Bilateralism and Bilateral Bodies: a New Challenge for the Italian System of Industrial Relations

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The aim of the present paper is to examine the effectiveness of bilateral models of workers representation created for particular industries and type of workers, through the Italian case-study.

As a response to the economic downturn, most of the recovery packages worldwide authorize extensive public spending to stimulate the real economy. However, such measures boost job creation mostly in sectors traditionally associated with outstanding challenges. It is the case of constructions, characterized by discontinuous work schedules, hazardous OHS conditions and high turn-over rates, the latter hampering the success of life-long training.

In Italy, the situation is further exacerbated by the workers’ representation gap, due to the plague of informal employment and very low unionization rates in this sector.

The new paradigm of bilateralism recently proposed by the Legislator could certainly represent a positive practice to face long-lasting challenges and promote a rebirth of industrial relations in Italy.

Here, innovative sectoral-level actors- jointly made up by workers and employers organizations- were established under National Collective Labor Agreements. Such bilateral bodies were originally set up only in the construction industry as a financial administration tool, to double-check verify that the allocation of the founds collected by employers associations and trade unions were aligned with the aim of workers support in some critical circumstances (diseases, accidents at work, mutual assistance in case of production stoppage or reduction in working hours, ect.).

However, it is only in the early 1980s, when bilateral bodies were set up in other sectors such as craft, commerce, and tourism that bilateralism was developed not only in a mere prospective of joint administration of financial resources but also as a new paradigm of a cooperative and collaborative system of industrial relations. In
this perspective, bilateralism represents a rejection to the traditional and conflictual approach to labor issues. In fact, the latter is not well suitable for market stabilization and workers protection in industries characterized by distinguishing features, namely weak industrial relations, low unionization rates, prevalence of small and micro enterprises, fragmentation of workforce, high turnover of employees, quick changes in market trends, etc...

More recently, bilateral bodies competences were broadened under major reforms. According to the 2003 Italian labor market reform (so called “Biagi Reform”), bilateralism represents a “privileged channel for labor market regulation” and the main driver for more participatory labor-management relations, not only at sectoral level, but for the whole industrial relations system. Bilateral bodies are now called under the labor market and the health and safety at the workplace reforms (D.Lgs. 81/2008 and further amendments) to:

- promote stable and regular employment, by providing for certification services and ensure labor contracts’ full compliance with current rules and social security schemes;
- offer job placement services;
- plan and implement vocational training programs and school-to-work transition, especially through a new model of apprenticeship;
- promote best practices for vulnerable workers labor market participation;
- set up and administer mutual assistance funds for income support;
- promote OHS programs, provide for certification services of integrated management systems, develop voluntary OHS standards for government construction procurements;
- undertake other activities or functions assigned to them by collective agreements.

However, attempts to actually implement a common strategy for the sound governance of bilateral bodies has failed so far, since one of the main national social partners (CGIL) keeps blaming bilateral bodies for jeopardizing the role of trade unions and transforming them in parapublic institutions.

This paper will first focus on a historical overview of bilateralism in the Italian national context, then it will investigate the coherence of the functions performed by such bilateral bodies with collective bargaining and other representation regimes. A concise analysis of the factors contributing to the success and failure of bilateral representation regimes will be carried on.

In regards to that, the main argument claimed is that only a model of governance commonly shared by the overall trade union movement may truly further the implementation of the new participatory paradigm proposed by the Italian Legislator. Finally, some general conclusions on the potential of bilateral representation regimes in industries- constructions first- characterized by challenging working conditions, special work organization schemes and harsh labor relations will be drawn from this national case-study. Especially, the conclusions will focus on good bilateral practices to improve OHS performance in government construction procurements.