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Eurofound

Industrial relations and social dialogue

Italy: Working life in the COVID-19 pandemic 2021

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Contents

Introduction **1**
Political context **2**
Governments and social partners response to cushion the effects **3**
Adapting to the pandemic and the return to work: Policies and debates **5**
New occupational health and safety rules 5
New working arrangement policies 6
Labour shortages 6
Wages and wage-setting 7
Impacts on the social dialogue and collective bargaining **9**
Labour disputes in the context of the pandemic **11**
Commentary and outlook **13**
References **14**

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Introduction

In 2021, the state of emergency linked to the COVID pandemic was maintained and the government, notably in autumn and with the emergence of the fourth wave of infections triggered by the Omicron variant, introduced a number of requirements and restrictions aimed to promote vaccination, with a view to avoid the risk of new lockdowns and thereby preserving economic and employment recovery. Such measures reserved access to certain services, such as bars and restaurants to fully vaccinated or recovered people, and required COVID vaccination, recovery or testing (i.e., a standard COVID Pass) to work in both the public and the private sector. At the beginning of 2022, further restrictive measures were introduced, including the obligation of vaccination for people over the age of 50, and the extension of the vaccination (or recovery) requirement (i.e., a reinforced COVID Pass) to work in certain activities, besides health and assistance, such as education and public order. Similarly, different and stricter rules on quarantine were introduced for non-vaccinated people in general, and primary and secondary students in particular.

In Italy, economic recovery was particularly evident and above the EU average in 2021. Real GDP growth stood at 6.6%. The increase in gross fixed investments was particularly evident, amounting to 17%, while domestic final consumption grew by 4.1%. Value-added increased by 11.9% in manufacturing, 21.3% in constructions, pushed by fiscal incentives for retrofitting, and 4.5% in services, whereas it diminished in agriculture, forestry, and fishing (-0.8%). Net public deficit was 7.2% of GDP.

There were signs of recovery in the labour market, after the remarkable loss of some 725,000 jobs in 2020 (employment levels decreased by 3.1% as compared to 2019). On average, in 2021, employment grew by almost 170,000 workers (0.8% compared to 2020). The increase was concentrated in the last three quarters, while the first quarter of 2021 had continued to record diminishing employment. The employment rate increased to 58.2%, up by 0.8 percentage points over the previous year, closing half the gap recorded in 2020. Due to the decrease in inactive people (-460,000 people), the inactivity rate stood at 35.5% (-1.0 percentage point), while the unemployment rate grew by 0.2 percentage points to 9.5%.

Employment growth was pulled by fixed-term employees (280,000 or 10.7%). Permanent employees remained rather stable, while self-employed continued to diminish (-105,000 or -2.1%). Full-time employment increased by 0.5% (or 88,000 workers), while part-time grew by 2.0% (81,000 workers).

On 5 January 2022, 80.7% of the whole population over the age of 5 had completed the first vaccination cycle, while 37.4% had already received the booster jab too.

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Political context

In mid-January 2021, Italia Viva, the party led by the earlier prime minster Matteo Renzi, withdrew its ministries from the Conte government, thereby opening a political crisis. After ten days trying to gather a new majority, Giuseppe Conte resigned and, a week later, the President of the Republic, Sergio Mattarella, asked Mario Draghi, the former president of the European Central bank, to try to find the parliamentary support necessary for a new government. The new government took office on 13 February 2022, led by Mario Draghi and supported by a 'grand coalition', which includes almost all parliamentary groups, with the exception of the right-wing Fratelli d'Italia party, led by Giorgia Meloni. Despite or possibly because of this very broad support, tensions emerged during the following months, especially regarding the introduction of stricter measures to address the pandemic and about the definition of economic policies to foster recovery. Criticisms were often voiced by Matteo Salvini, leader of the League, and Giuseppe Conte, former prime minister and prominent figure of the Five Star Movement.

Tensions became stronger as the administrative elections to be held in October 2021 got closer, since the coalition partners were often competing at local levels, including in the elections of the mayors in Rome, Milan, Naples, Turin, Bologna and Trieste. Overall, administrative elections involved over 12 million voters, in almost 1,200 municipalities and in the Calabria region. Despite the very peculiar nature of such local administrative elections, according to most of the commentators, the results strengthened the government in office, as the most critical coalition partners did not gain significant support. The Five Star Movement lost the mayors in Rome and Turin, where they had previously governed with Virginia Raggi (who ran for a second term) and Chiara Appendino (who did not run for a second term) respectively. The centre-left mayor candidates won in Rome, Milan, Naples, Turin, and Bologna, while the centre-right candidate was elected in Trieste.

