

COLLECTIVE BARGAINING AND OCCUPATIONAL WELFARE IN ITALY

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The article explores the interconnections between public and occupational welfare. The analysis takes into account – from a historic and institutional perspective – the trajectories of development of some features of occupational welfare in terms of inclusivity and representation. Furthermore, the paper explores the territorial dimension of the phenomenon, which plays an important role, in connection with the characteristics of both subnational productive systems and decentralised collective bargaining.

L'articolo esplora le interconnessioni tra welfare statale e occupazionale. Nell'analisi si considerano le traiettorie di sviluppo di alcuni aspetti del welfare occupazionale, in termini di inclusività e rappresentanza, da una prospettiva storica e istituzionalista. Inoltre si concentra sulla dimensione territoriale del fenomeno, che gioca un ruolo rilevante, legata alle caratteristiche dei sistemi produttivi subnazionali e alla contrattazione decentrata.

1. WELFARE AND INDUSTRIAL RELATIONS. FROM SEPARATION TO EMERGENT RECONCILIATION?

Many recent studies on industrial relations and welfare policies in Italy have shown an increasing interest in occupational welfare, that is to say welfare benefits bargained at company and industry sector (Gori, 2012; Pavolini, Mirabile, Ascoli, 2013; Treu, 2013). According to these analyses, the development of occupational welfare schemes has the potential to expand social protection, extending the general range of social services and in particular services designed to address “new social risks” (Ferrera, Maino, 2013). Given the structural constraints preventing a *tout court* increase in public spending, occupational welfare appears to be more amenable to concrete implementation, limited though by a less generous and dualistic coverage than that usually found in the traditional public welfare pillars (Agostini, Ascoli, 2014; Burroni, Pedaci, 2014; Croce, 2014). In a longer-term perspective, the spread of these benefits, established through collective bargaining, can be taken as evidence of a new phase of integration among disciplinary perspectives, welfare, and industrial relations, which have stayed separate for a long time, especially in Italy. As Regalia (2012) observed, there has been a firm division of labour between these two fields of research in the Fordist cycle, despite the existence of some lines of analysis that bridge these issues, from comparative political economy (Pizzorno, 1980;

Schmitter, 1982; Regini, 1983) to the more recent debate on the varieties of capitalism (Hall, Soskice, 2001; Burroni, Trigilia, 2012). Indeed, for a lengthy period, these two fields of analysis maintained a strict “division of labour”, which contributed to either severing or institutionalising the first rudimentary voluntary welfare schemes, promoted by unions in the historical phase that precedes the establishment of the modern welfare states (Flora, Heidenheimer, 1983; Flora, 1986; Paci, 1989, 2013). As has been observed, the definitive launch of the welfare state marked a shift in which social protection was vertically reorganised and the labour union organisations that had animated this initial period of mutual aid were either excluded from the process or, in some cases, institutionalised, in other words they were granted formal recognition by national authorities in providing welfare benefits. In this process of verticalisation, public bureaucracies undoubtedly acted to strengthen and organise the management of social security benefits, taking these functions under their own responsibility and also playing an important role in delimiting the functions assigned to unions. Nonetheless, the bond with social protection was not wholly severed; if anything, the form of the connection changed. In some cases, in fact, it was the unions themselves that deliberately pursued institutionalisation (Paci, 1989, 2013) in many contexts including, as Borioni (2010) notes, the Scandinavian countries, where traditionally trade unions manage unemployment benefits through the so-called “Ghent system”. Nevertheless, research into industrial relations and studies of welfare proceeded down essentially separate paths from that point onwards.

