

Recent Trends in Collective Bargaining in Italy

Gino GIUGNI¹

The background to the new trade union strategy

WHEN TAKING STOCK of the situation in these pages in 1965², I noted that in the whole history of the Italian trade union movement there had never before been a decade in which industrial relations had undergone such sweeping changes. After a lapse of only six years, however, the point can be made again even more strongly. Beyond doubt, the years between 1968 and 1971 mark a turning point in the history of the Italian trade union movement, and this in all probability will affect the political life of the country as a whole. But, as I pointed out in 1965, the far-reaching changes then taking place in the industrial relations system were a product of the economic and social evolution of the country, which in the space of a few years had become an industrial power in its own right, whereas developments since 1968 must be looked at in a very different light.

The fact is that the new trends and patterns in collective bargaining have been profoundly affected by the wave of unrest that has swept across Europe in the past three years, leading to a complete reappraisal of the whole purpose of social movements in general and—in some countries—of the trade unions in particular. This climate of cultural and intellectual unrest certainly accounts to a great extent for the change in trade union strategy. Another reason, however, especially in the case of the thriving metalworking industry, is that from 1960 onwards a set of younger, more militant and critically minded leaders emerged.

¹ Professor of Labour Law, University of Bari, and Legal Adviser to the Minister of Labour.

² Gino Giugni: "Recent developments in collective bargaining in Italy", in *International Labour Review*, Vol. 91, No. 4, Apr. 1965, pp. 273-291.

The second point to be borne in mind is that although Italy's post-war economy grew remarkably rapidly and quickly recovered from the 1963-65 recession, it has been subject to very little public control. The attempt at economic planning in the mid-1960s proved disappointing. And it is in the mood of impatience and restlessness mentioned above that the country has found itself faced with a whole series of acute problems created by this self-same process of industrialisation and economic development, e.g. the influx into the rapidly expanding cities and the formation of a large new class of unskilled factory workers, nearly all immigrants from other parts of the country, usually the south. Other problems are the housing shortage, the gross inadequacy of urban and suburban transport, the lack of welfare, hospital and educational facilities, especially in the new centres of industry, etc. Thus social policy, instead of being regarded as secondary to economic development policy, is now seen to be its fundamental prerequisite.

The change in the trade union movement

This new situation is not easy to describe concisely for an international public.¹ Indeed, it can hardly be compared with the kind of situation encountered in other highly industrialised States. The general trend of the Italian trade union movement in the 1960s seemed to be, and in fact was, towards consolidating a system of industrial relations that was already to some extent institutionalised. In other words there was considerable scope for trade union action and collective disputes, but within a framework (established by collective agreement) of clearly defined bargaining rights and levels, together with the possibility of recourse to procedural rules applicable in the event of direct action. The whole of this system of bargaining, which in the absence of special legislation² operated autonomously, has passed through a crisis in the past few years entailing a painful reassessment of the entire situation.

Another major development in the Italian trade union movement is the fact that the three principal confederations, namely the CGIL (mainly comprising communist and socialist workers), the CISL (largely made up of Catholic workers) and the UIL (chiefly socialist, social-democratic and republican workers, with the first group slightly in the majority), during the past five years have been moving towards trade union unity. If achieved, this will be an event of unprecedented importance. It has been encouraged and indeed made possible by the joint trade union

¹ See in this connection F. Sellier: "Les transformations de la négociation collective et de l'organisation syndicale en Italie", in *Sociologie du travail*, No. 2, 1971, pp. 141-158, and, in particular as regards the political and trade union framework, A. Pizzorno: "Les syndicats et l'action politique", *ibid.*, pp. 115-140.

² Regarding the failure to pass trade union legislation implementing article 39 of the Constitution, see my previous account.

action that has begun to develop in the past few years, especially during the so-called "hot autumn", i.e. the last quarter of 1969. In the metal-working industry, which has always been the pace-setter, the practice of holding joint meetings of workers and joint sessions of union committees, etc., has resulted in common union policies and gradually helped to forge a common will. Progress towards trade union unity in Italy has thus gone a long way and must be borne in mind if recent collective bargaining trends are to be understood. For example, the metal-workers, at a conference held in July 1971, resolved to achieve unity during the next year. The confederations to which their unions belong endorsed this programme, but for the time being they are having to reckon with increasingly important minorities who are opposed to these moves. In August the UIL "excommunicated" its metal-mechanical workers' federation which is in danger of undergoing a split, while the CISL and its metal-mechanical workers' federation are in a state of open conflict.

Another very significant development is the fact that, during the extensive industrial strife of the past few years, the unions have found themselves providing guidance and leadership to other, sometimes reluctant, groups. It was in 1968 that the first big disputes, especially the strike against the Pirelli Company in Milan, broke out under pressure from small, unofficial groups which played a prominent part throughout the upheavals of this period. However, it is fair to say that the trade union organisations were on the whole successful in maintaining their position of leadership. They achieved this, and neutralised the "spontaneous" pressures from below, by breaking completely with their practices of the past and adopting a policy of constant communication with the rank and file and the totality of the workers. This in turn has led to considerable democratisation of the decision-making process, and as a result the unions, instead of representing only their own members, are tending to become the spokesmen of the working class as a whole.

The consequences of this state of affairs can be assessed only over the long term. What is already clear, however, is that in a very short space of time certain trade union organisations (especially those affiliated to the CISL) have had to abandon their policy of representing only their own members and bargaining solely on their behalf (even to the extent of trying to deny negotiated benefits to non-members). Today the movement appears to have emerged as the spokesman of great numbers of workers who are not themselves union members (the degree of unionisation has risen sharply, but over the country as a whole still averages less than 50 per cent¹) yet are deeply involved in the unions' struggle.

¹ In the metalworking industry, however, this figure is much higher—presumably of the order of 70 per cent—and there has been an increase of 250,000 members in the past two years.