New tensions emerged at the time of the election of the President of the Republic, in January 2022, as the centre-right parties, the Leage, Forza Italia and Fratelli d'Italia, tried to propose a joint candidate, but did not succeed. Silvio Berlusconi, leader of Forza Italia and former prime minister, was a possible candidate for the centre-right parties, while the potential candidature of Mario Draghi received support both in the Parliament and in the public debate. Eventually, the outgoing President, Sergio Mattarella, with a view to break a deadlock, accepted the nomination for a second term, despite having made clear that he would prefer to step down. The election took place on 29 January 2022 and Sergio Mattarella received the support of all parties, except Fratelli d'Italia. This result was mostly seen as strengthening the government in office.

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Governments and social partners response to cushion the effects

In 2021, the focus of the government's initiatives was two-fold: on one side, measures aimed at addressing the COVID pandemic, while ensuring the continuity of support schemes, were mostly intended to promote vaccinations and sustain the progressive exit from the emergency and avoid new lockdowns and closures. The key set of initiatives, in this field, included the selective limitations of activities, including work, that non-vaccinated people could engage in, based on the requirement of COVID passes. On the other hand, the shift of the government's action towards recovery was particularly clear, with substantial efforts put in the definition and first implementation phases of the Recovery and Resilience Plan.

Support schemes introduced or renewed in 2021, with a total funding of €72 billion with two main set of measures in March and May 2021, including the extension of the ban on dismissals until end of July 2021;[i] the extension of the special COVID short-term scheme;[ii] extra leave periods (partially paid) for parents of children in remote learning, due to COVID quarantine, or a baby-sitter allowance if parents were self-employed or employees in the defence, security, police and health sectors;[iii] the extension of the coverage of subsidies to self-employed workers and non-profit organisation experiencing a fall in revenues of at least 30% in 2020 and early 2021;[iv] a reduction, in the energy bill of firms;[1] credit support schemes for firms;[v] a number of schemes devoted to specific type sectors (like seasonal workers in the tourism and sport sectors and workers in the maritime and port sector).[vi]

The actions aimed to ensure the continuity of education and economic activities were developed in the second part of the year through the support of vaccination, essentially by introducing the requirement of COVID passes for certain activities, including work. Two types of COVID pass were introduced: the so-called 'reinforced' COVID pass, granted to people that had either undertaken a full vaccination cycle, including the booster jab, or had recovered from COVID; and the 'basic' COVID pass, that can be obtained by COVID testing, and lasts between 48 and 72 hours, depending on the type of test taken. The reinforced pass includes the basic pass too. The reinforced pass lasts six months for people recovered from COVID or having a full primary vaccination cycle. It is currently of indefinite duration for people with the booster jab. In September 2021, the government passed a decree law that introduced the need to hold a COVID pass (a basic pass) to work in the public administration and in the private sector since 15 October 2021 and until the end of the emergency period (then established as for 31 December 2021 and later extended to 31 March 2022, when it was eventually terminated). Following authorisation, vaccination was extended to children between the ages of 5 and 11. The booster dose was introduced to complete the vaccination cycles and mandatory vaccinations were extended to include administrative staff in health and workers in sectors other than health: care and assistance, education, including universities, public order and public emergency services. Similarly, rules on quarantine were stricter for non-vaccinated people. Moreover, wearing facial masks became mandatory even in open air and holding a reinforce COVID

[1] Decree-laws no. 41 of 22 March 2021 and no. 73 of 25 may 2021.

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pass became and wearing a PP2 masked became necessary to participate in many public events and travel in all local public transport.

The second part of 2021 was also dedicated to the actualisation of "Italia domani" ("Italy tomorrow"), the National Plan for Recovery and Resilience (NPRR), after the approval in April 2022 by the European Commission. The plan amounts to a total of over €260 billion and it is supported by different sources. The largest share comes from the recovery and resilience facility, for a total of €191.5 billion (€68.9 billion in grants and €122.6 billion in loans). The plan has three main pillars: digitalisation and innovation, green transition and social inclusion. It aims to redress the economic and social harms caused by the pandemic, contribute to solve the structural weaknesses of the Italian economy and support Italy in the green and environmental transition. It will also substantially help to close the existing gaps between territories, generations and genders. It includes six main missions (Digitalisation, innovation, competitiveness and culture, €49 billion; Green revolution and ecological transition, €68.6 billion; Infrastructures for sustainable mobility, €31.5 billion; Education and research, €31.9 billion; Inclusion and cohesion, €22.6 billion; Health, €18.5 billion). By 2026, the plan is expected to increase GDP by an additional 3.6 percentage points and employment by an extra 3.2 percentage points.

