

## The Regulation of Collective Employment Relations in Agriculture in Italy

by

H.E. Bruno BIAGI

*Under-Secretary of State in the Ministry of Corporations*

*In the study on collective agreements in agriculture published by the International Labour Office<sup>1</sup> the chief aim was the practical one of furnishing the International Labour Conference with information on which it might form an opinion as to whether, "until an improved social legislation for agricultural workers can be enacted, collective bargaining may be employed as a preparatory means for regulating labour conditions in a manner conforming to modern principles of the social protection common features in collective bargaining in agriculture and on those of its forms which seemed most easily applicable elsewhere. As is well known, relations between employers and workers in the various occupations are regulated in Italy by legislation of quite a special type. Accordingly, while collective agricultural agreements in that country were treated in the study at the same length as those of other countries, it was not possible to give full consideration to all the interesting aspects of this system. The Office is therefore very glad to be able to publish the following article on the subject.*

*An outstanding feature of the article is the importance accorded by the author to collective agreements in agriculture, which he regards as among the principal measures tending to combat the rural exodus and facilitate a return to the land. The author examines the scope of collective agreements in Italian agriculture and the questions dealt with in the agreements*

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<sup>1</sup> INTERNATIONAL LABOUR OFFICE : *Collective Agreements in Agriculture*. Studies and Reports, Series K (Agriculture), No. 11. Geneva, 1933. 122 pp. 3s. ; 75 cents.

*concluded, and points out that even the difficult question of social insurance is solved within the framework of this system. Finally he shows how the scope of collective agreements has been extended from labour questions proper to various forms of land cultivation, and how latterly the system has been applied to the regulation of the important question of share farming.*

FOR some years the home policy of many States has shown an increasing tendency to foster a return to the land. The object of this is not only to find a remedy for the economic disequilibrium resulting from the war and the ensuing world depression, which is particularly serious in industry and commerce, but also, by means of the healthier and calmer life usually assured by work on the land, to allay the profound political and social discontent that everywhere accompanies the economic depression.

But, above all, the return to the land is looked upon as the best means of restoring a society rent by class warfare and dissensions to a more fruitful social order, and not merely as a device for lessening the disparity between production and consumption by increasing the purchasing power of the large rural population and diminishing the excess of urban labour.

The methods applied in different countries to encourage the return to the land have been many and varied, including *inter alia* land reclamation, assistance for land improvements, settlement schemes, and development of smallholdings. But while such State activities have been and still are helpful, the most useful measure has everywhere proved to be an enlightened labour policy designed to end the substantial differences in matters of assistance and protection that in most countries still exist between workers in industry and commerce and workers in agriculture. One of the most effective ways of realising this policy is a better statutory regulation of employment relations, not only as regards wages but also for all the various provisions for the workers' benefit.

In short, the return to the land is to be assured by improving the living conditions of the rural masses and thus narrowing down the differences between urban and rural life. A policy that bestowed social advantages on factory workers without extending them to agricultural workers—with the adjustments necessitated by differences of circumstances—would militate

against the desired return to the land. An instance would be a housing policy that did everything to make town houses better, more hygienic, and more comfortable but failed to provide agricultural workers with homes in which they may lead a healthy and hence a fruitful life.

A characteristic example in this connection is offered by Germany, where the depopulation of the Eastern agricultural districts has assumed the proportions of a veritable rural exodus<sup>1</sup> and has become a problem of national concern. The flight from the land has now attained considerable dimensions in all the agricultural provinces of Eastern Germany; it is a migration movement of long date which was arrested for a while by the war and the inflation, only to resume on a larger scale than ever. First-hand observers (Böker and von Bülow in 1931) find its underlying reasons in that complex process, partly psychological and partly economic, in which the best of the country population is attracted towards the towns by the higher standards of living and hygiene and above all by the higher wages. The method of settlement has given very successful results in arresting the depopulation of the countryside, as is shown by the fact that its population has increased by 50 per cent. in the period of some twenty years since the dividing up of the land and the installation of the new settlers. But in itself it is not sufficient, and the remedies contemplated in competent circles in Germany include, on the one hand, a series of measures for effectively improving working conditions on the land, and, on the other, better vocational and general education to bring home to the agricultural population the dangers of emigration to the towns and the advantages of country life. The inverse movement from the large towns to the country, which began in 1930 and to which Berlin owes much of the fall in its population, shows even more clearly the need for applying a vigorous and far-sighted policy of settling workers permanently on the land.

