

BARSERVICE

Towards smart bargaining in the financial sector in Italy

Author: Chiara Altilio

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Executive summary

This report reviews key trends and challenges in Italy's financial sector and explores the current state of collective bargaining. The aim is to identify the main challenges to foster smart bargaining in this sector, that can sustain social partners, enterprises and workers.

Key Trends

Digitalization is the main phenomenon in the sector that is driving several trends impacting the world of work. Strong competition, also generated by investments in digital technologies, is leading to a desire, on the employer side, to reduce labour costs. With concern to labour market trends, in addition to a progressive reduction of the workforce, the sector is characterized by limited turnover and a strong demand for skills, especially IT skills.

Collective Bargaining Structure

The coverage rate of collective bargaining in the financial sector in Italy is very high: sectoral collective bargaining and company collective bargaining, in fact, cover almost all workers in the sector. As regards the structure, the top five national collective agreements collectively apply to 92% of companies and 93% of workers in the sector.

Key Challenges

The main challenges for collective bargaining in the financial sector relate to the management of the impact of digitalization on work organization. In order to build so-called "smart bargaining", it is necessary to strengthen the relationship of trust and cooperation between the social partners, so that collective agreements can be adapted faster to the needs of workers and enterprises. A further challenge is the training of trade unionists, so that there can be a growth in professionalism expressed at the bargaining table.

Path Forward

To sustain the role of collective bargaining, it is necessary to invest in continuous training of representatives present at the bargaining tables, as a necessary condition for productive social dialogue which can provide answers to the needs of the sector and minimize conflict levels. This can be achieved through a continuous investment in training at all levels of the trade union structure.

Conclusion

Digitalization has transformed Italy's financial sector. Although collective bargaining



coverage remains high, social partners need to strengthen their relationship, increasing dialogue and trust, to provide rapid answers to workers and enterprises, so as to keep up with the speed of change.

I. Methodology

Two research methodologies were used for the drafting of this report: on one side, documentary analysis was used to collect data through the study of literature, reports and communiqués of the social partners operating in the sector, together with the analysis of data from open access databases at European level. On the other side, the field research was conducted by interviewing two relevant stakeholders in the sector: an Italian trade unionist active at national level [R1] and a representative of one of the most important employers' associations [R2]. The choice of the interviewees aims to reflect the different points of view of national-level social partners on the topics of the Report. The interviews have been carried out in Italian, and the translation has been freely conducted by the author of this Report.

II. Sector identification and trends

Italy, together with France and Germany, is one of the most important financial centers in the European Union. In 2021, Italy was the third largest country in Europe in terms of employment in the sector, even though the number of branches on the territory has shrunk significantly, with repercussions in terms of employment (Osservatorio del Terziario Manageritalia, 2022).

Moreover, the Italian banking sector is currently profoundly influenced by several processes, first and foremost digitalization, driven by investments in the development of projects related to financial innovations applied to the provision of financial services, including through investments in digital platforms (Liberi, 2022).

"New digital technologies [are] being adopted with the aim of reducing costs - including automation, which reduces the need for personnel - and making the financial services offer adapted to a changing society" [R1].

This trend also influences companies' recruitment choices. Increased investment in technological capital has led to the adoption of strategies that have reduced employment in the sector.

This is also evident when looking at Eurostat data ⁽¹⁾, which shows that, between 2016

¹ Employment by sex, age, occupation and economic activity (financial and insurance activities) (from

and 2023, the Italian financial and insurance sector lost 42.100 workers ⁽²⁾.

Looking at the composition of the current workforce, according to relevant stakeholders in the sector, there is *“limited turnover”* and *“the acquisition of new professionals tends to be linked to the need to acquire digital and IT skills in the labour market that are not present in the company”* [R1].

However, the financial sector in Italy is growing (Liberi, 2022). According to investigations by the FISAC CGIL Study Centre, if the top 7 banking groups in Italy are taken into consideration and the figures for 2022 are compared with those for 2024, a doubling of interest income, gross margin and profits emerges. The growth trend is also confirmed by the analysis conducted by the Uilca Orietta Guerra Research institute (2024), which emphasizes that 2023 was *“the golden year of the Italian banking system”*, thanks to the simultaneous growth in interest margins, the reduction in adjustments to loans, and higher productivity.

III. Current state of collective bargaining

The Italian contractual model is defined by a multi-level structure, articulated through a national/sectoral level and a decentralized (company/territorial) level.

Taking as a reference the most applied national collective agreement (CCNL) in the sector under investigation in this report ⁽³⁾, which applies to 65% of the workers employed in the sector, the social partners involved are, on the employer side, ABI (Associazione Bancari Italiani) ⁽⁴⁾ and, on the trade union side, FABI (Federazione

2008 onwards, NACE Rev. 2) (1 000) [lfsa_eisn2__custom_14340862]

https://doi.org/10.2908/LFSA_EISN2

² Considering the total number of people employed in the sector, aged 15 years and over, it goes from 648,800 in 2016 to 606,700 in 2023. The Italian trend does not reflect what is recorded at European level (EU-27) where, on the other hand, employment in the period considered rises from 5,326,200 to 5,670,400 (+344,200).