The ongoing debate on occupational welfare can be seen in these terms, despite the acknowledgment that there are various factors impacting the outcomes of these processes. As observed by Greve (2007), an empirical question arises as to whether and to what extent the development of occupational welfare schemes represent a progressive erosion of the public welfare supply or, in contrast, a part of the recalibration strategies aimed at enabling choice and fostering public-private partnerships, included those involving social partners. From this point of view, not only does occupational welfare play a relevant role in redistributing benefits and opportunities between new and more traditional categories of insider and outsider. It also plays a crucial role in redefining trade unions’ strategies regarding welfare provision (Trampusch, 2007). Occupational welfare can contribute to legitimising social dialogue, attracting new members and workers through a wide range of services addressing new social risks, and expanding the influence of trade unions both at sectoral and company level. Conversely, these same processes can reinforce a general trend towards more diversified and fragmented labour relations. Essentially, whether occupational welfare is reinforcing inequalities and dualisation (within the labour market and the welfare state) depends on the evolution of both industrial relations and welfare institutions, whether they be related to residual, universal or corporatist arrangements. In liberal welfare regimes, such as the United Kingdom, occupational welfare plays a substitutive role in relation to public provision. In this country, occupational and company welfare cover a wide range of fringe benefits provided by the company to workers, without any kind of union involvement. Conversely, in those countries that adopted the Ghent system (Sweden, Denmark but also Belgium and the Netherlands), trade unions traditionally play a relevant role in managing and providing welfare benefits. In terms of coverage rate and expenditure, the United Kingdom has one of the highest levels of spending, but very limited to some industrial sectors and groups of workers, especially professionals. By contrast, as Natali and Pavolini (2014) have recently pointed out, Sweden and other Nordic countries tend to combine a limited amount of spending with

increased spread across industrial sectors and workers. The strong union involvement that characterised Nordic countries can also be traced in the Bismarckian welfare regimes such as Germany or France. In these countries occupational welfare schemes tended to supplement the public provision, through a wide range of services, regulated by law and collective agreements at sectoral and company level, especially in the field of pensions (Greve, 2007; Natali, Pavolini, 2014). Within this framework, Italy, as we will see, presents features that actually make it different from countries like France and Germany, because of the limited development of occupational welfare schemes, at least until recent years.

2. CONTRACTUAL AND COMPANY WELFARE IN ITALY

The limited development of the occupational welfare in Italy mainly depends on the weak penetration in the central areas of the labour market and on a certain fragmentation of the initiatives between small and large enterprises, between standard and non-standard workers (Pavolini, Mirabile, Ascoli, 2013). In contrast though, there has been some growth of these services in the traditionally more peripheral areas, such as handicrafts, agriculture, and construction. Here in fact, well ahead of recent developments, decentralised bargaining has played a very strong role in the expansion of contractual welfare, in a relationship of integration, with benefits provided by the welfare system and rights provided by national collective bargaining. This is in reference to the bilateral system. The Italian bilateral institutions evoke a participative approach, which in some ways goes beyond the model of industrial relations consolidated in Italy during the Fordist period. It was long considered peripheral, because it came out of more marginal productive sectors that were traditionally characterised by geographical and productive fragmentation, a high incidence of atypical or irregular employment relations, a relative lack of trade union power in the workplace and, above all, a lower structural labour productivity that made it difficult to ensure the effective application of collective bargaining agreements (Bellardi, 1989; Leonardi, 2005; Leonardi, Ciarini, 2013). It was in this context that the first bilateral entities were established to compensate, at local level, for lacks in the main social security benefits, managing financial resources collected and jointly administrated by employers' associations and trade unions, through collective bargaining. While the emergence of bilateral institutions was initially associated with areas characterised by high employment and productive fragmentation, over time it has progressively extended to involve all sectors to some extent (Regalia, 2012; see also Carrieri, Treu, 2013). This can be seen as symptomatic of a new phase of integration between welfare and industrial relations that is markedly divergent from the previous one. Given this process, with an expansion in complementary and decentralised bargaining, on the one hand, and restrictions in the field of public welfare, on the other, we are observing a range of integrative welfare benefits that vary widely in terms of form, quantity, and quality.

A recent analysis by Regalia (2012) provides an idea of this variety. The first category comprises agreements aimed at extending social protection benefits to workers who are already covered by long-term established public welfare institutions. This field includes the agreements that gave rise to Inter-Professional Funds for Employee Training (at least in their original formulation as set forth by Law no. 388 dated 23 December 2000¹),

¹ Law no. 2 dated 28 January 2009 regarding anti-crisis measures stipulates that that inter-professional funds can

agreements regarding complementary pensions and health services, and all the bargained welfare measures, including the establishment of new bilateral institutions in sectors that previously lacked such organs, because they were already covered by ordinary welfare institutions. This collection of agreements is expanding; at the same time, there is a great deal of divergence among them, both in terms of intensity and in terms of their actual concrete implementation.

