

# ITALY

## Trade Union Monitor

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### POLITICAL, ECONOMIC AND SOCIAL FRAMEWORK

#### POLITICAL DEVELOPMENT

In 2021 politics in Italy, as elsewhere, was overshadowed by the Covid-19 pandemic and its social and economic consequences. In its efforts to combat the pandemic the government successfully implemented a package of relatively strict measures, aimed primarily at boosting people's willingness to get vaccinated, whether by requiring particular occupational groups – such as health and education personnel, and police officers – to be vaccinated or by restricting entry to public facilities for the unvaccinated. The Italian public broadly welcomed these measures. No substantial »contrarian« movement got off the ground and Italy achieved one of the highest vaccination rates in Europe. This made it possible to reduce lockdown measures to a minimum in the second half of the year.

An emergency government under former ECB president Mario Draghi was responsible for this crisis management. It could rely on the support of an extremely broad spectrum, ranging from the right-wing populist Lega through Berlusconi's Forza Italia party and the Five Star Movement to the moderate left-wing Partito Democratico (PD) and also the small radical left-wing party Liste Liberi e Uguali. The only opposition party with any heft is the post-fascist Fratelli d'Italia (Fdi) under Giorgia Meloni.

This executive also continued the dialogue that had commenced under Giuseppe Conte's cabinet – with the support of the Five Star Movement and PD – which was in power from summer 2019 to January 2021. It did not prove possible to push through demands to prolong the moratorium on dismissals imposed at the outset of the pandemic. On the central issue of pension reform, however, government and trade unions reached a consensus solution in December 2021. By contrast, within the framework of the 2022 budget, the government granted tax concessions for those on middle incomes against the protests of the trade unions, which would have preferred a solution favouring those on lower incomes.

#### ECONOMIC AND SOCIAL SITUATION

Even before the Covid-19 pandemic struck, Italy was still struggling with the repercussions of, first, the global financial-market and then the Euro crisis, which hit a country already suffering from very low economic growth. In the years 2008–2013 GDP fell by 10 per cent and industrial production by as much as 25 per cent. In contrast to Ireland, Portugal and Spain, Italy has still not returned to pre-crisis levels. It is of grave concern that in the period 2000–2019 Italian GDP grew by only 4 per cent, while Germany's grew by 26.5 per cent, France's by 25.2 per cent and Spain's by as much as 34.7 per cent. During the same period real per capita GDP fell from 27,000 to 26,000 Euros, in contrast to the Eurozone as a whole, which saw a rise from 26,000 to 30,000 Euros.

The situation deteriorated even further because of Covid-19. With a GDP fall of around 8.9 per cent and a decline in the total wage bill of 7.5 per cent in 2020 Italy was among the hardest hit countries in Europe. The pandemic has deeply scarred the labour market. Although the trade unions were able to bring about a significant extension of the wage guarantee fund even to micro-enterprises, as well as a moratorium on dismissals for permanent employees, around a million jobs were lost in 2020, according to ISTAT (Italian Statistical Office) estimates. Hardest hit were precarious workers on fixed contracts that were not renewed; around 75 per cent were younger workers, 75 per cent also women.

In 2021, there was a trend reversal in the teeth of these serious losses. Italian GDP rose by 6.6 per cent, much better than expected, and even the employment losses – mainly among employees on fixed contracts – could largely be compensated.

Despite all its structural problems Italy remains a strong industrialised nation. In 2021 its exports grew by 18 per cent and it managed a foreign trade surplus of 50 billion Euros. The country continues to be burdened by its mountain of

public debt, however, which amounted to 135 per cent of GDP in 2019, rising to 155 per cent in 2020 as a consequence of the Covid-19 crisis, falling back to 150 per cent in 2021. For this reason Italy attaches the highest importance to the Next Generation EU programme. Over the next six years Italy is set to receive a good 190 billion of the allotted 750 billion Euros, which is considered indispensable for an economic reboot in the wake of the pandemic.

The long crisis years even before the pandemic have caused deep social scarring alongside the rising job losses. For example, the number of people in absolute poverty – those unable to cover their most basic needs, such as a new pair of shoes or adequate nutrition – doubled to 5 million. In 2020 this number rose to 6 million, 10 per cent of the population. Workers' incomes have been stagnating for years. According to the OECD, in 2018 they stood at a net 21,500 Euros (in comparison with 28,000 Euros in France and 30,500 Euros in Germany). In the period 2009–2019 real wages in Italy fell by 2 per cent (compared with 7 per cent in France and 11 per cent in Germany).

## TRADE UNION CONTEXT

In 2021 the trade unions were operating in an environment that was relatively favourable politically, but still difficult economically because of the pandemic.

