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Country level results Italy

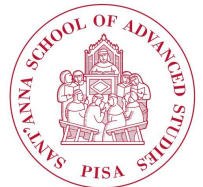
Midterm Workshop
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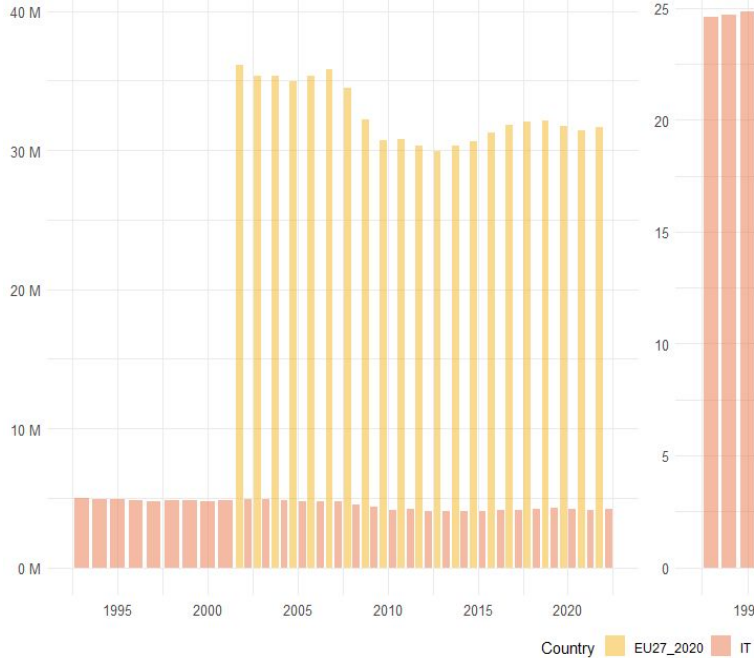
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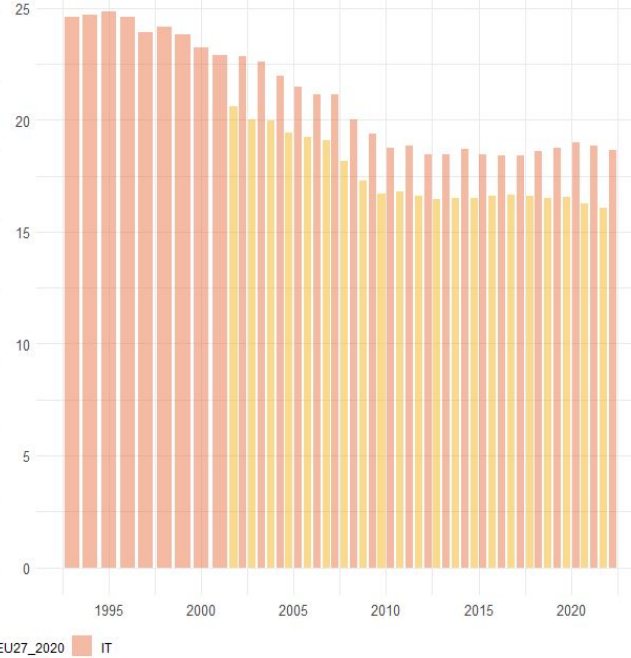


Italian General Overview-Employment (1993-2022- ELFS)

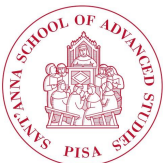
Employment in manufacturing (NACE-C, levels)



Shares of manufacturing (NACE-C) over total employment

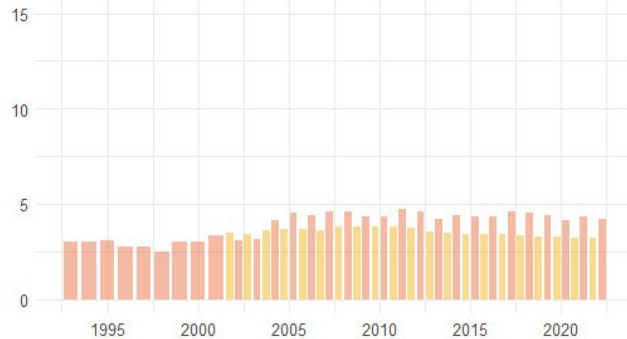


- Employment in manufacturing amounts to around **5 million workers**, corresponding to **13% of European employment in manufacturing**;
- The **share of employment in manufacturing** over total employment declines from **25% to 18% in 30 years**, however, still higher than the European average.