The second category includes the agreements that have been promoted in order to extend protections to workers, who were traditionally excluded or only partially included in the standard employment. These agreements served to construct a new bargained welfare system founded on bilateral institutions (see also Burrone, Carrieri, 2011). There are many sectoral agreements of this kind that could be mentioned, especially those approved more recently, or those targeting sectors that usually occupy a peripheral position in the labour market, such as domestic and personal care work, cleaning services, and professional studies. In all of these cases, collective agreements have, in recent years, begun to regulate a system of bilateral entities that are mainly active in relation to income protection, supplementary social security benefits, and supplementary health benefits as well as a series of activities (particularly in the case of professional studies) regarding active labour market policies. There remains a significant disparity in the size of social contributions established through bargaining, and the way they are distributed to employees, as opposed to employers, which exacerbates internal inconsistency in obligatory social security benefits, even in agreements of the same kind.

Alongside these two categories, there are also complementary welfare measures that tend to operate more at company level. These are found mainly in medium-large businesses and are primarily aimed at salaried employees who are already covered by ordinary welfare institutions. They comprise a wide range of company welfare services: healthcare, general assistance, work-life balance, and help with domestic chores, training, income payments, and credit. Although already present in Italy, these kinds of services have been expanding in the last few years (thanks in part to legislation), either as a result of unilateral choices on the part of businesses, or as part of agreements made between companies and unions, with the mediation of third-party organisations (brokers or consultancies), which have acted to facilitate or produce such programmes. These company welfare services have long applied to the core employees of larger companies. There are also cases, however, in which benefits have been extended to other workers, such as temporary employees who enjoy fewer contractual rights, but only in medium-large companies. Luxottica, one of the companies most often referenced and mentioned in discussions on company welfare, offers a typical example of this kind of agreement. As has been observed (see, for instance, Mallone, 2013), the agreement established through bargaining in this large company boasts the specific feature of including a range of supplementary services (a health insurance policy, educational grants, and grocery vouchers) that apply to fixed-term employees as well. There are also many examples of company agreements in which local institutions have intervened to extend the scope of services to cover beneficiaries who are not company employees.

implement initiatives and allocate resources (albeit temporary and exceptional in nature, as specified by the law) to complement workers' incomes, including employees working under an apprenticeship contract or 'para-subordinate' workers. This is a significant change as compared to the original functions of inter-professional funds in several senses: payments to complement income, and the inclusion of so-called 'non-standard workers' among beneficiaries.

There is one last case of note involving an area of supplementary benefits that has been developing over the years: that of local bargaining and concertation concerning social and personal services. At this point, there are a great deal of data available on this phenomenon – see in particular the various reports on local social bargaining (AA.VV., 2012, 2013) – involving unions, public administrations, not-for-profit organisations, and sometimes companies as well. The noteworthy feature of these agreements is that they often target a very wide population of beneficiaries, which goes beyond employees or workers to apply to the general citizenry of a specific local area. These agreements deliberately extend beyond specific industry sectors to include retiree organisations and local branches of the various confederations in particular. There are also company agreements in which, as a result of intervention by local administrations, bargaining actually takes the form of social concertation aimed at extending the coverage of the local welfare supply. It should also be noted that, while taking citizens' needs as a starting point, there is an increasing tendency to integrate this kind of local bargaining with social inclusion and antipoverty policies, specifically those targeting the individuals who have been hardest hit by the economic crisis, including many employees of distressed companies, the unemployed, and vulnerable people at risk of poverty. Furthermore, this trend tends to touch not only local welfare governance, but also specific agreements established at regional levels.

In relation to this intersection of contractual and company welfare models, in the next part of this article we will focus on the practices that take place inside companies. On the one hand, this is perhaps one of the most traditional spheres of collectively bargained welfare and, in many respects, also the most standardised in the sense that the practices tend to be repeated from company to company, in part with a view to reaping the tax benefits allowed by law. And yet, there is no extensive empirical basis for these processes besides the company and local case studies that we have referenced thus far in describing company welfare. This point will be addressed in more depth further ahead in the article. Before going into the details of the empirical analysis, however, the issue of company welfare should be located in the context of its recent and past evolution.

