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The Resurgence of the Italian Confederal Unions: Will It Last?

ABSTRACT ■ This article argues that the Italian confederal unions' decision to engage in national policy-making paid off, even though it implied becoming co-responsible for tough choices, such as wage restraint and pension reform. This engagement was linked to a combination of three factors: the opening up of new opportunities in the political sphere, unity of action among the three major confederations, and a series of organizational reforms that strengthened internal democracy and in the process, also increased the unions' capacity for encompassing representation. Future challenges are likely to come, as in the past, from the political sphere. In particular, the resurfacing of competition among the three major confederations makes it increasingly difficult for them to speak with a single voice, not just in the political, but also in the economic arena.

Overall, the 1990s were a good decade for the Italian unions, even though, like most unions in advanced countries, they lost some members. In Italy, this loss was smaller than elsewhere and appears to have been slowing down in the 1990s compared with the 1980s. However, the unions' clearest successes were in the political, much more than in the organizational sphere. Following the demise of the 'national solidarity' government in 1979 and the traumatic defeat of the metalworkers' union in the Fiat strike of 1980, the three confederal unions, CGIL, CISL, and UIL, suffered an erosion of their political, economic and organizational power (Locke, 1995). The failure of tripartite bargaining in 1984, combined with insistent demands (particularly from the metalworking employers) to shift from collective bargaining to individualized relations with employees, seemed to herald political and economic marginalization for the Italian labour movement. Quite surprisingly, however, the confederal unions regained the strategic initiative in the 1990s and were able not only to participate in, but also significantly influence virtually all of Italy's

politico-economic decisions, from income policies to labour market flexibilization to pension reform (Locke and Baccaro, 1999).

We argue that the decision to engage fully in national policy-making paid off handsomely, even though it implied participating in tough (and potentially unpopular) policies. This choice was linked to a combination of three factors: the opening up of new opportunities in the political sphere, unity of action among the three major confederations, and a series of organizational reforms that strengthened internal democracy, in the process also increasing the unions' capacity for encompassing representation.

We also argue that if the main determinants of the Italian unions' renaissance are to be found in the political sphere, it is from this sphere that the major challenges for the future are likely to emerge. As the political party system re-establishes itself after the crisis of the early 1990s, it comes increasingly to regard the unions' heavy involvement in national policy-making as an intrusion. In this respect, the recent accession to power of a right-wing government, backed by a more stable electoral majority than the preceding centre-left governments, could spell the end of the unions' close involvement in policy-making. Also, organizational reforms aimed at ensuring closer relations between the unions and rank-and-file workers seem to have lost momentum, and no longer figure prominently on the policy agenda. Lastly, and perhaps most importantly, the Italian unions' political role is threatened from within by the re-emergence of competition among the major confederations. If these divisions persist, it will become increasingly difficult for them to speak with a single voice, not just in the political, but also in the economic sphere.

Our discussion proceeds as follows. First, we review membership trends and organizing activities. Second, we consider relationships between the unions and the political and institutional arena. Third, we discuss the development of social partnership at various levels. Fourth, we analyse the links between the confederal unions and other civil society organizations. Fifth, we examine a series of organizational reforms. We conclude by discussing successful union strategies and by speculating on possible future developments.¹

Membership Trends and Organizing

Organizing strategies seem less important for the Italian confederal unions (the Confederazione Generale Italiana del Lavoro (CGIL), the Confederazione Italiana Sindacati Lavoratori (CISL), and the Unione Italiana Lavoratori (UIL)) than for unions in other countries, especially the USA and the UK. The reasons have to do with particular institutional

conditions. Italian unions do not crucially depend on membership for recognition and funding, at least in the short run. Their right to establish plant-level organizational structures within firms with more than 15 employees is guaranteed by law. Also, collective agreements apply to non-unionists, thanks to the *de facto* (though not *de jure*) operation of extension clauses.

