

Dualization vs. Solidarity

The role of Italian unions in the restructuring of the welfare state.

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***Abstract:** The aim of this thesis is to contribute to a critique of the dualization theory, starting from a critical examination of the role that trade unions play in the restructuring of the welfare state. I focus on the Italian case to contend that, contrary to the claim that unions' strategies are the outcome of the mere application of a "logic of membership" to decision making, unions' behaviour is better understood as the answer to changing power dynamics in the industrial relation systems. Also, I argue that the content of the strategies that the unions set out face to the challenges to their bargaining power, depends on the way they ideologically frame their identity. Finally, contrary to the claims that unions have become mere facilitators of coalition making – an instrument that their core members use to consolidate their position - I maintain that dualization is not and inevitable outcome of unions' bargaining practices. In contrast to the expectations of dualization theory, I show that stronger unions have an interest in performing inclusive strategies and that they can use cultural resources to overcome the conflicts between the permanent and the peripheral workforce, to favour inclusive outcomes. The research is built as a two-levels analysis of a single national case; the first part analyses the developments of the reform of Italian labour market and the role that unions played in it, while the second part focuses on four local case studies and examines the outcomes of inclusive bargaining practices at the plant level.*

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1. Introduction

Starting from the 1980s, most European governments engaged in a sustained drive to make their labour markets more flexible in order to adapt to the needs of a changing economy. Mainstream economists prescribed the relaxation of the norms that regulate employment as a necessary therapy to cure long-term unemployment (Blanchard & Wolfers, 2000; Lindbeck & Snower, 1986, 1990, 2001; Saint-Paul, 1996, 2002). The contention was that the removal of rent-creating institutions was going to reduce the inefficiencies of the labour market and to generate new employment opportunities. However, in most continental European countries the efforts of the governments did not result in an homogeneous deregulation of the labour market, but in the creation of a “dual” or “segmented” system in which a group of workers was still well protected by labour institutions. This outcome was regarded as the consequence of the active opposition of stronger workers in the core economy who had successfully defended their privileges at the expenses of weaker groups.

This argument was supported by scholars within the field of political science as well. “Dualization theory” explains the current shape of the labour force as the outcome of alliances between core workers and other relevant social actors (Rueda, 2005, 2006; Palier & Thelen, 2012; Lindvall & Rueda, 2014). Rueda (2005) was the first to contend that dualization was the result of the political alliance between core workers and social democratic parties. Palier and Thelen (2010) partly adopted this macro-political perspective as well. However, since over time it became clear that centre-left governments were as supportive of flexibility as centre-right ones, they put industrial relations back at the core of the analysis. According to them, European unions focused their efforts on the protection of the core sectors of the economy and opted for a bargaining activity that favoured their members at the expense of other workers. Workers in the core economy collaborated with employers in order to protect their privileged position and continue to reap the benefits of the increases in productivity levels. Organized employees entered a cross-class coalition with employers and allowed for the flexibilisation of the rules at the margins of the labour market in exchange for the protection of the status of the core labour force. The divide between “insiders” and “outsiders” has been redefined as that between the core labour force under a standard employment contract and a periphery that now includes not just long-term unemployed but also all those workers employed in insecure jobs and weakly attached to the labour market. This division has become growingly stable since, by choosing the “inward turn”, unions sacrificed their ability to promote collective goods for all. Eventually, the insider/outsider divide was underwritten by state policy, resulting in what Palier and Thelen (2010) call the “institutionalisation of dualism”.

Starting from a growing strand of literature that critically analyses the premises of dualization theory, I contend that this is a partial diagnosis.

Within political science, some scholars have become increasingly critical of the insiders/outside argument (Grimshaw & Rubery, 1998; Tsakalotos, 2004; Emmenegger, 2009; Davidsson & Emmenegger, 2013; Rubery, Keizer & Grimshaw, 2016). Contrary to the claim that deregulation favours egalitarian outcomes by equally redistributing power resources within different groups of workers, their contention is that deregulation gradually changes the balance of power towards employers and eventually damages the whole workforce. The alignment of mainstream economic doctrine with the preferences of employers has meant a general erosion of the bargaining power of work, hindering its ability to impose its own priorities. Moreover, the crisis of the manufacturing sector, together with outsourcing practices and the periodic restructuring of production, cause a continuous redrawing of the boundaries between the core and the periphery of the labour force; in this uncertain scenario, permanent workers' reaction becomes increasingly defensive rather than offensive. Unions themselves move between a power-constrained choice set, as the weakening of their constituencies hinders their ability to impose their priorities in the bargaining agenda; this often forces them to adopt second-best solutions.

The aim of this thesis is to contribute to a critique of the dualization theory, starting from a critical examination of the role that trade unions play in the restructuring of the welfare state. I focus on the Italian case to contend that, contrary to the claims that unions' strategies are the outcome of the mere application of a "logic of membership" to decision making, unions' behaviour is better understood as the answer to changing power dynamics in the industrial relation systems. Also, I argue that the content of the strategies that the unions set out face to the challenges to their bargaining power, depends on the way they ideologically frame the problem. Contrary to the claims that unions have become mere facilitators of coalition making – an instrument that their core members use to consolidate their position – I maintain that dualization is not an inevitable outcome of unions' bargaining practices.

2. Theoretical Framework

This chapter examines the evolution of the dualization theory and its critiques, that together form the theoretical framework of this research. As a necessary premise, the section opens with a reconstruction of the theory starting from its economic basis, the micro-economic theory of incumbent workers' market power and specific interests.

2.1. The dualization theory

“Insider-outsider theory” is an economic micro-theory of involuntary unemployment. It assumes that incumbent workers have a privileged position in the labour market, since the existence of turnover costs enables them to exercise some degree of market power over the firm (Lindbeck & Snower, 1986). The higher is the cost that a firm has to bear to replace an incumbent, the higher is his power to bargain better conditions for himself and to push the firm to settle for wages over the equilibrium level. Institutions, like employment protection legislation, are modelled as the equivalent of a tax on layoffs, that increases the costs of firing and enhances the ability of labour market insiders to extract rents when bargaining for their wages (Saint-Paul, 2002). Upward trends in wage bargaining contribute to prevent the creation of new jobs, damaging potential workers who could enter the market at a lower wage level (Lindbeck & Snower, 1986). The aggregate effect of incumbents' rent-extracting practices is to distort the market by keeping unemployment above the natural equilibrium rate (Saint-Paul, 1996; 2002).

Starting from the 1980s, insider-outsider theory provided the basis to mainstream macro-economic analysis of market inefficiencies. As economists observed that highly regulated labour markets were most exposed to long-term unemployment, they came to the conclusion that existing regulations were acting as an obstacle to the readjustment of national economies to shock waves (Blanchard & Wolfers, 2000; Lindbeck & Snower, 2001). The removal of those institutions that were increasing market rigidities - or, in other words, the introduction of “power reducing policies” (Lindbeck & Snower, 1990, p. 184) to mitigate insiders' market power - was seen as the best solution to level the playing field and reduce market distortions.

Over time, the argument that labour market “rigidities” have negative effects on unemployment levels gained consensus amongst European political elites. However, reforms didn't proceed in the direction of a wholesale deregulation but were designed to target the margins of the labour market, creating a two-tier system in which different groups of workers are covered by different principles and institutions (Saint-Paul, 1996; Palier & Martin, 2007). As of today, incumbents (with full-time permanent jobs) continue to be insured relatively well, while a growing portion of the working

population is employed in “flexible” or “atypical” jobs - connected to lower protection levels - and is mainly relying on social assistance (Palier & Martin, 2007).

According to dualization theorists, this division is the outcome of successful strategies of core workers aiming at the defence of their privileges in the labour market. Besides owning a share of market power, insiders are also able to wield a stronger political influence than the rest of the workforce (Saint-Paul, 1996). Strong of their numerical predominance and organizational capacity, incumbents have not just worked for the preservation of the status quo, but they actively favoured the implementation of policies that marginalized the “outsiders” by further limiting their political influence. Workers in the core economy have shielded themselves from restructuring processes in times of crisis, by exploiting existing patterns of plant-level cooperation and negotiating changes that have been disguised as strategies to preserve traditional social arrangements (Palier & Thelen, 2010; Hassel, 2014). These local arrangements were then translated to the whole labour market through state intervention, crystallizing them into new institutions (Palier & Thelen, 2010). Opposed to the idea that European labour markets are undergoing a gradual and continuous process of liberalization, the dualization argument contends that European societies have reached a new stable equilibrium that is based on the protection of a core labour segment, and that was built at the expense of a peripheral sector.

2.2. Unions and labour market dualization

Dualization theory considers unions as organizations whose strategy of action is mainly set out following what Schmitter and Streeck (1999) define as the “logic of membership”. A primary need of a political and voluntary organization is to structure itself in order to offer sufficient incentives to its members for them to keep on providing an adequate level of human and economic resources, that are necessary for the survival and growth of the organization. Dualization theories stress that some of the members have a greater weight inside the organization; this gives them the power to push the union to privilege their interests and demands over those of other members.

In the original and purely economic argument of the “insider-outsider” theory unions are regarded as an interest group for incumbent senior workers (Lindbeck & Snower, 2001). At the plant level, representatives can provide leverage and tools for rent-seeking activities, encouraging resistance through the means of strikes or picket lines. At the same time they can lobby for rent-creating institutions in the political arena. Because of the numerical and economic weight of incumbent senior members inside the organizations, unions always tend to favour their concerns, sometimes at the expenses of junior members at the plant level (Lindbeck & Snower, 2001).

Recent socio-economic studies of dualization, that focus on the analysis of reforms' trajectories, rely on the concept of the dependence of unions on their core membership. Scholars contend that in times of crisis, unions resolved to sacrifice the interests of lower income workers to those of their strongest members in order to protect their organization (Palier & Thelen, 2010; Hassel, 2014). In his analysis of the German reform process Hassel (2014) tries to show that, during harsh economic downturns, unions answered to pressures of powerful work councils in the core sector of the economy by adjusting collective agreements to allow for plant-level deals on numerical flexibility, sacrificing solidaristic forms of coordination and opening the way for bargaining decentralization. The general claim is that unions gave up their functions of creators of collective goods for the whole workforce and acquiesced to defend traditional institutions and practices for their core constituency, even at the expense of some of their own members (Palier & Thelen, 2010).

2.3. Segmentation as the result of power struggles

Starting from a power-centred analysis of the waves of reforms, some recent studies contend that the configuration of labour market segments at the national (Pulignano, Meardi, & Doerflinger, 2015) and at the plant level (Benassi, 2013) is the result of power struggles through bargaining activity rather than that of functionalist, rationalist distribution of workers' interests. According to this new strand of literature the argument that unions are acting merely on the behalf of the interests of their core constituency offers an overly-simplified representation of reality.

The claim that permanent workers' position in the labour market rests untouched, is contested by scholars that show how there has been a general erosion of labour power because of the implementation of practices of deregulation that weaken the independent bargaining power of the whole labour force (Grimshaw & Rubery, 1998; Tsakalotos, 2004). The role of the socio-economic background and the explanatory importance of power dynamics has been emphasised, arguing that the level of protection of the peripheral labour force depends on the strength of the Trade Unions and that hostile institutional settings - by enhancing or reducing this strength - influence unions' ability to bargain for the so-called outsiders (Pulignano, Meardi, & Doerflinger, 2015). On the other hand, favourable institutional settings can help unions' performance in this sense (Clegg, 2012). The contention is that unions have a strong interest in taking action to control the expansion of the peripheral labour force in order to defend their position and to be able to continue to protect their members. Different institutions work either to facilitate or to obstacle unions' effort in this sense. Depending on existing institutions that enhance or weaken their position in the national system/ their strength in the workplace, unions eventually manage to bargain for different outcomes.

2.4. “Logic of influence” vs. “Logic of membership”

Power-based theories overlook, in part, the problem of the existence of conflicts and different preferences between different segments of the workforce. First, in a precarious situation, different groups of workers inside the same plant might perceive each other as rivals. Second, different groups of workers might have different preferences about the aims that the unions should prioritize in their agenda. Indeed, it is true that a core group of workers is able to provide more resources than other groups and that unions have to take this into account when defining their strategy. “Core” workers’ preferences do have a weight in strategy formation and might obstacle solidaristic outcomes.

However, dualization theory does not take into account that unions have interests as organizations, and these organizational interests do not necessarily correspond to those of their core constituencies. In partial opposition with a dualization argument, some scholars contend that organisational interests are crucial variables in explaining unions’ behaviour and strategic choices during the wave of reforms (Clegg, 2012; Davidsson & Emmenegger, 2013). Unions can rely on resources other than those provided by their members, resources that come from their efforts to convert their industrial power into political power in order to achieve political influence (Schmitter & Streeck, 1999; Streeck, 2005). This effort allows them to extract resources from public authorities, like recognition, concessions or subsidies. In some countries, unions have managed to institutionalize their role in the administration of dismissal and their influence on the definition of labour market reforms (Davidsson & Emmenegger, 2013).

When we understand unions as political actors rather than purely economic ones, we see how they might have “a stake in co-ordinating claims for a wide-range of interest-bearing groups which might be harmed by the excessive achievement of one of them” (Pizzorno, 1978, p. 283). Unions as political actors do not act just like an agent in charge of the short-term interests of their members, but enact strategies that work in favour of long term goals (Pizzorno, 1978). According to Davidsson and Emmenegger (2013) unions’ compromises and concessions - or lack of active opposition - in the realm of labour market flexibilization, followed the necessity to protect their institutional role rather than being the answer to core workers’ pressures. Since new economic doctrines aligned with employer’s preferences for radical deregulation, unions started to lose the power to advance their own agenda. Compromise allowed them to maintain their institutional role in the formulation of labour market policies, and, as a consequence, to retain some power to influence the direction of labour market reforms. This interpretation lies on the consideration that “voluntary” agreements can happen within the frame of a power-constrained choice set, in which not all of the actors are in the position of walking away from the agreement without facing negative

consequences (Moe, 2005). The relaxation of the rules at the periphery of the labour market is not unions' first preference, but in hard economic times they are forced to play a defensive game, as maintaining an intransigent position might lead to a wholesale deregulation – and to the loss of their long term political power as an organization - if they lose the political battle (Davidsson & Emmenegger, 2013).

2.5. Unions as voluntary organizations: the problem of goal formation and the role of ideology.

A second strand of literature points out how dualization theorist they tend to overlook or downgrade the ability of unions to manage the conflicting preferences of their members and to reconcile organizational interest with individual ones.

As political organizations, if they want to succeed, unions have to face two challenges: they have to manage diversity inside the organization and they have to encourage individual engagement (Schmitter & Streeck, 1999). Ideology represents an important resource in both cases, providing “social incentives” (Olson, 1971) to individual engagement and supplying a framework to the formulation of associational goals. Unions actively try to shape the way in which their members understand their condition in relation to that of society (Hyman, 1997). In this sense, they are not passive receivers of members' requests, adapting themselves to the way the latter perceive their needs, but they also try to reformulate those needs according to their ideology.

With the term “Ideology” here, I mean a “system of perceptions, beliefs and aspirations” (Hyman, 1997, p. 9) that shapes unions' activity. Hyman's definition of ideology is broad: “ideology” is an alternative representation of reality the provides the ideal goals to be reached and, also, a project representing the link between concepts and actions, actions in which ideology finally takes form (Hyman, 1997). It is therefore to be distinguished from the concept of “doctrine”, which consists in the elements of official elaboration made by peak-elements of the organisation, and to be rather assimilated to that of ‘ethos’, meaning diffused beliefs and principles that guide action (Hyman, 1997)¹.