It was in this broader representative capacity that, immediately after the disputes over the renegotiation of collective agreements in 1969, the unions dealt direct with the Government about what became known as the "reform strategy". They had come to realise that, whatever concessions might be extracted from the employers, the workers' fundamental needs could not be met unless certain vital reforms were undertaken, e.g. in respect of health services, housing, transport, taxation, and—less urgently—education. The unions, in short, were no longer mere bargaining agents restricted to the field of employment conditions but bodies able to hold their own with the Government in discussing the latter's own political programmes. Even the Government's plans for the south, the most backward part of the country, were discussed exhaustively on a bipartite basis; the unions insisted that this problem was the key to the solution of all the others, arguing rightly that the existence of a backward area within the country affected the economic development of the remainder. The Government was technically correct in describing its dealings with the unions as "consultations", but in actual fact they were nothing short of negotiating sessions which went on for several days and nights.¹

Evolution of the bargaining system

Let us now take a brief look at the pattern of industrial relations before 1963 and the way in which the new system established in that year has evolved. For fuller details reference should be made to my previous article; suffice it to say here that from the end of the Second World War until the early 1960s, the Italian system of collective bargaining was characterised by exclusive reliance on collective agreements concluded at the national level, whether in the form of general agreements for the whole of industry or special agreements for particular industries. This system was virtually universal. It began to show signs of inadequacy towards the end of the 1950s, however, when plant-level agreements became more common (even though usually negotiated with non-union bodies such as the works councils), while simultaneously there was a widening of the gap between the conditions of employment in large firms and those in small firms. Reverting to the diagnosis made

¹ On the constitutional implications of these talks with the Government—which completely bypassed the National Economic and Labour Council, a representative body which has been in a state of crisis from the beginning—see G. Giugni: "Stato sindacale, pansindacalismo, supplenza sindacale", in *Politica del Diritto*, No. 1, 1970. They were, in fact, a form of "political bargaining" of the kind dealt with by Selig Perlman in *A theory of the labor movement* (New York, Macmillan, 1928), p. 173. Political bargaining in Italy is non-partisan and is not to be equated with lobbying; it is genuine negotiation with the Government, which recognises the workers' representatives, even though not officially, as spokesmen of public opinion on a par with the political parties. Naturally, this action by the Government has given rise to criticism and controversy. See for example G. Negri: "Governo e sindacati", in *L'Europa*, 1970.

in a recent but already classic article by two British authors¹, it can be said that the distinguishing feature of the collective bargaining system in these years was a high degree of anomie.² Nation-wide collective bargaining was in fact a façade which concealed widening discrepancies between individual firms.

This phenomenon grew even more marked after 1960, when plant-level bargaining with the unions or (more rarely) works councils over internal conditions of work gradually became more widespread.³

The growth of trade union pressures from below, especially in the metalworking industry, led to a new development in 1962. In July of that year, the state-controlled concerns managed by the IRI and ENI⁴ signed a "protocol of intentions" for the metalworking industry in which they accepted that the nation-wide agreement could be supplemented by plant-level agreements dealing with such specific points as piece rates, new systems of job classification and output bonuses. This was tantamount to recognition of plant-level bargaining, though not without reservations, since the bargaining agent for the workers was not the union in the plant concerned but the trade union organisation for the province. There was, in short, no recognition in these agreements of plant unions themselves; this is something that was to change radically in the years that followed.

This method was called "articulated bargaining" and in due course became widespread in publicly and privately owned industry alike, to the extent of being codified in "protocols" preceding the agreements. The division of responsibilities was not always closely respected on either side, but the experiment was a major step towards acceptance of supplementary plant agreements within the industrial relations system. However, the working of this articulated system was hampered by a number of factors such as the economic recession that began in 1963, which made bargaining very difficult on the type of subjects covered by plant-level agreements, e.g. output bonuses. These bonuses were established in virtually all plants but, very often, instead of being linked to productivity,

¹ Alan Fox and Allan Flanders: "The reform of collective bargaining: from Donovan to Durkheim", in *British Journal of Industrial Relations* (London), Vol. VII, No. 2, July 1969, pp. 151-180.

² Defined by the authors as "a state of normlessness resulting from a breakdown in social regulation".

³ Works councils are elected bodies representing all the workers employed in a plant, usually elected from trade union lists. For the past ten to fifteen years the councils have been cold-shouldered by the unions, which look upon them as dangerous competitors too ready to accept paternalism from the employers and suffering from a general lack of toughness. In practice, however, the councils are now fading out of the picture (see below for a discussion of new forms of representation).

⁴ The two main public holding companies, the former of which controls all or most of the telephone network, radio and television, iron and steel, shipping and air transport, together with a number of large engineering firms (such as Alfa Romeo), while the ENI operates in the petroleum, chemical and textiles industries.

were in reality nothing more than fixed wage supplements. The first experimental period came to an end with the recession itself; in the circumstances it would have been unreasonable to expect the practice of plant-level bargaining to spread very fast.

The 1966 metalworkers' agreement—a cautious compromise

The metalworkers' collective agreement expired in 1966. As was noted in the previous article, it had increasingly tended to become the pace-setter, and the negotiations over its renewal took place in a strained atmosphere, both sides finding themselves in a rather ambiguous position. For one thing, the effects of the recession were still being felt while, on the trade union side, as the political differences between the confederations became increasingly blurred, they tended to crop up further down the line in relations between the confederations and their industry-wide federations. It was this latent conflict between the metalworkers' federations, which were increasingly inclined to go their own way, and the national confederations that formed the background to the hard bargaining over the 1966 agreement. The economic recession affected the whole of industry, so that trade union attempts to renew the many collective agreements due to expire made no progress. Under government pressure, the deadlock in bargaining was finally broken through talks at the level of the confederations, and in this way the confederations regained the initiative, but their attempts to strengthen their position as the final arbiters in the collective bargaining process were thwarted by the failure of a proposal for a "model" or "protocol" agreement aimed at covering the whole of industry.