The involvement of social partners in all these measures has been generally framed into bilateral exchanges, following a recent practice. There is a significant exchange of information and social partners have the opportunity to present the government with their views and considerations on the various measures. However, there are not formal tables or tripartite settings and the government considers the social partners' positions in its final determinations, without carrying out negotiations or reaching agreements.

A significant exception to this rather informal way to proceed can be found in the governance structure of the NPRR. Decree law no. 77 of 31 May 2021 establishing the governance framework for the NPRR, introduced a "Permanent table for economic, territorial, and social partnership" (art. 3), which includes representatives of the social partners and it is headed by prof. Tiziano Treu, president of the National Council for Economy and labour (CNEL). The Table has a consultative role on the implementation of the NPRR and it is composed by representatives of trade unions, employer associations, NGOs, universities, and local authorities. The table was eventually set up and started to work in November 2021.

[i] Eurofound (2020), Temporary suspension of individual and collective dismissals, case IT-2020-12/219 (measures in Italy), COVID-19 EU PolicyWatch, Dublin.
[ii] Eurofound (2020), Ordinary wage guarantees and new regulation of the exceptional wage guarantee fund, case IT-2020-9/411 (measures in Italy), COVID-19 EU PolicyWatch, Dublin.
[iii] Eurofound (2020), Leave and allowance for workers with children and other dependants, case IT-2020-12/429 (measures in Italy), COVID-19 EU PolicyWatch, Dublin.
[iv] Eurofound (2021), Non-repayable allowance for businesses and professionals, case IT-2021-13/1846 (measures in Italy), COVID-19 EU PolicyWatch, Dublin.
[v] Eurofound (2021), Measures to support business liquidity, case IT-2021-22/2054 (measures in Italy), COVID-19 EU PolicyWatch, Dublin.
[vi] Eurofound (2021), Allowance for seasonal workers in tourism, spectacles, sports and spas, case IT-2021-13/1870 (measures in Italy), COVID-19 EU PolicyWatch, Dublin; Eurofound (2021), Allowance for collaborators in the sport sector, case IT-2021-22/1983 (measures in Italy), COVID-19 EU PolicyWatch, Dublin

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Adapting to the pandemic and the return to work: Policies and debates

New occupational health and safety rules

The health and safety framework for working in the pandemic continued to be defined in accordance with the social partners' protocols. On 6 April 2021, an updated protocol was signed by the social partners to take into consideration the new legislative framework as well as the increase in knowledge about the COVID pandemic and how it can be contrasted.[vii] Like the earlier ones, the protocol aims to ensure the continuity of economic activities and includes various rules on access to the company premises by workers and suppliers, cleaning and sanitation, personal protective equipment, the management of common spaces, and work organisation. The protocol was implemented by an ordinance of the Ministry of Health of 21 May 2021. In addition, the social partners also agreed on developing company plans for the establishment of vaccination points in the workplaces.[viii] Some legislative adjustments to legislative decree no. 9 April 2008 were introduced in 2021, especially to strengthen the training of H&S delegate and provide stronger disclosure rights.

As mentioned above, a number of measures were introduced in 2021 to reduce the risk of contagion in workplaces by requiring COVID testing and/or vaccination. COVID certificates were made mandatory for all workers in the education and university sector by decree-law no. 111 of 6 August 2021, from 1 September 2021, and for all workers in the private and public sector by decree-law no. 127 of 21 September 2021, starting from 15 October 2021. The COVID certificates are issued after vaccination, recovery, or testing. Workers without a valid COVID certificates would be suspended without pay, Such measures remained in place until 30 April 2022.

Other measures introduced mandatory vaccinations. The first intervention was decree law no. 44 of 1 April 2021, which established mandatory vaccination for workers and professionals in the health sector. Workers who would not abide by the obligation would be moved to perform activities which would not involve the risk of contagion, if available, with the application of the corresponding salary. If the worker could not be assigned to other activities, he or she would be suspended without salary.