3. THE COMPANY WELFARE IN ITALY. HISTORICAL EVOLUTION AND RECENT CHANGES

Three periods can be identified for the spread of company welfare in Italy. In the *period of initial entrenchment*, from the 1960s to the 1970s, there was a predominance of unilateral initiatives launched by businesses. Specifically, these were unilateral and often paternalistic, although in some exemplary cases such as Olivetti (Ciuffetti, 2012) they were aimed at increasing employee loyalty, improving worker-company relations, and extending social benefits far beyond the scope of the labour-oriented system established following World War II (WWII). From the trade union point of view, this period involved a progressive spread of the phenomenon; at the same time, however, this spread was accompanied by disintegration as a result of the fact that workers' associations had highly divergent visions. At the time, the Italian General Confederation of Work (Confederazione Generale Italiana del Lavoro, CGIL), in particular, was suspicious of the spread of benefits and services through company channels, because this process did not reflect the collective/universalistic framework that constituted one of the union's main guiding principles for relating not only with their members, but with the general public as well. The Union of Italian Workers (Unione Italiana del Lavoro, UIL) and the Italian Confederation of

Workers' Unions (Confederazione Italiana Sindacati Lavoratori, CISL), in contrast, were more open to these developments, the latter even more than the former, viewing the *tout court* increase in protections and benefits as a positive development.

These divergent responses from Italian unions produced the scattering of diverse company welfare initiatives during the 1980s and 1990s, characterised by a *fragmentation of company initiatives* (the second period of company welfare development) accompanied by unilateral-type practices. During this period, differences between companies began to take shape: indeed, the selection of services and programmes on offer developed in relation to each individual company. The reforms that evolved and took effect over the course of the 1990s also played a key role in furthering this phenomenon. For the first time in decades, health and welfare reforms had a dampening effect on the expansion of spending and rights/services in their respective policy areas while retaining the strength of the corporative legacy that underlies Italy's employment-oriented social security system. Together with the progressive financialisation of economic systems, these reforms triggered the spread of supplementary health financing, through professional funds, and the widespread development of complementary social services, through collective bargaining, which in some ways gave rise to the systems of networking, contracting out, and agreement between the public and the private sector, which have shaped the Italian system of company welfare supply.

Towards the end of the 1990s, businesses and local areas worked more and more closely in planning, constructing, and implementing company welfare programmes (the third phase, the *localisation of company welfare*). The phenomenon became more deeply established in this period, initially characterised by engagement with local public agencies and subsequently, from 2005 on, by the involvement of a wider range of local actors. This shift was undoubtedly affected by European and national rhetoric about subsidiarity (both horizontal and vertical) and individualisation, understood both as the diversification of categories at risk and in need (radically changed from the typical disadvantaged populations under Fordist systems) and as the capacity of providers to offer *ad hoc* measures and initiatives.

This third phase of company welfare, which began at the end of the 1990s and continues today, has involved an increasingly positive view of the development of local welfare as part of localisation dynamics (Ferrera, 2005; Kazepov, 2009; Keating, 2009; Kazepov, Barberis, 2013) and a logic based on networked service.

The importance of company welfare is even more evident in view of a number of ongoing economic trends, namely the decrease in purchasing power that is mainly a result of three factors: sluggish economic growth, high tax rates, and increases in the cost of living that far outstrip increases in salaries (Treu, 2013). Naturally, these trends are linked to changes that have affected and continue to affect the Italian structure of production, which, as scholars have noted, is largely composed of small-medium businesses that mainly occupy sectors characterised by low value added and low productivity, alongside a smaller number of large companies with better productivity and more highly qualified workers (Istat, 2013, 2014; see also Reyneri, Pintaldi, 2013).

The productive structure briefly outlined here, but thoroughly discussed in the literature, would appear to be relevant in relation to company welfare for at least two different reasons: on the one hand, efforts to study and understand this situation are more challenging the more the researcher takes into account divergences between differently sized companies and different geographical areas; on the other hand, however, it is not