The role of the trade unions in the political arena has been reinforced in comparison with the years up to 2019. For the time being, however, the fact remains that they are still held in rather low public esteem. For example, the public opinion research institute SWG found that trust in trade unions fell from 66 per cent in 2003 to only 17 per cent in 2018. In 2019 the Piepoli Institute found more favourable results, according to which 4 per cent reported feeling »a lot of trust« and a further 25 per cent »trust« in trade unions, although 68 per cent still reported a lack of trust.

Collective bargaining policy largely took a backseat during the Covid-19 emergency, even in 2021. In December 2021 more than 6 million employees – around 53 per cent of those covered – were awaiting the prolongation of their collective agreements, which were about to expire.

As regards relations between the three large confederations, the rapprochement that had begun in previous years continued in 2021, fostered by an awareness that only together would they be able to exert pressure, also in the political arena.

In July 2020, Carmelo Barbagallo, leader of UIL – the third biggest confederation in the country – was succeeded by Pierpaolo Bombardieri. The CISL also underwent a change of leadership in March 2021, when Luigi Sbarra succeeded Anamaria Furlan.

## TRADE UNIONS IN ITALY – FACTS AND FIGURES

### TRADE UNION LANDSCAPE

In the 1970s the confederations CGIL (Confederazione Generale Italiana del Lavoro), CISL (Confederazione Italiana Sindacati Lavoratori) and UIL (Unione Italiana del Lavoro) could hold their own against both the employers and in the political domain, underpinned by a high degree of unity and mobilisation potential, as reflected in the large number of strikes. But as early as the 1980s, in a difficult environment characterised by high inflation rates, divergences reasserted themselves between the then communist-dominated CGIL, on one hand, and the Catholic CISL and the socialist led UIL on the other concerning the trade union stance towards the government and its inflation policy.

Developments since then have been characterised by periods of cautious rapprochement followed by renewed conflict among the confederations. This was accompanied by a creeping loss of significance for the trade unions, although given their, by international comparison, high union density – especially in large companies and in the public sector – they remained an important collective bargaining actor, even though their room to manoeuvre has shrunk dramatically as a result of Italy's economic stagnation in the 1990s and then the profound crisis from 2008.

### TRADE UNION LANDSCAPE

In Italy, the main trade union actors are the three large confederations CGIL, CISL and UIL, which emerged after the Second World War as unions with a specific ideological bent. They have 11.3 million members, although a good 5 million of them are pensioners. In addition there is the Unione Generale del Lavoro (UGL) – a confederation that once had links to the fascist party the Movimento Sociale Italiano (MSI) – which claims a membership of over 2 million. Italy also has many so-called »autonomous« trade unions – which exist solely to represent their respective occupational groups, such as teachers or locomotive drivers – as well as radical left-wing grassroots unions. Some autonomous organisations have joined forces in the confederation CONFSAL, which like UGL claims over 2 million members. The number of pensioners that these two organisations claim, however, for which there are reliable figures because the social insurance funds pay their contributions, has been inflated by as much as 90 per cent. The same applies to the number of employees among their memberships.

Apart from in selected sectors, such as the railways, the municipal transport companies, pilots and air traffic controllers, it is the three confederations that really have to be considered the most important trade union protagonists in Italy.

CGIL, CISL and UIL have around 6.5 million members out of the 18 million or so dependent employees in Italy, yielding a union density of about 35 per cent. They find it most difficult to recruit members in small companies – which are in a great preponderance in Italy – and in the service sector.

Table 1  
Main trade union confederations in Italy

Trade Union Confederation	Chair and Vice Chair	Members	International memberships
Confederazione Generale Italiana del Lavoro, CGIL (Italian General Confederation of Labour)	Chair: Maurizio Landini Deputy leaders: Vincenzo Colla, Gianna Fracassi	5.0 million (2020)	ITUC, ETUC
Confederazione Italiana Sindacati Lavoratori, CISL (Italian Confederation of Trade Unions)	Chair: Luigi Sbarra	4.07 million (2020)	ITUC, ETUC
Unione Italiana del Lavoro, UIL (Italian Labour Union)	Chair: Pierpaolo Bombardieri	2.3 million (2020)	ITUC, ETUC