The major innovation in recent years is the attempt at organizing atypical workers, especially the so-called ‘parasubordinates’ — skilled workers and professionals who, while working continuously for particular companies, are formally hired as independent consultants (Altieri and Carrieri, 2000). This allows companies to pay lower social security contributions and guarantees greater discretion in hiring and firing. According to ISTAT, Italy’s statistical agency, the number of parasubordinates grew from 822,000 in 1996 to 1,777,000 in 1999. In 1998, CGIL and CISL set up dedicated organizational structures (named NIDIL and ALAI respectively) for these workers. Their membership is minuscule (in 1998, NIDIL had 1524 members and ALAI 2094), but their existence proves that the confederations are well aware of the need to go beyond their traditional constituency of full-time permanent employees and reach out into the growing world of atypical and contingent work.

The Italian unions have also strengthened their ‘service’ capacities in recent years (for example, in the fields of health and safety, pensions, taxes and legal assistance) in order to attract new members (Leonardi, 1999). Because these social assistance activities are accessible to non-members, they make the unions eligible for public funding and thus make union budgets less dependent on actual membership.

The number of dues-paying members increased by 1,676,893 (18.6 percent) between 1980 and 1998. It needs to be emphasized that all of the increase was among retired members. The number of active workers declined by 2,014,559 (28.2 percent) in the same period.² As a result, the unionization rate fell from 49 percent in 1980 (the peak year) to slightly above 35 percent in 1998 (see Table 1 for a breakdown by sector). While these trends considerably changed the internal composition of the unions (with retired members totalling 49.4 percent of total membership in 1998 as opposed to only 18.1 percent in 1980), they did not affect the unions’ finances.

As in other Mediterranean countries such as France and Spain, the strength of Italian unions should not just be evaluated in terms of their membership, but also on the basis of their performance in workplace elections. In this particular domain, the confederations’ record is remarkable: following the establishment of new representative machinery in the 1990s (see below) they collectively achieved 95.5 percent of the votes in private-sector elections.³ The electoral weight of union organizations not affiliated to the three major confederations appeared negligible in the private

TABLE 1. Unionization Rates by Sector (1981, 1990, 1997)

	1981			Total	Unionization rate (%)
	CGIL	CISL	UIL		
Agriculture	519,028	485,229	166,310	1,170,567	100.06
Industry	1,757,954	950,560	481,947	3,190,461	48.82
Private tertiary*	569,865	357,674	227,722	1,155,261	27.13
Public tertiary*	551,557	685,879	312,438	1,549,874	51.42
Total wage-earners	3,398,404	2,479,342	1,188,417	7,066,163	46.64
Total self-employed	n.a.	n.a.	n.a.	n.a.	
Pensioners	1,186,207	509,471	168,873	1,864,551	
Non-employed	n.a.	n.a.	n.a.	n.a.	
Total	4,584,611	2,988,813	1,357,290	8,930,714	
	1990			Total	Unionization rate (%)
	CGIL	CISL	UIL		
Agriculture	341,069	251,657	121,154	713,880	84.60
Industry	1,336,881	715,517	407,078	2,459,476	41.70
Marketable services	531,130	461,099	270,807	1,263,036	24.10
Non-marketable services	515,722	595,529	324,748	1,435,999	48.20
Total wage-earners	2,724,802	2,023,802	1,123,787	5,872,391	39.30
Total self-employed	14,898	168,175	93,895	276,968	
Pensioners	2,353,891	1,274,489	268,076	3,896,456	
Non-employed	56,785	41,925		98,710	
Total	5,150,376	3,508,391	1,485,758	10,144,525	
	1997			Total	Unionization rate (%)
	CGIL	CISL	UIL		
Agriculture	249,581	196,88	121,587	568,048	86.7
Industry	1,091,614	630,214	374,168	2,095,996	40.4
Marketable services	488,506	406,203	266,221	1,160,930	20.3
Non-marketable services	457,776	543,127	316,373	1,317,276	44.8
Total wage-earners	2,287,477	1,776,424	1,078,349	5,142,250	35.5
Total self-employed	565	106,847	91,484	198,896	
Pensioners	2,875,459	1,909,832	418,437	5,203,728	
Non-employed	36,123	63,231		99,354	
Total	5,199,624	3,856,334	1,588,270	10,644,228	

*not necessarily comparable with later years; private tertiary includes transportation as well.