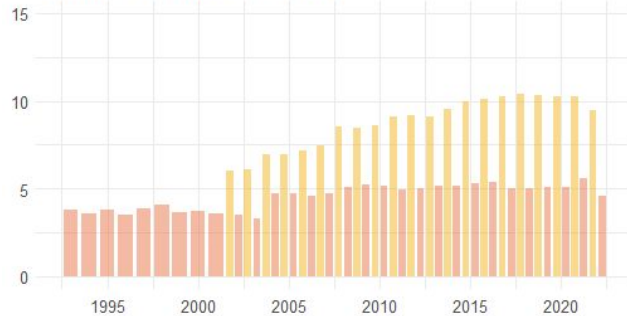


Italian General Overview-Employment (1993-2022 - ELFS)

Manufacture of basic metals (NACE-C24)

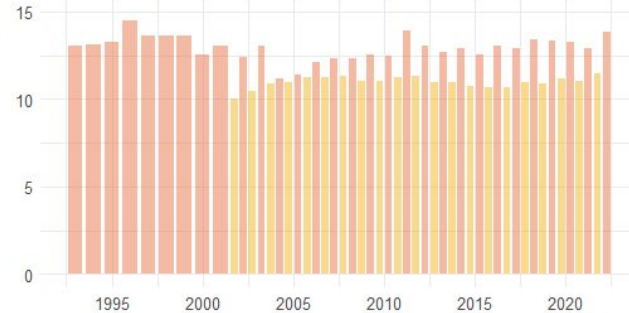


Manufacture of motor vehicles, trailers and semi-trailers (NACE-C29)



Country EU27_2020 IT

Manufacture of fabricated metal products, except machinery and equipment (NACE-C25)

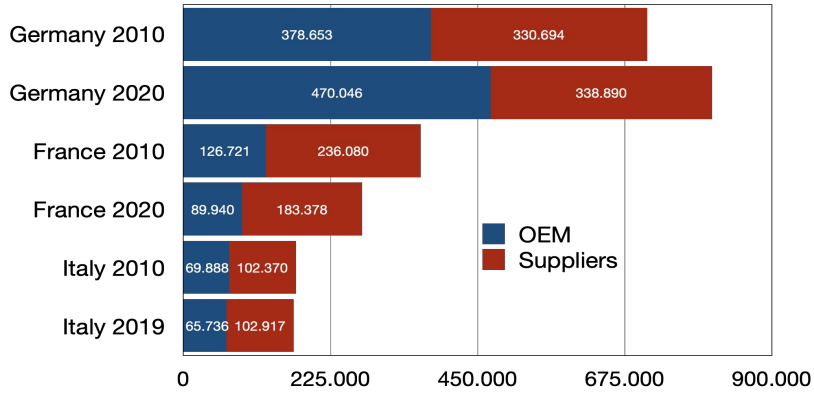


- The share in manufacturing of basic metals (**NACE-C24**) increases **from 2.5% to 4.6%**; manufacturing of fabricated metal products (**NACE-C25**) is stable at **13%**; the shares of manufacturing in motor vehicles, trailers and semi-trailers (**NACE-C29**) increases **from 3.3% to 5.6%**
- Italian **stable trend vs the increasing** European one (including the Visegrad area) suggests a strategy of **delocalization** of the sector during the last decades.