As the vaccination campaign advanced and new variants emerged, this piece of legislation was changed and integrated. Decree-law no. 122 of 10 September 2021 extended mandatory vaccination to all workers of residential and semi-residential structures hosting people in conditions of health fragility (article 4-bis). Workers who did not abide by the mandatory vaccination would be suspended without pay.

In November 2021, the booster jab was also made mandatory for certain workers (decree-law no. 172 of 26 November 2021), including health professionals, Failure to complete the vaccination cycle, including the booster, would be prevented to exercise any professional activities. Decree-law no. 172 extended mandatory vaccination to the people employed in the defence, public order, public emergency and penitentiary sectors, in the education and training sectors. In early January 2022, decree-law no. 1 of 7 January to get vaccination 2022 introduced new vaccination obligations for people employed in tertiary education and for all people over 50. For all obliged workers, the sanction for non-vaccination would be suspension without pay.

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The mandates were phased out through decree-law no. 24 of 24 March 2022, which established the end of the state of emergency on 31 March 2022, more than two years after the start of the pandemic in Italy. Vaccination remains mandatory for health and assistance workers, until 31 December 2022. For the other workers covered by vaccination mandates, the obligation remains in place until 15 June 2022, but sanctions are limited to pecuniary fines, as the suspension from work without pay has been discontinued.

The rules on mandatory requirements for COVID certificates and vaccinations resulted in many complaints and court cases, but the legitimacy of mandatory provisions was confirmed in all rulings, usually on the premises of the need to ensure public health and the obligation of collective solidarity.

New working arrangement policies

Remote working remained an important issue in 2021 in both the private sector and the public administration. The economic recovery and the progressive – but swinging – loosening of restrictions, linked to the increasing rate of vaccination and the adoption of the COVID pass promoted the return to the company premises of more than 1 million workers, according to the estimates of the Smart Working Observatory of the Polytechnic of Milan. So-called 'smart workers' turned from around 5.4 million in the first quarter to 4.1 million. This still represents a substantial share of almost 20% of the around 22.5 million employed in that quarter.

According to the annual survey on smart working of the Observatory of the Polytechnic of Milan, remote working (smart working or 'lavoro agile') is going to remain a structural form of work organisation in 90% or large enterprise, while only 35% of SMEs declares they would maintain it. The public administration is closer to the large enterprise, since 84% of workplaces would maintain it.

Smart-workers report improvements in the capacity to balance work and personal life and an increase in work efficiency (89% and 59% of respondents in large enterprises). At the same time, they seem to suffer more of technologically driven stress and they experience overworking more frequently.

During the pandemic emergency, the regulatory framework has suspended the requirement to sign an individual 'smart-working agreement' before starting working remotely. The high incidence that smart working will probably have in the post-pandemic work organisation, combined with the ambivalent character of its impact on workers, indicates that remote working is very likely to turn into a key topic of decentralised negotiations in the next few years. Legislative rules might change too, since they do not envisage a specific role for collective bargaining, so far. In the public sector, for instance, smart working is already an established feature of the regulatory framework, since individual agreements are framed withing workplace agreements and smart working is currently one of the topical features of the renewals of the sectoral deals.

Labour shortages

The economic recovery of 2021 has exposed bottlenecks in the supply chain, as shortages in many raw materials and intermediate inputs emerged and prices rose remarkably, fuelling inflation. Similarly, despite unemployment remaining rather stable, shortages surfaced in the labour market.

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According to ISTAT, in 2021, the rate of vacant positions increased to 1.7% from 0.8% in 2020, above the 2019 level of 1.4%. In certain sectors, shortages exceeded 2.0%: construction (2.7%), hotels and restaurant (2.7%), information and communication services (2.3%), and professional, scientific and technical professional activities (2.4%). The 2021 Bulletin of Excelsior, the labour market monitoring tool of the Italian Union of Chambers of Commerce, indicates that firms find it hard to find adequate skilled manual workers (46.0% of job openings), high skilled-technicians (41.3%), and managers and high-skilled specialists (37.2%). Significant problems in filling vacant positions are also present in the case of machine operators (34.9%) and skilled profession in trade and service (29.0%).

