

National report of Italy

(Appendix VII)

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INTRODUCTION / BACKGROUND TO THE NATIONAL SITUATION IN THE TRANSPORT SECTOR

*In Italy, the basic form of social dialogue (between public institutions and social partners) is consultation, understood as the practice of trilateral confrontation between the political decision-making centre and the social partners (trade unions and employers' organisations) in order to reach shared agreements on **economic and social policy** objectives.*

*This mechanism is enshrined **in the Agreement of 3 July 1993** which:*

- 1. **made consultation a structural element as an instrument of a trilateral confrontation (involving institutions and social partners) ;***
- 2. **reformed the bargaining system (and consequently the industrial relations system).***

With regard to point 2), the Agreement established a national level of consultation between the government, employers' organisations and trade unions (**the so-called *concertazione***), and two levels of bargaining, the national (**the first level**) and, optionally, the company or regional level (**the second level**).

During the emergency caused by the pandemic, consultation played a fundamental role in planning measures to combat Covid-19 through the ***creation of shared technical teams composed of the representatives of the social partners and public institutions (Ministries and Regions)***; as a result of these discussion forums, ***shared*** Protocols were drafted/updated (***e.g.***



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the Shared Protocol regulating measures to combat and contain the spread of the Covid-19 virus in the workplace of 14 March 2020) with regard to:

- Dissemination of information to workers and those entering workplaces concerning the authorities' instructions (e.g. the obligation to remain at home in the presence of a fever over 37.5°) by means of posters displayed in the most visible places;
- Arrangements for employees and suppliers to enter workplaces;
- Cleaning and sanitising of work environments;
- Personal hygiene precautions;
- Personal protective equipment (e.g. Ffp2 or Ffp3 masks);
- Management of common areas;
- Management of internal travel, meetings, internal events and training.

Outside the public perimeter, the regulatory framework concerning the right to employee participation and consultation in corporate decision-making processes is defined across three regulatory levels:

- 1. Constitution (Articles 46 and 47);**
- 2. Ordinary State Law (Legislative Decree No 25/2007) - General Principles;**
- 3. Collective Bargaining (national and company level) - Detailed Rules.**

Consequently, the **actual implementation** of the right to participation and consultation is delegated **to be decided autonomously by the private actors**, through collective bargaining. In



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the transport sector, this process is very complicated given the complex structure of the industry and its many subsectors (*passenger and goods transport, local public transport, rail transport, maritime transport*). Each subsector has its own specific rules applicable to bargaining and its own collective agreements.

In order to understand the reality of the Italian sector, let us cite some data published Istat (the national institute of statistics). According to this institution, in 2021, the '*Transport and Logistics*' sector counted **117,402** enterprises, of which as many as **102,600** were small companies (**with up to 9 employees, the so-called 'micro-enterprises'**). This statistic must be taken into account as the applicability of the bargaining system varies *according to company size*, in fact:

1. **Article 3 of Legislative Decree No. 25/2007 (General framework for informing and consulting employees)** states that the regulation applies to companies with **at least 50 employees**;
2. **Article 35 of Law no. 300/1970 (the so-called Workers' Statute)** restricts the scope of application of certain important provisions contained therein (**such as, by way of example, the establishment of company trade union representatives' body, so-called RSA or RSU**) to undertakings employing **more than fifteen employees**.

In practical terms, the Transport and Logistics sector is made up of micro enterprises characterised by *family-type management and little inclination towards managerialism*; moreover, the type of relationship between employer and employee **is direct** (i.e. without any



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trade union intermediation) ***and informal*** (non-existence of administrative procedures for decision-making). These sectorial characteristics limit the effectiveness of the above-mentioned regulatory framework, which is aimed at entities with at least 50 employees (legislation on the right to information and consultation) or 15 employees (establishment of trade union representatives' body in the company).