possible to analyse the specificity of the Italian context without keeping in mind the differences between small-medium and large businesses, both in terms of opportunities and in terms of effective constraints on company welfare. These constraints involve an elevated level of fragmentation in production, which makes it difficult to achieve economies of scale, not only in sectors such as R&D, but also in terms of social innovation at the level of occupational welfare benefits. These factors, together with the specialisation characterising the less technologically advanced traditional production sectors, also impact the quality of employment and productivity. Especially in response to particularly high tax rates, businesses have made strategic choices to use flexible contracts and thereby take advantage of the short-term financial benefits they offer; as a consequence, however, they have paid for this choice in terms of reduced productivity in the medium-long term (Banca Italia, 2013). In this difficult context, company welfare has spread along two main trajectories. The use of flexible benefits has meant that companies' redistributive policies, which represent a potential productivity stimulus in and of themselves, have been rendered even more limited in their scope. When businesses, especially the largest ones, have had trouble raising salaries, they were able to use flexible benefits, that is, compensation schemes, which supplement salaries with services for employees or their families that they would otherwise have to seek outside the company (Treu, 2013). From a certain point of view, this choice may represent a win-win situation: businesses enjoy breaks in their mandatory social security contributions for the part of the salary converted into benefits, and employees enjoy a greater increase in purchasing power than they would with a simple raise. It is easier for large companies to enact economies of scale, because they are able to draw on a higher number of employees and permanent structures that are capable of hosting spaces for specific purposes or social concertation schemes; they also have the chance to obtain advantageous rates for supplementary health or retirement insurance. Nonetheless, there are some quite serious obstacles preventing these practices from spreading effectively throughout the country. First and foremost, the fact that there are fewer large-sized businesses in the overall national sphere and, furthermore, these larger entities are concentrated in certain areas means that such practices vary greatly from one geographical area to another.

In small and medium-sized enterprises (SMEs) areas, so typical in the Italian context, there is an alternative that has recently garnered a certain degree of attention (Ferrera, Maino, 2013; Treu, 2013), namely the creation of inter-company welfare plans involving public actors together with the business and the mayor, in order to exploit the kind of economies of scale that these companies, constrained by their smaller size, would not otherwise be able to take advantage of by themselves.

4. THE LIMITS OF COMPANY WELFARE, AND PROSPECTS FOR THE FUTURE

With the spread of company welfare, there are now databases and empirical studies that provide the information necessary to take stock of the nature of bargained services and how they are formulated. These include, for instance, the database of CISL's Observatory on Second-Level Bargaining (Osservatorio sulla Contrattazione di Secondo Livello, OCSEL) on supplementary bargaining, as well as *ad hoc* analyses of company welfare (Ciarini, Lucciarini, 2015) and job-related welfare (Pavolini, Mirabile, Ascoli, 2013). These studies are useful for understanding not only the more general functions provided

by complementary services established through bargaining, but also for distinguishing between services that are stipulated through second-level collective bargaining, and services developed within the company itself. As mentioned above, these latter constitute a specific segment of supplementary welfare characterised by marked innovation in relation to the more traditional range of supplementary services. Moreover, like other institutions promoted by collective bargaining (such as bilateral entities), social services created as a result of bargaining, and/or especially collaborative planning, company welfare is growing, specifically in the area of childcare and services for improving work-life balance. Companies are clearly trying to extend the range of services they offer, from letting employees choose more flexible working hours and offering childcare centres, provided or subsidised by the company, to offering assistance with domestic and administrative/legal tasks. Nevertheless, there is still a long way to go in order to meet the expectations of employees. As Ciarini and Lucciarini (2015) have highlighted, with the exception of work schedule flexibility, quite a wide gap between supply and demand remains. For instance, nearly one out of every two employees has expressed a desire for supplementary services for children and non-self-sufficient family members, but only one out of 10 employers offers such services (Ciarini, Lucciarini, 2015).

One of the main problematic aspects of company welfare lies precisely in this breakdown between supply and demand. Beyond its general scope, company welfare appears to be characterised by such significant discrepancies and divergences from region to region that the services offered are inconsistent in many ways, even in terms of how they conceive their own strategic functions and the synergies they might produce in combination with other kinds of agreements established through bargaining outside of the companies. The first significant form of differentiation (Ciarini, Lucciarini, 2015; see also Pavolini, Mirabile, Ascoli, 2013; Croce, 2014) concerns the system of services offered by large companies as compared to small ones. While company welfare in large companies tends to comprise a wider range of initiatives, including a significant number of programmes providing care for non-self-sufficient individuals, in small companies it has taken on different structural features. In this case, the system that has emerged is characterised by a predominance of supplementary-type bonuses and incentives, which appear to serve mainly to manage productive cycles (and peaks), thus giving rise to many instances of benefits in terms of work schedules and, consequently, the retention of the more strategic human resources. It is no coincidence that these benefits are more often seen in the north-eastern parts of the country, where there have long been more SMEs (see also Ciarini, Lucciarini, 2015), which have traditionally (and even more so in recent years) been subject to intense peaks of flexibility in managing productive cycles. Factors related to the demand side play an important role in this close synergy between company welfare and productive cycles. The stimulus provided by legislation undoubtedly impacts the relative profitability of certain company initiatives. Nonetheless, the way these services are organised and the functions they provide are significantly affected by productive structures. If anything, there is a reciprocal back-and-forth that gives rise to outcomes we see as being decisive in terms of determining which services and benefits eventually come to be offered. The relationship between productivity and caps on salaries (which are, however, compensated for by supplementary services and benefits) must be understood in this context. This relationship is found especially in the areas of SMEs, which are more vulnerable to competition in reducing labour costs. The form of company welfare that tends to emerge in smaller companies is accompanied by efforts to improve productivity and work organisation

