firm-level agreements consists in firms' geographical position, along with their economic sector



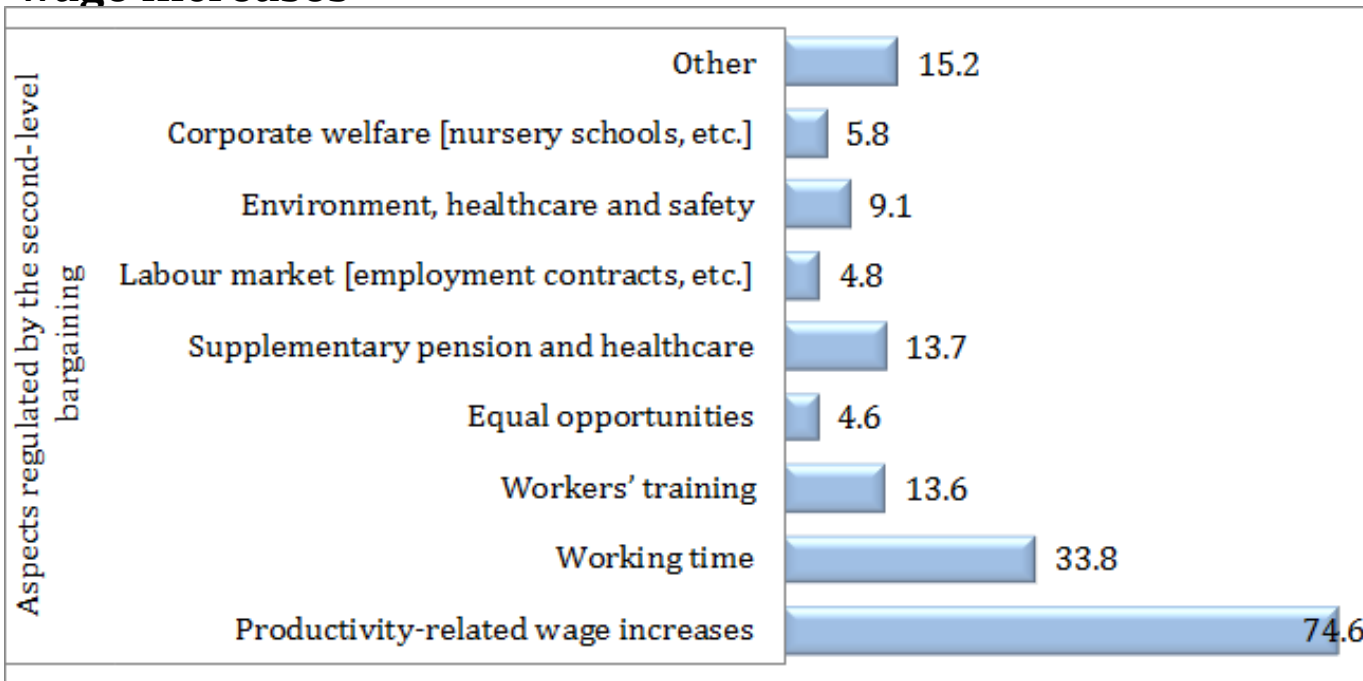
Incidence of firm-level bargaining per geographical area and sector, Year 2015 (%)

Dissemination of firm-level bargaining per sector, Year 2015 (%)



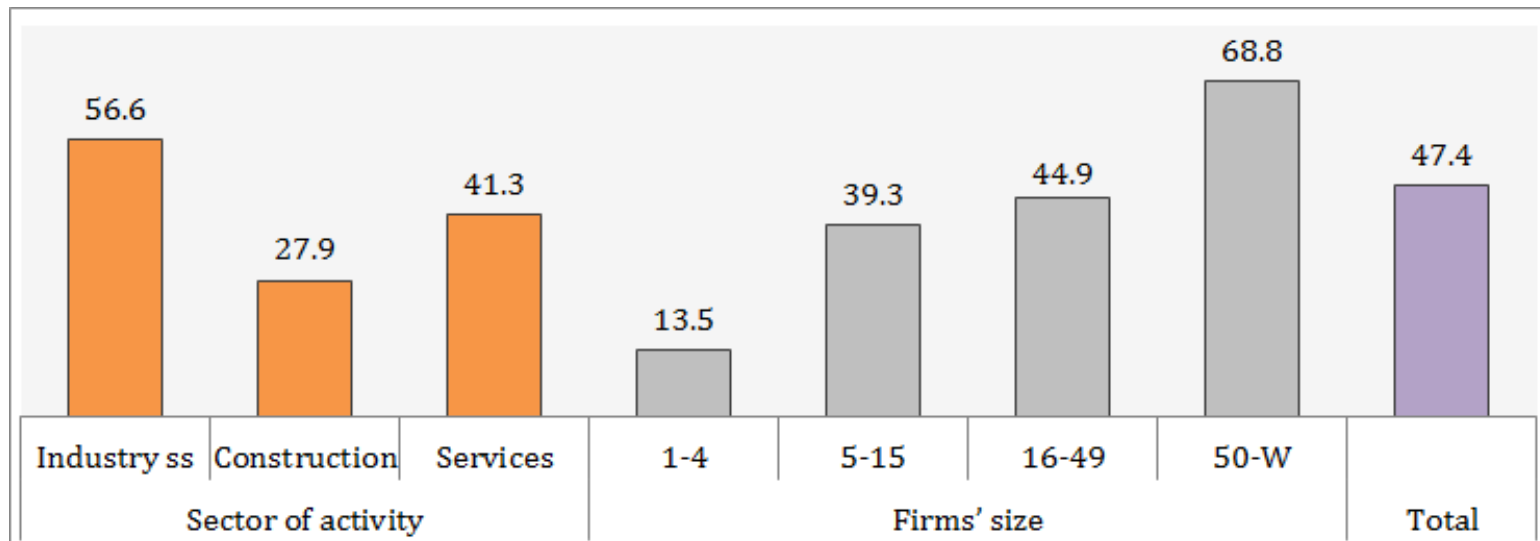
Source: Authors' calculations based on data from INAPP-RIL

Company-level CB: contents -mainly flattened on regulating productivity-related wage increases



Contents of firm-level collective bargaining (firms with at least one employee), Year 2015 (%)

Incidence of the productivity-related wage increases per sector of activity and firms' size, Year 2015 (%)



Conclusions

The barycentre of the Italian collective bargaining system (i.e. Ccnl) has not been affected by the “multilevel” drive in favour of its decentralisation

- ❖ indeed, there has been an increase in the share of firms that apply a Ccnl spontaneously, **without joining an Employers' Association**
- ❖ fragmentation conceals the proliferation of "pirate agreements", an “alternative” system of opting out

Firm-level bargaining is at a standstill

- ❖ **SMEs prefer the Ccnl** (especially if “pirate”)
- ❖ the **coverage**, already **limited**, has further decreased and remains a **prerogative of large firms**

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