³ Reference is made to the National Collective Agreement (i.e. CCNL) for middle managers and personnel in professional areas employed by credit, banking, financial and instrumental enterprises, the renewal of which was signed on 23 November 2023 by ABI, Intesa Sanpaolo and FABI, First Cisl, Fisac CGIL, Uilca, Unisin Falcri Silcea Sinfub. According to official data shared by CNEL-INPS monitoring, the CCNL applies to 955 companies and 285,481 employees. See National Archive of Collective Agreements managed by CNEL, private sector, Uniemens flow 2023 <https://www.cnel.it/Archivio-Contratti-Collettivi/Archivio-Nazionale-dei-contratti-e-degli-accordi-collettivi-di-lavoro>

⁴ In addition to the reference association for banking institutions ABI, the signing parties on the employer side also include Intesa Sanpaolo (the largest banking group in Italy), following the revocation of the mandate given by the company to the association for the negotiation of the sector's CCNL. On this point, G. Pigliarmini (2023), Rinnovo del CCNL ABI: la revoca di Intesa Sanpaolo e i possibili scenari, Bollettino ADAPT 13 marzo 2023, n. 10, <https://www.bollettinoadapt.it/rinnovo-del-ccnl-abi-la-revoca-di-intesa-sanpaolo-e-i-possibili-scenari/>



Autonoma Bancari Italiani)⁽⁵⁾, the sector federations of the confederal trade unions that are comparatively more representative at national level (First-Cisl, Fisac Cgil, Uilca Uil) and UNISIN⁽⁶⁾.

The sectoral bargaining level at the national level has a central and predominant role; however, also in view of the size of the companies, company-level bargaining is particularly developed.

"The National Collective Labour Agreement is a sort of 'toolbox' from which companies can draw to adapt to their business models" [R2]:

"There is no territorial bargaining; the second level of bargaining is at a company level" [R2].

"Collective bargaining moves in an agreed manner between the different levels and the different companies, with the need, at the second level, to take into account the specific service models adopted by each company', thus guaranteeing 'an overall consistency of rules in the sector" [R1].

Obviously, bargaining in the sector is affected by its economic trend. The positive trend in terms of economic growth has in fact accompanied the renewal of the CCNL most applied in the sector in the second half of 2023, which has provided, among the various innovations relating to economic and regulatory treatment, also for an increase in salaries⁽⁷⁾. In fact, by virtue of the renewal of the CCNL, companies' personnel costs have increased (+2.8% between the first semester 22 and the first semester 24) but, according to a statement by one of the trade unions that signed the CCNL, the salary increases established with the renewal of the CCNL are easily reabsorbed by the companies in the sector thanks to the savings obtained from the downsizing of the networks through the closure of branches in the territory (minus 1435 branches between 31. 12.21 and 30.06.24) and to the reduction of the workforce operated by many banking groups (in Italy, the number of employees went from 183,546 at 31.12.21 to 170,104 at 30.06.2024, a reduction of 13,442 units in 30 months) (Ufficio Studi e Ricerche FISAC CGIL, 2024).

This trend seems to be confirmed for the entire sector where the reduction in labour

⁵ It is the most representative banking union in Italy, founded in 1948, and signed the first national collective agreement for Italian bankers in 1949.

⁶ It is a trade union active in the financial activities sector that represents a unitary body to which several entities refer, namely the FALCRI Federation, the SILCEA union and the SINFUB Federation.

⁷ For a review of the innovations contained in the latest 2023 renewal, C. Altilio (2023), Per una storia della contrattazione collettiva in Italia/180 – Il rinnovo del CCNL Credito: il trattamento economico come driver dell'innovazione nel settore, Bollettino ADAPT 4 dicembre 2023, n. 42 <https://farecontrattazione.adapt.it/per-una-storia-della-contrattazione-collettiva-in-italia-180-il-rinnovo-del-ccnl-credito-il-trattamento-economico-come-driver-dellinnovazione-nel-settore/>

costs is driven by strong competition between players.

As for the actors in the sphere of industrial relations in the financial sector in Italy, the last ten years have witnessed *“a drive towards concentration (still in progress) that has reduced their number [...] the drive to reduce the role of intermediate bodies reduces spaces and capacities for intervention that are modelled more on the ability of individual actors to enhance their own role rather than on the basis of shared rules”* [R1].

IV. Challenges to collective bargaining

The collective bargaining coverage in the sector is high. According to one respondent, it *“is close to 100%’ at national level and ‘above 90% at company level”* [R2].

Thus, the extent of collective bargaining coverage is not a central issue, neither at sectoral nor at company level. This appears to be related both to the average size of enterprises and on the high unionization rates.