This idea of the "model" agreement, which was much favoured in CISL circles, would have involved defining the powers of the parties at each level and the bargaining procedure at each stage. This would have strengthened the system of articulated bargaining, which was by now widespread throughout industry, and at the same time would have reinforced the position of the confederations themselves. Under the arrangement the unions would have been recognised as entitled to bargain with plant managements. But no detailed proposals in this sense were ever put forward and, while the model agreement was discussed for some time, none of the confederations had any precise suggestions to make. The crux of the matter lay not so much in what points should be covered by the agreement as in the whole idea of giving overriding responsibility to the confederations. This idea nevertheless influenced the setting up of the Government's planning machinery, which inevitably gave rise to proposals for Swedish-type centralised control of wages in close collaboration with the planning authorities. Events since 1967, however, have completely swept aside this scheme for a "model"

agreement, which had only come to the fore as a topic for discussion around 1966.

Despite the lack of progress in collective agreements as a result of the recession, negotiations were resumed between the employers' and workers' confederations on a number of important points affecting the whole of industry, but the results were not very striking. Between 1965 and 1966, three agreements which had been in force since 1947 (dealing with individual dismissals; redundancies; and works councils) were renewed with a number of marked improvements. As regards works councils, the new agreement for the whole of industry concluded in 1966 stated explicitly that they were not empowered to conclude agreements at plant level, but did not specify any other bargaining agent.

The principles governing individual dismissals agreed on between the employers' and workers' confederations were embodied in Act No. 604 dated 15 July 1966¹, which was already under consideration when the agreement was concluded and was one of the items of legislation later consolidated to form the so-called "Workers' Charter". On the whole, therefore, when allowance is made for the pressures created by the passing of legislation on dismissals and the fairly minor importance of the changes in the status of works councils, collective bargaining at the top during this period (1966-67) can be summed up as a phase of administrative tidying-up and, above all, of filling in gaps created by the absence of industry-level bargaining.

The resumption of industry-level bargaining

In 1966 bargaining at the industry level once more got under way, the pace-setter being the metalworkers' agreement. This was first renewed by the state-controlled concerns after long drawn out negotiations and then by private industry (this had by now become standard practice). It did not involve any major innovations and, looking back, can be regarded as a setback for the unions. The real reason for this setback was the lack of bargaining power, mainly due to the recession from which the Italian economy was still recovering.

But apart from the distinctly meagre wage concessions (a 5 per cent increase over three years), the agreement did contain a number of interesting points. For example, although plant-level unions were still not recognised, the provincial union organisations were empowered to appoint workers to special committees set up to negotiate such matters as job classification and piece rates. In practice, this gave the unions plant-level representation, even if by a roundabout route. Minor relaxations were also made in the rules governing the conduct of trade union

¹ ILO: *Legislative Series*, 1966—It. 1.

business in the factories, e.g. the granting of time off and permission to post notices. The most significant gain in the state-controlled concerns—even though in practice it was scarcely observed—was the requirement that managements should make premises available close to the factories for trade union business to be carried on. The agreement also regulated the deduction of union dues from wages, thereby doing much to stabilise the incomes of the Italian unions, which now can no longer be regarded as “poor”. The employers, for their part, received undertakings regarding strikes in continuous-process industries and other trades where stoppages of work without warning might endanger life and limb or damage equipment.

The example of this agreement was as usual followed in other industries, which took as their model the agreement signed by the private firms; this was slightly less advanced than the one concluded by the state-controlled undertakings. During this period ending in 1968 the most significant innovations occurred in the chemical, petro-chemical, petroleum and textiles industries.

The crisis in articulated bargaining

With the end of the recession, which had considerably restricted the opportunities for articulated bargaining, it might have been expected that from 1966 onwards the system would grow in effectiveness and gradually develop through a progressive expansion of the coverage of plant-level bargaining. Back in 1962 this had been permitted only in extremely cautious terms; indeed, word-chopping was taken so far that sometimes even the word “bargaining” was avoided—on grounds which paradoxically led on occasion to extensive bargaining! In short, a policy of progress in industrial relations covering the period up to the end of 1968—a policy which was clearly stated in a publication of the state companies¹—could be discerned in the actual enlargement of the scope of articulated bargaining and the strengthening of the procedural standards designed to regulate the conduct of disputes or to cushion their effects. The inevitability of industrial conflict was regarded in advanced management circles not any more as an evil but simply as a fact of life and even as a healthy sign, provided only that a few rules of procedure were observed.

Some at least of the agreements concluded at this time bear the stamp of this approach. For example, the agreements for the petroleum industry enlarged the list of points on which plant bargaining was allowed, and there was also a tendency—if not formally, at least in practice—towards direct negotiation between individual employers (sometimes

¹ Associazione sindacale Intersind: *Dieci anni di attività contrattuale (1958-1967)* (Rome, 1968).

assisted by their employers' associations) and trade union representatives who were in the firm but who might, for the principle of the thing, be delegated by the provincial organisations. Economic gains under these agreements continued at much the same rate up to 1969, despite the fact that the recession was by then over.

In 1969, however, there was a decisive change. The year opened with heavy and partly uncontrolled pressure from the trade unions in the form of wildcat strikes. Sometimes these consisted of alternating ("rolling") strikes and sometimes of repeated brief stoppages without notice by groups of workers who seemed to be acting for no particular reason. One important new development occurring in this unsettled phase and affecting the negotiation of the plant agreements that followed it was that, instead of the normal forms of representation consisting of works councils and factory trade union branches (which in any case were now only being formed with the utmost difficulty), a new type of worker representation sprang up in the shape of the so-called "delegates". These spokesmen, who are now playing a key part in the revival of the trade union movement and are discussed in greater detail later, are elected direct by their fellow workers in workshops or departments or sections. Sometimes these elections are conducted in association with the trade unions (which may put up candidates), and at other times completely independently, although the bargaining itself is usually carried out jointly with the unions.