The events in Germany described above may be considered a typical result of urbanisation and above all of a social policy which is no longer able to maintain the necessary equilibrium

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<sup>1</sup> Cf. INTERNATIONAL LABOUR OFFICE and INTERNATIONAL INSTITUTE OF AGRICULTURE: *The Rural Exodus in Germany*. Results of Investigations made in May 1931 by Dr. H. BÖKER and F. W. von BÜLOW in the Provinces of Pomerania and Saxony and in the Free State of Saxony. Studies on Movements of Agricultural Population: I. Studies and Reports (of the I. L. O.), Series K (Agriculture), No. 12. Geneva, 1933. 137 pp. 3s. 6d.; 75 cents.

between the great branches of production. Everywhere—and in Italy, as elsewhere, for many years and for similar reasons—agricultural workers have been less well protected than industrial workers. The protection of agricultural workers, in fact, after a vigorous advance in the early years of social legislation, suffered a setback when the pressure of new problems hastened the rapid progress and ultimately the pre-eminence of the trade union organisations in the towns. But in Italy it has naturally taken on a new lease of life and has developed with unprecedented rapidity since the Duce gave a high place in the scale of Fascist moral values to rural life, and above all to the rude labour of workers in close contact with the soil.

Confirmation of this assertion is found in the rapid enquiry carried out by the International Labour Organisation into collective employment relations in agriculture. The results are set out in the report entitled *Collective Agreements in Agriculture*<sup>1</sup>, which contains the information collected relating to international law and practice in the matter.

This report, which was discussed at length by the International Labour Conference of last year, gives an accurate enough account of collective agreements in agriculture in various countries at the present time; but it is almost entirely confined to agreements concluded as a result of free negotiations between employers' and workers' organisations, and standard contracts drawn up under the auspices and with the help of the public authorities, and fails to pay due attention to other forms of collective regulation in which State intervention plays an effective part. In some countries, in fact, in which attempts to introduce collective agreements have not prospered, the system of wage regulation by minimum wage boards has given satisfactory results, while in Italy the Fascist corporative regime, in the concrete results it has achieved, has succeeded in remedying several of the defects of the system of collective agreements which are pointed out in the conclusions of the International Labour Office report, and in particular those arising from the fact that the agreements do not apply to all agricultural workers, or to small undertakings in the same way as to large ones.

As regards Italy, too, the material is not complete; and some points that are mentioned are not followed up. It is stated, for

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<sup>1</sup> See note <sup>1</sup> on page 309 above.

example, that "Italy is the only European State which had really developed a system of collective bargaining in agriculture before the war" (the Po Valley, in fact, saw the birth of the first agricultural trade unions, towards the end of the last century, and as early as 1901 they were combined in a national federation), and that "from the very beginning [of the Fascist trade union movement] the idea of an intimate collaboration between employers and workers played an important role in the development of occupational representation in Fascist Italy." This is quite correct, but it does not sufficiently bring out the enormous progress made in this field by Fascism and its corporative organisation.

It is thus only fitting to point out exactly what has been done in Italy to bring about a real return to the land, for the Fascist regime may without exaggeration be regarded as the leading exponent of this policy of ruralisation. We have here an experiment whose results compel notice and investigation, in the international as in other spheres, especially in view of the large number of agricultural collective agreements concluded since the Act of 3 April 1926, all on the new legal basis.<sup>1</sup>

In Italy, the workers employed in agriculture, as in other branches of industry, now possess a satisfactory system of contractual regulation. The universal validity of collective agreements ensures that they will be applied not only by employers and workers belonging to the contracting trade associations, but also by non-members, who are fully represented by the legally recognised unitary trade association set up in Italy under the Act of 3 April 1926. It may be mentioned that on 31 December 1932 the Confederation of Agricultural Employers had 543,486 members and the Confederation of Agricultural Workers 1,654,340. The number of collective agreements concluded since 1927 is 1,607, of which 27 are national or interprovincial and the remaining 1,580 apply in general to a single province.

It is also interesting to note the development of the contractual activities of agricultural trade associations from year to year, as shown in the following two tables, one for national and interprovincial agreements and the other for provincial agreements.

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<sup>1</sup> For the period before the Act of 3 April 1926, see also: "Collective Labour Agreements in Italian Agriculture", in *International Labour Review*, Vol. XIV, No. 5, Nov. 1926, and Vol. XV, No. 1, Jan. 1927.