This definition has the merit of highlighting that “every instrument at disposition for the analysis and explanation of society has an evaluative dimension, no matter if implicit or explicit” (Hyman, 1997, p. 8), in other words, that no strategy or action is neutral, but rather it is the result of a specific understanding of reality, being it conservative, revolutionary or reformist. The influence of ideology on unions' strategic choices during the reform wave is largely unexplored, probably because unions

¹ About the distinction between “doctrine” and “ethos”, Hyman relies on a study of Drucker: Drucker, H. M. *Doctrine and Ethos in the Labour Party*. London: Allen and Unwin.

have been diagnosed with having lost their ability to formulate a plausible representation of an alternative political economy (Hyman, 1997, p. 34). It's contended that with the decline of the great ideologies of the 20th century unions' traditional rhetoric has lost its appeal and unions are unable to reach an audience of workers that are becoming more and more individualistic and less interested in collective solidarism. But the demise of the great political ideologies of the 20th century does not mean that unions' action has been emptied of an evaluative dimension, nor necessarily, that this evaluative dimension has been totally disconnected from its historic roots. "Goal formation" remains a vital function of an organization as such (Schmitter & Streeck, 1999), and therefore is a central part of the process of redefinition of unions' identity. It is realistic to think that ideology, by contributing to identity formation, still represents a source of individual social incentives for organizations' militants, and that traditional formulations couldn't have been wiped off overnight without risking the complete alienation of older active members (Hyman, 1997, p. 34). The second merit of Hyman's definition is that it contains a dynamic element that allows to analyse change without denying the evaluative nature of the process.

Unions have entered a process of redefinition of their identity/ideology, and the content of this effort influences the level of commitment of unions towards inclusive practices. Although through the course of second half 19th century the most powerful radical unions gradually turned to reformist positions, unions that maintain a stronger class orientation and are more committed to collective goals are purportedly more inclusive towards migrants (Connolly, Marino, & Miguel Martinez, 2014) and atypical workers (Benassi & Vlandas, 2016; Jódar, Vidal, & Alós, 2011) even when institutional incentives are scarce (Benassi & Vlandas, 2016). Research that wants to explore and corroborate this connection, should look at whether the inclusion of atypical work remains a pure concept of 'doctrine' or if it actually informs unions' action.

3. Research Design

Recent critical studies make compelling arguments and open new directions for research that are worth expanding and explore; this thesis starts from these critical examinations, aiming at finding new evidence of their explanatory power. Therefore, the research was designed to look for evidence in support of power-based and ideology-based analysis.

I chose to focus on Italy because its reform processes remains largely unexplored by dualization literature. The choice of a single national case holds the gain of allowing for a thorough examination of the phenomenon under observation in a national socio-institutional context that is different from the German model.

The research is built as a two-levels analysis of a single national case. The first part analyses the developments of the reform of Italian labour market and the role that unions played in it. The second part focuses on four local case studies and examines the outcomes of inclusive bargaining practices at the plant level. What I want to demonstrate through the analysis of the national level, is that Italian unions' behaviour is better understood as the answer to changing power dynamics in the industrial relation systems, rather than as the outcome of a permanent alliance between the employers and the unions. Also, I argue that the content of the strategies that the three main Italian confederations set out to face the challenges to their bargaining power depends on the way they ideologically frame the problem. Furthermore, through the analysis of the local case studies I want to provide evidence of the fact that dualization is not an inevitable outcome of bargaining practices performed by stronger unions; contrary to the claims of dualization theory, unions have an interest in the pursuit of inclusive practices and they can use cultural resources to overcome conflicts among the workforce and achieve inclusive goals.

3.1. A two-levels design

From the review of the literature on the dualization theory two arenas emerge as stages for the formation of cross-class alliances between the insiders and the employers: that of the plant-level negotiations, and that of the national bargaining over the reform and the implementation of labour and social policies. Alliances take the form of intra-plant agreements over numerical flexibility (Palier & Thelen, 2010), of a general acquiescence of stronger industrial unions to exploitation of low-cost work through the outsourcing of services in order to maintain their wage levels (Hassel, 2014), and of a support coming from the unions to social policies that benefit the insiders but damage the outsiders (Hassel, 2014).

The research is designed to cover both arenas and test existing critiques on the two levels: a first part analyses the developments of relevant legislation and the consequent reactions of the three confederations, while a second part focuses on the observation and interpretation of local case studies. Both levels are designed to verify, whether there are elements in the Italian case that suggest that unions' strategies are moved by logics other than that of membership.

3.1.1 The national level

The first part is based on relevant literature, on interviews with relevant actors in the trade unions, on official unions' documents and materials and on relevant press articles. I hold three interviews with national officers of the CGIL: one with Claudio Treves, the actual secretary general of the CGIL's union for atypical workers (NidiL); one with Tania Scacchetti, actual member of the confederal directive body of the CGIL; one with Gianni Rinaldini secretary general of the FIOM - the metalworkers' union affiliated to CGIL – from 2002 to 2010.

In order to look for evidence in support of the argument of Davidsson and Emmenegger (Davidsson & Emmenegger, 2013) on the necessity of unions to defend their institutional position in a power-constrained choice set, the reconstruction of the development of “flexibilization policies” is paralleled by an analysis of unions' institutional role and of its development in the last twenty years. This parallel reconstruction is meant to verify whether there was some form of exchange between the unions and the governments. The Italian case might appear to be un-fitted for this kind of analysis because of the scarce institutionalization of the role of social actors, yet, standard classifications underestimate the role that Italian unions managed to build for themselves in the national arena (Regalia, 2012), and therefore overlook the analysis of how their position in the industrial relations' system has changed in the last twenty years.

Also, I look for evidence of the influence of unions' ideology over their strategic choices. I do so by comparing the choices made by the three confederations over time and the way they officially justified them. As already recalled, Italian trade unionism has maintained its traditional division among ideological lines, although the three main confederations (CGIL, CISL and UIL) had to start a process of identity redefinition, which made cultural division more blurred. The reconstruction of the different choices made over time aims at highlighting whether fundamental strategic differences persist, and whether these are consistent to the different cultural elaboration of the confederations in the last twenty years.

3.1.2 The local level

To explore the dynamics of atypical workers' organizing at the plant level, I selected four relevant case studies that allowed to observe the contents of unions' action towards these workers.

The four plants correspond to different productive sectors and therefore fall under the responsibility of different sectoral unions. However, they were selected under the general criteria of corresponding to a sectoral union well rooted and strong in their territory. The selection appear to be suited for the purpose of testing the proposition that stronger unions are the ones who yield the strongest gains from the exclusion of peripheral work.

I selected four plants, located in the province of Modena: the local plants of Bosch-Rexroth (metalworking sector); those of Marazzi Group (ceramics); the plant of Grandi Salumifici Italiani (GIS, food industry); and the local Agenzia Sanitaria Provinciale (ASP; providing health services in the public sector).

I selected the province of Modena because the local *Camera del Lavoro* made the choice to try to implement and potentiate the local section of NIdiL, the atypical worker's unions affiliated to CGIL. This allows to study the interaction between NIdiL and the other sectoral unions affiliated to CGIL. Moreover, one of the my interviewees, Tania Scacchetti, was elected to the national body from being the Secretary General of the *camera del lavoro* of Modena. This gives me further elements to test the correspondence between the confederations arguments and declarations of intents and local practices.

It is possible to argue that this selection might result in a positive bias towards the confederation. Indeed, I agree that it would be erroneous to use these selected case study as a general standard of CIGL's bargaining performance. Yet, the selection of cases where organization happens, allows to test the basic assumptions of the dualization theory and of its critiques over the role and the logic of action of unions inside the plant. Also, the case of Modena offers a interesting insight on how NIdiL works and interacts with other unions, and on whether its action results in the end in exclusive rather than inclusive practices.

Following this considerations, it is also important to point out that the selection of a single area was also dictated by the necessity to circumscribe the research to answer to time constraints. I believe that the broadening of the territorial scope of the research would bring further insight to a study of unions' behaviour, and is important to strengthen eventual findings.

3.2. The case of Italy

Italy has been singled out by research on unions' revitalization as a relevant case (Gumbrell-McCormick, 2011) because of the efforts of Italian unions to represent atypical work. When they were faced with the introduction and the expansion of non-standard and atypical contracts, Italian unions decided to create a new structure, a new union inside the confederations, entitled to represent agency workers and other forms of atypical work. This choice brought to interesting results, like the

bargaining of a national collective agreement that established specific pay mechanisms to implement the principle of equality of economic treatment for agency workers (Burroni & Pedaci, 2014). However, the decision to create a new structure was criticized from the inside of the organizations (Gumbrell-McCormick, 2011) because the choice entailed the implicit risk of legitimising a division of the labour force. Moreover, the implementation of the structure at the local level is discontinuous and left the will and the resources of local confederal units, situation which could question the effectiveness of this choice. This potential ambivalence of the Italian strategy makes the case particularly interesting to study in the course of a critique of the dualization argument.

Also, Italy makes an interesting case study of the divisions inside the union movement. There are doubts on whether the decision to create a separate structure can be interpreted as the proof of a homogeneous strategy of unions on atypical work. Hyman (Hyman, 2001) shows how the issue of atypical work appears to be one of the main sources of conflict among the three main confederations (Cgil, Cisl, Uil), still divided along the original ideological rather than industrial lines. Indeed, in many occasions, the three confederal unions have taken different stances in the national debate on the reform of the labour market. These contrasting attitudes could be brought as an example in favour of an ideology-based argument on unions' strategies. Yet, it is also possible that these differences are more superficial or political, and that in practice the difference in the content of unions' action is extremely reduced. This further ambiguity calls for a closer examination of the real depth of the distance between the position of the three confederations, of the actual content of their action, and of whether this action is coherent with a more general set of values of the organizations.

3.3. The case of CGIL

Mainly out of time constraints, I had to limit the observation of the local case studies to the domain of one confederation. The choice of CGIL appeared to be the most relevant, as it is the union that invested the most in the organization of atypical work.

CGIL was the first to take the initiative to create a single structure for atypical workers (Gumbrell-McCormick, 2011), and is also the one who implemented the structure the most on a territorial basis. Recently, the confederation has put the subject of atypical and precarious work at the centre of its political and organizational discussion at the national level (CGIL, 2015), and promoted autonomous political actions. Over the last years, it promoted an internal campaign over the diffusion and implementation of the concept of *contrattazione inclusiva* (inclusive bargaining) (CGIL, 2013).

Because of the existence of numerous documents over the contents of CGIL's strategy on atypical work and on the principles inspiring it, the confederation appears the best choice for the local case's selection, as it allows to analyse the effective content and correspondence of the action at the plant level with the general discourse at the national level. To provide a stronger background to the local research, I also selected the interviewees at the national level among members of CGIL. It appeared relevant to analyse the arguments of the union who made most autonomous choices about the reforms, in contrast with the other two.

This doesn't mean that the research overlooks the positions of the other two confederations. In order to produce a complete general analysis, the national chapter is built upon literature, official documents and declaration made by all three confederations, which allows for a thorough comparison between the three unions.

For the reasons exposed, I believe that this local case-study selection brings important and relevant results. It is however true that the research remains, in part, incomplete; the next natural step would be to expand the observation to plants were the other two unions are the predominant confederation.

4. The Italian reform process: flexibility and job insecurity.

In order to test power-based arguments against dualization theories I am going to analyse the institutional framework inside whose boundaries union bargaining happens. As already stated, the analysis of the position of unions in the national industrial relations' system is contained and developed in the chapter five. Yet, in order to understand the limits inside which plant bargaining takes place, it is necessary to study the institutions of labour law that govern the internal market. Before proceeding to the analysis of the two levels, this chapter clarifies what “flexibility” means in the Italian system.² In the Italian case, labour law institutions contributed to creating an extremely stratified labour market. Some of these institutions already existed before the start of the process of reforms, while others were created - or modified – with it. The chapter shows how the process of reform in Italy –together with pre-existing structural factors- has meant a gradual and general erosion of labour power coupled with an increase in the precariousness of working conditions.

4.1 The Italian path to flexibility: liberalization through multiplication.

When compared to her continental partners in Europe Italy was a latecomer to the process of flexibilisation of the labour market, yet the country underwent a drastic process of reform concerning the regulation of labour. According to the Employment Outlook of OECD of 2004, Italy was the country that over the previous 10 years had relaxed national employment protection legislation the most in relation to the other countries of EU15 (OECD, 2004). The process of liberalization continued through the years reaching its height in 2014, as the last of a long series of labour law reforms (l. 183/2014, known as *Jobs Act*) further deregulated several forms of non-standard work, introduced a lighter dismissal regime for future long-term contracts, and reduced the sanctions on collective and unfair dismissal procedures.

While legal institutions protecting standard work formally remained stable until recent years, flexibility was introduced into the Italian system *at the margins* (European Commission, 2006). In fact, the legislation on dismissal procedures of permanent workers remained untouched until 2012, when the transitional government of Mario Monti approved a partial reform of the Art. 18 of *The Charter of Workers Rights* of 1970 (l. 92/2012). The article of the Charter codified the sanctions related to unfair dismissal procedures and introduced for the first time the obligation of

² To reconstruct the configuration of Italian labour market, I used as a general technical reference the labour law manual: Ballestrero, M. V., De Simone, G. (2012) *Diritto del Lavoro*. Torino: Giappichelli. Alternatively, I directly used the relevant laws, that are cited in brackets with the Italian coding system. In general, the research for the next chapter is based on my former thesis work on Italian law on atypical contracts: *La Disciplina Sanzionatoria nei Contratti Flessibili*, with which I graduated from the University of Padova.

reinstatement following unfair dismissal. The reform of 2012 narrowed the field of application of this sanction, that was in some cases substituted by an economic compensation. After three years, with the *Jobs Act*, the government of Matteo Renzi also revised the impact of the sanctions by further narrowing the field of application of reinstatement and sensibly reducing the economic entity of the penalty.

The introduction of non-standard contracts in national labour law legislation opened the way to this larger deregulation. Over the last twenty years, a stratified and complex system of norms was created by several labour law reforms providing employers with “exit-options” (Holst, 2014) from a strong labour protection legislation and from the constraints of all-encompassing collective bargaining. Before the reform of 2015, the Cgil (CGIL, 2012) counted 46 typologies of contract in Italian labour legislation, including all types and subtypes, and while legal institutions protecting standard work formally remained stable, this proliferation fed practices of “shopping contrattuale” (shopping for contracts) (Ballestrero & De Simone, 2012).

4.2 Job insecurity and structural factors.

As in other European countries, liberalization led to a rise of precariousness associated to the exclusion of an increasing number of workers from social rights and employment protection (McKay, Jefferys, Paraksevopoulou, & Keles, 2012). This trend was amplified by the economic crisis, that had a significant negative impact on working conditions (European Parliament, 2016). However, in Italy the proliferation of contracts interacted with a system that was already stratified and whose features favoured the expansion of precarious work. In this section, I will focus on how the importance of self-employment and the relevance of small firms in the productive system, combined with the incidence of submerged or informal economy, create a favourable environment for the deterioration of working conditions (Gallino, 2007).