Wages and wage-setting

Collective bargaining and wage-setting are a central issue in the debate about employment relations in Italy. While the discussion over the introduction of a legal minimum wage has stalled during the pandemic, concerns about the increase in the number of collective agreements signed by minor unions and employer associations of uncertain representativeness remain widespread. Particularly in certain sectors, such as services, the coverage of these agreements is not trivial and wage levels can be significantly lower than those established by agreements signed by most representative organisations. For these reasons, there is a growing support for a legislative initiative on representativeness, that would introduce some form of extension of the pay rates agreed by major social partners. However, even if we remain within the boundaries of established and major organisations, the fragmentation of representation on both sides of industry, and especially among employers, is a clear obstacle for any move in that direction. In addition, there are some technical issues which are difficult to solve, especially the definition of sectoral boundaries for the application of industry-agreements. Currently, employers select autonomously the collective agreement to be applied and there is no formal connection with the economic activities actually carried out, which might be more than one, in any case. The introduction of a (sectoral) legal minimum wage would require the (mandatory) association of each single firm (or division within it) to a specific sector and then the selection of the relevant collective agreement for that sector. In this perspective, the introduction of a national cross-industry minimum wage would be technically far simpler.

A second issue which is bringing wage-setting mechanisms at centre-stage, is wage moderation, which has been a constant feature of Italian industrial relations in the latest decades. The sustainability of higher wage increases has been questioned, due to sluggish economic growth and stagnating productivity and therefore fears of losing competitiveness. However, trade unions often advocate higher wage increases, with a view to boost domestic demand and foster growth. Moreover, the recent increase in the price level and the expectations of still growing inflation are putting the current wage-setting criteria under strain. The existing system for preserving the purchasing power of wages relies on an indicator of price developments, which excludes the cost of energy. Since energy costs are one of the main drivers of the current price increases are coming from, together with the shortages of raw materials and intermediate inputs, it is likely that the wage-setting system might get under scrutiny. Unions leaders are, in fact, asking for a new social pact and a renewed income policy, in favour of medium to low incomes, to be based on a fiscal reform and redistribution.

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[vii] Eurofound (2021), Updated measures for preventing contagion in workplaces , case IT-2021-15/1853 (measures in Italy), COVID-19 EU PolicyWatch, Dublin.
[viii] Eurofound (2021), Protocol for vaccination in the workplace, case IT-2021-15/1854 (measures in Italy), COVID-19 EU PolicyWatch, Dublin.

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Impacts on the social dialogue and collective bargaining

The emergency situation and the need to address the social and economic impacts of the pandemic have intensified social dialogue, and so has the necessity to prepare and then implement the National Plan for Recovery and Resilience (NPRR). However, the structure of social dialogue did not change significantly, and it remained essentially framed into bilateral exchanges, whereby the government collects the observations and remarks put forward by the social partners and then later considers these views in its own policy determinations. As we have seen above, for the implementation of the NPRR a Permanent social partnership table has been set up, with a consultative role, which, alongside the social partners, includes civil society NGOs, local authorities and universities. Despite this more formal structure, for its mission and composition, such body does not seem to exhibit the potential for turning into an arena for social concertation. The trade unions, in particular, would prefer a more stable setting for policy consultations and systematically and repeatedly voiced the request for the establishment of social concertation tables on the main economic, fiscal, employment and social policies.

As in 2020, sectoral collective bargaining did not suffer specifically because of the pandemic and emergency situation. Negotiation continued, although a substantial share of the collective agreements awaits renewal. In particular, all agreements in the public administration are currently expired and negotiations are under way. Actually, a preliminary agreement for ministries (covering the years 2019-2021) was reached in late December 2021, but it needs the approval of the government, before it can be registered and enters into force. This would take until April or May 2022.

In 2021, 20 collective agreements were signed, among the 73 deals surveyed by the National Institute of Statistics (ISTAT). They cover some 3.6 million employees and almost 30% of the total wage bill. At the end of December 2021, 41 agreements were in force (47.7% of the overall wage-bill), covering almost 6 million workers, while 32 agreements and some 6.5 million workers were awaiting renewal. The average waiting time for renewals has increases in 2021 to an average of 31.3 months, compared to 20.1 months in 2020. Most of the agreements awaiting renewals are in the private service sector (14 out of 32 agreements) and in the public administration (all 15 surveyed agreements), while only three have to be negotiated in manufacturing (21 are valid).