flexibility as well as caps on salaries and incentives or bonuses for core human resources (aimed at improving production).

The system of company welfare found in large businesses is much different from the one described above, beginning with the fact that it usually involves more structured packages of services. This difference naturally derives in part from these organisations' more developed historical backgrounds, but it is mainly due to the economies of scale (see Treu, 2013 for this point as well) that only large-sized companies can achieve in obtaining advantageous conditions, for instance when setting health insurance rates or in contracting supplementary services through brokers or specialised external agencies. And yet, there is another point that is even more interesting, namely the fact that this wider range of services is mediated by a hierarchical approach aimed at recognising differences between high-level employees, who receive the most benefits, and lower-level workers, who are given a more marginal place in company strategies. In the light of this, while small businesses implement company welfare in terms of a bonus and incentive approach largely calibrated to manage production and market cycles, in large businesses the approach is more strictly corporative and only incentive-oriented, if at all, in rewarding the uppermost segments of the company hierarchy.

This feature of being corporative, yet with its own specificities, tends to contribute to a further geographic differentiation, specifically in relation to Italy's southern regions. There are far fewer examples of company welfare in southern Italy than in other geographic areas. On the other hand, there is much less demand for such services among employees of southern-based companies (Ciarini, Lucciarini, 2015).

Southern Italy not only diverges from other geographical areas in terms of supply, but also in the utility that employees attribute to such services and the meaning granted to them by companies (Ciarini, Lucciarini, 2015). Regardless of company size, southern-based companies appear to view company welfare primarily as a privileged means of curbing conflict inside the company and reducing absenteeism, with, however, benefits distributed solely among top-tier employees and management. It is, perhaps, no coincidence that employees in general do not appear to ask for these services, preferring wherever is possible, cash than services. Another element that must be taken into account is the difficulty of providing external services for less-structured businesses in a context where there are relatively few external subjects to act as brokers. And yet, there is another difference that should be considered, specifically a difference of capacity building on the part of local institutions, which act to facilitate and produce services in partnership with local providers. On the other hand, the fact that there are comparatively fewer local welfare networks certainly does not help company welfare services develop and spread. In the centre and northern regions, in contrast, the more widespread presence of company services is due not only to their higher density and spread, but also to the fact that they are more closely intertwined with networks of local welfare outside the companies themselves. In Italy, the recent developments in occupational welfare are going towards the strengthening of supplementary benefits provided by companies with means such as vouchers, which give the user (in this case the worker) the choice of a range of services that are bargained with social partners. With the latest Stability Law (Law no. 232 dated 11 December 2016), productivity bonuses have been de-taxed, in the form of vouchers for the access to company welfare services. The law reintroduces tax exemptions on employees' earnings based on productivity results, and it encourages the provision of welfare benefits instead of monetary bonuses through a more favourable tax treatment. The tax reduction increases if

it is negotiated with social partners. Put in these terms, we are fully in an exchange between wage moderation and productivity, mediated, however, by supplementary services that, purchased on the market, would be of much greater cost to the workers. The issue of small companies remains. In fact, given these conditions, small companies, taken individually, do not have that size that would allow them to provide an extended range of services at a lower cost. In many ways, the development of corporate welfare, especially in small businesses, plays on this aggregation capacity, as large companies leverage their number of employees.