## NATIONAL AND INTERPROVINCIAL AGREEMENTS IN AGRICULTURE

Period	Deposited	Published
Up to 31 Dec. 1928	7	—
1929	6	4
1930	4	4
1931	5	3
1932	2	4
1 Jan. to 30 Sept. 1933	3	3
Total	27	18

## PROVINCIAL COLLECTIVE AGREEMENTS IN AGRICULTURE

Period	Concluded	Published
1927	371	46
1928	227	43
1929	221	172
1930	210	182
1931	196	168
1932	222	113
1 Jan. to 31 Sept. 1933	133 <sup>1</sup>	63
Total	1,580	787

<sup>1</sup> The figures for five provinces are missing for July and August.

The trade associations have almost always succeeded in settling collective labour disputes satisfactorily by negotiation, and when they have failed the intervention of the Ministry of Corporations and the moral support of the Party have always removed the obstacles and helped to find an agreement. Only in very rare cases has there been recourse to the labour courts ; and when this has been necessary the decision has always been accepted in the spirit of discipline that characterises the new Italy, and has always been just and calculated to soften the

mailed fist of economic law with the velvet glove of labour protection.

The importance of the regulation of agricultural labour in Italy resides not so much in the number of collective agreements as in the spirit animating them, which is evidenced in the many interesting clauses designed to safeguard the just rights of the workers and their material conditions of life, and at the same time to develop and improve agriculture.

The terms of Italian collective agreements are worthy of special attention as showing how careful the workers' associations have been to study the interests of the workers not as distinct from those of agricultural production but as interwoven with them. For instance, the agreements for small cultivators engaged in direct farming contain clauses which tend to encourage improvements on land leased to be farmed in this way. The national agreement for shepherds and other workers engaged in the care of stock and the supplementary provincial agreements have secured equitable moral and material treatment for these workers who had hitherto been left almost entirely to their own resources. The collective agreements for forestry workers are remarkable not only for the spirit in which an equitable balance has been struck in all districts between wages, the labour supply, and the conditions of the forestry industry, but also for the clauses designed to protect these workers through social insurance and medical aid, and by the regulation of piece rates, engagement, dismissal, and rules of employment. Similarly, in the collective agreements for other classes of agricultural workers, such as those for rice weeders, for reapers and threshers, for permanent workers, for "tied" workers (*obbligati*)<sup>1</sup> and permanent workers, for "tied" and "semi-tied" workers (*semi-obbligati*), and for day labourers (*avventizi*), there can be found, in addition to regulations for working conditions and wage rates, provisions intended to raise the workers' social status, while at the same time safeguarding the higher interests of the agricultural production of the country.

It may be added that the collection of agricultural workers' contributions to compulsory insurance against invalidity, old age, and tuberculosis is regulated by an agreement between the trade associations concerned and the National Fascist Institute for

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<sup>1</sup> The *obbligati* are semi-permanent workers engaged for a specified period usually a year, but paid only for the number of days actually worked.

**Social Welfare**, an arrangement which ensures the effective application of these schemes in agriculture.

In Italy the collective contract of employment has thus proved itself, in agriculture as in other industries, a most effective instrument of economic and social collaboration between the various categories engaged in production; and when it is remembered that as a rule an agreement cannot be published unless it contains precise stipulations respecting disciplinary relations, probation, rates and payment of wages, termination of employment, and military service, it will be clear that it has no rival as a means of assuring the specific protection of agricultural workers while safeguarding the higher interests of production.

If, as the International Labour Office admits in the report cited, collective agreements may usefully supplement social legislation, especially in agriculture, and if Italian legislation is especially favourable to the development of collective agreements, then there can be no doubt that Italy is the most interesting country for a study of the results and practical possibilities of agricultural labour policy in this matter, and the more so since the efficacy of the agreements ensures the most extensive and surest application of certain provisions of high social value. It is thus only natural that some of the most serious doubts expressed by the International Labour Office as to the efficacy of agricultural collective agreements should find no confirmation in Italy. These doubts are due partly to the differences often found in collective agreements even over comparatively small areas, and partly to the fact that the contents of the agreements are too often limited to the points ordinarily regulated by individual contracts. The need for extending the terms of collective agreements to include the chief provisions in favour of agricultural workers, and at the same time eliminating the competition of persons not bound by them, has been fully met in Italy, where collective agreements, for the reasons explained above, have acquired a dynamic character, and, instead of "crystallising into the forms which were adopted at the outset", now regulate employment conditions which were formerly ignored, and unify many of the essential principles of social legislation. And it must not be overlooked that employment relations between agricultural technicians and the agricultural undertakings for which they work, possibly in a subordinate capacity, are also regulated



in an agreement that is of special importance as covering a category of employees that was destitute in the past of any special protection.