The average increase in hourly rates in 2021 was 0.6%, similar to the rise experienced in 2020. In the same period, inflation rose significantly more. The Harmonised index of consumer prices (IPCA, Indice dei prezzi al consumo armonizzato) rose by 4.2% in 2021, while the IPCA index without imported energy prices, which is the proper parameter for collective bargaining renewals recorded a 1.8% increase. The wide gap which is opening between nominal pay increases and inflation is eroding the wage purchasing power and it will put pressure on ongoing negotiations. As mentioned before, the sustainability of linking pay rises to a price index depurated of energy products is also likely to be questioned.

If we turn to decentralised bargaining, we can observe that 2021 recorded a growth of decentralised deals registered at the Ministry of Labour. The registration of decentralised agreements is a requirement for access to the fiscal and contribution benefits for performance-related pay or any

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other benefits envisaged by legislation, as established by art. 14 of legislative decree 151 of 14 September 2015. In 2019, some 12,000 agreements were registered. This figure dropped to less than 7,000 in 2020 but it increased again to almost 9,000 in 2021. This is a relevant upturn, since there were indications of a remarkable change in the nature of decentralised collective bargaining in 2020, as many deals focused on the application of legislative provisions (essentially for the activation of short-time work) (OCSEL 2021).

In January 2022, 6,379 were still valid. Valid agreements covered some 2 million workers (1.55 through company deals and 0.45 by territorial agreements). The annual average amount of the performance-related pay was €1,500, with a considerable difference between company and territorial agreements, as the former paid 1,640 on average while the latter granted €690.

The largest share of valid agreements involved companies in Lombardy (27%), Emilia Romagna (15%) and Piedmont (11%), with Veneto (9%) and Lazio (8%) following closely. Together they represented more than two thirds of all valid agreements. The performance objectives included in the active agreements concern productivity (79% of agreements), welfare benefits (81%), profits (60%), quality (51%). A participation plan is envisaged by 13% of registered agreements.

It is interesting to note that a significant share (63%) of all performance-related agreements is signed by companies with up to 100 employees. This provides some indication on the state of industrial relations in SMEs, although, clearly, for smaller enterprises, the bargaining coverage is far lower and similarly is lower the number of employees covered, compared to larger enterprises.

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Labour disputes in the context of the pandemic

Since no official data on work stoppages are available since 2010 in Italy and therefore no reliable longitudinal analysis is possible on strike levels. Some data are available in the sectors covered by the law on the exercise of the right to strike in essential public services. In the 2021 report to the Parliament, the Guarantee commission on the application of the law on the exercise of the right to strike in essential public services, shows that, in 2020, strikes diminished, in an area where conflict had been on the rise in the latest decades. Indeed, the number of called strikes fell by more than 40% from 2,345 to 1,472. Similarly, implemented strikes fell from 1,465 to 895.

In the opposite direction, it should be noted that, at the very beginning of the pandemic, in early March 2020, some strikes took place to highlight the issue of health and safety in workplaces, but the social partners' protocol on health and safety provided important guidelines in this field and this type of conflict did not emerge again. However, in 2021, when COVID passes became mandatory for accessing company canteens (in August 2021) and then for working (in October 2021), some protests emerged. The most notable case was organised in the Trieste Port, where the local Coordinating committee of dock workers called a strike on 15 October 2021, the first day the requirement was in place. The strike was called in the framework of a general strike between 15 and 20 October organised by some independent confederations. Despite the strike had been declared unlawful by the Guarantee Commission, some protests did take place in Trieste, with some 8,000 people reported to participate in the rally, in Genoa and other ports. However, the strikes did not block the operation of ports, although they caused some limited disruptions. Eventually, conflict waned, including because employers, in certain cases, granted workers free COVID testing to obtain the pass. It should be noted that, in these case, workers' protests were joined by people criticising the government's measures introducing restrictions based on the COVID pass.

Other significant cases of conflict that can be linked to the effects of the pandemic took place in logistics, a sector which was brought under the spotlight in the last two years. In particular, the sectoral federations Filt-Cgil, Fit-Cisl and Uiltrasporti started in March 2021 a mobilisation to ask for a decentralised agreement covering the delivery workers of companies in the Amazon supply chain. The company initially refused to accept the negotiations, as the delivery companies are independent firms associated in the Assoespressi employer organisations. The conflict reached its peak in November 2021, when unions called a strike on 26 November 2021, the Black Friday. Eventually, a preliminary agreement was reached, and the strike was cancelled. The agreement, which was eventually signed in February 2022, includes a reduction in weekly working time, a performance bonus and job security clauses in case Amazon changes service suppliers. Other conflicts spurred in different occasions, especially in warehouses and logistics platforms, involving in certain cases independent unions, which are actively organising in certain segments of the logistics sectors. In one of this cases, Adil Belakhdim, a trade unionist of the interindustry rank-and-file union S.I. Cobas, was killed in a tragic accident by a truck driver who broke the picket outside the logistics platform of the Lidl supermarket chain. The Confederal unions immediately called a strike to express solidarity and stress the need to better protect workers' rights in the logistics sector. In July, the confederal federations of the retail sector (Filcams-Cgil, Fisascat-Cisl and Uiltucs-Uil), which represent the workers in the warehouse reached an agreement to improve working conditions. S.I. Cobas did not join the agreements and continued its action.