In short, at the beginning of 1969 the traditional representative structure fell apart, while the principle of the division of responsibilities involved in articulated bargaining crumbled with the spread of agitation in the factories, which often led to the conclusion of far more comprehensive agreements. In virtually all cases the trade unions joined forces with the delegates' movement during the bargaining stage proper and took over strategic control. Simultaneously, however, it became common practice for workshop meetings to decide on the instructions to be given to their delegates or to the trade unions. It is impossible to give a clear-cut account of the situation because the whole pattern was, and still is, extremely blurred and complex.

It is not the purpose of this article to explore the reasons for this revival of working-class militancy, although some of the internal factors at work were mentioned in the first section. It is, however, worth mentioning two external factors which undoubtedly had some effect: the events of May 1968 in France, and the efforts of the student movement, which urged on the most extreme workers' groups and, although in practice playing only a marginal part in the struggle, managed to inject into it some of the themes of the radical student organisations, e.g. the struggle "against the system", workers' control, and rejection of the idea of delegating authority on the ground that all decisions should be taken directly by meetings of all the workers.

The hot autumn of 1969

Whether through hope, or fear of a general explosion as a result of industrial strife, public opinion was kept on tenterhooks throughout the whole of this period. In point of fact the "Italian May" was a long time coming and the "events" were more spaced out, but their impact was all the greater for that. In the spring of 1969 strikes of all kinds broke out in a number of large firms in the north. Most of them were short, unofficial rolling strikes, and in a large number of cases resulted in the conclusion of plant agreements. But once the trade unions had reasserted their authority, the movement was successfully harnessed to a clearly defined strategy designed to bring maximum pressure to bear when the most important national agreements were due to expire, i.e. in the autumn of 1969. It should be noted that the unions had already regained the initiative between 1968 and 1969 and following an agreement between the leading confederations which, after a bitter struggle, led to the introduction of a single national wage structure (and therefore the abolition of regional differentials).

The unions won several notable successes about this time, showing that they had by no means abandoned their position of leadership on the social front. Another significant achievement was the adoption, after a series of strikes for reform of the pension scheme, of much more advanced legislation in the spring of 1969.

Events unfolded punctually in accordance with the strategy mentioned above. The campaign for the renewal of the collective agreements was planned well in advance, especially in the metalworking industry, where 1.5 million workers were affected. Between 2,000 and 3,000 well-attended meetings were held which hammered out lists of key demands on which only very limited room for manœuvre was allowed. The meetings in no way served just to endorse programmes decided at the top. For instance, the FIOM (the CGIL metalworkers' federation), which was in favour of percentage wage increases, had to abandon its stand because of egalitarian pressure at the meetings for flat-rate increases all round. Unlike the practice in previous years, the lists of items for inclusion in the new agreements were not simply an assorted catalogue of demands which would later be whittled down to a few key points, but from the start represented a careful selection concentrating on certain well-defined objectives, which under the new strategy were to be fought for until they were all achieved.

Although the front-line troops during this hot autumn were the metalworkers, close behind were the unions in other major industries whose agreements were also about to expire. Agitation invariably began several months beforehand. The first agreements to be concluded were for the building industry, chemicals and cement; in the case of chemicals

the "protocol" agreement on articulated bargaining was terminated, and in the cement industry representation at plant level was explicitly recognised. But the question which gripped virtually the whole country and formed the main topic of the nation's political life for two or three months was the negotiation of the metalworkers' agreement.

In all, some 4 million industrial workers were involved in the strikes of this hot autumn—not to mention another 1.5 million in agriculture. A total of 520 million working hours were lost, 400 million of them in industry. Picketing was energetic and there were quite a few incidents with the police, management personnel and blacklegs, as well as a few cases of sabotage. The extremist groups often engaged in provocation, which the trade unions tried to counteract or contain, in the main successfully. They relied heavily on mass demonstrations, culminating in an imposing but peaceful march through Rome by 150,000 metalworkers in November 1969.

The country went through a period of acute tension and indeed fear, but it is only fair to say that the mass demonstrations such as the one in Rome were kept well under control. In fact they did a great deal to defuse the situation, since they proved that the movement was under proper leadership and that the unions' ultimate purpose was a settlement and not the overthrow of the system.

The Workers' Charter

Side by side with these negotiations, legislative action was being taken in the form of a Bill promulgating the so-called "Workers' Charter".¹ This is a somewhat vague term dating back as far as 1952, when the CGIL proposed that there should be a "charter of workers' rights" regulating the exercise of their civil and political rights at their place of work, as guaranteed by the Constitution.

The Workers' Charter announced by the Government in June 1969 represented a somewhat unusual approach. On the one hand it set out to implement the constitutional principles guaranteeing the workers' freedom and right to fair treatment (recognition of political freedom at the place of work, prohibition of unreasonable disciplinary practices and prohibition of equally unreasonable checks on absenteeism, etc.). On the other hand it was imbued with the notion much favoured in socialist circles and advocated by the then socialist Minister of Labour, Giacomo Brodolini, that obstacles to trade union action at the factory level should be removed by law. This notion, which undoubtedly owed much to the precedent of the French Act of 1968 and also the Wagner

¹ Passed into law as Act No. 300 dated 20 May 1970 (ILO: *Legislative Series*, 1970—It. 2).