Source: Romagnoli (1982), Squarzon (1992), Codara (2000).

sector as a whole, though it was substantial within particular occupational groups such as train drivers and airline pilots.

In the public sector, workplace elections were made mandatory by a law of 1997. Here, the confederal unions obtained a cumulative 70 percent of the vote. Non-confederal unions gathered 30 percent, a respectable proportion. In both private- and public-sector elections, the participation rate was close to 75 percent, higher than voter turnout in recent political elections and referenda. This was a clear sign that workers care about union democracy.

These results validated the claim of the three confederal unions to represent Italian workers. The electoral mechanisms increased their legitimacy in the eyes of the public at large at a time when important changes in the 'political opportunity structure' (Tarrow, 1994), particularly the collapse of all the major political parties, created major openings for them. It is to these developments that we now turn.

Relationships with Governments and Political Parties

In the early 1990s, the conjunction of both political and economic crises provided the Italian confederal unions with a giant opportunity to impose themselves on the national political sphere as the most important partners of 'emergency' governments. In 1992, a wave of corruption scandals (known as *Tangentopoli*) shook the country: both the Christian-Democrats (DC), Italy's largest political party, and the socialists (PSI) (who played a pivotal role in government in the 1980s) suffered a collapse of legitimacy and disappeared. Simultaneously, the Italian lira was the target of a wave of financial speculation. Forced out of the European Monetary System together with other weak currencies, it lost up to 50 percent of its value against the Deutschmark in a few months (Vaciago, 1993).

The governments of 1992, 1993 and 1995 were particularly weak in the sense that they lacked clear parliamentary majorities; in the latter two cases, they consisted of independent 'technicians' formally unaffiliated to any political party. At the same time, the range of tasks these governments had to perform was daunting. First, they had to prevent the devaluation of the lira from sparking an inflationary spiral. In other words, workers needed to accept wage moderation, and for this the unions' collaboration was indispensable. Second, the state of Italian public finances was disastrous (the public deficit was around 10 percent of GDP between 1992 and 1993, and public debt peaked at 125 percent of GDP in 1994); hence, deflationary tendencies could not be counterbalanced by countercyclical (Keynesian) policies. Instead, Italy's economic authorities needed to impose fiscal restraint, with cuts in public expenditure and tax increases — a set of policies likely to prove highly unpopular.

The three confederal unions were uniquely placed to provide the support and collaboration governments needed. First, unlike the employers and the politicians they came out of the *Tangentopoli* scandals virtually unscathed. Second, through the organizational changes described elsewhere, they had overcome the competition from rival worker organizations and relaunched their legitimacy as representatives of the Italian working class as a whole. Third, as a result of the political transformations, the unions' traditional political sponsors had either disappeared or were (for the first time in Italy's postwar history) sitting together in the same centre-left coalition. This made it possible, between 1992 and 1998, to negotiate a series of peak-level agreements (discussed in more detail below).

This corporatist phase involved close unity of action among the three major confederations. In effect, they agreed to codetermine Italy's economic policy. This phase of collaboration seems to have come to an end now, with the revival of inter-confederal competition, particularly between CGIL and CISL. For some time, the two confederations have had different views on key issues such as union democracy (with the CISL opposing the widespread use of referenda), decentralization of collective bargaining, and flexibilization of wages and working conditions. CGIL seems unwilling to compromise on what it perceives as 'labour rights', while CISL appears more amenable to trade these for concessions in other fields, such as job creation or taxes. Workplace elections (discussed above) may have contributed to the resurgence of competition. In the public sector, CISL's traditional turf, CGIL attracted more votes. This disappointing performance may have convinced the CISL leadership that unity of action with CGIL solely benefits the latter.