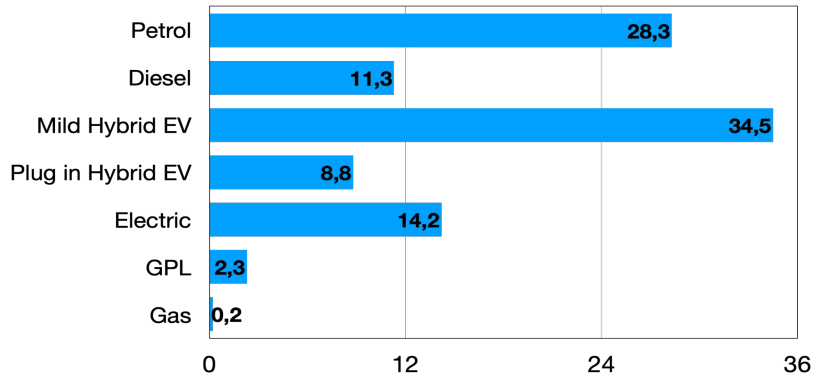
Comparing three car-producing countries

Number of employees (ATECO 29)



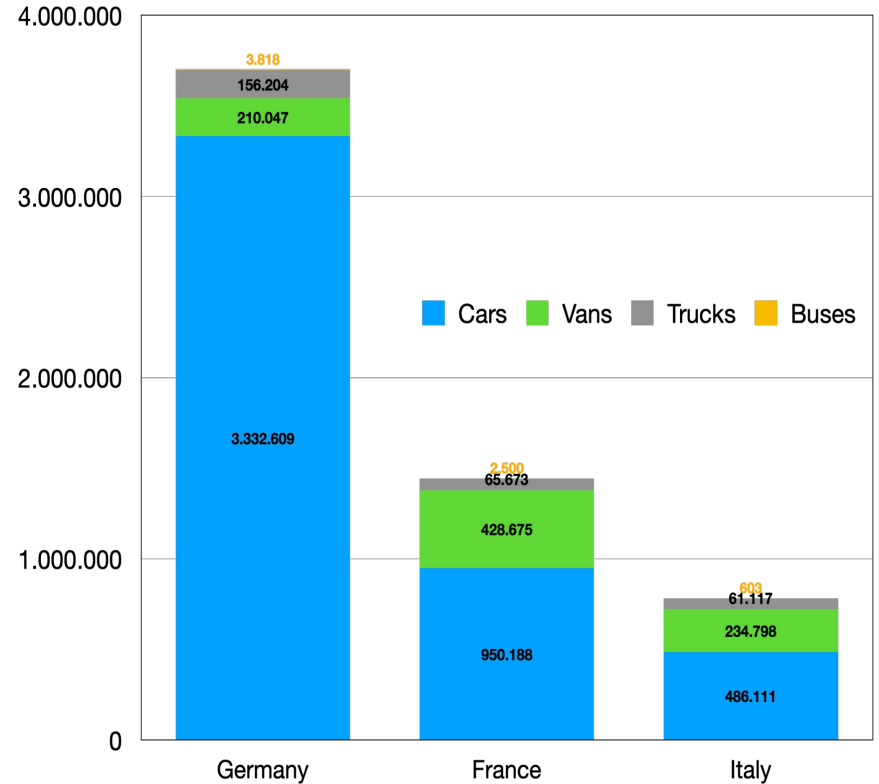
Source: Osservatorio Nazionale Automotive (2023)

Production of cars in Italy by propulsion technology (%) in 2022



Source: ANFIA

Vehicles production in 2022 by country and type of vehicle



Source ACEA

National policies on DAD in Italy

•DA: **National Plan on Industry 4.0** approved in Italy in 2017 (then renewed in the following years) to spur private investment in digital technologies. More recent version of the plan is “Transizione 4.0” with 13 billions funded through PNRR. [1]

- Mainly based on **credits to investment in new capital goods, tangible and intangible assets.**

- **Limited impact on firms’ choices and sectoral technological upgrading**, as the majority of firms used the public fundings to invest in **ICT security** rather than advanced digital technologies.

•D: **National Integrated Plan on Energy and Climate (PNIEC)** to be approved by June 2024, elaborated by the Ministry of the Economic Development, the Ministry of Environment and Land and Sea Protection and the Ministry of Infrastructure and Transport.[2]

- Ambitious goals in terms of **decarbonization** (i.e. reduction of emissions in non ETS sectors by 43,7% by 2030 with respect to 2005), **energy efficiency and security** (diversification of supply sources and optimization of infrastructures and natural gas production); **empowerment of the internal energy market** (electricity interconnection) and **investment in research and innovation** to increase the national competitiveness.