Act of 1935 in the United States, held that representative trade unions should be granted recognition at the workplace. By "recognition" was meant not so much the right to be treated as representative or to bargain with the employer as the right to special facilities for the conduct of trade union business, although this in turn might be construed as a precondition for some form of intervention or bargaining. The Act is silent on this point. Neither the Bill nor the Act as finally passed dealt with the bargaining powers of the trade unions at the plant level. The unions themselves were vigorously opposed to any definition on the ground that it would be restrictive in effect.

The Workers' Charter was thus mainly designed to modernise methods of personnel management by introducing an element of respect for the law and democracy, and to strengthen the trade unions at the workplace at a time when their position appeared to be undermined from two sides—as a result of pressure from employers who were still hostile to the recognition of trade unions within the factories, and pressure from spontaneous groupings and small-scale movements which questioned the whole function of a trade union. In short, the Charter sought first and foremost to put the unions on a firm footing at the factory level.

Owing to its introduction of an exceptionally rapid procedure for dealing with disputed cases, the Workers' Charter has had a considerable impact and has given rise to a large volume of case law, nearly all of it favourable to the unions. But leaving aside the practical effect the Charter has had since its entry into force in May 1970, if we go back to the period under review, i.e. the hot autumn of 1969 when the Charter was still before Parliament, its value lay mainly in the influence it had as a statement of legislative policy which would ultimately be binding on the parties. The unions welcomed the proposal to recognise their activities in the factories, while the employers found it difficult to maintain their position when faced with the Government's declared intention of proceeding along these lines by law. There was thus a direct relationship between the framing of the Workers' Charter and the unions' actions—a relationship that worked both ways. The Bill's provisions were embodied in the unions' demands, and these in turn, since they preceded the passing of the Bill into law, provided material for modifications to the Government's original version, which emerged from the debates in Parliament in a considerably amended form. The Workers' Charter therefore has also been a fundamental factor in bringing about the major changes in the Italian system of industrial relations.¹

¹ The Charter consists of forty-one articles and is partly inspired by the international labour Conventions on freedom of association (Nos. 87 and 98). For details of the legal and constitutional background to the trade union movement in Italy, see my previous article in the *Review*.

The metalworkers' agreement of 1969

The bitter dispute over the renewal of the national metalworkers' agreement began in September 1969 and ended on 21 December 1969 with the signing of the new agreement by the private employers' delegation. The settlement for the state-controlled concerns had taken place two weeks earlier.

Before briefly summarising the contents of the agreement, which need not be analysed in detail here, it is worth recalling certain distinctive features of this vitally important round of negotiations. First, the bargaining began before the existing agreement expired, and indeed the new agreement was concluded before this date as well, so that there was no gap between the two. It should be added in passing that in almost all previous cases there had been a time-lag between the expiry of one agreement and the conclusion of another—sometimes of as much as a year or more. A second noteworthy feature is that the negotiations went on at the same time as the strikes, whereas it had been the established practice in Italy for the employers to refuse to bargain and for the Government to refrain from mediating while a strike was in progress. The third point deserving emphasis is the way the campaign was conducted, for not only did large numbers of workers take part in the stoppages but they also helped to take the actual strike decisions as well. What happened in practice was that the trade unions announced the number of hours for which workers were to strike each week and left it to the various workers' meetings to call the strikes as and when they thought fit.

Reference was made earlier to the fact that there was some disorder and violence—much less, however, than one might have expected in such a hard conflict. In the months immediately following, a whole series of prosecutions—denounced by the unions as a “wave of repression”—were instituted as a result of incidents which occurred during the campaign, mainly during the picketing, mass demonstrations and manning of road-blocks. In the end, however, Parliament intervened with an amnesty.

The democratic conduct of the campaign culminated in the ratification of the settlement reached by the trade unions. The negotiations had naturally been carried on by small groups of representatives, but the settlement was submitted to the workers' meetings, which voted on it; the pattern varied, but on the whole there was a large majority in favour of ratification. This, too, was an innovation in Italian practice, where bargaining at the national level had always been conducted entirely at the top with only very limited participation by local representatives.

A point worth emphasising is the heavy participation by young workers, and the motivating force constituted by the unskilled operatives, many of them immigrants from other parts of the country doing the simplest jobs and also the most restive under discipline, whether exer-

cised by employers or unions. The white-collar workers, especially the technicians, likewise played a prominent part.

The final and by no means the least important point to be made about this dispute concerns the mediation exercised by the Minister of Labour. This gave rise to bitter criticism.¹ The intervention by the Minister, Mr. Donat-Cattin (a left-wing Christian Democrat), in early November met with an unenthusiastic response, not to say hostility, on the part of the workers' organisations. But the Government felt that action had become essential because the negotiations between the parties themselves had been a disastrous failure. In actual fact, once mediation had been offered, the negotiations could not be transferred back from the Ministry, and from being a mediator the Minister was bound to become a virtual arbitrator. Indeed, the announcement of any settlement was almost always made by the Minister in official communications to the parties, with the result that the employers' organisations complained that agreements were imposed and not genuinely negotiated. It is true that the Minister's settlements "imposed" on the employers were extremely close to the unions' position. For the unions it was a notable success, since the concessions granted fell little short (a mere 20 per cent) of their demands. But a willingness to direct the final solutions towards achieving a marked increase in wages, a shorter working week, and a reduction in the gap between white- and blue-collar workers was announced at the very beginning of the mediation process as being the official policy of the Minister.