Beginning with the 2000 Pact for Milan,⁴ these differences have led to 'separate' agreements, signed only by CISL and UIL, but not by CGIL. In 2001, CISL and UIL concluded an agreement with the metalworking employers that CGIL refused to sign. In 2002, the same pattern was repeated at the national level: CISL and UIL concluded a 'Pact for Italy' with the government and Confindustria, easing the regulation of dismissals in exchange for tax reductions, while CGIL fiercely contested the accord and mobilized workers in opposition.

As in 1984, partisan politics undoubtedly played a role in dividing the confederations. In the run-up to the 2001 general elections, which saw the return to power of a right-right coalition led by Silvio Berlusconi, CGIL and CISL began to accentuate their differences. CGIL placed itself firmly in the centre-left camp, while CISL espoused a more agnostic position of autonomy from political parties. Just before the elections, the CISL secretary general resigned from his leadership position and established a new party, with the explicit goal of promoting the renaissance of the DC.⁵ Only time will tell whether the present divisions will escalate into fully

fledged warfare between the catholic and post-communist components of the Italian union movement. If so, the stability of the social concertation system which the unions helped create is likely to be undermined.

The Development of Social Partnership

For many years, the Italian political economy has been marked by the paradoxical coexistence of strategic paralysis at the national level and remarkable capacities for cooperation and innovation at the local level (Ferner and Hyman, 1992; Locke, 1995; Regini, 1995). The industrial relations sphere was no exception: while national actors struggled to come to terms with the problem of inflation, local actors negotiated innovative solutions to the problems of industrial restructuring (Negrelli, 1991; Regini and Sabel, 1989), and, in the case of industrial districts, cooperated in crucial areas such as skill formation, market access, and process and product innovation (Bagnasco, 1977; Piore and Sabel, 1984; Trigilia, 1986).

What is especially interesting about the 1990s is not so much that local partnership continued, even though some of the most advanced experiments, such as codetermination in the Zanussi group (domestic appliances), appeared to stagnate, as that it materialized at national level as well. In the 1990s, union involvement in national policy-making spanned a variety of policies: incomes policies, labour market liberalization, pensions reform and, more recently, tax reform. As noted above, this occurred in a climate of economic and political emergency. The first two centralized agreements, in 1992 and 1993, dealt with control over wage increases. The former, which abolished wage indexation and introduced a one-year moratorium on both company wage negotiations and public-sector collective bargaining, resulted in intra-union dissent (especially within CGIL) and rank-and-file revolt. Workers in various industrial plants, particularly in the north of the country, participated in unofficial strikes against the agreement, and union leaders faced violent protests in a number of cities. Opposition was encouraged by the failure to submit the accord to a referendum (Baccaro, 2000).

Despite this grass-roots mobilization, CGIL, CISL and UIL continued negotiations with government and Confindustria for a comprehensive redesign of the collective bargaining system. This was accomplished with the July 1993 tripartite agreement, which confirmed the abolition of wage indexation, but at the same time introduced a new architecture for collective bargaining based on two levels, that is, national and local. The agreement specified that on issues explicitly covered by the national contract, bargaining could also take place at company or territorial level, but that any consequential wage increases were to be financed through productivity increases or performance improvements, or both.

The establishment of two-level bargaining was an important victory for the union movement, since the employers had pushed for a single locus of collective bargaining. The confederal unions hoped that this institutional innovation would extend collective bargaining at lower levels, but this does not seem to have happened: two-thirds of workers in industry and private services are still not covered by decentralized bargaining. The 1993 accord was preceded by a binding referendum among the workers — the first in the history of the Italian labour movement. About 1.5 million workers participated in the vote and of these, 68 percent approved the deal. The referendum proved to be a powerful legitimating device for the union confederal leadership; there was no grass-roots uprising this time, even though employees in some traditionally militant plants voted (sometimes overwhelmingly) against the accord.