- Lack of long-term measures to reach these goals** and excessive reliance on natural gas according to environmental associations. [3]



The automotive sector in Italy

Trends in production

- **Progressive decline in production of cars** (from around 1,500,000 vehicles in the late 1990s to 473,000 in 2022) **and increasing specialization in the supply of components** (with risk of delocalization).
- Increasing production of electric powertrains: from + 0,5% in 2019 to + 58% in 2022 (HEV +35%, +8.8% PHEV, +14.2% BEV). Rising production and registration of gas-powered and hybrid cars in 2023, drop in registration of diesel cars **(Source ANFIA) [4]**

Current challenges

- The relation between produced cars and new registrations in 2022 is 36,9% while in Germany is 125% **(Source ACEA) [5]**
- Oil and diesel cars represent 39,6% of total national production, while the share of eco-friendly cars is equal to 60% and is increasing over time. **(Source ANFIA) [6]**
- On going dissolution of the main national player, Stellantis (12 plants and around 50 thousands workers in the country), asked voluntary redundancies of 15.000 workers to manage the transition towards the electric production.

Institutional response

- Weak and not timely: Establishment only in November 2023 of a Board of coordination between social actors and national government (“Tavolo Sviluppo automotive”) to increase the competitiveness of the sector. **[4]**
- Specific law (legge n.34/2022) “DL Energia” allocating €8,7 billion 2022-2024 and €1 billion every year from 2025 to 2030 to support the ecological transition of the automotive sector, several measures adopted to support the electric cars’ purchase. **[4]**
- Trade unions’ request for a comprehensive industrial policy plan on public and ecological mobility. **[7]**

Infrastructures

- The PNRR allocates €740 million to reach the goal 31,500 public fast-charging points by 2030 (and 6 million electric vehicles), 3,64 billion for the renewal of bus fleets and green trains. **[4]**



Industrial relations in Italy - General overview

Representative pluralism on both the trade union and employer sides:

- 3 major trade union confederations (*CGIL*, *CISL* and *UIL*). Many “independent” unions, but relatively weak in the private sector;
- Dominant and “general” role of *Confindustria*, but there exist other and more specialised employer associations.

IR system traditionally **scarcely institutionalised**, with **minimal state intervention** and regulation, relying on social partners’ mutual recognition:

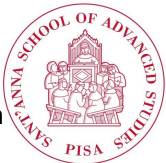
- **autonomy of the bargaining parties** unrestrained by law at the various level of the negotiation (Dorigatti and Pedersini, 2021);
- **lack of erga omnes extension for collective agreements** at legislative level, but judicial enforcement of contractual minimums.

Multi-tier bargaining system:

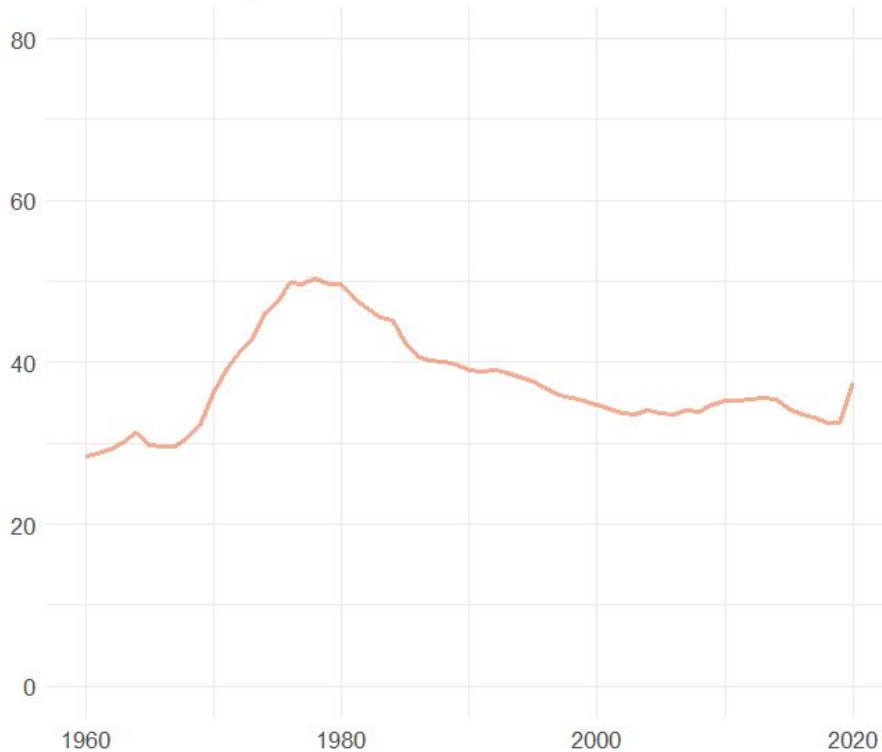
1. *inter-confederal cross-industry*: regulation of representation, negotiation and renewals procedures;
2. *industry-wide*: information and consultation rights, minimum wage rates, job classification, working time, recruitment and termination, non-standard employment, training;
3. *company-level*: productivity bonuses, working time, union prerogatives, welfare benefits, restructuring.