As regards the contents of the agreement—it would really be more accurate to speak of agreements, since there was one for state-controlled industry and another for private industry—one need only single out the main points in order to illustrate the changes in the bargaining pattern. Both agreements introduced, with a number of unimportant variations, a whole series of changes in pay and conditions. The increase in pay amounted to 65 liras an hour for operatives and 15,500 liras a month for salaried staff. This flat-rate increase reflected the egalitarian trend and the tendency for skill differentials to narrow; as was mentioned earlier, this was one of the demands that emerged from the stormy workers' meetings held during the bargaining. Other clauses provided for the gradual reduction of the working week to forty hours by the end of 1972; equal treatment for hourly paid workers and salaried staff in the event of sickness and injury; the drastic limitation of overtime; and a whole series of minor points (such as the overhaul of the pay structure to take account of the shorter working week, which was a very expensive concession). The points on which the unions' demands were rejected, or to all intents and purposes shelved, mainly concerned

¹ See G. Giugni: "L'autunno 'caldo' sindacale", in *Il Mulino*, No. 207, 1970, and now also under the title "L'automne chaud syndical", in *Sociologie du travail*, No. 2, 1971, pp. 159-177.

the provision of a career structure for salaried staff. The additional cost to industry of the agreement was estimated at about 16 per cent during the first year and a total of 28 per cent over the three years. It is undoubtedly one of the most expensive agreements to have been concluded in the past twenty years. The Minister of Labour, however, argued that it was necessary to expand domestic demand and to promote employment by cutting working hours and curbing overtime.

The second group of demands made by the unions, which also led to a good deal of hard bargaining, concerned the points subsequently regulated by the Act of 20 May 1970 (the Workers' Charter). The negotiations over the clause dealing with the right to hold meetings on working premises were particularly tough. One of the concessions to emerge from the negotiations was the right of workers to attend meetings during working hours without loss of pay, up to a maximum of ten hours a year. This innovation did not form part of the Government's original Bill, but was subsequently endorsed by Parliament and is now a statutory requirement. On the subject of time off with pay for workers engaged on union business, the two agreements differ in that the one for private industry followed the terms of the Bill, while that for state-owned industry makes more generous provision. The part dealing with disciplinary sanctions also contains a number of important innovations although, by and large, it does not come up to the standards that were laid down in the Government's Bill. The agreement will remain in force until the end of 1972.

The new bargaining pattern

On the morning of 21 December 1969 the hot autumn came to an end and a new chapter opened in the history of Italian industrial relations. The metalworkers' agreement marked an unprecedented success for the trade unions. It introduced major changes in a number of non-economic spheres, but even so, at the express desire of both sides, did not contain a definition of what at one time appeared to be the prime bone of contention, viz. the exact extent of plant-level bargaining.

It is fair to describe the bargaining pattern in Italy today as passing through a transitional stage in which the opposing positions are for the time being irreconcilable. The private employers' delegation had laid down as a prior condition to the opening of negotiations for the metalworkers that there must be a discussion on the exact scope of plant-level bargaining and a restatement of the principle that once a subject has been settled by negotiation it cannot be reopened elsewhere until the agreement has expired. The unions had rejected any prior definition of powers and the "protocol" on articulated bargaining was neither terminated nor confirmed.

The difference of opinion was fundamental and insoluble, and only a stopgap compromise could be found. On the insistence of the Minister

of Labour, the employers' confederation had withdrawn its condition, but the Minister himself acknowledged the need to tackle this problem at some later date after the new national agreement had been in force for some time. By the end of the first half of 1971, however, the talks envisaged by the Minister had still not been held and do not seem likely either. The result of negotiations on this point, therefore, was that the parties agreed to differ. The trade union organisations reserved the right to reopen issues in plant-level bargaining which had already been settled in the national agreement and denied that the latter in any way constituted a final settlement or even a truce. The employers' delegation based its case on the fact that the "protocols" of 1962-63 had not been specifically abrogated and must therefore be considered to be still in force. In practice, as was to be expected, plant-level bargaining expanded considerably in the months that followed, though it partially dealt with issues that were not covered by the 1969 national agreement.

The extent to which the agreement has bound the unions to a temporary truce has also been questioned. The actual behaviour of the parties suggests that the new agreement "was signed merely to put an end to the current dispute and in no way guarantees employers against possible future disputes".¹ Thus, from the point of view of the collective bargaining pattern as well, the hot autumn has brought about a major change—to the point where a jurist might be prompted to ask whether a collective agreement can actually be considered to constitute a contract imposing legal obligations on both parties. While this is plainly going too far, it is based on the assumption, considered to be obvious though unprovable, that any contract implies a legally enforceable truce (rather than in this particular case a reasonable *political* likelihood that the national dispute will only be resumed when the agreement expires). If there were not such an implied no-strike clause, this would mean that the duration of the agreement would be binding only on the employers. A third hypothesis can also be put forward, namely that there is an obligation to observe a truce but only on the points which were actually renegotiated in the national agreement.

The subject offers plenty of scope for argument and it is sufficient for our purpose to sum up the main issues involved. What is certain is that plant-level bargaining is on its way in and that, if only to a limited extent, it also covers matters which are the same as or similar to those settled in the national agreements.

Developments in 1970 and the first half of 1971

In 1970 and the early part of 1971 a number of major agreements at the national level covering some 2.5 million workers came up for

¹ G. Giugni: "L'autunno 'caldo' sindacale", op. cit.

renewal. Broadly speaking, the changes introduced were much the same as in the case of the agreement for the metalworkers. The main industries involved were textiles, glass, ready-made clothing, rubber and plastics. The increases granted—once again the same for everybody—ranged from 60 to 85 liras an hour. In some industries the principle of the monthly wage was accepted and other innovations were a reduction in the number of grades for operatives, the lowest being eliminated, while the experiment in job evaluation is being wound up. One agreement (in the rubber industry) conceded longer vacations, a point that had not been dealt with in the metalworkers' agreement. Almost all these settlements granted much more extensive bargaining powers to the unions at plant level.