“A bank with 1,000 employees is considered small, whereas in other sectors it would be a large enterprise; moreover, the percentage of employees who are members of trade unions is very high, around 72-73%. This high unionization means that second-level bargaining is highly developed” [R2].

In fact, the main challenge posed to collective bargaining is the reorganization of work imposed by the digital transformation of companies in the sector, which affects *“both the skills required and the rights of workers”* [R2] but also *“the numbers of the workforce’ and the organization of companies in the strict sense, pushing them to rethink working hours and workspaces”* [R1].

According to one interviewee, trade unions need to regain bargaining strength: *“the model of industrial relations adopted in our country suffers from the choice of the employer world to maintain its competitiveness by lowering costs, especially labour costs. In the sector, this trend took hold particularly after the crisis in the financial sector in 2008. The responsibility shown by the trade union table to secure the sector has to some extent reduced its negotiating strength. It is only in recent years that the trade union side is making up for lost ground”* [R1].

Among the main challenges is also sustainable development management.

“In addition to protecting the interests of member companies, we have a perspective of ethical development of doing banking business in Italy, with great attention to staff relations [...] we believe that collective bargaining can accompany these processes and ensure that workers have the tools to deal with change without suffering it” [R2].

V. Towards Smart Bargaining

Bargaining can be qualified as 'smart' if responds in a timely and flexible manner to the needs of workers and enterprises.

"Each bank has different needs – some are entirely digital, others maintain a traditional physical network – the challenge [for the social partners] is to have a national collective agreement that offers the necessary tools to manage these differences" [R2].

According to the interviewees, to talk about 'smart bargaining' means to act along two lines: on one hand, to strengthen the relationship between the existing social partners, through an improvement in the level of trust and constant dialogue, to consolidate bargaining as the best method for regulating working conditions.

"Greater continuity of dialogue [between social partners] is crucial. Having a common language helps bargaining a lot, because if there is a shared understanding of reality, it is easier to find solutions to problems [...] trust is essential in bargaining, and the preparation of the parties is equally important. A quality dialogue requires adequate preparation on both sides" [R2].

On the other hand, it is very important to improve the content of collective agreements: although the CCNL *"is adequate, challenges such as digitalization, impose continuous maintenance [of its contents], in order to keep its effectiveness intact but also to ensure wage increases, updates with respect to regulatory changes made by the legislator and to strengthen the role of bilateral bodies"* [R1].

To this end, it is necessary for all social actors to have a culture that is particularly focused the challenges of companies and workers in the sector. One interviewee, for example, points out that the trade union to which he belongs is *"investing a lot in the training of managers and the creation of a real trade union training center"* [R1]. Adequate preparation is also a central issue for the employer side since it is the basis for building *"an ongoing dialogue [needed] to deal with changes in the sector. When one side is not sufficiently prepared, conflicts arise"* [R2].

VI. European Perspectives

The financial business sector in Europe has undergone a profound transformation in recent years. This trend, which since 2008 has been characterized by an ongoing rationalization in the European banking sector, has generated a reduction of bank branches in the countries (Eurostat, 2019), with considerable repercussions on

employment in one of the most important job-creating sectors (Saravia et al.,2022). Adopting a European perspective, the first emerging fact with reference to the social actors is their participation in the social dialogue through associations established at EU level. On the employer side, ABI, for example, acts at supranational level *“through the European Banking Federation (EBF) and the Banking Committee for European Social Affairs”* [R2]. In this context, therefore, there is cooperation *“with other European banking associations, exchanging information and discussing issues of common interest. For example, we were among the first to adopt a joint declaration on artificial intelligence. European social dialogue helps a lot to find shared solutions and to improve labour relations at national level”* [R2]. As for the regulatory aspects, according to one respondent *“the establishment of EWCs - European Works Councils should foster the progressive understanding and convergence of national [sectoral] bargaining”* [R1].

VII. Conclusions

The financial sector in Italy is profoundly affected by digitalization, the consequences of which are the reorganization of the territorial network of bank branches and the transformations of the types of services they offer. Investments in new technologies, which are necessary both for fully digital banks and for banks providing IT services, also require a reorganization of the workforce, which over time has manifested itself in a reduction in the rate of employment in the sector and an increase in the demand for labor toward professional profiles with IT and digital skills. At the same time, this growing trend in the sector has enabled the development of collective bargaining that responds to the needs of businesses and the workers employed in it.

The Italian case highlights the need to act not on the quantitative aspect related to collective bargaining (i.e., coverage rate, unionization levels) but on the quality of industrial relations, so that a continuous dialogue based on trust among all social actors may be built over time.

From this point of view, bargaining can be considered ‘smart’ when able to respond to the social and economic challenges affecting the sector. For this to be achieved, an investment in continuous training of the actors who sit at the bargaining tables is essential.

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