As regards share-farming, in addition to the recent experiment in collective share-farming in the Mantua district<sup>1</sup>, the agreement concluded between the National Ex-Service Men's Institution (*Opera Nazionale Combattenti*) and the Commissariat for Inland Migration for the regulation of agricultural labour on the reclaimed tracts of the Pontine Marshes is of great interest. This agreement, which is in the form of a share-farming contract, contains provisions for regulating cultivation in harmony with the economic aims of the general development scheme, but makes it possible for settlers to become the owners of the land they are farming. In fact, when the National Ex-Service Men's Institution, which has complete freedom of judgment on this point, considers that a farm is on a permanently sound basis, it may ask the settler whether he intends to buy it. If he does, the land, buildings, and stock will be valued at their current prices and the total amount will be repaid by the settler to the Institution in fifteen equal annual instalments, covering both capital and interest at the official rate of discount. During these fifteen years, the Institution will retain the technical direction of the farm, which will definitely pass to the settler only on completion of the payments. These can be made in money or in kind, produce being valued at the current market price on the day it is delivered.

One of the aims of the new general share-farming agreement for the Pontine Marshes (where, by the will of the Duce, one of the most prodigious works of man recorded in history has been accomplished) is gradually to raise the status of the worker from share-farmer to owner. In enabling the workers who settle on the reclaimed tracts to acquire, by their labour and thrift, the land that they themselves have enriched, the aim in view is to create a class of small owners bound to the soil by close bonds of affection and interest.

It must also be borne in mind that the institutions of the Fascist regime assure these workers of effective protection and enlightened assistance—financial and otherwise—so that the dif-

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<sup>1</sup> A. LANZILLO: "Gli esperimenti di compartecipazione collettiva nel Mantovano", and M. TOFANI: "I contratti di compartecipazione in agricoltura", in *Giornale degli Economisti*, Feb. and June 1933.

ficulties of agriculture may not prevent the aims of the agreement from being achieved. Special methods of association, continuous protection, and effective assistance accompany the worker during this period of initiation, so that neither misfortune nor mistakes may rob him of the fruits of many years' toil and sacrifice and turn his enthusiasm into disappointment.

As regards collective agreements in agriculture Italy is already in the van, and the application of the Act of 3 April 1933 (No. 437) should lead to further progress. This Act extends the statutory system of collective labour agreements to all contracts or agreements, however designated, concluded by the competent trade associations for the regulation of relations in all kinds of share-farming and produce-sharing arrangements (whether individual or collective) in agriculture, to supplementary contracts concerning special crops and stock to be raised on the farm under the principal arrangement, and to contracts for the leasing of smallholdings for a fixed or variable rent in cash or in kind, when concluded by smallholders who farm the land directly and do most of the work themselves, either alone or with the help of their family.

This Act has been supplemented by a series of regulations for employment relations in share-farming, contained in the "Share-Farming Charter" (*Carta della mezzadria*), which was drawn up and discussed from every point of view—legal, technical, economic, etc.—by the Corporation of Agriculture. It has recently been approved by the National Council of Corporations and published, and now has the force of corporative regulations, and as such is generally binding.

Without going into details, it may be said that the Share-Farming Charter is a document of fundamental importance for Italian agricultural economy. It meets the real needs of agriculture as expressed in the Corporation in the course of exhaustive discussions between representatives directly concerned; and it lays down precise rules which reconcile the different private interests with the higher and general interests of agricultural production. Fascism has thus raised to the highest power the economic dynamism latent in the system of share-farming, which the extension of the corporative trade association system has awakened to new life, while preserving its essential character of a special form of contract of partnership. This blending of an eminently traditional agricultural institution with the demands

of the inexorable evolution of economic life may be regarded as a classical and typical example of corporative policy.<sup>1</sup>

In November and December last a number of agreements for the leasing of small peasant farms (*patti colonici*) were concluded (one interprovincial, for the centre of Calabria, i.e. the provinces of Cosenza and Catanzaro, and 29 provincial), and the conditions of small tenant farmers have also been the subject of collective regulation. In this way both the law and the principles of the Charter have found prompt application in measures ensuring that agricultural work shall be carried on not only calmly and fruitfully, as is essential, but also with the benefit of the measures planned and carried out by the Fascist regime for hastening the return to the land, the primal source of all economic as of all moral power.

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<sup>1</sup> Cf. A. FONTANA : " Il contratto di mezzadria dinanzi al Parlamento ", in *Rivista di Politica Economica*, Nov. 1933.