To conclude, let us mention **Article 4 of Legislative Decree 25/2007**, which regulates the issues to be covered by consultation, namely:

- **the recent and foreseeable development of the company's business and its economic situation;**
- **the situation, structure and foreseeable development of employment in the enterprise and, in the event of a risk to employment, the corresponding countermeasures;**
- **decisions of the enterprise that are likely to result in significant changes in work organisation and employment contracts.**

This chapter concludes with **Legislative Decree No. 81/2008**, which regulates safety in the workplace. Within this regulatory framework, there are numerous references made by the law to worker participation. Most importantly, such participation should take place with regard to the identification and assessment of accident risks and in the implementation of **prevention** measures (**measures contained in the so-called DVR, i.e. the Risk Assessment Document pursuant to Article 28**). In this context, participation takes place in the planning phase (DVR)



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and further applies to the monitoring of the effectiveness of the system (***the periodic meetings ex art. 35***).

USE OF DATA

In this chapter, you should include the data collected in the individual reports on each of the 3 resources used (Survey, Interview and Focus Group) in your use of data.

A. Report on the conclusions of the 'SURVEY':

For the purposes of the project, a questionnaire was administered to approximately 44 subjects.

The obtained answers allowed us to define *the average respondent profile*:

- Worker role **(55%)**;
- Trade union organisation member **(43%)**;
- Employed in the production sector **(43%)**;
- Active worker **(75%)**;
- Age between 46 and 65 **(50%)**;
- Male **(73%)**;
- SMEs as the size of employer companies **(51%)**;
- Land-passenger transport **(73%)**;
- Private ownership **(83%)**.

With regard to the question regarding consultation, we obtained a positive result (**affirmative responses**) in terms of the choice of personal protection equipment **(67%)**, the selection of information about the infection to be shared with the staff **(68%)** and the measures launched



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by the government to protect the community (**59%**), the change in working methods (**63%**) and the implementation of remote work within the organisation (**60%**); *on the* other hand, the consultation did not bring positive results (**negative responses**) in terms of business closure (**44%**), developing solutions to ensure business continuity (**72%**), lay-offs (**64%**), and temporary layoffs (**55%**).

In terms of expectations for the future, respondents reported concern concerning the worsening wage conditions (**44% fairly frequently and 16% frequently**), prospects of employment in the sector (**fairly frequently and 34% frequently**).

In terms of their assessment of their organisation's management during Covid-19 and following the consultation, respondents expressed satisfaction with the dissemination of prevention measures and related training (**84%**), compliance with safety regulations by colleagues (**81%**), directors and bosses (**78%**), customers (**76%**), and the adoption of work-life balance measures (**62%**).

With regard to the respondents' personal experience concerning the activities carried out by their organisations, the results have shown that workers felt appreciated (**58%**), recognised for their professionalism (**48%**), more self-confident and empowered by the organisation (**52%**), and had more confidence in the organisation itself (**52% sufficient and 29% high**).

As regards the evaluation of the government's actions in managing the pandemic crisis, there is a general dissatisfaction among respondents with regard to economic planning: **87% and 83%** were not or not very satisfied with the economic programme during the pandemic and post-



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pandemic phases respectively, **74%** were not or not very satisfied with the agreements with financial institutions, and **84%** were not or not very satisfied with the promotion of social dialogue.

The activity of the trade unions was evaluated positively by the respondents, especially with regard to the provision of ongoing up-to-date health information (**86%**) and their contribution to the sector on workers' rights and obligations (**84%**).

Finally, with regard to **the actions taken by business organisations**, respondents expressed dissatisfaction in terms of consultation on business reorganisation (**71%**) and promoting social dialogue (**77%**); on the other hand, however, respondents expressed their satisfaction with the dissemination of health updates (**70%**).

B. Report on the conclusions from the INTERVIEWS.

For the purposes of the project, **six interviews** were carried out, some of them within the focus group.

The key conclusions drawn from the interviews concern the most recurrent motivations with respect to the exercise of participation: ***participation is merely the fulfilment of a contractual requirement***. As anticipated, collective bargaining, which **is the primary source of the right to information and consultation**, involves cyclical meetings in the form of round tables, especially on matters of ***work organisation and safety***.