The Italian economy is composed by a large majority of small and medium firms, the former type being predominant, meaning that 50% of the working population is employed in firms with less than 20 employees (CGIA, 2010). Workers in these firms have been traditionally covered by a lighter protection regime and do not enjoy the same rights to a representation inside the working place (Ballestrero & De Simone, 2012). Studies show how, in general, the high informality of the working environment of small firms, together with the lack of internal control, favour practices of non-compliance with labour law even in regular employment relationships (Travor, Monder, & Edwards, 2006). These practices represent an important precursor of precarious work (Travor, Monder, & Edwards, 2006; Prosser, 2016). The anomalous proliferation of atypical contracts - other

than part-time, fixed-term or temporary agency work – offered many instruments to employers to circumvent existing legislation and save on wages and social security obligations.

Tendencies to non-compliance interact not just with the size but also with the legislative form of the enterprise – the main and most relevant case being that of cooperatives. Born in the 19th century, cooperatives are non-profit entities with mutualistic ends, meaning that their aim is to assure and distribute work among their members. Because of their nature, cooperatives are subject to a lighter fiscal regime and to sector-specific collective bargaining. Giving its attractive features, over time this legal entity has been often stripped of its social ends, becoming a reservoir of cheap work for specific sectors of the market and a central actor of outsourcing in Italy (Ballestrero & De Simone, 2012): as firms started to outsource part of their work, cooperatives became predominant in sectors like cleaning, transports or logistics, employing mainly immigrants and offering a cheaper labour force that wasn't tied to the firm itself. In 2016 the Ministry of Labour reported that on the total of cooperatives controlled by authorities, more than 50% were fake ones (Ministero del Lavoro, 2016).³

It seems that this general situation has a particularly negative impact on the self-employed. Numerically, autonomous work in Italy is extremely relevant since 5.4 million of the, total 22.9 million workers employed in 2017 were self-employed (in 2008, before the crisis, they were 5.8 million) (CGIA, 2017). Among autonomous workers we can find those who were affected the most by the crisis and therefore are exposed to a higher risk of poverty: in 2015, 25,5% of families relying on incomes from autonomous work were at risk of poverty, against a 15,5% of those depending on incomes from employee work (CGIA, 2017).

Among this population, professional self-employment is growing in importance: qualified professionals where the only group among self-employed workers, whose numbers continued to grow during the crisis (Istat, 2017). The expansion, however, is not driven by traditional professionals – e.g. lawyers or doctors – who prosper on their fiscal condition, but rather by categories such as freelancers, who are mostly underpaid and ill-protected by the law. In fact, while the numbers of artisans and small shop keepers has been shirking – especially because of the economic crisis – the number of these freelancing professionals has been expanding, raising of 100.000 units between 2008 and 2013 (CGIA, 2017).

Hidden among these figures are those relative to involuntary and “bogus self-employment” (European Parliament, 2016, p. 93), the latter referring to work which is classified as somewhere in-between employment and self-employment. For Italians, involuntary self employment is not just a

³ The phenomenon of fake cooperatives often goes well beyond the sphere of a precarization of working conditions through non-compliance, and can be rather inscribed in that of exploitation within a criminal activity.

choice due to the lack of better alternatives: circumventing the law is common, since employers force self-employment on workers in order to avoid the costs associated to a standard employee contract (CGIA, 2017). The same applies to bogus self-employment, that Italian legislation has codified in a specific legal instrument: the *collaborazioni coordinate e continuative (co.co.co)*. There is a wide understanding among several Italian law scholars that the *parasubordinazione* (bogus self-employment) represents the contract of the future (Biagi, 2001; Tosi, 2012), a legal frame that can contain the new shapes and ways of work in a post-industrial economy. However, because of its hybrid definition, *parasubordinazione* lends itself to be an instrument of law circumvention, as the choice of a *collaborazione* over a *partita iva* (fiscal regime of self-employment) reduces the risk of the employer of being sanctioned for not applying the standard employee-contract. Although the figures relative to practices of elusion are difficult to calculate, authors like Gallino (Gallino, 2007) contend that most of these contracts are fake ones.

4.3 Labour law reforms and the expansion of non-standard and atypical work.

The opportunity for a multiplication of contracts in a system which had a tendency to create “flexibility” in its own ways - exploiting high levels of informality - has been at the centre of the debate since the beginning of the flexibilisation wave. Both centre-right and centre-left governments decided to adhere to that line of thought that contends that a relaxation of the norms of standard employee work improves general working conditions by making these instruments affordable to firms, so that they are not forced into illegality or downgrading practices (Friedrich, 1997). They also promoted the idea that the existence of further elements of flexibility other than traditional non-standard contracts (part-time, temporary work, agency work and apprenticeships) was a necessary element of the fight against non-compliance practices; when the new contracts became the actual protagonists of non-compliance practices, they reacted by trying to correct existing legislation but refused to abandon them. Reforms tried to discourage the circumvention of the norms by gradually increasing social contributions, but economic advantages are still there, as there is no fixed minimum wage that applies to these contracts. Also, they ended up creating different social protection regimes for different kind of contracts, in which a bogus-self employed enjoys more protection than a freelancer but always less than an employed worker. For this reason, in the Italian case it would be more correct to speak of segmentation rather than of a pure dualization.

4.3.1 The expansion of non-standard work.

The incidence of non-standard contracts dramatically grew over time, also pushed by the economic uncertainty brought about by the crisis. Part-time was the only form of work that continued to grow constantly after 2008, its incidence rising by 30,8% between 2008 and 2016; Istat estimates that, in all, more than a million of Italian workers were employed under a part-time regime during this period (Istat, 2017). Now Istat estimates that 62,6% of Italian part-time contracts are involuntary ones. This figure started to slightly shrink only in 2017 after the country finally started to see an initial recovery in job numbers. Yet the figure remains high when compared to the European average of 26%.

Through their reforms, governments tried (at least formally) to follow two parallel paths, by providing the tools for a flexibilisation of the labour market while also promoting the use of the standard contract. The so-called *Jobs Act* (l. 183/2014), the labour law reform that saw the light between 2014 and 2015, instituted a regime of incentives for the activation of standard contracts that, combined to the relaxation of the norms on dismissal, should have brought to a revival of permanent work. If we look at the first numbers, it seems that things are taking a different turn. It is true that the incidence of standard work over the contracts activated increased from 31,7% in 2014 to 38,8% in 2015 (INPS, 2017), suggesting that the incentives were doing their job. Yet, as soon as the incentives ended the figures started to go down again to “reach” 29,4% in 2016 (INPS, 2017). While Italy is finally experiencing a timid resumption of employment, and in absolute numbers standard work contracts grew with respect to 2015 and 2016 (Istat, 2017), the incidence of non-standard work over new activations in 2016 and 2017 seems strong: the figure relative to standard-work dropped to 24,2% in the first half of the year, while at least 101.000 units of part-time workers were activated only in 2016 (Istat, 2017). Moreover, despite a drop in 2008, agency work has been expanding during the years of the crisis, recovering and overtaking the initial loss. The number of workers with an agency contract grew by 9% in 2016, and, the same year, 15,6% of short-term contracts were activated by a work agency (Il Sole 24 Ore, 2017).

The appeal of non-compliance to the norms still stands also in the field of employee work, translating, for example in an abuse of internships. Because of its convenience internships have, in part, been dumping the proper contract of professional training, the *apprendistato*, that configures an employee contract regulated under collective agreements and implying the obligation for the employer to pay a wage and social contributions. The last report by the ANPAL, the institute that is in charge of monitoring the *Youth Guarantee* program, showed how Italian employers have made a disproportionate use of internships in comparison to other European counterparts and how only

25% of the contracts activated through the program resulted in the actual hiring of the intern (ANPAL, 2017).

4.3.2 Very atypical work: on-call contracts and vouchers.

The gradual relaxation of the norms over temporary work has been paralleled, as I mentioned, by the appearance of new special contracts. Among those were “*contratto intermittente o a chiamata*” (on-call contract) and “*lavoro accessorio*” paid through the use of vouchers⁴. These two types of remuneration were envisioned to compensate occasional work.

On-call contracts were introduced in 2003 (d.lgs. 275/2003) to further respond to the need for flexible arrangements, despite the fact that over time, with the introduction of various types of part-time arrangements, employers had already seen expanded possibilities to define a flexible working time schedule within standard or temporary contracts. The contract works by defining a time span of availability of the worker during the week (including weekends) during which the employer can call him/her according to necessity. An allowance paid by the employer should cover for availability periods, yet when the worker doesn't answer the call he can risk the loss of the allowance and the loss of his job, and, until 2015 (d. lgs. 81/2015), he could also be liable for the payment of a compensation for damages to the employer.

On-call contracts had alternate fortunes, partly because of the liberalization of *lavoro accessorio*, that offers a far more deregulated option for the use of occasional work. The Voucher is one of the most controversial products of Italian labour market reforms. Taking the idea from the Belgian system but deeply reinterpreting it, the voucher represents a payment method that can legally be used by individuals or firms to pay small, casual jobs without entering the obligation of underwriting a formal contract. The Italian version of vouchers is completely different from the Belgian one, where the voucher is not a direct method of payment; in the Belgian system, workers are hired by a specialized agency that activates an actual contract (Marx & Vandelannoote, 2014). The total cost of the service provided by the agency is covered by vouchers bought by the consumers, and by public subsidies that cover around 70% of the total amount.

In Italy the total value of a voucher – that should correspond to an hour of work - is of 10€, of which 2,50 are allocated as contributions, while 7,50 represent the actual amount perceived by the worker. Initially the voucher was thought of as a way to pay for social work done by marginalized individuals, then it became the legal way to pay students undertaking casual summer jobs in agriculture and the sporadic small jobs of retirees. Eventually its use was opened to every sector and

⁴ In lay speech and journalistic practice, this type of work is described through reference to its payment method – the voucher itself – and not with its legal definition.

subject. There is a limit to the amount that a single person can earn in vouchers: it that was increased from 3.000 to 5.000, and finally to 7.000 euro with the *Jobs Act* of 2015.

Despite the introduction of a fairly flexible instrument like on-call contracts – that should serve the purpose of covering for extremely flexible time needs – vouchers have been defended as necessary to tackle the problem of illegal work. Yet the levels of its abuse have become blatant over time, as some employees systematically paid less hours than the amount worked and used vouchers to pay for work that should have fallen under the regime of a proper contract. In 2015, after the final round of liberalisation, the number of vouchers sold rose by 60% - 111.921.574 in absolute numbers - according to the data registered by INPS (INPS, 2017). The number of workers involved in *lavoro accessorio* rose from 25.000 in 2008 to slightly less than 1,4 million in 2015. A study commissioned by INPS tried to make sense of the phenomenon and to estimate the levels of abuse of vouchers by cross-checking the data of the vouchers sold, the number of workers involved and the data on the vouchers effectively cashed: the study confirmed the prevalence of abusive practices, despite defending the existence of a non-irrelevant group of employers that used the instrument according to the rules (Anastasia, Bombelli, & Maschio, 2016).

In the late Spring of 2017, under the pressures of CGIL, the Government decided to abolish vouchers, but only to reintroduce *lavoro accessorio* under a different regime. This time, however, limitations were introduced, like the circumscribing of its use to firms with less than 5 employees and the total exclusion of certain sectors, like constructions. The limitations brought to a shrinking of the sale of vouchers and to a new upward trend in the use of on call-contracts, that grew by 124,7% (more that 150.000 units) between 2016 and 2017 (Istat, 2017), showing how the two contracts have been actually competing for a part of the market.

4.4 Labour Law Reforms and the erosion of labour power.

The liberalization of atypical contracts also implied a gradual loss of power by unions over their regulation. In fact, the reforms gradually marginalized the role of collective bargaining in the decisions concerning the use of non-standard contracts inside the firm. A first example is that of temporary work: up to 2001, temporary work in the Italian legislation was formally regulated as a narrow exception to the norm (l. 230/1962) and the law delegated collective bargaining to identify new hypotheses of a legitimate application of the contract (Ballestrero & De Simone, 2012). In 2001, a reform (d. lgs. 368/01) substituted the list of explicitly codified cases with a larger and more opaque formulation “ragioni di carattere tecnico, produttivo, organizzativo o sostitutivo” (for technical, productive, organizational reasons and in case of temporary substitutions), excluding the possibility for collective bargaining to intervene on the matter. Unions maintained a say on the

definition of the exceptions to the application of the numerical limit to the use of temporary work, that had to be approved by national collective bargaining. However, the last reform (d. lgs. 81/2015) established that this decision can also be decentralized at the plant level, making it contingent to the situation in the plant.

The reforms also reduced the available instruments – both for the individual worker and for the representatives – to challenge the application of a temporary contract or to put pressure for the permanent hiring of a temporary worker. In fact, the last reform (l. 183/2014 and d. lgs. 81/2015) directly eliminated the obligation for the employer to justify the use of temporary work in all of its forms, including agency work.

This erosion of power must be added to that derived from the proliferation of contracts like *vouchers*, and the expansion of precarious work in small firms through mechanisms of non-compliance with the norms, upon whose evolution the unions had scarce or no control. Indeed, the proliferation of various forms of self-employment has been impairing the redistributive mechanism created by a centralized wage bargaining whose content is applied to all the workers in a specific sector. However, the same can be said about the use of these kind of contract in larger realities in substitution to employee contracts, a use that is sometimes codified by the law: it is the case of call centres, where legislation allows for the application of *collaborazioni* to all workers employed in outbound services (Ballestrero & De Simone, 2012).⁵

Finally, even the position of the permanently employed does not rest untouched. The *Jobs Act* (l. 34/2014 and d. lgs 81/2015) has reduced the sanctions for illicit dismissal for all workers hired from 2015 on, meaning that over time the older regime will be completely substituted by the new one. Moreover, by introducing a gradual system of protection, over time it will create a new division deriving from the existence of distinct regime between younger and older workers in the firm. Also,

⁵ Some blatant cases of non-compliance with the law were associated to a contract named *Associazione in partecipazione*. The expansion of this contract was the result of a stretched interpretation of a pre-existing legal norm in Italian legislation. It entails that a subject can participate in an enterprise by contributing to it with some input other than money, like materials or land, and on top, also its own work. In exchange, the person receives part of the profits. Normally the person who contributes should be included in the management of the enterprise or at least informed over its development by the main owner, who, however maintains the control over it, and can decide whether to ask the participant to take part in the economic losses or not. Some employers started to interpret the norm as allowing for a subject to participate by just bringing in their own work, which opened the way to many violations. Workers who were nothing more than standard employees, and weren't participating or taking part in the enterprise, were asked to sign a contract of *associazione in partecipazione* so to avoid the costs of a standard contract. Although their use was more typical in small realities (like shops), even some large ones tried to take advantage of it: for example, *Calzedonia* became famous for its use of *associazione in partecipazione* in many of its shops, even introducing a clause of participation in the losses in the workers contract. It took 20 years to abolish the contract - starting to count from its informal legitimation in 1995 - but finally its use was prohibited in 2015 (dlgs 81/2015).

the reform has codified the possibility for the employer, under certain conditions, to re-allocate the worker inside the firm to perform duties differing from those he had been hired for, without respecting the principle of the equality of functions in this re-allocation (Perego, 2015).

Overall, we can affirm that the reform process in Italy has meant a gradual and general erosion of labour power sided by a growth in the precariousness of working conditions. In part, the rise of precarious work can be attributed to structural factors like the harshness of the economic crisis, and a diffused tendency of non-compliance to labour legislation. However, the legal multiplication of contracts has interacted with these structural factors by providing exit options from legal boundaries and generating increasing segmentation. In the next chapters, I will try to analyse whether the unions have collaborated with this process by spontaneously giving up a part of their bargaining power to obtain something in exchange, or rather, whether they have suffered the consequences of this process and enacted defensive or offensive practices to face these changes.