In 1995, social partnership was extended to the welfare state as well. The confederal unions negotiated with the government a long-term structural reform of the pensions system. This also met widespread internal opposition, but again dissent was ultimately defused through democratic procedures of legitimation (a referendum among union members preceded by widespread worker assemblies) (Baccaro, 2002). In 1996, social partnership moved to another area of policy: the 'Pact for Employment' moderately increased labour market flexibility by introducing new forms of contingent work. Such work was not admissible in workplaces where there had been layoffs in the previous year, nor could it be used to replace workers on strike. Perhaps more importantly, only skilled employees could be employed on these contingent contracts (Leonardi, 1998). In December 1998, the three confederal unions signed the tripartite 'Christmas Pact'. This confirmed the two-level structure of collective bargaining; it also obliged the government to consult the social partners on all social policy issues, and on certain issues to devolve decision-making authority to them.

Over the course of the 1990s, social partnership moved to local level and involved new actors. The 1996 pact encouraged the formation of local partnerships through two instruments: the so-called 'area contracts', which dealt with economic regeneration in crisis areas, and the 'territorial pacts', aimed at promoting local economic development, particularly in the south of the country. This programme of local concertation, politically and economically supported by the EU, differed considerably from previous top-down approaches to economic development in the South (Bonomi and De Rita, 1998; Cersosimo, 2000): local actors were asked to propose their own solutions to the problems they faced. The Treasury then evaluated the projects, selected the most promising, and provided public funding to match money raised locally.

In the year 2000, 61 agreements had been approved and funded. They involved 1417 municipalities and covered about 42 percent of the

southern population. These agreements were expected to increase employment by 27,000, more than half in the South. We still do not know how effective these pacts have been in reducing unemployment, which reaches 30 percent in certain southern areas. Some of the local partnerships appear to have been finalized solely to qualify for public funding. Other partnerships, however, have generated new linkages, strengthened relationships that were previously weak, and created higher levels of trust among local economic actors (CNEL, 1999). These local pacts go beyond the traditional tripartite structure and involve new actors, such as banks, universities, cooperatives and not-for-profit organizations. In this way, they may be generating the 'social capital' which is increasingly seen as an important prerequisite of development (Putnam, 1992). No less important, local partnership agreements have enabled unions to form alliances with other civil society organizations, and in so doing, to strengthen their central position in Italian society.

Unions and Civil Society

The Italian confederal unions are not just workplace-based organizations: they are deeply involved in all major economic, industrial, and social policies in the country. Since the early 1970s, they have fought for broad social reforms, including housing and public transportation; this greatly increased the scope of their activities and brought them into close contact with community-based organizations struggling for similar goals. Nowadays, the Italian unions are involved in a whole series of issues which go well beyond wages and working conditions: fiscal policy, health care, transportation and more general urban policies. They also promote the rights of minorities, including immigrants, gays, lesbians, and transsexuals, both as workers and as citizens.

One area in which the collaboration of confederal unions and other associations proved especially fruitful, even though not without complications at the beginning, was environmental policy. The culture of the unions was, until a few years ago, typically industrial: factories and jobs ranked above environmental conservation. This often led the unions to side with management against community-based organizations. One instance was the case of Acna, a chemical plant on the banks of a river in Liguria. The company used the river water to clean its machines, and buried its toxic waste in the area surrounding the factory, causing serious pollution. The issue pitted the unions, concerned to protect jobs, against environmental associations, and also caused conflict between different regional communities (Notargiovanni, 1992; Salvatore, 1997). Over time, however, the unions' attitudes changed. First, they came to realize that a plant that was so harmful for the population *outside* was probably also

hazardous for the workers *inside*, and began to translate the environmentalists' demands into a language that was already familiar to them, that of health and safety at work. Second, they gradually accepted the legitimacy of the environmental demands as such, agreeing to the contraction and eventual closure of the plant, with the workers compensated by unemployment benefits, severance pay and early retirement. Recently, the company agreed to engage in environmental rehabilitation of the area at its own expense, partly as a result of union pressure.