Table 2  
Main sector associations and individual trade unions in Italy

Sector federation / trade union	Confederation	Chair and Vice Chair	Members	International memberships
Federazione Italiana Lavoratori Commercio, Albergo, Mensa e Servizi, FILCAMS (Italian Federation of Commerce, Hotel, Canteen and Service Workers)	CGIL	Chair: Maria Grazia Gabrielli	578,000 (2017)	UNI, UNI Europa, IUF, EFFAT
Funzione Pubblica CGIL, FP CGIL (CGIL union for public sector workers)	CGIL	Chair: Serena Sorrentino	381,000 (2017)	PSI, EPSU
Federazione Impiegati Operai Metallurgici, FIOM (Federation of Metalworkers)	CGIL	Chair: Francesca Re David	327,000 (2017)	IndustriAll, IndustriAll Europe
Sindacato Pensionati Italiani, SPI (Pensioners' trade union)	CGIL	Chair: Ivan Pedretti	2,773,000 (2017)	FERPA
Federazione Italiana Sindacati Addetti Servizi Commerciali Affini Turismo, FISASCAT (Union of commercial services and tourism)	CISL	Chair: Davide Guarini	367,000 (2018)	UNI, UNI-Europe, EFFAT
CISL Funzione Pubblica, CISL FP (CISL union of public sector workers)	CISL	Chair: Maurizio Petriccioli	246,000 (2018)	EPSU
CISL Scuola (CISL school teachers' union)	CISL	Chair: Maddalena Gissi	244,000 (2018)	EI, ETUCE
Federazione Nazionale Pensionati, FNP (Pensioners' trade union)	CISL	Chair: Piero Ragazzini	1,712,000 (2018)	FERPA
Unione Italiana dei Lavori Agroalimentari, UILA (Italian union of agricultural and food workers)	UIL	Chair: Stefano Mantegazza	227,000 (2018)	IUF, EFFAT
UIL Federazione Poteri Locali, UIL FPL (UIL Union of Local Authority Workers)	UIL	Chair: Michelangelo Librandi	205,000 (2018)	EPSU
UIL Pensionati, UILP (UIL Pensioners' trade union)	UIL	Chair: Carmelo Barbagallo	571,000 (2018)	FERPA

## WORKING CONDITIONS OF TRADE UNIONS

Italy has ratified all the relevant ILO Conventions. Freedom of association and freedom to take strike action have constitutional status. Furthermore, under the Constitution, collective agreements concluded by trade unions apply to all employees in the respective sector.

The right to strike is subject to restrictions only in the public sector, as well as in areas such as transport or public utility companies, where strikes must be announced in advance and are time limited. The trade unions are not required to hold strike ballots before they announce a strike.

Trade union representatives are legally protected against dismissal in the workplace. In the event of dismissal, the labour court can order reinstatement, and indeed regularly does so.

## TRADE UNIONS AND THEIR CORE TASKS

In Italy, both framework collective agreements and wage agreements are negotiated at national level. Usually, the sectoral trade unions of the three major confederations are the chief negotiators on the labour side, over against the relevant sectoral employer associations. That means that, to start off with, the trade unions of the various confederations have to reach agreement on a common bargaining platform.

For medium-sized and large companies there is also a second level of company collective bargaining, which may supplement national agreements, for example, by providing for output bonuses for employees.

Given Italy's low economic growth in recent years (even decades) the trade unions have not been able to obtain any real income gains. They have managed, however, despite being on the defensive, to avoid a collapse in real wages. Real wages in 2018 were still 98 per cent of those of 2010.

The trade unions are operating in a legally unregulated realm here. There is no collective bargaining act. The framework for collective bargaining – for example, the distinction between national and company levels – is laid down in a high level agreement between CGIL, CISL and UIL, on one hand, and the employers' federation Confindustria, on the other. The last agreement of this kind was signed on 28 February 2018.

In Italy, although there is no legally established procedure for declaring collective agreements generally binding, this does enjoy constitutional status, and so is beyond dispute: around 80 per cent of employees are thus covered by binding agreements.

There has been no tripartite social dialogue in recent years. Indeed, Matteo Renzi's government, for example, pushed through a labour market reform that loosened employment protection without consulting the trade unions. The situation remained the same under the Five Star/Lega government that came to power in June 2018, changing only with the Conte and Draghi governments.

## TRADE UNIONS AND THEIR (POLITICAL) WEIGHT

On paper, the trade unions have considerable social heft. The three major confederations alone organise 12 million people in a country of 60 million inhabitants, including 6.5 million employees. Having said that, this formal strength is not matched by corresponding weight in the political arena and in public opinion.

In the political realm quite simply the unions have lost the counterparts they used to have as ideologically oriented unions. This applies above all to CISL and UIL, whose reference parties – the Christian Democrats and the Socialists – disintegrated in 1992–1994. But even CGIL, which was formerly associated with the communists, and subsequently (1991–2007) mainly with the Democratic Left, now lacks a stable partner with the emergence of the Partito Democratico (PD) in 2007. This was particularly the case when Renzi led the PD (2013–2018).

On top of this, trade union members' political orientations have struck out in new directions. Although they remain loyal to their organisations as representatives of workers' interests in the workplace, their party preferences now cut right across the three confederations to embrace forces far removed from the unions. For example, in the European elections on 26 May 2019 some 48 per cent of workers voted for Lega and 19 per cent for the Five Star Movement, while the moderate left PD could only manage 13 per cent.

This reflects a growing mistrust in the trade unions. While in 2002, 72 per cent of people expressed confidence in the unions, by 2016 this had fallen to only 18 per cent. Thus the picture emerges of workers' organisations that, on one hand, have managed to remain organisationally viable and function as collective bargaining actors, while on the other hand they find themselves increasingly isolated in the political and societal realms and are no longer perceived as an influential voice.

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