5. Political strategies in the national arena

Italian unionism provides an example of how different unions can follow different strategies when confronted by the problem of raising job insecurity and social inequalities. After a first period of convergence of union action during the nineties, corresponding to what is portrayed as the “golden era” of concertation in Italy (Regini & Regalia, 1997; Regini, 2000; Baccaro, Carrieri, & Damiano, 2003; Negrelli & Pulignano, 2008), the three main confederations started to take different stances on the reform of the bargaining system and of the labour market – with CGIL often opposing the content of the reforms while CISL and UIL compromised with the governments.

Initially, all three confederations consented to the first round of reforms of the labour market that entailed a partial decentralization of bargaining (with the “Ciampi protocol” of 1993), and to a revision of labour law that entailed the introduction of agency work in Italy (with the reform of 1997). Concertation, in the form of social pacts, happened in a moment of relative strength of the unions in the political system, when they were invested with the role of actors of social cohesion and governments looked for their support as source of legitimacy of the newly adopted policies (Regini & Regalia, 1997; Negrelli & Pulignano, 2008). However, this was also a moment of strong external pressures, as Italy was affected by high inflation rates and an increasing sovereign debt, which threatened the stability of the system and the country’s entry in the Monetary Union. In this situation, when drastic and painful changes appeared inevitable, unions felt strong enough inside the system to pursue a strategy of “organized decentralization” (Regini, 2000) or “regulated deregulation” (Hyman, 2001), that is, to compromise on partial reforms as long as they maintained their role of coordinators of the process. However, by the end of the decade power equilibria started to change, as a conservative and employer-friendly government took charge, and soon enough the three confederations were divested of the role of privileged reference-social actors of the governments (Negrelli & Pulignano, 2008; Regalia, 2012). Over the last decade their power to influence the agenda has been further eroded as governments found themselves under the stringent pressure, coming from European authorities, to implement austerity measures in order to meet the requested budgetary goals. In this process, governments even used the divisions amongst unions to divert the reforms in the desired direction (Ceron & Negri, 2018).

Faced by the same kind of challenge to their relevance as political actors, the three confederations decided to adopt different strategies. From the late nineties on, CGIL refused to officially endorse modifications leading to further deregulation and decentralization, while CISL and UIL decided to continue to sit at the table with other social actors and were more willing to give up part of their bargaining power on wage setting and work conditions in exchange for concessions

on job creation policies and taxes (Baccaro, Carrieri, & Damiano, 2003) and in order to maintain their role as interlocutors. Arguably, their different predisposition to compromise on certain issues is coherent with some persistent differences in their understanding of unionism and union identity: while CGIL maintains a stronger inclusive stance, which entails a broader understanding of their role and of the “common interests” of the working population, CISL and UIL tend to adopt a more pragmatic and associative take on unionism with a tendency to prioritize bargaining in favour of their member’s interests (Hyman, 2001; Negrelli & Pulignano, 2008; Regalia, 2012). This makes compromise on certain issues more acceptable – in general – for the constituencies and the militants of CISL and UIL and less for those of CGIL, as demonstrated by the internal disputes (Hyman, 2001) generated by the choices for moderation and for compromise adopted by the latter confederation in the nineties, but also by subsequent choices that weren’t deemed strong or decisive enough by parts of the organization with the strongest militant traditions.

5.1. The Italian industrial relations system before the nineties

The position of strength in the system in which the unions found themselves at the beginning of the nineties was the product of a favourable conjuncture (Baccaro, Carrieri, & Damiano, 2003) but also the result of ongoing processes and strategies that had been reinforcing the influence of the organizations and providing them with autonomous power and economic resources (Regalia, 2012). Over time, Italian unions had gained a central role in the implementation of social policies, as public institutions suffering from scarce legitimation growingly involved them in tripartite committees. Also, the confederations became central in the administration of pensions and other welfare programs by implementing the *patronati*, union benefit advice centres that through their work often compensated for the shortcomings of an inefficient system of public offices. The publicly offered services made unions eligible for public funding, which gave them access to autonomous resources, while further increasing their involvement in the definition and implementation of social policies. Finally, starting from the mid-eighties, Italian unions were starting to strengthen their political influence over local administrations, as practices of local social pacts between municipalities and social actors became more and more common (Regini, 1998; Regini, 1997; Galletto, 2013). Local sections of trade unions became often involved in less conflictual exchanges that brought to the signing of common plans to deal with economic regeneration of crisis areas and local development, and for the management of local welfare.

Before that moment, the scant formalization of bargaining rules had been compensated by mechanisms that had extended bargaining coverage and led to a *de facto* recognition of unions by the other actors, which compensated for opting-out practices (Ginsborg, 1989; Hyman, 2001;

Regalia, 2012). *De facto* recognition was particularly strengthened during the Seventies as a result of the events of the ‘hot autumn’⁶. By riding on the wave of mobilization coming from the factories despite the opposition of the parties (even of the communist party), the confederations had gained autonomy and came out from that period extremely reinforced, having redefined their relation with their members and having won the battle over the Charter of Workers’ Rights. Italian unions gained the status of the most representative popular institutions and governments started to turn to them when they needed support and legitimation for the implementation of controversial reforms. Simultaneously, despite the lack of strong regulation by law, national courts had contributed to the extension of bargaining coverage by producing relevant jurisprudence to support this mechanism (Ballestrero & De Simone, 2012).

The political influence gained after the hot autumn increased unions’ propensity to perform as political actors and enlarge the scope of their activities well beyond working conditions and pay-setting, to fight for broad social reforms (Baccaro, Carrieri, & Damiano, 2003). The period of unity of action of the Seventies allowed the unions to pursue redistributive wage strategies embodied in the adoption of the *scala mobile*: a system of wage indexation that established the principle of flat rate increases. This had important and far-reaching effects, since the jurisprudence that extended collective bargaining had been particularly strong for what concerned salaries (Ballestrero & De Simone, 2012), gradually establishing the principle that the wage levels set through national bargaining served as a general parameter of reference for every employer to set a proportional and sufficient compensation. In this phase, the confederations pursued egalitarian goals, even at the expense of the loss of some of their highly skilled members that defected from them for smaller and autonomous organizations.

However, despite their success in reinforcing both their role and their level of influence in the system, unions’ unity of action didn’t last longer than the early Eighties (Regalia, 2012). The main matter of contention was that same *scala mobile* that represented the symbol of the former season, and that had gradually been threatened by reinvigorated employers and governments. Under the pressures of the necessity to reduce inflation, unions agreed to partial changes in 1983, but the following year, when the governments pushed for a further re-dimensioning of the law, CGIL refused to endorse the reform. Meanwhile, mainly because of the process of economic restructuring that led to the loss of employment in industrial sectors, union membership had been drastically re-dimensioned, while the employers had gained terrain again. The renewed strength of the employers, mixed with the division between the union front, led to a decade of partial marginalisation of the

⁶ The “hot autumn” was a period of high social unrest, starting in 1968 and culminating in 1969. The broad discontent with working conditions fuelled industrial militancy among semi-skilled workers in the leading manufacturing areas. The upsurge was driven from below and led to a dramatic redefinition of Italian unionism.

unions in the political system. However, the late eighties also saw the rise of cooperation at the local level, where, despite divisions on the matters of national policies, unions and employers pragmatically cooperated to the restructuring of many industries, implementing strategies that Regini defines as “sheltered microconcertation” (Regini, 1997).

This kind of cooperation at the local level and the alternate success of concertation at the national level had arguably been facilitated by the blurring of the ideological lines between the three unions (Hyman, 2001). This process of redefinition of ideology was particularly relevant for the participation of CGIL that was gradually pursuing the path that would have brought it to adopt a post-communist identity with the 1991 Congress. Concertation, at different levels, was incorporated in CGIL’s practices as a way to exercise workers’ right and capacity to participate in decision making and exert their influence over the reorganization of work (CGIL, 1991). Bruno Trentin, secretary general of the confederation from 1988 to 1994 and the major intellectual designer of the change, considered concertation a necessary practice for a union that aimed at performing as a *sindacato generale* (general union), i.e. to defend the universal rights and interests of a broadly defined working class (Trentin, 1996). Against intransigent positions, he claimed that participating in national policy making was an important instrument to establish the political and cultural autonomy of the organization and its independent ability to elaborate and promote alternative solutions. In his own words, to avoid the trap of “iniquitous practices of neo-corporatist centralized agreements” (Trentin, 1996, p. 235), it wasn’t necessary to reject cooperation, but rather to reinforce internal procedures of democratic legitimation and to establish concertation as an instrument rather than “the *raison d’être*, the main aim of the union” (Trentin, 1996, p. 235). By reclaiming concertation as an instrument, and the pursuit of workers’ rights and the practice of solidarity as the final aim, Trentin was providing a way to incorporate both cooperation and conflict in union’s practices of a post-communist CGIL.

Although ideological differences between the confederations became more blurred than in the past, some important disagreements on the understanding of “what it means to be a union today” (Hyman, 2001) persisted. In particular, these translated in different views on the issues of flexibilisation - or deregulation - of labour conditions and wages and on the decentralization of collective bargaining (Baccaro, Carrieri, & Damiano, 2003).

5.2. The 1990s and the peak of Italian concertation.

At the beginning of the decade the country was facing a major economic and political breakdown. In 1992, the revelations surrounding *Tangentopoli*, a huge corruption scandal involving many prominent political figures, led to the dissolution of the Christian-democratic (*Democrazia*

Cristiana) and Socialist (*Partito Socialista Italiano*) parties. Simultaneously, the fall of the Soviet Union had initiated the process of transformation of the Communist Party (*Partito Comunista Italiano*) in a new, post-communist political entity (later named *Partito Democratico della Sinistra*). These events opened the way to a new political era of instability that saw the alternation of eight governments within a single decade. Meanwhile, public debt and inflation reached alarming levels.

The newly elected Amato government, weakened by the events, had to face the challenge of healing the economy in order to match the parameters that would have allowed the country to enter the monetary union. In that situation, unions found themselves in the peculiar position of being the only major organization that had preserved its credibility. Under the threat of a feared breakdown, the government called on the unions to act as elements of social stability (Regini & Regalia, 1997; Negrelli & Pulignano, 2008) and to participate in unpopular austerity measures. Eventually, after a long and extenuating procedure, all three confederations signed the pact that brought to the abolition of the *scala mobile*.

The decision to sign the protocol of 1992 abolishing the *scala mobile* represented a great internal challenge for CGIL, and this first step in the years of concertation didn't seem to help the popularity of any of the confederations among the population. During the negotiation phase, tensions between CGIL, CISL and UIL were high, as the former judged the content of the deal insufficient and accused the government of acting as agent for Confindustria (Trentin, 2017). However, eventually Trentin felt that he was caught in a trap and that he was left with no other choice but to sign. The feeling of "having betrayed the mandate received by the direction of the CGIL" (Trentin, 2017, p. 305) led him to resign immediately after the signing of the pact. According to Gianni Rinaldini, then secretary general of CGIL Emilia Romagna, and to-be secretary general of FIOM:

"The judgement of Trentin over the pact was even worse than what many of us in the CGIL had expressed, but he was convinced that the country was going to collapse and that at that point the CGIL would have been left not just alone, but also internally divided, with everything that this might have entailed." (Interview, 1).

The resignation of Trentin was later rejected by the union's bodies, but the situation remained tense as the protocol was followed by a period of civil unrest and wildcat strikes. "[The signing of the protocol] infuriated workers. It was a revolt. Every time there was a public gathering in 1992 – no matter what union was speaking – it was difficult to handle the situation:

“Trentin was assaulted in Florence, D’Antoni⁷ was assaulted in Milan, in Piazza Duomo, Cofferati⁸ spoke in Turin protected by plexiglass barriers. There was a revolt, they weren’t the usual protests of organized groups, it was a revolt of our people.” (Interview 1).

The situation drastically changed the next year, with the signing of another pact that revised the contents of the former agreement. The confederations managed to seize the opportunity for a partial stabilization of the bargaining system in terms that were more favourable to the unions (Baccaro, Carrieri, & Damiano, 2003) and that eventually reinforced central coordination of wage dynamics (Regini, 2000). Despite the pressures of Confindustria to reduce bargaining to a local-level practice, the pact envisaged the creation a two-levels system, that allowed for a partial decentralization of wage-setting tasks but at the same time reinforced the coordination functions of centralized agreements. Moreover, the process was internally legitimized through the promotion of a referendum amongst unions’ constituencies that reinforced mechanisms of internal democracy (Regini & Regalia, 1997). That time, despite some “ambiguities”, even Trentin judged the pact as “the best possible given the present conditions” (Trentin, 2017, p. 353).

As pointed out by Gallino (Gallino, 2007), the pact of 1993 represents the first decisive step in the process of the reform of the Italian labour market, as it contains an opening to a modernization of the norms regulating working time, and to the introduction of agency work in Italy. Indeed, in the following years, in a situation of renewed concertation, no union decided to completely oppose the idea of a partial revision of labour law legislation and all three confederations endorsed the subsequent reforms. Arguably, at that time unions underestimated the impact of the introduction of these new contracts and, at the same time, thought that they could control their expansion. It is clear from the reports that what they feared the most in terms of its impact on equality was the reform of wage and bargaining settings: “There is no doubt that 1993 represented a moment of transition, but the main ones came later, the acceleration came later.” (Interview,1). As the current secretary general of NIdiL, Claudio Treves, argues: “[in that phase] the attitude of the CGIL was that of a willingness to concur to the regulation of the new forms [of work]” (Interview 2). So did Sergio Cofferati, secretary general of the CGIL from 1994 to 2002, in his speech at the CGIL National Congress in 1996, where he consented to the introduction of “innovative forms” provided that “the basic conditions of salaries and protection contained in collective bargaining continue to stand” (CGIL, 1996, p. 31). By the beginning of the congress a new centre-left government led by Romano Prodi and expression of the *Partito Democratico di Sinistra* – the main product of the dissolution of

⁷ Secretary general of CISL from 1991 to 2000.

⁸ Future secretary general of CGIL (1994-2002).

the Italian Communist Party – had taken office. With that party still representing its closest interlocutor, CGIL opened a new season of concertation – together with CISL and UIL – that led to a new “pact for work” in 1996, endorsing the labour market reform of 1997 that officially introduced agency work in Italy. The unions managed to dictate their terms over the use of these contracts, that was contained by strict limitations and subject to the control of collective bargaining. As reported by Treves: “The first version of agency work [...] was strongly based on three pillars: the principle of exceptionality [...], that of an equal treatment [...], and the rule that everything should have been regulated under collective agreements.” (Interview 2). Moreover, the use of this work was limited to highly skilled workers, excluding many professional qualifications and sectors. Overall it seemed that the unions had managed to limit the perimeter of the application of agency work in a way that would have allowed them to deal with it.

An issue that most arguably went unnoticed and was underestimated by the unions at the time was that of a slow but continuous expansion of the *collaborazioni coordinate e continuative* in the autonomous labour market. If, initially, they represented a rather small niche, they saw a literal boom after the pension reform of 1995, when workers in this position were formally subjected to some form of contribution. This indirectly meant a legitimation, and brought to an expansion that arguably wasn't foreseen by the legislator, nor by the unions. Again, at the time the main focus was another one, as the social partners were negotiating the first big pension reform in years (Regini & Regalia, 1997; Baccaro, Carrieri, & Damiano, 2003). In that occasion, it definitely seemed that the three confederations had reached an agreement in favour of their stronger constituency, the burgeoning portion of pensioners and to-be pensioners, as they negotiated gradual spending cuts that were to affect mainly the younger cohorts.