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Moreover, participation was deemed necessary in order to quickly reach a compromise solution in specific companies that found themselves in a precarious situation as a result of the drop in their revenues. Such compromise solutions were necessary in order to maintain both the operability and sustainable wage levels in this context.

C. Report on the conclusions of the FOCUS GROUP:

During the focus group, the writer conducted the abovementioned interviews.

RECOMMENDATIONS TO FOSTER WORKER PARTICIPATION AND CONSULTATION

The researcher's recommendations should be included according to the information he/she has gathered.

A. Recommendations for EMPLOYERS:

In terms of employers' contribution to an improved employee participation process, the writer made the following recommendations:

- ***introduction of a bonus remuneration system based on worker participation.*** In this regard, periodic assessment aimed at determining bonus pay should take account of a worker's participation in the life of the company (***e.g. making suggestions or pointing out critical issues in production processes***);
- ***setting up a two-way proactive communication system*** in which workers are given an opportunity to make suggestions and lend their availability when relevant industrial agreements are being drafted (***e.g. the hypothesis of work reorganisation***). To date, the communication system allows for the indirect involvement of workers, who are the



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recipients of the information produced by trade union organisations (posting of documents on company premises or the dissemination of digital material via social media). In addition, direct participation is discouraged by the cumbersome mechanism of interaction with the company, which is characterised by bureaucratic models that require lengthy administrative steps (*e.g. drafting and circulation of reports, transfer of requests to the competent office*);

- **Openness towards entrepreneurial models characterised by workers' participation in the company's capital structure** through the issuance of special participatory instruments (*e.g. payment of a portion of salary to employees in the form of shares, capital shares or option rights - stock options*). These solutions are facilitated by the tax legislator, which, *in Article 51, paragraph 2, letter g) of Presidential Decree No. 917/1986 (the so-called TUIR)*, establishes a tax exemption applicable to the value of the shares offered to all employees for a certain amount and on condition that they are held for a certain period of time (in order to avoid speculative buying);
- **The establishment of a Management Company Council (also: Council)**, being an instrument of worker participation that is less invasive than the participation in the share capital and more consistent with current practice in Italy. The Council is a consultative body composed of members elected from among the workers and endowed with specific rights to information as well as rights to request certain actions from the management of the company.
- **Limited use of precarious forms of work** that do not allow for motivating employees to become involved.



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B. Recommendations for WORKERS

With regard to the contribution that workers can make, the writer recommended greater involvement in trade union activities, moving from a passive approach (mere recipient of information) to an active and proactive participation (e.g. making suggestions, replying to an internal job posting following the acquisition of different skills from the previous job).

C. Recommendations to the industry with respect to worker participation in decision-making as regards the SUSTAINABILITY and RESPONSIBLE ENERGY CONSUMPTION according to the UN 2030 Agenda:

The energy transition in the economy accompanied by the introduction of artificial intelligence systems into production processes necessitates an overall *reshaping of* the current *industrial/training paradigms*, especially with regard to building new skills.

On the subject of training, the following steps would be deemed appropriate:

- The strengthening of the tax incentive system (e.g. recognition of tax credits) for companies that provide courses to employees;
- Setting up a specific Function/Department in charge of training (e.g. Permanent Training Function) within the corporate structure; such unit should be capable of coordinating the production needs of the company with the know-how possessed by the workers.

ANALYSIS OF THE RESEARCHER'S CONCLUSIONS

The researcher's conclusions in relation to:



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A. Conclusions with respect to the transfer of Good Practices (GP) regarding the participation and consultation of workers in the management of other types of crises as viewed by trade unions and employers' organisations.

In this regard, good practices can be found in collective bargaining, which offers a platform for confrontation, at various levels, between the social partners. Currently, the recognition of the right to participation is expressed, on a recurring basis, *in the planning of annual meetings and in the establishment of Bilateral Bodies, composed of members chosen from among the representatives of workers and entrepreneurs; these bodies safeguard the fulfilment of contractual rules as well as the out-of-court settlement of disputes that may arise in the event of misconduct.*

B. Conclusions with respect to the functioning of social dialogue in crisis management from COVID-19 for the transport sector.