Much more generally, unions and environmental organizations have managed to learn from one another. The unions discovered that making industrial production compatible with ecological sustainability is not only ethically appropriate, but also expedient, since the accumulation of technological expertise in the field of environmentally friendly production may yield economic benefits (as the example of catalytic silencers clearly shows). Environmental groups, in turn, have realized that simply demanding the closure of polluting factories is short-sighted, as it fails to redress the damage that has already been done. It is sometimes preferable to keep the company alive and force it to restructure its production process as well as clean up the area. Unions can be valuable allies in making this possible. Hence unions and environmental associations have turned their initial mistrust into collaboration. In 1996, for example, CGIL, CISL, UIL and Legambiente, one of Italy's most important environmental associations, signed a joint declaration formalizing their new-found agreement on many of these issues.

At the same time as seeking to deepen democracy 'horizontally' by developing alliances with civil society organizations, the confederations also strengthened democracy 'vertically' by increasing the scope for the rank and file to determine the movement's strategic orientation. Rather than weakening the confederal unions' capacity to engage in national policy-making, these reforms actually strengthened it.

Organizational Reforms

In the late 1980s, the confederations' representational monopoly was threatened by a variety of rival organizations, both 'autonomous' unions representing particular occupational groups and the more militant COBAS (grass-roots committees) (Carrieri and Tatarelli, 1997). As a result of these developments, many observers, both outside and inside the labour movement, questioned the 'representativeness' of the main confederations. The employers, for example, raised doubts concerning whether they should really be regarded as reliable bargaining partners.

In response to these internal and external challenges, the confederal

unions initiated organizational reforms aimed at increasing internal democracy. Beginning with the 1987 metalworking contract, they submitted all major collective agreements, including the 1993 pact on incomes policy and the 1995 accord on pensions reform, to the binding vote of the rank and file. This was instrumental in relegitimizing their role as bargaining agents in the eyes of both employers and rank-and-file workers. They also initiated procedures for the regular election of workplace representatives.

These efforts culminated with the July 1993 protocol on incomes policy, discussed earlier. This accord included a reform of the unions' plant-level representation structures, now known as *rappresentanze sindacali unitarie* (RSU). For the first time, elections could be contested by any organization capable of gaining the support of at least 5 percent of the workforce (Carrieri, 1995). As was shown earlier, the results of the elections largely confirmed the representativeness and legitimacy of the confederal unions, especially in the private sector. In 1997, the model of the RSU was extended to the public sector as well, and the main unions registered substantial, if less overwhelming, success.

Organizational reforms have subsequently lost momentum. The RSU machinery has still not been legally underwritten in the private sector: a draft law, based on a compromise between the three confederations, was blocked first by opposition from Confindustria (which disagreed with the coverage of small enterprises), then by the renewed divisions among the confederal unions. The enthusiasm for organizational democracy seems to have petered out. The use of democratic decision-making procedures has the characteristic of providing clear-cut, unambiguous answers to questions regarding whose policies are supported by the workers and whose are not. This clarity may be regarded as a liability in a phase of renewed inter-organizational competition. Unions now find it easier to set these procedures aside and return to traditional methods of negotiation and mediation. It is unclear, however, whether this choice will pay off in the long run.

The Strategies that Worked

We have argued that Italian unions did relatively well in the 1990s. To be sure, this 'success story' has to be qualified in light of their continuing loss of active workers, of the substitution process between active and retired members taking place within their ranks, and of their low capacity to organize new members in the occupationally most dynamic sectors of the economy. Nevertheless, the confederal unions have been able to reverse their impending economic and political marginalization of the 1980s and have reasserted their role as key actors in the Italian

socio-political sphere. These are no negligible achievements, especially when regarded in comparative perspective.