5.3. The 2000s: the Berlusconi era and the liberalization of the labour market.

The relative power position reached by the confederations started to show its precarious nature at the end of the decade. Unlike the relevance gained in the “post-hot autumn” season, that was supported by a large popular mandate, their position in the Nineties was largely dependent on the willingness of the governments to grant it. So when the new political parties started to become stronger and less dependent on external support, unions' relevance was challenged again. With the election of Silvio Berlusconi industrial relations took a different turn, as the new conservative government switched from practices of concertation to a less binding form of “social dialogue” (Regalia, 2012). Moreover, while in the previous years Confindustria had consented to take part in mediated-concertation, at the beginning of the new century the head of the main employers' organization was taken by a small businessman that saw scarce advantages in an interaction with

the unions (Negrelli & Pulignano, 2008). The following years were characterized by renewed conflict and the frequent opting-out of CGIL from the negotiating table, with labour market's reforms often being the centre of the dispute.

However, the first opting-out of CGIL happened in the year before the election of Berlusconi, when a centre-left government led by Giuliano Amato started the procedure to adopt the European Directive on temporary work, a procedure that was completed by the centre-right government shortly after the election with the issuing of a decree (d.lgs. 368/2001). It was with this decree that the regulation of temporary work was strongly relaxed, since it introduced generic justifications for its use. In the summer of 2000, the government started the consultations with the social partners asking them to issue a formal advice over the content of a new legislation (Biagi, 2001). The consultations had been going on for months, when the CGIL, in March 2001, decided not to sign the common advice document, contending that the proposed provisions were going far beyond the mandate of the directive, by drastically reducing the scope of the regulatory function of collective bargaining (Cofferati, 2001). The Confindustria then decided to search for support among CISL and UIL, which eventually consented to signing a separate agreement. When the Berlusconi government was elected, on the 11th June 2001, the agreement had already been signed and was used to design the final decree.

The debate that accompanied the adoption of the European Directive was intense. It set the tone and the contents for the years to come, unveiling a substantial difference in the strategies of the three confederations. The then secretary general of CISL, Raffaele Bonanni, accused CGIL of acting against precarious workers, since according to him, the excessive limitations to the use of temporary work were pushing employers towards atypical contracts (Bonanni, 2001). On the other side, CGIL argued that it wasn't against reforming a chaotic system of regulation of temporary work, but it couldn't agree with the content of the document, because it implied an excessive deregulation that would have led to further precariousness rather than to resolution of the problem (II Sole24Ore, 2001).

The same debate was going on among legal scholars, with supporters and critics of the content of the norm (Biagi, 2001; Roccella, 2000). Amongst them, Marco Biagi became famous for being a supporter of a regulated process of modernization of the labour market, and one of its main theorists. With Maurizio Sacconi, the Minister of Labour and Social Security, he coordinated the publishing of a *Libro Bianco*, containing a series of proposals for a further reform of the Italian labour market, to which the following reforms should have been inspired. The political exchange got really harsh, and Biagi had started to receive letters of intimidation that even led him to ask the government for protection. On the 19th of March of 2002, he was killed by self-proclaimed

members of the *Nuove Brigate Rosse* (New Red Brigades), allegedly for its work on labour market reforms.

After the death of Biagi, the political exchange got even harsher, if not, at times, dreary. The government accused many times CGIL of being responsible for the death of the scholar because of its opposition to the reforms. In a speech in Parliament a few months later, after CGIL had refused to sign the so-called *Patto per l'Italia*, Berlusconi – as reported by the daily *La Repubblica* – declared that “Biagi has been brutally killed after a long and harsh campaign aiming at the deprivation of his authority, at the moral downgrading of its positions that have been defined as collaborationists”, while the government “recognised in Biagi an hero and a martyr” (Bocca, *La Resistenza di Cofferati*, 2002).

Among other things, the pact would have led – with the labour market reform of 2003 – to another round of deregulation supporting the expansion of precarious work (Regalia, 2012), but it was deeply marked by a discussion over the possibility of changing the rules for the dismissal of permanent workers - art. 18 of the Charter of Workers Rights. In March of 2002, CGIL had organized what has been defined as the biggest demonstration of the post-war period, with 3 million people marching in Rome. It would be reductive to describe the demonstration as “the demonstration in defence of art. 18” even if the article of the charter itself became the symbol of the protest. In the demonstration, a wide range of social actors came together: not just unionists but also members of social movements like the so-called “no-global” groups, since it took place in the wave of protests following the 2001 demonstrations in Genova against the G8. As Rinaldini remarks, the demonstration was immense “because many subjects had merged into it”, as well as many young people: “A generational divide? Quite the opposite!” (interview 1). For Rinaldini, that moment had the potential to bring to the creation of a wider and stronger movement in opposition to existing dynamics of change, but “the process - that wasn’t just national, but also international – declined rapidly, because everybody thought about enlarging its own group, its own organization, nobody moved really following a logic of the construction of a new movement”(interview 1).

When CISL and UIL signed the *Patto per l'Italia*, the entity of the derogations from the rules of dismissal had been significantly reduced compared to the original plan of the government (bill 848 bis), putting them in the condition to sign. The two confederations presented the pact as a victory, given that it entailed the unblocking of 5,5 millions for tax reduction in favour of lower income workers (*Repubblica*, 2002). CGIL stepped out anyways, because, as declared by the next-to-be-secretary general Guglielmo Epifani, “the pact doesn’t contain (measures) aiming at quality and development, and overall reduces the rights of workers, not just for what concerns the modifications of art. 18” (*Repubblica*, 2002). Some commenters argued that CISL and UIL had been played by a

government that promised them much more than it maintained (Scalfari, 2002). Among other things, CISL and UIL had asked in exchange for their signature the beginning of a process to extend the Charter of Workers' Rights to atypical contracts, but all they obtained was a promise to appoint a special study commission on the matter, which never led to anything tangible.

5.4 The years 2006 and 2007: the interval of the Prodi centre-left government.

The following years were marked by high levels of conflict, with the only parenthesis of the two years of centre-left government of 2006-2008, that brought CGIL back at the negotiating table. In that occasion, a new unitary agreement was signed, known as *Protocollo sul Welfare*. Again, the discussion on the protocol was marked by internal divisions within CGIL and the core of this discussion was the labour law reform. The Government agreed to revise part of the content of the reform of 2001, yet its intervention wasn't going to be as radical as it was hoped to be. Also, the government introduced some last-minute changes on the matter, that caused great turmoil inside the organization, especially on the issue of temporary work and of the de-contribution of overtime work. Eventually, the Secretary General – supported by a majority vote of the union bodies – decided to sign the protocol “out of a sense of responsibility”, addressing a letter to the Prime Minister, Romano Prodi, where he expressed his disappointment and publicly declared that “concertation, as we have known it, doesn't exist anymore” (Maina, 2007). The decision to sign opened a season of internal conflict with the metalworkers' union, FIOM, whose internal committee decided to vote against the confederal pact – an unprecedented event for the union. It even led FIOM to take part in a separate demonstration with other social actors and independent unions like COBAS. According to Rinaldini, FIOM couldn't accept the vote because “regarding the labour market, we had already accepted everything” (Interview 1). But the protocol brought out another major source of internal conflict, as FIOM reproached the CGIL for being excessively prone to compromise when it came to centre-left governments: “Every time there was a centre-left government we signed a general agreement”, remarks Rinaldini (Interview, 1).

Eventually, according to Treves, the agreement brought to an ameliorative reform (l. 247/2007) from the point of view of CGIL, “despite the government being too shy on the issue” (Interview 2). But the effect of the concertation on this issue only lasted as long as the centre-left's term: a few months after the re-election of Berlusconi in 2008, a new decree (d.l. 112/2008) reinstated on-call contracts and basically nullified the former intervention.

5.5. A new turning point: The budgetary crisis and the emergency government of 2011-2013.

The next turning point in the process of reform of the Italian labour market, was the appointment an “emergency” government in 2011, when the fourth Berlusconi government collapsed. By then, Italy had precipitated into the economic crisis; such conditions led the unions to a common agreement on the introduction of shock absorbers into 2009 (Regalia, 2012), but also to some attempts at rapprochement with Confindustria, which resulted in the production of a joint document. The document was a proposal for reforms on research and innovation, social emergency, simplification of public administration and the South (although explicitly avoiding some delicate matters) (Rinolfi, 2010). However, the document was never received, neither by the increasingly weak Berlusconi government or by the following emergency government. This moment of solidarity in adverse conditions also brought about the signature of a unitary inter-confederal agreement on representativeness and collective bargaining in June 2011, leading commentators to hope that the unions had found an agreement over the reconfiguring of the system (Regalia, 2012). The issue of the restructuring of the bargaining system had been on the table since the agreement of 1993, which represented a starting point but hadn’t produced legal binding norms. The advocates of decentralization saw it as an answer to the long-standing problems of economic growth and productivity (Negrelli & Pulignano, 2008), and weren’t satisfied with the discontinuous application of the agreement. Although all unions agreed to the necessity of a reform of the bargaining system, the process had stagnated because of different views on what should have been the content of this reform. The core of the dispute is the possibility to derogate the bargaining of productivity to the local level: while CGIL is not willing to give up to the redistributive effects of a centralized bargaining in a country where small firms are predominant, CISL and UIL are more inclined to compromise. The discussion over the matter saw alternate moments of agreement and conflict, with tension reaching its peak in 2009, when CISL and UIL signed a separate agreement about the possibility for companies to derogate on industry-wide agreements on a series of loosely defined matters (Regalia, 2012).

Despite the signing of the agreement, new divisions started to appear as soon as the entity and the hardness of the measures to be implemented by the emergency Monti government became clear. By 2011 the crisis had brought Italy into an extremely difficult situation, with a newly growing public debt and the dramatic rise of the credit spread. At the beginning of August, a few months before its demise, the Berlusconi government received a letter from the Central Council of the ECB listing a specific set of actions that were to be implemented in order to restore the trust of financial investors (Draghi & Trichet, 2011). The letter prescribed a series of structural reforms and

manoeuvres to contain public debt – that became famous as “the four points”. Among these prescribed actions, many concerned the reform of the system of industrial relations: “the full liberalisation of local public services and of professional services”, a “thorough review of the rules regulating the hiring and dismissal of employees”, a “further reform the collective wage bargaining system allowing firm-level agreements to tailor wages and working conditions to firms' specific needs and increasing their relevance with respect to other layers of negotiations” (Draghi & Trichet, 2011). Most importantly the ECB was asking Italy to achieve debt containment through public expenditure cuts – to be accomplished also through wage cuts in the public sector – and to introduce “an automatic deficit reducing clause stating that any slippages from deficit targets will be automatically compensated through horizontal cuts on discretionary expenditures” (Draghi & Trichet, 2011).

Before the fall of his government, Berlusconi only had the time to fix the new target of balancing the budget by 2013, leaving the implementation of the rest of the reforms to the upcoming emergency government. Composed mainly by technocrats, foreign to politics, the “technical government” in the next two years implemented the requested austerity measures, introduced a deficit reducing clause in the Constitution and opened a reform cycle. The most contested and suffered reform is that of the pension system that accelerated the passage from a wage-based mechanism to a less generous contribution-based one; it also raised the retirement age and the minimum working-years required to ask for early retirement, while instituting an automatic periodic adjustment to life expectancy, and “froze” the lowest pensions for two years (Ilsole24ore, 2011).

As it might have been expected, the pension reform caused an initial convergence of action of the three confederations, with a joint strike in December 2011 against a reform that wasn't “equally distributing” the burden of sacrifices through society (LaRepubblica, 2011). But the unions soon got divided on other topics, namely the labour law reform and a new plan for the reform of the bargaining system. CGIL decided to abandon both tables: in the first case, the confederation opted-out when the government disclosed its plan for a reform of the sanctions over illicit dismissal; in the second, CGIL couldn't agree with the contents of the agreement, because it envisaged an excessive downscaling of the egalitarian effects of national collective bargaining and didn't comply with the content of the agreement signed by the unions the year before. On the controversial reform of Article 18 of the Charter, the union accused the government excessive rigidity and unwillingness to make the only necessary reform, that of the shortening of the procedural time of the resolution of law disputes. In June 2011, the parliament approved the reform. Despite the partial revision of the modifications of the law on dismissal, it didn't obtain the public blessing of CGIL, which argued that the reform “doesn't eliminate precarious work” (LaRepubblica, 2011) as proclaimed by the

government. Indeed, the reform did not cancel any of the multiple contracts introduced by the previous Berlusconi government in 2001, but its action was focused on the introduction of some legal obstacles to the fraudulent use of non-standard and atypical work. Yet, the reform was not followed by a period of high social unrest. The “shyness” of the confederation in organizing a strong public protest was criticized by some members. Rinaldini blames it on the unpreparedness of the confederation for what was about to come, and on its excessive trust of the centre-left.

“2011 was a massacre for both precarious work and pensions. It was the lowest point. But [CGIL] wasn’t ready because she thought she was working to prepare for the substitution of Berlusconi with Bersani [leader of the centre-left], that’s the truth. (...) but eventually you got Monti. But how could you not understand that whomever had been elected would have had to apply the ECB note, the four points?” (Interview, 1).

It is true that recent developments made the government less open to a dialogue. The situation in 2011-2012 was quite different from that of the early 1990s, as the government wasn’t looking at the unions as a necessary partner for the implementation of its reforms. The prime minister, Mario Monti, publicly declared that the government wasn’t looking for an agreement, it was just holding consultations, and no matter the answer he would have proceeded to make the reforms: “We listen to the social partners but nobody has veto power. It’s the moment to put the “consociational culture” on the side, that culture that in the past has privileged agreements, discharging their cost on the community.” (Monti, 2012).

5.6. After 2013: the Renzi centre-left government and the further isolation of the CGIL.

The public attitude of the government towards the unions did not change with the election of the new centre-left government. In fact, the idea that unions were acting as obstacles to the modernisation of the country became central in the public discourse of an emerging figure of the *Partito Democratico*, Matteo Renzi, the former mayor of Florence who challenged the leadership of Bersani and finally managed to become prime minister. His personal electoral campaign was centred, since the beginning, on portraying him as the representative of a new and modern left, in opposition to the old structures, incapable of bringing the necessary change. His government mandate was characterised by a more pro-entrepreneurs attitude and a high level of public conflict with CGIL, identified as one of the main representatives of the “old world”; this led to a more decided distancing of the union from the party. While promoting his own labour reform, he publicly

identified CGIL as a defender of old ideologies and responsible for the rise of precarious work in Italy (Renzi, 2014).

In practice, Renzi succeeded in what the former right-wing governments never managed to: he profoundly reformed dismissal protection. In 2014, his government approved the so-called “Jobs Act” (l. 183/2014) that introduced a new contract model for all newly hired employees, entailing that the protection from dismissal starts from minimum levels and is gradually intensified as the worker grows “older” inside the work place. The act also revised the sanctions associated with some varieties of “wrongful” dismissal, by reducing them considerably. The new contract model will gradually become predominant as the old ones were being gradually phased out. This reform was not paralleled by the elimination of the other a-typical contracts that were all kept standing – with the exception of the *associazione in partecipazione* – and whose regulation was instead further relaxed, especially for what concerns agency work.