Company and workplace representation:

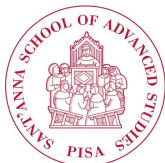
- **Single channel workplace representation**, but two possible configurations:
 1. the *RSA (Union Company Representation)*: union representatives without bargaining power, but information and union rights;
 2. the *RSU (Unitary Union Representation)*: employee representatives (regardless of union membership), elected by all workers at the establishment level on union lists. Right to bargain collectively at company level, to be informed and consulted.
- *Workers’ Health and Safety Representatives (RLS)*: employees representatives, elected by workers, specifically in charge of prevention, risk assessment, training and work organisation on health and safety at the workplace.
- There is **no specific legislation on employee representation at board level**. The matter is regulated by company law and the main experiences are limited to the banking sector and municipal companies.



Union Density



	2018
Employer Organization Density	56%
Bargaining Coverage Rate	98%
Bargaining Levels	3



Industrial relations in Italy - Recent developments and current challenges

Notwithstanding the relative stability in trade union density, **unions' influence has significantly declined**, especially over public policies:

- political parties (left and right) challenge unions' public stance (Meardi et al., 2019);
- **fading away of social concertation** in the last decade and governments' tendency to **exclude unions from policy making** (Pulignano et al., 2018);
- crisis/technical boards with trade unions but no involvement in policy planning for green transition **nor social dialogue on DAD issues** at national level (in the automotive industry, critical role of Stellantis avoiding such discussions).

Strong **union division in the metalworking sector** in the last decades:

- signing of "**separate contracts**", i.e. not signed by the largest metalworking union in terms of members, the Fiom-CGIL;
- division over the industrial reorganisation **dispute at Fiat in 2010-11** (see below);
- union division overcome in the last two national collective agreements, but still persists at Stellantis.

Challenges on collective bargaining system:

- general **erosion of real wages** in the last three decades and low capacity of collective bargaining to produce pay increases in the absence of minimum wage legislation (exception: last metalworking national collective agreement);
- in 2011 FCA withdraw from the national collective bargaining system, raising **concerns for the survival of industry collective agreements**. To date, this has not occurred, even if some big companies followed FCA's exemple (Luxottica, Marcegaglia);
- proliferation of "independent" unions and employers organisations and of "**pirate**" **industry agreements** undercutting standard protections (530 in 2013 → 900 in 2019). However, agreements signed by major TUs cover 98% of private sector workers.
- switch **from organised to disorganised decentralisation**: possibility for decentralised agreement to derogate industry-wide agreements and legislative provisions (but limits to this possibility agreed in metalworking national collective agreements);
- **coverage percentage of collective bargaining at company level varies according to the size of the companies**. In companies with a least 500 employees, the coverage is around 69,1%, while it is around 17,5% in companies with less than 49 employees.