The agreement for the rubber industry explicitly recognised trade union bargaining rights at the plant level, especially over such matters as working conditions and the determination of maximum permissible levels of toxicity. Similar clauses appeared in the agreement for the glass industry, which also terminated the "protocol" on articulated bargaining. Lastly, major gains were also secured in the agreement for agriculture.¹

Thus the years 1970 and 1971 witnessed not only the conclusion of a number of nation-wide agreements but also a remarkable upsurge in collective bargaining at the plant level. It is estimated that as many as 4,400 plant agreements of various kinds covering more than 1.5 million workers are now in force. In some cases they implement national agreements, the most significant examples being those concluded with Fiat in 1970 over the reduction of working hours, in which the trade unions adopted a policy of linking their own demands to the more general problems of national development. As a result, they agreed to spread the reduction in working hours over a longer period in return for an undertaking by Fiat to take active steps to create plants and jobs in the south.

In other respects the unions are not so consistent because, while they demand direct action to reduce congestion in the northern cities, the fact remains that shorter working hours and less overtime may actually mean a rise in the number of workers attracted there. So far, the rise has been very small, but the main reason for this is the stagnation of the national economy.

The plant-level agreements vary considerably in content. They are of course most numerous in the metalworking industry. The majority deal with direct and indirect wage increases (allowances, annual bonuses, etc.) as well as incentive payments. A smaller proportion are concerned with grading systems and hours of work, especially the arrangements for introducing the shorter working week. Relatively few reflect the new approach which has become apparent among the trade unions and which is discussed immediately below.

¹ For further details of the trade union campaign in agriculture see Bruno Veneziani: "L'autunno caldo dei braccianti", in *Economia & Lavoro* (Padua), No. 4, 1970, pp. 379-411.

As we saw earlier, the unions in negotiating with the Government on a series of wide-ranging national problems concentrated on the need for institutional changes in the social services in the widest sense of the term. This policy has undoubtedly had satisfactory results, but it is equally sure that the participation of the workers in these negotiations has been less active than in the collective agreement negotiations of 1969. On the other hand, the informal agreements reached with the Government have not met with the full support of Parliament, where resistance to their implementation through legislation has become marked.

At shop level the pattern of claims has undergone a remarkable change. Hitherto, industrial organisation has been the prerogative of management and the unions' task has been to bargain over the consequences of any changes in industrial conditions, especially as regards wages. Nowadays, however, they question the whole organisation of work within industry. The symbol of this campaign is the assembly line, which is singled out as the source of the workers' alienation and degradation. In this drive for a new type of organisation, particular importance is attached to such matters as the working environment, the pace of work and job classification. The demand is for an upgrading of jobs and a guaranteed career, combined with the abolition of incentive payments. The complete elimination of the lower grades, the introduction of job enlargement or job enrichment and the end of the practice of breaking down the work into simple operations have become common claims. The limitation of output, instead of allowing the pace of work to be set by the management, has also become far from infrequent. Nevertheless, in practical terms agreements dealing with these questions are still fairly few in number. A dispute broke out at the Fiat works in April this year largely over these points and led to some hard bargaining. This proved the most important test so far of the new union policy. The settlement, reached in June through the mediation of the Minister of Labour, substantially acknowledged the new union policy, but it was accepted that the changes in working conditions must be introduced gradually.

The emergence of demands of this type links up with the growth of the workers' delegate movement mentioned earlier. According to the (incomplete) information supplied by the metalworkers' unions, there are more than 22,000 workers' delegates in the industry belonging to 1,400 factory committees¹; taking industry as a whole, the delegates

¹ Information supplied by the second joint metalworkers' conference held in March 1971. An inter-industry survey showed the degree of unionisation among the delegates to be higher than in the metalworking industry alone. It is also worth noting that the average age of the workers' delegates is between 30 and 35, so that it is possible to speak of the emergence of a whole new class of workers' leaders. Only 30 per cent belong to a political party. See R. Aglieta, G. Bianchi and P. Merli-Brandini: *I delegati operai* (Rome, 1971); extracts published under the title "Les délégués ouvriers: nouvelles formes de représentation ouvrière", in *Sociologie du travail*, No. 2, 1971, pp. 178-190.

are strongest in textiles and clothing and the rubber industry. Their representative character can be gauged from the fact that there is usually one delegate for every thirty or forty workers.

The growth of the delegates' movement has also had an influence upon collective bargaining: while it was possible during the early post-war period to deny that plant-level agreements existed, now there is a close network of agreements right down to formal and informal arrangements between departmental managers and workers' delegates.¹ These delegates in turn are controlled by the departmental workers' meetings and are liable to be relieved of their posts at any time. Thus, although this description is something of an oversimplification, it can be said that the bargaining process has now become extremely decentralised, democratic and representative.

It is precisely through this extension of participation in the bargaining process that new issues are being raised, such as working conditions, piece rates and other types of incentives and grading systems. This can lead alternatively to great progress or simply to a reversion to highly restrictive work rules and practices. To a certain extent the introduction of some practices of this kind has been spontaneous and widespread (such as absenteeism), although it should be borne in mind that in the past Italian workers' output has been very high. To some extent also, this slackening is in accordance with the experience of other highly industrialised countries.

Conclusions

Thus the Italian bargaining system has undergone a drastic change since the hot autumn of 1969.

It is easier to say what has disappeared from the old system than to describe what has taken its place. For example, the whole question of workers' representation raises a series of problems on which the unions themselves are not in agreement. Sometimes the workers' delegates are union members and sometimes they are not. They may be elected from lists put forward by the unions or alternatively they may be selected without reference to their union membership. They should normally combine to form "factory committees", appointing their own executive bodies. These committees in turn, according to a proposal of the metalworkers, should form the basis for a new comprehensive metalworkers' union (rather fewer than 50 per cent of the delegates are union members at present). But while the proposal enjoys wide sup-

¹ This can be compared with the often informal "fractional bargaining" described by Neil W. Chamberlain in "Determinants of collective bargaining structures", in Arnold R. Weber (ed.): *The structure of collective bargaining* (New York, The Free Press of Glencoe, 1961), pp. 3-19. See also the analysis of "fragmentation" in Allan Flanders: *Collective bargaining: prescription for change* (London, Faber and Faber, 1967), p. 24.

port in the metalworking industry, this is not the case in other industries, where the tendency has been for the unions to take over the workers' delegate movement and to impose their own candidates for election or simply to appoint them direct.