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Further possible impacts of the pandemic on labour disputes can be linked to increased difficulties of sectoral renewals, due to the uncertain prospects in certain sectors, or, more specifically, to reorganisation processes at company level, which might be linked to some extent to the pandemic-related economic crisis. However, such potential links are quite difficult to document, since there were no significant disruptions of collective bargaining. Moreover, in prospects, the 2021 recovery might fuel conflict over pay demands, especially in light of the rising inflation.

If we turn to work stoppages in general, some relevant instances of conflict involved restructuring cases. These include GKN, an automotive component company, that announced in July 2021 the closure of its plant in Florence and the collective dismissal of 422 workers. The announcement was followed by long and harsh confrontation, with local authorities and the Ministry of Development playing a mediation role, and a ruling by the Florence Labour Court in September 2021, which declared the dismissal procedure void, for lack of timely consultation with the trade unions. Eventually, in December 2021, GKN Driveline sold the plant to a new investor for a reindustrialisation plan that should be developed in early 2022. Other cases of conflicts over company reorganisation processes involve the Arcelor-Mittal steel plant in Taranto, the transition from the former Alitalia airline company to the new Ita (Italia Trasporto Aereo), and the closure and reindustrialisation of the Whirlpool plant in Naples.

Finally, the union confederations Cgil and Uil called an eight-hour general strike on 16 December 2021 to protest against the government's Budget law. In particular, the two confederations demanded a stronger fiscal reform in favour of lower incomes; industrial policies to contrast delocalisations and promote reindustrialisation; labour market policies to fight precarity and extend training and support inclusion; a pension reform to take into consideration the need and difficulties of women, precarious and young workers; a more effective and inclusive national health and care system.

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Commentary and outlook

Italy recorded a strong economic growth in 2021 and a good labour market performance. Concerns emerged in last part of the year because of growing bottlenecks in the supply chains, with shortages in raw materials and intermediate inputs, as well as growing transport costs and difficulties in finding qualified high-skilled workers. Rising inflation was seen as a potential threat for economic growth, including for the impact on interest rates and therefore on the cost of the public debt service (which was 150.4% of GDP in 2021, down from 155.3% in 2020). The invasion of Ukraine by the Russian Federation in late February 2022 brought new fears and uncertainty about the future.

Significant challenges lie ahead for the government and the social partners. Political instability and tensions between the grand coalition partners may increase, as the final year of the legislature begins, and parties are preparing for the elections that should take place in early 2023. The possibility of early elections cannot be ruled out, as some of the coalition parties may try to gain consensus among those unsatisfied with the government's policies. The fiscal reform proposed by the government may provide the occasion for some parties to leave the coalition and trigger the process that may lead to new elections ahead of schedule.

Growing inflation will put wage bargaining under pressure: on one side, wage moderation would be considered important to avoid spiralling price-wage increases, preserve economic growth, and maintain competitiveness; on the other, trade unions are likely to consider it unacceptable, since it would lead to a substantial erosion of real wages. Such difficulties, combined with the efforts needed to implement the National Recovery and Resilience Plan and the accompanying reforms, might push towards some new forms of social concertation, which trade unions, in particular, have been asking for a long time.

As for work organisation, remote working will remain under the spotlight for some time, because the return to presential work and the consolidation of remote working will require significant adaptations in workplace arrangements and practices. To some extent, the regulatory framework, legislation and collective bargaining – will have to address this issue and rules shall take into consideration the results of the experimentations developed during the pandemic. Moreover, if the narrative about the 'big quit' is to be believed, labour market shortages in high-skilled professions may increase the bargaining power of the segments of the workforce who often appear as better equipped to work remotely and possibly also more interested in gaining autonomy in managing their own working time. Should companies have to accommodate such requests, changes in work organisation may be significant.

Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.

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