Initially Renzi government didn’t even leave room to consultations with the unions. They were called to express their opinions only after seven months of discussion, with the specification that “we listen to everyone” but “the country must change and we won’t be stopped by vetoes or negative opinions” (Renzi, 2014). Again, CISL and UIL yielded to the government in the hopes of being involved in the process, while CGIL remained on the opposition and organised a national demonstration followed by a series of strikes. While Annamaria Furlan, leader of CISL, declared that she shared the opinion that all precarious forms of work can be absorbed by the new model-contract (Balestreri, 2014), Camusso proclaimed that in order to defend precarious work it would be necessary to extend the protections of the employees to the other workers, rather than eliminating protections for all (Camusso, Cgil 2014). The demonstration was greatly successful – an estimated one million participants – but the government didn’t go back on its positions, because “a gathering cannot stop the country” (Renzi, 2014).

After this first round of confrontation CGIL started to organise other actions to challenge the government. In 2016 the confederation started the procedures to collect the necessary signatures to promote a popular referendum on three issues: the reinstatement of article 18 of the Charter, the abolition of vouchers and the introduction of a stronger norm to protect outsourced workers. In addition to the referendum, they also collected signatures for the promotion of a new Charter of Workers’ Rights that would extend the basic protections over the limits of the legal qualifications of *subordinato* (employee). The campaign was a success and collected enough signatures to formally petition the Constitutional Court; the Court decided that the first request was inadmissible, but allowed for the organization of a popular referendum on the other two issues. These actions did not find the open support of the other two confederations. Annamaria Furlan, the secretary general of

CISL commented that although a reform of the vouchers was necessary, she was contrary to their abolition because they “fight submerged work” and that the campaign over Article 18 was “purely ideological”⁹ because: “article 18, applied in the old way, didn’t save employment” (Furlan, 2017).

Meanwhile Renzi’s government had to face a Constitutional referendum that ultimately brought to the resignation of the prime minister in December 2016. Many on the left positioned themselves against the original reform, including the CGIL, that decided to make a public statement in favour of a “no” vote in the referendum (CGIL, 2016). Following Renzi’s defeat in the referendum and his resignation, a new Prime Minister, supported by the same parliamentary majority, was elected. In this situation the government decided not to face the risk of another referendum on such a delicate and unpopular issue such as the vouchers, and passed two laws that essentially incorporated the referendum’s proposals, choosing to settle the matter to avoid a popular vote.¹⁰ This could be considered a victory for CGIL, although it deprived the union of the public spotlight that would have resulted from the referendum. Yet, not even a month later of the elimination of “vouchers” the government introduced a new instrument to regulate *lavoro accessorio* under a different name, which basically reproduces the mechanism of the former legislation. This further damaged the relationship of the government with CGIL, which called for a new demonstration under the slogan “A slap to democracy” (CGIL, 2017).

It appears that the CGIL has inaugurated a season of conflict on the matters of precarious work, but there are still internal tensions about the necessity of a more radical and continuative action. The tensions derive from two aspects. First, the historical connection with the main centre-leftist party, or rather CGIL’s political reliance on it. According to Rinaldini, the opposition to the referendum was a good step towards a larger autonomy of the union in this respect, although, internally, the decision was still difficult (Interview, 1). Second, the union is constrained by its uncertainty over the level of support by workers for a lengthy conflict, in a moment of crisis and when “unions are not so popular. The CGIL today is not so popular” (Interview 1). Tania Scacchetti, member of CGIL’s national secretariat, partially speaks in these terms: “The old system of collaboration between politics and the social actors is over”, but

“It is not enough to proclaim a thousand general strikes – maybe we should do more, maybe we should define more specific targets, maybe we should think

⁹ Over time, in Italy the words “ideology” and “ideological” have assumed a negative connotation. When politicians or journalists define an action as “ideological” they want to discredit that action contending that it has no real, practical or valid reason, but is pursued instrumentally or following outdated ways of thinking. The opposition of CGIL to the reforms is often accused of being “ideological” in this negative sense.

¹⁰ In Italy, if the government passes a law that, according to the judgement of the constitutional court, adheres with the content of a referendum before the vote, the referendum is cancelled.

about mobilisation in different terms – but we must think about the deterioration of the conditions on the workplace” that are “increasing the power of the employers over the workers”. (Interview 3)

Therefore, collateral actions like the promotion of referenda represents a new strategy to face “the vilification of protest” that is instrumentally defined as “marginal” and “involving only a few, the same old ones” (Interview 3).

5.7. Same challenge different answers.

This chapter has shown how the three main Italian confederations pursued different strategies when faced with decisions concerning the reform of the labour market and the decentralization of bargaining – two of the issues that most affect the final configuration of the labour market in a more or less dualized form. All three unions lost the capacity to profoundly influence social reforms that they had acquired in the Nineties. They, however, answered to the challenge by following distinct logics of action that are entrenched with their vision of what unionism is and how it should react to transformations. Faced by a similar challenge to their role as social actors, the three confederations reacted differently, with CGIL maintaining a stronger oppositional stance, while CISL and UIL became increasingly willing to compromise.

CGIL wants to answer to “the attack to the functions of social organizations” with a “strategy of contrast to unfair and divisive measures” (CGIL, 2015, p. 2) and looks at the reinforcement of its legitimation through that of its internal democracy; in contrast, the other two organizations appear to prioritize a logic of action favourable to the institutionalization of their role. Thus CISL, coherently to its more pragmatic take on unionism, promotes the realization of “associative neo-unionism” (CISL, 2015) where the participation in the processes of production means the abandoning of a conflictual logic in favour of collaboration between employers and workers to promote their common interests. According to CISL, the ideal industrial relation model should be a system in which bargaining mainly happens at the plant level and unions’ participation in relevant policy mainly happens through the institutionalization of their role, rather than through bargaining or political exchange. In this logic, the “raison d’être of the unions is concertation” (CISL, 2015, p. 23), and the better expression of unionism is in its local practices of coordination with the employers, which are aimed at the promotion of competitiveness; unions should thus abandon “parapolitical action on an excessive number of issues” (CISL, 2015, p. 24) and accept the downsizing of the role of centralized bargaining. In CISL’s vision, universal and redistributive aims should be achieved through the institutionalization of the participation of unions in the

administration of welfare and of labour policies, for which the union is ideally willing to “give-up to the exercise of a counter-power role in the workplaces” (CISL, 2015, p. 20).

CGIL and CISL further diverge on the topic of labour market reform, since in its most recent programmatic document CGIL highlighted the downsides of the labour policies of the last years, chiefly “the rise of job insecurity, the deterioration of social conditions and the downgrading of the protections and of the rights of workers” (CGIL, 2015, p. 2), while CISL appears to be more attentive to underlining its acceptance of flexibility as a structural condition: “as a relevant topic of contractual strategies” but “not an enemy to fight” (CISL, 2015, p. 5).

UIL’s take on the discussion appears to be more pragmatic than programmatic. While CISL defines the separate agreement on bargaining of 2009 “a brave and competitive choice” that reinforced the “identity feeling of our representatives” (CISL, 2015, p. 16), at the time of that discussion the secretary general of UIL declared that “Cooperation has disappeared from the strategy of CGIL. This situation has only one precedent: that of the French CGT. It was the strongest union in Europe, then they stopped signing agreements. Now it is one of the smallest unions and has a marginal role. Well, we don’t want to end up like CGT.” (Angeletti, 2008); he also added that “the breaking of unity of action is bad, but the paralysis and the disappearance of Italian unionism would be worse” (Angeletti, 2008). Furthermore, the most recent programmatic document of UIL is more focused on pragmatic issues of union renovation in terms of the decentralization of action and reduction of internal bureaucratic bodies, despite the fact that it openly recognises “an attack to the historic role of unions and to their instruments to protect the labour force” (UIL, 2016, p. 4).

Although, it is true that the differences between the ideologies of the three confederations have become thinner after the demise of the great ideologies of the 20th century, relevant differences in their definition of unionism persist. I argue that these differences represent a valid explanation of why CGIL continued in its opposition to decentralisation and deregulation policies while CISL and UIL were more willing to compromise and trade a part of their bargaining power to try and maintain their role in the system through more pragmatic and associative strategies.

6. Atypical work and internal organizing strategies

Besides bargaining strategies in the political arena, another important dimension of union action towards atypical and precarious work is that of the inclusion of this work in their everyday organizing practices. In this sense, the strategy of the Italian unions appears to be more coherent than the one pursued in the political arena and generally agreed upon by the three confederations. Indeed, the three confederations have created three *categorie* explicitly entitled to bargain for atypical workers: NIdiL CGIL, Felsa CISL and UILTem.p@, that have finalized a relevant number of unitary agreements. However, the three unions have put different emphases and resources into these organizations; their general strategy towards the organization of precarious workers has evolved differently depending on how central they have come to consider the problem over time.

In general, Italian unions are often described as rather inclusive unions, both because of the characteristics of their constituencies and because of their manifest efforts to organize diverse groups of workers (Regalia, 2012). Indeed, in terms of membership, Italian unions perform well with respect to both women and migrants: women are well represented in unions' bodies despite the under-representation of women in the labour market (Ebbinghaus, 2002); migrants make up 16,5% of the total active members, and 23% of the active members in the private sectors (CISL, 2015), and, they are also increasingly represented in union bodies.

Inclusive practices appear to be facilitated by the existence of confederal structures (Gumbrell-McCormick, 2011) and, in general, by the design of a unionism that is more focused on ideological rather than industrial divisions.¹¹ Moreover, the actual composition of membership seems to be less strongly unbalanced towards traditional industrial sectors than in other countries, since the distribution of membership has become more and more uniform following the crisis of industrial production and the changing labour market (Regalia, 2012). As of today, if we look at the overall membership of the three main confederations, the public sector leads with the highest proportion of members, followed closely by the commerce and service sector, while metalworking unions are positioned at the fifth place, after agriculture and constructions¹² (CISL, 2015).

The group that is actually predominant is that of the pensioners, who have gained weight inside the unions after their organization in a separate *categoria*. Now pensioners account for half of the members of each confederation and are an important autonomous source of funding. Pensioners'

¹¹ Each confederation is organized through vertical and horizontal axes, i.e. by industrial sector and by geographical-territorial location. This means that both at the national and at the local level, confederal structures act as coordinators of sectoral ones, named *categorie*, which however enjoy a certain degree of economic and organizational autonomy. The system is completed by the presence of workplace representatives, whose role has been institutionalised and regulated by law at the beginning of the 1990s.

¹² However, there are differences between the unions: for example, the FIOM is the third largest constituency inside the CGIL and was overtaken by the public and service sector only after the beginning of the 21st century.

organizations have a large autonomy in the administration of their budget, and, being the richest *categoria*, they can afford to fund many activities in favour of their constituencies. This kind of organization is able to attract more members than standard models of union affiliation, but it increases the influence of the group over the union. This situation has its downsides, as smaller *categorie* are often forced to ask for the financial support of the pensioners to their initiatives, while welfare-related activities become predominant at the local level.

The ageing of membership affects also the active part of the organization, where older cohorts tend to be over-represented. This means that, in order to balance internal pressures, the main problem to solve becomes that of the unionization of younger cohorts (Ebbinghaus, 2002). Therefore, the effort to represent atypical work becomes extremely relevant, as most of the younger workers are also precarious or atypical ones.

6.1. “Atypical” unions for “atypical” workers.

The creation of a separate union represents a unique experiment in the European frame. The first to be created was the NIdiL CGIL, in 1998; this new structure was the evolution of the experience of local counselling offices that had been created to give a first answer to the appearance of very atypical contracts (Choi & Mattoni, 2010; Leonardi, 2008). The structure was intended to represent a vast range of workers, from the employees of work agencies, to the various forms of self-employment and bogus self-employment. The example was then followed by the other two confederations.

After an initial experimental phase, the structure was given the status of *categoria*, entitled to full bargaining rights; again, the CGIL was the first to make such a move. However, because of their unique nature, the range of possible actions and recognition of these unions was, in the beginning, limited. These structures were created artificially from the top of the organization, although in part answering to the inputs of local experiences; in this way, they didn't receive a bottom-up legitimation but had to build their own membership from scratch. Initially, agreements and bargaining practices were to happen mostly with large employers' associations or public organizations or bodies, with whom these *categorie* could more easily exploit the general legitimation accorded to the main confederations to be legitimized, in turn, as interlocutors (Choi & Mattoni, 2010). One of the first and most important results was that the three new bodies managed to bargain a collective agreement for agency workers that reinforced the principle of the equal treatment established by the reform of 1997 and gave birth to *Ebitemp* an institution - founded by agencies - that provides these workers with supplementary welfare provisions (Burrone & Pedaci, 2014). As their recognition started to rise, these confederations were able to strike more deals at the

local level; by 2006 the three bodies had signed 130 plant or local level agreements, mostly with local administrations, the non-profit sector, and those portions of the private service sectors where the use of bogus self-employment was regulated as an exception by law, like call-centres and polling institutes (Leonardi, 2008).

These were important experiments of re-regulation through collective bargaining leading to remarkable results, especially considering the level of de-regulation of autonomous work reached through the reforms of the Berlusconi government (D'Andrea, Monaco, & Screpante, 2004; Ballarino, 2006; Pedersini, 2005). However, because of the lack of bargaining power deriving from bottom-up legitimation (Choi & Mattoni, 2010), initially the autonomous bargaining activity of these bodies in other private contexts was almost non-existent. Furthermore, the implementation of the local units was in the hands of the resources and the political will of the local confederal structures, meaning that the implementation was discontinuous and sometimes ineffective. So, especially at the beginning, the national bodies focused on practices like monitoring and political-legal action, while local sections reinforced service provision and individual legal assistance functions.

CGIL is the union who invested the most resources in the representation and organization of atypical work. While NIdiL today counts 110 local units, the UILTem.p@ and the Felsa CISL are organized mostly on a regional basis. Although outcomes weren't uniform, those local sections of NIdiL that were set up in a more robust way represented important laboratories for the implementation of new bargaining and organizing strategies within the confederation. Through the collaboration with other *categorie*, NIdiL was able to enter plants in the private sector and to participate in the implementation of inclusive bargaining practices.

However, legitimate issues have been raised within the confederation on whether the creation of a separate structure represents an actual instrument of inclusion or if it would reinforce divisions, by first legitimizing these workers through implicit recognition and then further separating their interests from those of standard employees (Gumbrell-McCormick, 2011).

On the one hand, concerning the issue of legitimation, one could say that the choice of creating a specific instrument of interest representation indeed implied a recognition of the legitimate use of this work, and in this, it was coherent with the strategy of "regulated-deregulation" that the Italian unions were trying to follow at the national level. As we have seen, the opening to some forms of flexible work, predicated on unions keeping a coordinating function, at that point was considered as a viable strategy to contain the impact of the increasing pressures for reform coming from the employers. The signing of a collective agreement for agency workers was meant to reinforce the principles of exceptionality and equality of treatment that were set as a condition in the national

legislation. However, this kind of argument is mostly applicable to agency work, while it is highly debatable to affirm that the legitimization of the new professional autonomous work or of bogus self-employment is dependent on the organizational and political choices made by the unions in the early Nineties. In this sense, the creation of a separate union represented a first attempt to deal with a new type of employment that was outside the traditional range of action of the confederations but that was starting to gain importance in the national labour market (Leonardi, 2008). At the same time, the monitoring activity¹³ pursued by the unions in the first years of the existence of these contracts had an important role in showing the levels of non-compliance with the norms associated with such contracts. Overall, the main outcome of the creation of a separate organization appears that of having legitimized atypical workers grievances inside the union.