5. CONCLUSIONS

Company and collectively bargained welfare unquestionably represents a new development in the sphere of industrial relations and welfare institutions, two spheres that currently display an ever-increasing tendency to converge for the reasons outlined at the outset of the article. And yet, this convergence has not been accompanied by an extension of the rights granted to representative bodies or social protection institutions. Rather, it has come about as a result of their having lost ground, thus giving rise to hybrid forms of welfare schemes that involve examples of experimentation, but also discrepancies and disparities between categories of workers, geographical areas, and individual companies. At the same time, this wide range of emergent forms is mirrored by an increasing trend to shift bargaining from upper to lower levels, thus rupturing the uniformity that long characterised collective representation in the economic sphere (Cella, 2012; Regalia, 2012; Carrieri, Treu, 2013). Nevertheless, representative bodies have not ceased to act as a filter for demand both within companies and, especially, in representing specific categories of workers. The difference from past periods is that this filtering function takes place primarily at local level and through less institutionalised arrangements, which have more in common with pluralistic spheres than neo-corporative ones, involving coalitions of actors recognised as being entitled to much broader representation. These new forms of decentralised bargaining draw on the direct and variable forms of action by local companies and actors that is typical of “Bargaining with a capital ‘B’” in Bobbio’s words (2004, p. 71; see also Regalia, 2006), and bring it into the foreground once again. It remains to be seen, however, to what degree this shift articulates with the deterioration of collective forms of representation and social protection, giving rise to scenarios that are ever more dependent on the specific conditions of each company and local area. In some ways, this represents a step back into the past, ideally towards a period in which the functions of collective representation were interpreted more independently, but also less uniformly, particularly in cases of bargaining or co-managing certain welfare programmes. It is clear that the trend does not involve reinstituting practices of workers’ self-management of social protection benefits, especially in view of the fact that bargaining now involves a whole range of key social actors, not only organisations representing workers. The outcome of these ongoing transformations is not, however, the product of a neoliberal shift towards both minimal, individualised representative structures and welfare programmes, covering an ever more selective population of beneficiaries. At least, this does not appear to be the case in Italy: here, the deterioration of collective bargaining and the emergence of these forms of collectively bargained and company welfare seem to be exacerbating the disparity between core and marginal workers, who not only lack ordinary protections, but are also excluded from bargained and company welfare. In a period characterised by stringent financial

constraints and structural problems that prevent administrations from increasing public spending, company and company welfare constitute potential means of recalibration that are feasible yet, at the same time, tend to produce old and new forms of disparity. There are certainly some groups whose conditions have been improved by decentralised bargaining, both in terms of representation and, above all, in terms of social protections. This is the case of workers at small businesses, for instance, who had traditionally been excluded from social security programmes, especially unemployment benefits. Thanks to the development of bilateral bodies, these groups now enjoy a wider range of social protections, even though this enlargement was achieved through contractual agreements. As a result of these changes, the classic distinction between “outsider” and “insider” is no longer so clear-cut. Indeed, an intermediate group has emerged between these two poles: “midsiders”, as Jessoula, Graziano and Madama (2010) have defined them (also see Ferrera, 2006), individuals who are located in a middle ground between traditional protected sectors and positions lacking coverage in terms of bargained and welfare-based protection. In the past, these workers would have been considered part of the outsiders. In view of the changes outlined above, however, this distinction is no longer valid, precisely as a result of the increase in bilateral institutions that has extended the scope of coverage (Regalia, 2012; Leonardi, Ciarini, 2013). An example of this would be certain categories of atypical workers, such as those working through employment agencies, that have recently obtained coverage under a new system of bargained welfare based on bilaterality (Burroni, Carrieri, 2011; Burroni, Pedaci, 2014).

The overall situation displays various ruptures, however, not only in terms of degree of inclusion based on a worker’s specific job position and contract, but also in terms of the geographical location of businesses and the culture of company welfare each one has developed. Beyond certain exceptions and success stories, company welfare by its very nature has the potential to aggravate inequalities between northern and southern Italy. The potential for an increase in distorted or politically interested links between public and company welfare might further exacerbate this disparity at the expense of less well-organised areas, with the risk of accruing two disadvantages: one originating from the relative lack of welfare programmes outside of companies, be they public or public-private, and the other originating from the limited and corporative way company welfare tends to be deployed. In this sense, even the fact that many companies tend to imitate each other’s policies could potentially produce negative outcomes if company welfare were used to provide individually a large amount of tailored privileges, or to promote clientelistic and paternalistic logics inside the company, thus undermining the collective (albeit selective) value of company welfare.

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