Case Studies: technical description

Case Study I

- Component production plant located in Tuscany: supplier of injectors for both European and non-European OEMs;
- Around 1000 workers employed (considering also those with a temporary job);
- Well-established social dialogue with more than 40% union members;

Plant under threat of closure but the crisis so far being resolved: For the shift to e-mobility, a 10-year plan of 750 redundancies (out of 1000 employees) was announced, foiled by the purchase of a new multinational company interested in maintaining the current production of injectors

Case Study II

- High-end car manufacturer located in Emilia-Romagna: plant on the technological frontier;
- 2100 employees: 600 interim, 50% of which employed with open-ended contract within the year, plus 1000 external workers (logistics, receptionists);
- All unionized workers are covered by metalworkers' contract: bargaining coverage is around 90% for blue collars and around 15% for white collars;

Comparability

1. Both cases are under the same TU
2. Similar size
3. Strong attitude in innovative activities

Component producer (social dialogue)	High-end car producer (social dialogue)
<p style="text-align: center;">Digitalization-Automation: introduction of new technologies</p> <ul style="list-style-type: none"> ➤ Ex-ante: no room for negotiation, union representatives are only informed by established practice and continuous exchange with management; strong role in maintaining open the plant with a ➤ Ex-post: monitoring of safety and ergonomic aspects, detect potential risks and suggests improvement actions; digital software information cannot be used against workers (verbal agreement) <p style="text-align: center;">Decarbonization</p> <ul style="list-style-type: none"> ➤ ⚠ Risk of plant closure ⚠ subsequent acquisition by a multinational interested in carrying on injector business; ➤ Developing a prototype for injectors for hydrogen vehicles ➤ Internal innovation development plans 	<p style="text-align: center;">Digitalization-Automation: introduction of new technologies</p> <ul style="list-style-type: none"> ➤ Ex-ante: strong bargaining power, MES has been developed by an union delegate; Gradual adaptation to MES functioning; ➤ Ex-post: monitoring of safety and ergonomic aspects, detect potential risks and suggests improvement actions; technologies are not used as a control tool; <p style="text-align: center;">Decarbonization</p> <ul style="list-style-type: none"> ➤ Production of a plug-in-hybrid vehicle: no room for negotiation over the electrification strategy; RLS actively participate in the safety training on high voltage risk (⚠) ➤ Acquisition of new external professional figures linked to electrification ➤ Electrification of the car makes the process more complex and also more exposed to risks for workers

Preliminary Findings and Conclusions

- In both workplaces, trade unions still mostly negotiate over working hours, shifts, wages and welfare benefits;
- Bargaining over technological change hugely dependent on workplace culture:
 - Case study I: weak on digitalization and automation strategies;
 - Case study II: strong on digitalization and automation strategies, with even the implementation of co-managed technological solutions;
- Common passive role of workers and union representatives in the decarbonization path in both cases;
- General lack of a TUs and social dialogue strategy to pursue the decarbonization path, no attention to supply chains and life-cycle approach, safety risks under evaluation.
- Decarbonization today is more a threat of competitive pressure from China production and a risk of further reducing the space for the chain



- [1] Transizione 4.0 Italian Plan available at <https://www.mimit.gov.it/it/transizione40>
- [2] PNIEC available at https://www.mase.gov.it/sites/default/files/archivio/pniec_finale_17012020.pdf
- [3] Declaration of national ecological associations on the nationalism policy of decarbonization
<https://www.legambiente.it/wp-content/uploads/2021/03/PNRR-Associazioni-su-decarbonizzazione.pdf>
- [4] Osservatorio Nazionale Automotive available at
https://www.anfia.it/allegati_contenuti/DOC/323_STUDIO%20OSSERVATORIO%20AUTOMOTIVE_BENCHMARK%20INTERNAZIONALE%202023.PDF
- [5] ACEA data on the automotive sector in Europe
<https://www.acea.auto/files/ACEA-Pocket-Guide-2023-2024.pdf#page=88>
- [6] ANFIA Data on recent trends in production
https://www.to.camcom.it/sites/default/files/studi-statistica/Slide_Osservatorio_Auto_2023_ANFIA.pdf
https://www.to.camcom.it/sites/default/files/studi-statistica/Osservatorio_Auto_2023_Rapporto.pdf
- [7] National event organised by metalworkers trade union to discuss the future of the automotive sector in 2020 <https://sbilanciamoci.info/la-giusta-transizione-per-la-mobilita-sostenibile/>