Social dialogue, as an instrument for managing the COVID-19 crisis, mostly performed the functions related to the dissemination and implementation of health measures to combat infection, *while it was weak with regard to economic decisions.* One of the reasons for this is the structure of the transport sector, which is characterised by family rather than professional management of the companies; *in other words, the decision-making power is centralised and there is little willingness to seek shared solutions with other actors (including workers).* Yet another cause lies in the complexity of the industrial plans underlying the restructuring operations, therefore. There is a lack of



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know-how necessary to understand the development of business plans, and as a result, it is impossible for workers to formulate alternative solutions.

The State should encourage integration processes between businesses by providing an incentive for a structured aggregation of companies instead of incidental ones mounted only for the participation in public tenders (**usually, operators integrate, on a provisional basis, through the formation of temporary special purpose consortia**).

Moreover, the legislator should continue along the path it has already set out by providing for the creation of **business networks**. In such networks, participants define their structural ties and, depending on the choices that they make, they may apply the measures provided for by the legislation (e.g. staff sharing within the network, an activity permitted by the law with regard to certain accredited companies that meet stringent administrative and capital requirements).

C. Conclusions regarding the importance of different types of central government support to the sector

The research revealed the inadequacy of government actions in terms of economic support for the sector both in the crisis phase and afterwards. The various measures that have been introduced (**facilitated access to wage subsidy mechanisms, contributions commensurate with the loss of revenue, suspension of tax and contribution payments**) have not allowed for the recovery of business operations, especially in companies of modest size whose access to credit appears complicated even in more favourable contexts.



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The weakness of the government's actions also applies to the legislation referring to worker participation, which is incompatible with the sectorial structure relying on small operators; in this context, the legal rules boil down to outlining a very broad framework, leaving the role of establishing further principles to collective bargaining.

SUMMARY OF THE FINAL REPORT

All questions asked in the national report will be summarised in order to be included as part of the final report of the international comparison of this project. (It will have to occupy at least 1 page).

The Covid-19 health crisis forced businesses in the sector, which were among those hit the hardest during the pandemic as the transport sector was considered as a dangerous facilitator in the spread of the contagion, to make a series of quick decisions to comply with the numerous legislative measures that were introduced by the government.

The structure of the sector in Italy is characterised by the prevalent presence of micro and small enterprises whose management is family-owned; in this context, the realisation of worker participation takes place **informally** and without any consolidated legislative 'coverage'.

Moreover, the membership of micro-small enterprises in employers' organisations is motivated rather by the services that such organisations provide to their members than by the contractual protection of their interests.

Although their number is small, there are also large operators in the sector. They tend to be publicly controlled and must comply with the legal requirements concerning the right to information and consultation of employees.

Within this perimeter, the best practices involve the organisation of regular meetings, at various levels, and the establishment of Bilateral Bodies capable of devising effective solutions in response to emerging needs.



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The research, carried out at a country-wide scale (*administration of questionnaires, interviews and focus groups*) allowed us to receive actual feedback with regard to the following:

- **the scope of employee participation in company processes;**
- **the evaluation of the action of the government, trade union organisations and companies concerning the pandemic crisis.**

In a nutshell, when it comes to the approach and implementation of measures to prevent infection our research revealed satisfactory levels of satisfaction, which is in sharp contrast to the clear dissatisfaction in reference to the economic measures for the recovery of the sector. To date, public subsidies provided to the operators in the sector are still deemed inadequate compared to the loss of revenue resulting from the closures and restriction measures imposed by the government.

In this context, worker participation played a major role, above all, **in terms of the implementation of the new forms of work** (sparsely used before the Covid-19 pandemic), as well as the identification of wage supplementation measures to compensate for the income loss by workers.

In this regard, it should be noted that Cassa Integrazione, a type of unemployment insurance for temporarily laid-off workers, has been extended to include small companies, whose workers previously had not been covered.



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