On the other hand, if we consider the risk of a further separation, we can argue that the overall effect of the presence of atypical unions in the system as crystallizers of differences might be overestimated. If we look at the content of the agreements signed by the “atypical unions”, we see that they try to reduce all of the elements of inequality inherent to those contracts that make them more suitable to the pursuit of dumping practices, and also to facilitate the move of precarious workers to more stable situations (D’Andrea, Monaco, & Screpante, 2004; NIdiL CGIL, 2014). On agency workers, it could be argued that the inclusion of agency work in sector-specific bargaining contracts would result in a more inclusive bargaining strategy. However, the existence of specific rules to regulate the relationship of these workers with their formal employer, the agency, doesn’t seem to be at odds with the introduction of specific norms at other bargaining levels to regulate the relationship of firms with agency work. If anything, the two measures appear to be mutually reinforcing.

Moreover, the signing of the collective agreement on agency work has arguably compensated for the initial general attitude of the rest of the organization, and today the existence of a collective agreement is the strongest institutional instrument left for the protection of these workers after the long process of deregulation of agency work. Scacchetti (CGIL) admits that at the beginning the organization of these workers was marginal in the bargaining agenda, also because the unions underestimated the phenomenon: “Until 20 years ago the experience of precariousness was really temporary” (Interview 3). Even NIdiL, according to Treves, was thought of as “a structure that should have accompanied the worker through a temporary phase, towards permanent employment”(Interview 2). And, initially, the strongest opposition didn’t come from industrial unions, which were “basically indifferent” to the process, but rather from the commerce and service

¹³ See the “Research” section at the National website of NIdiL CGIL <http://www.nidil.cgil.it/biblioteca/ricerche&page=1> for an overview of the monitoring activity from 2000 to 2008.

union that was already handling many non-standard forms of work – like seasonal work, or part-time – and that didn't see the point in creating a new structure (Interview 2). As Rinaldini notices: “In industry, atypical work is much less common than in other sectors” (Interview 1) – which in the beginning was also true for agency work – and in that initial phase the attention was all on the governing of working time and of temporary work.

Now, however “the protection and the representation of atypical work is a topic on which the union [CGIL] cannot back down, or it risks to completely disappear” (Interview 3). Whether this is to be done through the maintenance of a separate structure is part of the ongoing debate. “To me, the existence or not of NIdiL is not a matter of principle – asserts Rinaldini – but rather a practical problem in the sense that the creation of a new structure doesn't seem the best solution to face the changing shape of production structures” (Interview 1).

Overall, it appears that the main risk for exclusion and divisive practices lies in the internal divisions among permanent and precarious workers (Choi & Mattoni, 2010) rather than in the existence of a separate structure. If the existence of a separate body doesn't necessarily represent a permanent solution, it at least represented a first attempt to lobby for change inside the union itself; this internal lobbying was based on the awareness that the actions of the *categorie* risked to go in a totally different direction, pushed by the growingly difficult bargaining conditions, by old mindsets, and by the growing “individualism of the members” (Interview 3). According to Scacchetti, “If it wasn't for NIdil, we would have been lagging far behind on the organization of atypical work” (Interview 3).

6.2. Atypical work and CGIL

Although it is true that bargaining at the national level has happened mostly in a coordinated manner, the three main confederations have put a different emphasis on the issue of atypical workers' organization. During the years, the issue of atypical and precarious work has gained importance in the union's agenda, and by the last congress, CGIL had officially made the representation and organization of atypical work a fundamental strategic aim for the survival of the union, a necessary reaction to social fractures and segmentation that have undermined the representativeness and role of unions (CGIL, 2015). This aim is to be pursued through the implementation of a strategy of *contrattazione inclusiva* (inclusive bargaining) and the promotion of the collaboration between the *categorie* to overcome the old rigid divisions of competences between sectoral organizations (CGIL, 2015). This is necessary because *contrattazione inclusiva* implies choices of active solidarity between different groups of workers and a propensity of standard employees to collaborate with others and give up on something to favour a more equitable

bargaining outcome (NidiL CGIL, 2014). *Contrattazione inclusiva* aims at uniting all the workers that are connected to a unit of production regardless of their employer or their contract (CGIL, 2013), therefore including not just atypical work but also all that work which is outsourced to external firms. Much of these general strategies come from the experiences at the local level, especially those of the *categorie* that work in sectors where contracting out is prevalent, and by the NidiL (NidiL CGIL, 2014).

According to Scacchetti, the restructuring of the organization to reinforce its confederal nature against corporatist tendencies is a fundamental part of the plan. In this sense, CGIL held a general *Conferenza dell'Organizzazione* in 2015 under the slogan “Bargaining for inclusion”, in which it envisaged internal restructuring to face the division of labour. At an ideal level, the union should go “towards the total elimination of the *categorie*” contends Rinaldini, in order to reduce the incentives to practices of internal dumping and to totally embrace the identity of a Confederal trade union aiming at the general representation of “work” in Italian society (Interview 1).

Internal campaigning for the widespread adoption of an inclusive way of performing bargaining is supplemented by the promotion of a legal initiative to revise the *Charter of Workers' Rights*, so to reduce the number of overall contract typologies allowed by the legislation and to include a wider number of workers under its field of application. This would imply the extension of some rights - like that to a fair and sufficient pay - even to some forms of autonomous work. Meanwhile, the confederation has tried to create bridges with associations of autonomous professional workers to further extend its range of action (Interview 3). This doesn't mean that the union is always acting in an inclusive way in everyday practices, as both cultural and material obstacles are a reality. Rinaldini provides the example the logistics sector, where according to him CGIL's action is lagging behind and the void is often covered by independent unions. According to Treves, the necessity of a separate structure will be overcome only when *contrattazione inclusiva* becomes a common practice, which is still not the case everywhere (Interview 2).

What is interesting however is that CGIL has come to understand the problem of “dualization” of union practices as central, while the other two unions still, apparently do not consider it as relevant. The main difference between the three confederations is that while CGIL puts the accent on the “organization” of atypical work, for both CISL and UIL the first answer to the problems of non-standard work is the reinforcement of service provision and of individual tutelage (CISL, 2015; UIL, 2016). This is coherent with the choices that CISL and UIL made at the national level, were in the hopes of defending and possibly institutionalising their position, they formally endorsed the elimination of legal instruments that would have represented a power-resource in the control of the use of atypical work. More pragmatically, they appear to aim at organization of flexibility outside

of a conflictual exchange, in those situations where they are in the conditions to do so. In contrast, CGIL argues that everything that undermines unions' control over the legitimacy of the use of non-standard contracts "also undermines its ability to control the organization of work" (NidiL CGIL, 2014, p. 23); therefore, the organization of workers and the protection and re-enforcement of legal boundaries has gained relevance in its political strategy and bargaining guidelines.

7. The local level

If the analysis of the national level has shown how the strategies of Italian unions have been influenced by their loss of power as social actors inside the industrial relations' system and by their ideology, the outcomes of the study of the local cases question some of the basic assumptions of the dualization theory on the dynamics of core-periphery divisions at the plant level. It appears that unions are not invariably forced to become an instrument of dualization, but that they can act as mediators for the pursuit of commonly defined interests. Unions can display a variety of resources to overcome divisions between different groups of workers and bargain for the so-called outsiders. Contrary to the expectations of the dualization theory, strongest unions are in the best position to engage in inclusive bargaining because they can deploy more power and cultural resources. Also, those representatives and officers who are involved in inclusive practices understand their effort to organize peripheral workers as a power-enhancing strategy inside and outside the firm. Moreover, in contrast to the assumptions of the dualization theory, local representatives can display high levels of autonomy from permanent workers. Representatives do not necessarily perform as passive recipients of their requests, but they can act as mediators of interests, influencing the way permanent and peripheral workers understand their condition face to the firm and to the other group. Their willingness to embrace inclusive practices and their ability to perform their mediating role, appears to be strongly influenced by their commitment to specific values that shape their understanding of unions' perimeter of action.

7.1. Inclusive practices in favour of agency workers: four case studies.

For the purpose of my research I selected four plants, located in the province of Modena, that make the four case studies of my research: *Case Study 1 (CS1)* The local plants of Bosch Rexroth, in the metalworking sector; *Case Study 2 (CS2)* The plants of Marazzi Group, in the ceramics sector; *Case Study 3 (CS3)* The plant of Grandi Salumifici Italiani, in the food industry; *Case Study 4 (CS4)* The local Agenzia Sanitaria Provinciale (ASP); a provider of health services in the public sector. In the case of CS1, CS2 and CS3, the officers and the representatives coordinate their action over more than one plant. In all of these plants unions' officers, together with the representatives, have performed inclusive strategies in favour of agency workers.

Overall, their action consisted of various elements: 1) The creation of a link between the union and the agency workers by providing them with specific information that was relevant for them, especially about the existence of supplementary welfare provisions. This was normally achieved through the p.r. work of the representatives and through dedicated assemblies to which the NIdiL

was invited. 2) The creation of a link between permanent workers and agency workers, normally achieved through the mediation of the representative and through joint assemblies; 3) The reinforcing of the control of the representative over the use of agency (and contracted-out) work in the plant, through the implementation of its right of information; 4) Bargaining in favour agency workers, to improve their working conditions, to assure that the principle of equality of treatment was actually implemented, and where possible, to guarantee their transformation into permanent workers after a specific span of time or when new places became available. Overall, these line of actions were pursued in all the plants with different intensity.

In **CS1**, the FIOM (metalworkers' union) started to monitor the situation of agency work from the early stages of its' entrance in the company. According to a former representative (Interview 4) this attention was motivated by the will to control and influence the processes of transformation of the organization of work. By the half of the decade, the firm and the representatives had signed a collective agreement that established a maximum period of 18 months for the use of a single agency worker, after which he had to be hired permanently by the company. During the following years the representatives started to increase their effort to create a direct relationship with agency workers. Between 2009 and 2013 this activity expanded, and the representative was singled out to become the reference-point of agency workers and his role was officially recognized both by Bosch and by Randstadt. This result came after a troubled period corresponding to the economic crisis. At the end of 2009 Bosch had announced that it was going to stop re-activating the contracts of agency workers. In the meantime, the company had also activated extraordinary measures for permanent workers, through the use of *cassa integrazione*¹⁴, which made any action in support of agency workers hardly viable. However, the representatives managed to strike an agreement that bound the company to re-hire the same agency workers as soon as production had started to resume (Gazzetta di Modena, 2009; Gazzetta di Modena, 2011). According to the representative, starting from 2011, this mechanism brought to the permanent hiring of 150 workers in the three plants.

Over time, Bosch Rexroth, has consolidated the use of agency work as a general strategy so much that the company signed a long-term economic agreement with Ranstadt that led to the creation of a permanent office inside one of the plants (Nonantola). This internal office serves as the local personnel's office of the firm. This strategy has been at the centre of a long trial of strength between the unions and the representatives. Bosch has used the increasingly favourable labour reforms and the downturns of production to push the maximum limit for the use of agency work higher, from 18 to 24 and then to 36 months (against the actual 44 established by law). After the

¹⁴ When faced with high economic uncertainty (in situations codified by the law) firms can ask the state to intervene and temporarily pay a substitutive income to a part of their employees, to avoid redundancies and gain time to resume sufficient levels of production.

liberalization following the reform of 2012, the company increasingly tried to elude the limit by simply refusing to hire the workers permanently. This generated a strong reaction from the unions who, for the first time in 2013, managed to organize a general strike against this practice (Gazzetta di Modena, 2013) involving both permanent and agency workers, and obtained that those workers who had been “laid-off” were hired back. The attention of the representatives on the matter has remained constant over time. Recently, after another wave of strikes following a highly contested restructuring plan of the company, the workers have obtained amongst other things, the non-application of the new rules for collective dismissal and the elimination of the practice of *staff leasing*¹⁵, that the company was gradually trying to introduce in order to avoid to hire agency workers, but also, arguably, to create a more permanent division between the workforce (Rassegna Sindacale, 2017; Ronchetti, 2017; CGIL Modena, 2017).

Instead, **CS2** has seen upwards and downwards trends in unions activity towards agency workers. Grandi Salumifici Italiani (GSI) is a company in the food industry that produces cured meat. The plant of Modena counts around 300 blue-collar workers and 150 clerical workers. Unlike the Bosch, the company has made a less continuative use of agency work, both in terms of quantity and in terms of time periods, focusing especially on seasonal needs. However, also the GSI was the subject of collective bargaining for agency workers at an early stage: when the representative interviewed (Interview 5) was elected in 2009, the company had already signed an agreement on the matter that had been bargained by the former representatives of FLAI (agricultural workers’ union). The agreement obliged the company to hire agency workers after 18 months of work and reinforced this principle by establishing that after 6 months (even non-consecutive) an agency worker gained a right of way when the company decided to hire. As in CS1, over time the company changed her attitude towards the content of the agreement, trying to bypass it by interrupting contracts with agency workers before they reached the 18 months. Despite this, in 2015 around 40 agency workers were permanently hired (CGIL Modena, 2015). But already in 2016 the GSI asked, and obtained, a derogation to the maximum limit to 24 months, at least until the end of 2017. The request came at a time when the company was facing the first downturn after a general positive trend: first there was a fire in one of the plant, then a shrinkage in production. This meant that many contracts of agency workers were not renewed. While before the time of crisis, the plant counted 60/70 agency workers on average, today the number stabilizes around 20/25. As the company is not hiring at the moment, the derogation to the limit of the 18 months could be read as a fall-back, a way to keep agency

¹⁵ One could define Staff-leasing as a sort of hybrid outsourcing. Firms can decide to sign a long-term economic contract with an agency, that permanently hires a group of workers to be employed in a specific sector of the firm. The whole unit, then, is run through the use of agency work alone. In this case, workers are formally hired through a permanent contract but the actual length of the contract is dependent on the length of the commercial contract between the agency and the firm.

workers around for a longer time waiting for the situation to unblock (otherwise, their contracts would simply be ended shortly before the 18 months). However, the relaxation of the efforts towards agency workers was also dependent from the changing attitude of permanent workers: while before 2016 the representatives had managed to create solidarity between permanent and agency workers, and even to promote a strike in support of an agency worker who had been fired after 18 months, over time this bond thinned. According to the union's officer that is currently in charge of supervising the firm (Interview 6), when the company announced that the internal crisis was going to cause the implementation of *cassa integrazione*, permanent workers insisted that the contracts with agency workers should have been interrupted instead of activating emergency measures for them.

Hard times and restructuring practices didn't seem to have the same negative effect in the case of **CS3**. Marazzi group is a company in the ceramics industries that employs, overall, around 1400/1500 people distributed over five plants. At present, the company counts around 180 agency workers distributed through the plants, and their presence varies depending on the dimension of the latter. Over the years the general numbers of the personnel employed diminished, as the company underwent a process of internal restructuring and modernization that reduced the need for manual work. According to one of the representatives of FILCTEM (Interview 7) and to the officer that used to supervision the plants (Interview 6) the company used agency workers as a "lung", that expands and shrinks according to the phases of the process of re-organization. The unions tried to govern this process of restructuring: over the last 4/5 years they signed many agreements over individual or collective dismissals, that implied the payment of incentives to older workers for them to leave the company early but with enough money to reach the pension. Incentives were also offered to younger workers who were willing to change and search for another job. In exchange for this effort to sensibly reduce the permanent labour force, the unions obtained that a part of agency workers were hired directly and permanently by the company. According to the numbers given by the representative, 186 agency workers became direct workers between 2014 and 2017. Overall, the company appeared to be quite collaborative in the process, but, on the other side, it never renounced to its "lung", meaning that it never accepted the institution of a mechanism of direct turnover between agency and direct workers.

