Trade unions and networked workplaces.
Challenges and opportunities from Italian Factory Outlet Centres

Stefano Gasparri
Università degli Studi di Milano
stefano.gasparri@unimi.it
1. INTRODUCTION

Networked and multi-employers workplaces pose serious challenges to trade unions (Marchington et al., 2005; Gilson, Sabel & Scott, 2009; Robinson & Rainbird, 2011; Doellgast, 2012)

Risks of a further marginalization are evident. Are there also chances for their revitalization? (Baccaro & Howell, 2011; Crouch, 2011; Streeck, 2009; Frege & Kelly, 2004; Hyman, 2004)

Explanations on trade unions' inclusions/exclusions from workplaces tend to emphasize the effectiveness of external forces like technological change, globalization, individualisation, flexibility or, lately, crisis (Sassen 1996; Tilly 1995; flexibility, Boltanski & Chiapello 2005; individualisation, Atkinson 2010; Bordogna et al. 2012).

Concrete mechanisms underlying the process might be left in the shadow

I deepened a specific context, Italian Factory Outlet Centres, with an actor-centred institutionalism perspective and a focus on power-related dynamics (Hemerjick 2008; Muller 2004; Korpi 1998, 2006)
2. CASE SELECTION

a) why the Factory Outlet Centre?

- not yet studied by IR, but symbolic of our times ('non lieux'/'non places', Augé 1995)
  - a peculiar organizational setting (100+ micro-enterprises)
  - particularly challenging: low wage private service, retailing sector, 95% young saleswomen

b) why in the Italian framework?

- a traditionally 'organized' system of i.r. (Ferner&Hyman, 1992; Traxler, 1995; Regalia&Regini, 1995; Visser, 1996; Regalia et al., 2010)
  - the policy-making on retailing reflects an 'institutional swinging' between centralization (until 1998 and since November 2011) and decentralization (throughout 2000s)

Cases correspond to the population of Italian Factory Outlet Centres, which are 20, since their first appearance in 2000 until now
"clusters of retail stores all offering brand name goods at discounted prices, which are often located near major highway junctions or tourist sites" (Whyatt, 2008: 315)

"peripheral retailing structures, with an evocative village-style architecture, whose several tenants are fashion brand retailers charging prices lower than in-town" (Mattiacci & Ceccotti, 2008: 7)
3. RESEARCH QUESTIONS AND METHODOLOGY

Questions:

- How is work regulated within Italian Factory Outlet Centres?
- Have trade unions been involved in their work regulation? Why?

Methods to collect information:

- an extensive review of documents mentioning Factory Outlet Centres and spontaneously produced by institutional actors (laws, deliberations and court rulings, pacts and declarations but also local newspapers and blogs)

- interviews to key-informants, loosely structured and mostly not planned in advance (above all trade unionists belonging to the two main workers' organisations)

Working hypothesis:

Innovative businesses rely on new ways to coordinate socioeconomic activities that, challenging the old features of regulation, allow first-movers to act as rent-seekers, unless involved entrepreneurs, politicians and trade unionists reach a new compromise
### 4. RESULTS

<table>
<thead>
<tr>
<th>Type of actors</th>
<th>Style of action</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unilateral</td>
</tr>
<tr>
<td>Individual</td>
<td>Managerial regulation</td>
</tr>
<tr>
<td></td>
<td>Explicit authority, due</td>
</tr>
<tr>
<td></td>
<td>mostly to workers'</td>
</tr>
<tr>
<td></td>
<td>precariousness</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Collective</td>
<td>Corporative regulation</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional</td>
<td>Legislative regulation</td>
</tr>
<tr>
<td></td>
<td>Laws' dispensations set</td>
</tr>
<tr>
<td></td>
<td>by governments</td>
</tr>
<tr>
<td></td>
<td>(national/local)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*(table drawn on Regini, 2003)*

- In 17 cases out of 20, **firms' unilateralism and market regulation**

- In 3 cases **trade unions have been involved**, through an **innovative** form of work regulation: *'collective bargaining at the site level'*
Collective bargaining at the 'site' level:

- **Originality:**
  Trade unions' counterpart is not workers' employers but the Factory Outlet Centre's director. Besides, it is an additional, integrative level of collective bargaining.

- **Effectiveness:**
  The 'site-collective bargaining' is a 'social clause' within each renting agreement signed by retailers and the management of the retailing complex.

- **Contents:**
  'Site-agreements' allow firms highly flexible openings, all Sundays included. In exchange, trade unions obtain: programmed work shifts on Sunday; a salary increase during Sunday work (on average 10%); an office for union's local branch within the retailing complex; the appointment of job safety delegates, who can enter workplaces freely; the monitoring of working conditions and occupation; the scheduling of seasonal meetings between workers' representatives and the Factory Outlet Centre's management.

As a result, in one case, trade unions' members passes from 0 to almost 200 in 1 year. In another, they arranged meetings joined by 400 workers.

*Why did it (not) occur?*
1) Firms' strategies provide a quite satisfactory explanation.

Entrepreneurs try to avoid responsibilities on work regulation through organizational fragmentation. In Factory Outlet Centres, landlords and brands' owners plan to leave this duty to small shop-keepers. They often succeeded, surely whereas the labour market is weak, as in Southern Italy.

* Theoretically, employers' use of fragmentation to bust trade unions is widely supported, as shown by Reich, Gordon & Edwards (1973), Kochan (1986) and Franzosi (1995).

2) But also trade unions' strategies play a certain role.

Trade unions try to express their voice through strategies ranging from cooperation to conflict. They firstly succeeded whereas they are more conflict-oriented.

In Tuscany, trade unions have been involved since Factory Outlet Centres were planning. It was not even necessary to promote workers' mobilization.

* As demonstrated by Tarrow (1995), there is a nexus between democracy and disorder. Trade unions' support to workers' mobilization goes hand in hand with labour rights.
3) However, the **decisive actor is the government**, which has the final word on the most relevant issue (Sunday openings),

Two features emerge as necessary conditions:

- the **ability to control centrally** the policy-making process, at least by Regions, otherwise local governments do not resist to firms' pressures

  E.g. In Emilia Romagna, traditionally a 'red region', local governments hosting a Factory Outlet Centres became tourist areas to let firms take advantage of a special legislation on retailing (no rules on Sunday openings). In exchange, those small local governments got employment and infrastructures

* As noted by Lee, Lee & Katz (2004), **decentralization** of governance is a form of **de-unionization**

- the **political attitudes of central government**, at least not openly hostile to labour

  E.g. Last November, Monti government deregulated Sunday openings, undermining labour leverage (Regions appealed to the Constitutional Court, which still has to say the final word).

* As suggested by Crouch (2011) **deregulation** is an instrument to foster **corporations' hegemony**
5. CONCLUSIONS

Rather than exogenous forces, I emphasize the political side of industrial relations. whose power unbalances ever expose actors with more resources to opportunism.

Specifically...

* A networked workplace like the Factory Outlet Centre proved to be hard to organize.

* However, it can be done in an innovative way, 'collective bargaining at the site level'.

* Trade unions' decline might be reversed by policy design tackling strategic issues (as Sunday openings).

Thanks for your attention! Comments welcome.