Thus it can be seen that the situation is wide open and any number of outcomes are possible. The ultimate solution will depend on the speed at which the process of trade union unification goes forward, for it must be obvious that a representative structure such as the one just described will vary considerably in its effectiveness, depending on whether the unions manage to maintain their progress towards unity or whether the deep wounds inflicted prior to the period 1960-65 are reopened.

As regards the pattern of bargaining, the live issue of the moment is the definition of the bargaining powers to be exercised at each level. In purely descriptive terms the present situation is characterised by bargaining conducted at a number of levels (national, plant and sometimes company) without any co-ordination and therefore leaving the unions free to lodge claims at one level after they have been settled at another.

Another change has been in the significance attached to collective agreements, with the parties no longer agreeing to observe a period of truce and bargaining liable to be reopened at any time during the period of validity of the agreement. This means of course that in practice agreements are binding on employers but not on trade unions.

A system of this kind may seem extremely unstable and precarious and it undoubtedly is. "Permanent conflict", which is the motto of the more militant unions¹, nevertheless requires a medium-term strategy and entails occasional lulls in the hostilities even if they do not take the form of an agreed truce.

A choice has to be made between an explicit, formal definition of bargaining powers and deadlines, and an approach based on informal political practice adapted to the circumstances. The present trend is undoubtedly towards the latter, in which case it is easy to foresee that, especially since the recent battle over the definition of the national minimum wage, bargaining at the top between employers' and workers' confederations covering the whole of industry is bound to lose its erstwhile importance.

As regards the subject-matter of collective agreements, it may be recalled that bodies like the works councils are also fading away and certain subjects such as dismissals are now regulated by law. On the other hand, agreements between the employers' and workers' confede-

¹ Naturally—and not only in Italy—forecasts about the trend in this field often prove wide of the mark; see for example Arthur M. Ross: "Changing patterns of industrial conflict", in David B. Johnson (ed.): *Proceedings of the Twelfth Annual Meeting of the Industrial Relations Research Association, Washington, DC, December 28-29, 1959* (Madison, Wisconsin, IRRA, 1960), in which he speaks of the "withering away of the strike".

rations might regain importance where social matters are concerned (for example such matters as manpower policy and vocational training), on the lines of the recent experiment in France.

The national collective agreement for branches of industry, on the contrary, will continue to occupy a key position for a number of reasons. Despite the considerable gains secured by action on the shop floor, it has been shown that the unions' strength and bargaining power are greatest when the negotiations are nation-wide. This was the experience of the "hot autumn", when participation in the strikes reached its peak. In any case it is unlikely that as long as the unions engage in politics (as, for instance, on the occasion, referred to above, of their negotiations with the Government over various reforms), even if independently of the parties, instead of confining themselves to bread-and-butter issues, they will forgo an instrument with such obvious opportunities for political pressures and leverage—provided they can preserve their feelings of class solidarity. Furthermore, national collective agreements affect the conditions of workers in small firms, which is important since industrial concentration in Italy still has a long way to go.

Plant-level bargaining, now becoming increasingly widespread, has a twofold function: to blaze a trail for national agreements, especially in the big firms; and to improve and supplement these national agreements, especially in the smaller firms. Since it is improbable that nation-wide bargaining will disappear, it can reasonably be anticipated that the most advanced settlements will tend to be made in the largest firms, which will therefore enjoy a good deal of latitude. These settlements in turn will serve as pilot agreements for national bargaining purposes.

With all these changes in the forms of representation and assuming trade union unification as probable, bargaining will tend to be decentralised to the maximum extent until it merges into what is normally understood by the administration of a collective agreement (depending on the degree of flexibility of the standards to be observed).¹ At this level responsibility will fall mainly on the workers' delegates in the workshops or departments, who will end by combining the enforcement of plant or national agreements with the setting of new work standards. As regards this latter point, it is obvious that the current union demands to negotiate over industrial organisation and working arrangements are merely the thin end of the wedge. This situation is a challenge to the unions' (and also to the employers') inventiveness and initiative, as well as to their ability to co-ordinate and consolidate their demands in the interests of a common strategy. The imposition of work rules may help to humanise industrial employment and may even therefore be worth a falling-off in efficiency

¹ Allan Flanders: "Collective bargaining: a theoretical analysis", in *British Journal of Industrial Relations*, London, Vol. VI, No. 1, Mar. 1968, pp. 1-26.

which should in any case be balanced by the increased pace of technological progress; if this does not happen, there will be a corresponding slackening in the rate of increase of the national income. On the other hand, the practice must not be allowed to result in privileged positions for certain groups to the detriment of others.

The present bargaining pattern can thus be described as an uncoordinated, multi-tiered system ranging from what are virtually political negotiations with the Government at the top to informal bargaining by workers' delegates at the bottom. In the latter case, the bargaining merges into collective agreement enforcement and involves joint settlement of working practices. In turn, this development involves a major encroachment on the prerogatives of management and marks the end of the idea of the national agreement as a medium-term stabilising factor in industrial relations. In the other case—that of the unions' political activities or "bargaining" with the Government—the process clearly runs counter to the theory that industrial conflict should be treated in isolation¹ and opens up prospects for the unions of relationships with the political parties different from the traditional ones of subjugation together with a feed-back to the parties themselves and their leadership. These, however, are only general tendencies and some time must elapse before they can be verified and brought into sharper focus.

¹ Ralf Dahrendorf: *Class and class conflict in industrial society* (London, Routledge, 1959).