Starting from an earlier stage, the union also tried to control the correct application of the contracts of agency workers. After researching and realizing that the company was employing workers from 6 or 7 different agencies they also found out, by confronting different payrolls, that each agency was using a different coefficient to calculate the elements of the final pay. In 2013, with the involvement of the NidiL, they managed to reach an agreement over the application of a

standardized calculus, that would have resulted in an equality of economic treatment between agency and direct workers, and over the payment of an additional element of pay linked to productivity.

While in all the former cases attempts to control and organize the development of agency work started relatively early, in CS4 the interest of the unions for flexible workers was extremely recent, but their efforts led to remarkable results. The Azienda Sanitaria Provinciale (ASP) is a territorial public utility in charge of administering local health services.¹⁶ The ASP of Modena started to make a wider use of agency work over the last few years. In 2015 of the 300 workers employed in structures administered by Asp, 125 were hired through an agency. In 2016 the number rose again reaching 175, meaning that more than half of the personnel was not hired directly. Among the personnel, at that point, all the nurses were hired through an agency.

The efforts of FP (the union following the public sector) to tackle this situation started in 2015 when the ASP announced that it had no intention to pay an additional element of the salary - normally bargained at the end of the year – to those nurses that were hired through an agency. According to the union officer of FP (Interview 8) it was at that point the union started to seriously investigate the dimension and actual conditions of agency work. Eventually, they found out that turnover was getting higher and that the nurses hired through the agency were paid less than they should, as they were assigned to a pay level, among those codified by the national contract, that was inferior to their actual status.

In 2016 the ASP announced that it was not going to pay the additional element of the salary, this time not just to the nurses but to everyone that was employed through an agency. The FP started a round of assemblies to try to convince all the workers, permanent and not, to open a conflict with the ASP over this matter. In reaction to this attempt, the ASP menaced permanent employees to stop paying the additional element to everyone. Despite this, after another round of assemblies, all the workers decided to vote to support collective action. Direct workers also accepted that the payment of their additional element would have been postponed until the signing of an agreement for agency workers. Eventually, the agreement was signed, establishing that the additional element would have been paid to everyone. The pay conditions of agency workers were adjusted and the ASP opened a call for direct hiring sensibly reducing the proportion of workers hired through agencies.

¹⁶ ASP are organized as private enterprises with full administrative autonomy, but they can hire only through open public competitions. Because of their autonomy ASP are not subject to the current block to hiring imposed to public utilities, however they are subject to obligations to achieve a balanced budget. With the introduction of the block to hiring, public utilities started to make use of agency work or *collaborazioni coordinate e continuative* in order to expand their personnel in time of need. ASP are also using atypical work but, in their case, out of budgetary considerations.

7.2. Inclusive bargaining as a power-enhancing strategy and the role of NIdiL

Representatives and officers appear to understand their effort to organize peripheral workers as a power-enhancing strategy inside and outside the firm. Arguably the position of the unions was enhanced by the pursuit of inclusive practices in the four cases. First, according to the representatives those non-standard workers who were involved in inclusive practices paid back the union by becoming their members and voting for them in internal elections once they were hired directly by the firm. Second, efforts to increase solidarity between the workers has enhanced unions' bargaining power, since collective action was not hindered by internal conflict. On the one hand, where solidarity was strong, permanent workers did not feel threatened and had no reason to sabotage the efforts of the union. On the other hand, since agency workers felt safe in expressing their grievances and did not fear immediate repercussions, they could not be used by the company to hinder the efforts of the permanent workforce. This increased the ability of the unions to influence the organization of work. Instead, where solidarity broke, like in CS2, employers strengthen their ability to unilaterally dictate the agenda.

About the role of NIdiL, it seems that its presence reinforced inclusive outcomes rather than creating divisions. The officers and the representatives used NIdiL expertise as an instrument to attract agency workers' attention and to reinforce the content of the agreements. "The presence of NIdiL at the assemblies was necessary to make agency workers understand that they had rights even if they weren't permanent employees. For example, in some cases they thought that they didn't have the right to ask for work permits because someone told them so." (Interview 8).

In the four cases studies, NIdiL's presence did not result in internal competition for members. In fact, according to the representatives, these inclusive strategies reinforced the position of the other *categorie* in the firm. In CS2 "at the time [when the representative was active in the unit], every agency worker who was hired directly by the firm became a member of FLAI" (Interview 5). The same appears to be true for CS1 and CS3.

According the representative of FIOM (Interview 1), the presence of NIdiL together with the specific plan of training, favoured inclusive outcomes because it enhanced collaboration between the *categorie*. However the actual secretary of the NIdiL of Modena, Antonio Petrillo (Interview 9) reports that in some cases officers use the presence of the *categoria* as an alibi to avoid to take interest in the worker. These contradictory accounts suggests the presence of NIdiL alone is not an element of division, but much of the outcome depends on how the experience is framed. In the case of Modena the union officers that I interviewed appear to see NIdiL as part of an experimental phase that should lead to a more efficient organization of atypical workers inside the other *categorie*. Both the officer of the FP (Interview 8) and the local secretary of NIdiL speak of the

possibility that the *categoria* becomes a technical office in support of the work of the other *categorie*. According to the officer of FLAI (Interview 6), despite the fact that initially the *categorie* underestimated the phenomenon, today they are ready to assume the responsibility of the task on them.

7.3. The role of unions' representatives as mediators between permanent and agency workers.

Against the predictions of the dualization theory, in all the four cases unions have engaged in inclusive strategies, using the strength of the permanent workers to bargain in favour of peripheral ones. This strength was exercised under the form of the support of the permanent workers for the content of the bargaining activity of the union, but also as direct opposition and collective obstructive practices. In CS1 and CS2 permanent workers were willing to engage in strike activity to defend outsiders from exclusive practices, and in CS4 they were also ready to risk a part of their salary. This contradicts the assumption that permanent workers inevitably act against peripheral ones to protect their position.

In the beginning, in all the plants permanent and temporary workers were not open to collaboration. It was the work of the representatives that changed this situation. The main responsible for practices of inclusive bargaining appear to be the representatives at the workplace, who acted as mediators between the insiders and the outsiders and used their influence to modify their understanding of the situation. All the representatives report that in the beginning permanent workers and agency workers were diffident towards each other. "When I became a representative, the first thing that I noticed was that both the representatives and the workers considered agency workers an alien entity" (Interview 5). "Permanent workers used to see temporary workers as someone that was there to compete for their job" (Interview 7). On the other side, agency workers were either scared or simply diffident to participate in collective events, like union assemblies. According to the representative in CS1 this feeling was further reinforced by the double control exerted through the presence of the agency at the plant (Interview 4). However, things changed when representatives started to directly contact and involve agency workers in the collective moments of the firm. Over time agency workers started to increasingly take part in assemblies and to consider them as "a right" because "now also agency workers claim their rights, because they know them" (Interview 7). On the other side permanent workers increasingly saw them as "colleagues" (Interview 7). The representatives managed to create a feeling of solidarity between the two groups.

Interestingly enough, the breach in solidarity practices in CS2 appears to happen at a moment where the union had lost the representative that acted as a connection between agency and permanent workers. This representative was the only one present in those units where agency workers were employed, and the one who had contributed the most to the project of inclusion in the first years. When he left, there was no one ready to replace him in this function. According to the union's officer "the final outcomes heavily depend on the former history of the people involved, the history of the firm and, probably, also that of the unionist" (Interview 6). And indeed, it appears that the presence of a representative was fundamental for the existence of a shared feeling of mutual solidarity in the firm. The loss of a mediating figure appears to be a plausible explanation of why in CS1 - where the role of the representative towards agency work had been made official - and in CS3 - where there were 4 or 5 representatives equally involved in the activity - economic crisis and restructuring did not result in a breach of solidarity between permanent and agency workers, while in CS2 (for the moment) it did.

Overall, the representatives took autonomous initiatives and tried to reformulate the need of the permanent workforce instead than passively receiving its requests. However, as in CS2 not all the representatives show the same degree of commitment to the organization of peripheral work. The adherence to certain values appears to be an important explanation of the willingness of these representatives to engage in inclusive strategies. All the representatives that I interviewed, were involved in specific training organized by the local *camera del lavoro*. The selection of the participants to these courses does not happen randomly, but the organization singles out those representatives who have already shown some level of interest or commitment. The courses give them further practical instruments to face new bargaining strategies and further cultural instruments to frame the problem. It also helps the unions to reinforce its active members' commitment to the organization by defining with them a new strategic aim. Indeed, to explain their work all of the interviewees adopt a language that is coherent with the general strategy of the CGIL for inclusive bargaining. They all seem to believe that the pursuit of *contrattazione inclusiva* and the campaign for the new charter of workers' rights represent effective strategies to safeguard the organization. Overall, the union has exploited pre-existing mindsets coming from the adherence to general union values, like solidarity, to promote inclusive outcomes. At the same time, it used training moments to reinforce the motivation of the representatives and their commitment to the organization. These observations reinforce the argument that specific union ideologies influence the final outcomes of bargaining practices.

Conclusions

The process of reform in Italy –together with pre-existing structural factors- has meant a gradual and general erosion of labour power coupled with a growth in the precariousness of working conditions. The multiplication of contract models provided new escape routes from the costs associated with standard contracts and had the perverse effect of favouring non-compliance with the norms. The proliferation of various forms of self-employment has been impairing the redistributive mechanism created by a centralized wage bargaining whose content is applied to all the workers in a specific sector. Besides, the bargaining power of the whole workforce has been eroded by external factors - first and foremost the economic crisis - and by the continuous redrawing of the boundaries of collective bargaining.

Overall, Italian unions appear to be suffering the consequences of this process rather than guiding it. It is true that during the 1990s the three confederations took part in the first wave of reforms of the labour market. In a situation where drastic and painful changes appeared inevitable, unions felt strong enough inside the industrial relation system to pursue a strategy of “organized decentralization” or “regulated deregulation”, that is, to compromise on partial reforms as long as they maintained their role of coordinators of the process. Concertation, in the form of social pacts, happened in a moment of relative strength of the unions when they were invested with the role of actors of social cohesion and governments looked for their support as source of legitimacy of the newly adopted policies. However, their renewed political strength was built on a weak and contingent basis. Rather than being supported by a wide popular legitimation from below, it was dependent on the will of the government to grant them recognition. When the distribution of power among the social actors started to change, the three confederations were officially divested of the role of privileged reference-social actors. The next liberalization wave contributed to drastically reduce the control of the unions over the deregulation process. Over the last decade the power of the three confederations to influence the agenda has been further eroded as governments found themselves under the stringent pressure, coming from European authorities, to implement austerity measures in order to meet the requested budgetary goals.

Faced by the same kind of challenge to their relevance as political actors, the three confederations decided to adopt different strategies. From the late nineties on, CGIL refused to officially endorse modifications leading to further deregulation and decentralization, while CISL and UIL decided to continue to sit at the table with other social actors. Officially, CISL and UIL were more willing to give up part of their bargaining power on wage setting and work conditions in exchange for concessions on job creation policies and taxes. However it doesn't seem that they

were able to obtain much in exchange for their collaboration; in this case speaking of an alliance that paid them back by reinforcing the privileges of the core labour force appears misleading. Arguably what they were aiming at was defending their existence in the system, and by showing moderation, convincing other actors of the opportunity of a stronger institutionalization of their role.

Arguably, the different predisposition of three confederations to compromise on certain issues is coherent with some persistent differences in their understanding of unionism and union identity: while CGIL maintains a stronger inclusive stance, which entails a broader understanding of their role and of the “common interests” of the working population, CISL and UIL tend to adopt a more pragmatic and associative take on unionism with a tendency to prioritize bargaining in favour of their member’s interests. This makes compromise on certain issues more acceptable – in general – for the constituencies and the militants of CISL and UIL and less for those of CGIL, as demonstrated by the internal disputes generated by the choices for moderation and for compromise adopted by the latter confederation in the nineties, but also by subsequent choices that weren’t deemed strong or decisive enough by parts of the organization with the strongest militant traditions.

Over time CGIL has come to understand the problem of “dualization” of union practices as central; the organization of workers and the protection and re-enforcement of legal boundaries is increasingly regarded as necessary to restore unions’ ability to control the organization of work. Overall, Italian unionism appears to be relatively inclusive, both because of the characteristics of unions’ constituencies and because of its manifest efforts to organize diverse groups of workers. The main difference between the three confederations is that while CGIL puts the accent on the “organization” of atypical work, for both CISL and UIL the first answer to the problems of non-standard work is the reinforcement of service provision and of individual tutelage. This is coherent with the choices that CISL and UIL made at the national level, were in the hopes of defending and possibly institutionalising their position, they formally endorsed the elimination of legal instruments that would have represented a power-resource in the control of the use of atypical work. More pragmatically, they appear to aim at organization of flexibility outside of a conflictual exchange, in those situations where they are in the conditions to do so, and they refer the pursuit of egalitarian outcomes to welfare policies.

If the analysis of the national level has shown how the strategies of Italian unions have been influenced by their loss of power as social actors inside the industrial relations’ system and by their ideology, the outcomes of the study of the local cases question some of the basic assumptions of the dualization theory on the dynamics of core-periphery divisions at the plant level. It appears that unions are not invariably forced to become an instrument of dualization, but that they can act as

mediators for the pursuit of commonly defined interests. Unions can display a variety of resources to overcome divisions between different groups of workers and bargain for the so-called outsiders. Arguably, their effort to organize peripheral workers is a power-enhancing strategy inside and outside the firm. First, those non-standard workers who are involved in inclusive practices then pay back the union by becoming members and by voting for them in internal elections. Second, efforts to increase solidarity between the workers in the plant enhances unions' bargaining power, as collective action is not hindered by internal conflict. This increases the ability of the unions to influence the organization of work.

Contrary to the expectations of the dualization theory, strongest unions are in the best position to engage in inclusive bargaining because they can deploy more power and cultural resources. Also, local representatives can display high levels of autonomy from permanent workers. Representatives do not necessarily perform as passive recipients of the requests of one group, but they can act as mediators of interests, influencing the way permanent and peripheral workers understand their condition face to the firm and to the other group.

Their willingness to embrace inclusive practices and their ability to perform their mediating role appears to be strongly influenced by their commitment to specific values that shape their understanding of unions' perimeter of action. In the case of Modena the union has actively exploited pre-existing mindsets coming from the adherence to general union values - like solidarity - to promote inclusive outcomes. At the same time, the *camera del lavoro* used training moments to reinforce the motivation of the representatives and their commitment to the organization.

Overall, these observations reinforce the argument in favour of a critical re-examination of dualization theory. Contrary to the claims that unions' strategies are the outcome of the mere application of a "logic of membership" to decision making, in the Italian case unions' behaviour at the national level is better understood as the answer to changing power dynamics in the industrial relations systems. However, the content of the strategies that the unions set out face to the challenges to their bargaining power and their success in promoting inclusive practices, depends on the way they ideologically frame the problem.

Finally, dualization is not an inevitable outcome of unions' bargaining practices; even stronger unions have an interest in the pursuit of inclusive practices which can enhance their position in the plant. However, ideological incentives appear to be a necessary element for the implementation and success of inclusive bargaining. On the one hand, an inclusive mindset represents a necessary premise for the enactment of new strategies, on the other hand, union ideology provides important cultural resources to overcome conflicts among the workforce.

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