Not all this renaissance was of the unions' own making. In the early 1990s, a giant opportunity opened up for them in the political sphere. Relatively weak central governments faced with a major political crisis and in need of drastic economic policy reforms expressed a strong 'demand' for union participation in policy-making. The unions were able to seize this opportunity and responded accordingly; in other words, they managed to 'supply' the concertation that was requested (Salvati, 2000). Consistent with this basic scheme, the confederal unions adopted a *strategy of cooperation* with the other main socio-economic actors throughout the 1990s. Cooperation was soon extended to lower levels.

This strategy of cooperation obliged the unions to make tough choices. They had to consent to a period of prolonged wage moderation, and participated in unpopular policies such as welfare state retrenchment and labour market flexibilization. In the end, the unions had little to show their members in terms of material benefits; they could only argue, counterfactually, that things would have been worse had the unions not ensured that basic guarantees for the weakest segments of the workforce were maintained, that 'sacrifices' were equally distributed, and that cuts in welfare entitlements were moderated and accompanied by the elimination of the privileges enjoyed by the more advantaged.

Interestingly enough, Italian workers did not punish their confederal leaders; indeed, the loss of active members first slowed down and then stopped altogether over the course of the 1990s. This is quite surprising if one considers that a multitude of labour organizations compete with the three major confederations for collective representation. Some of these organizations emphasize conflict rather than cooperation; others base their representational strategy on the defence of skilled and professional groups. One might expect a strategy of restraint and moderation to impose a heavy toll on the confederal organizations and reward their opponents; yet this does not seem to have happened.

This strategy of cooperation was successful for multiple reasons. *Unity of action* played an important role: all three confederations gave unqualified support to this strategy. Particularly for the CGIL, adoption of this cooperative strategy was the outcome of a long, sometimes contradictory, but largely self-directed process of ideological revision: it radically transformed its perception of what a union is and what it should do from that of agent of social dissent to partner in the process of economic change. An important landmark in this process was the 1991 National Congress, in which CGIL abandoned the goal of class struggle, adopted bargaining demands that were compatible with companies' long-term economic viability in a capitalist economy, and began pursuing 'codetermination' rather than the radical transformation of the social relations of production (Mershon, 1992).

Another important determinant of the unions' success in pursuing their cooperative strategy was the search for *transparency and democracy*. The received wisdom about corporatist deals such as those on incomes policy and pensions reform is that these are most effective when struck in smoke-filled rooms by national leaders largely unaccountable to their rank-and-file constituents. One of the basic tenets of neo-corporatist theory is that this very unaccountability is what makes such accords possible in the first place. Yet the Italian unions adopted a completely different approach. They tried to explain clearly why they embraced particular bargaining strategies and to make sure these policies were supported by the majority of their constituents. These choices implied both particular *behaviour* and appropriate *organizational reforms*. From the point of view of behaviour, union leaders preceded all major collective bargaining agreements, including the controversial 1993 incomes policy agreement and the 1995 pensions reform, with thousands of workplace assemblies and binding referenda in which workers had an opportunity to express their views. The fact that a majority clearly expressed their support increased the legitimacy of the collective decisions. From the point of view of organizational reforms, the confederal unions sought to revitalize their links with the rank and file by institutionalizing the regular electoral renewal of workplace representatives.

This last element leads us to consider one more determinant of success: the simultaneous pursuit of apparently contradictory strategies focused on both the 'centre' and the 'periphery', on both 'political' and 'grass-roots' action. Traditionally, unions engaging in political exchange at the national level tend to overlook their local structures and invest fewer resources in their relationship with the rank and file (Locke and Baccaro, forthcoming). For example, centralized collective bargaining often presupposes strict control over plant-level structures and sometimes even displaces decentralized bargaining. The recent Italian experience shows that the two strategies of centralization and decentralization are not only compatible, but are even mutually reinforcing. The confederations' revitalization of their workplace structures helped them mobilize workers' support for national policies. At the same time, the political resources gained at national level were used to introduce reforms (such as the 1997 law mandating workplace elections and decentralized collective bargaining in the public sector) that further strengthened the lower levels.

This two-pronged strategy affected not only the unions' internal organization, but also collective bargaining structures. The bargaining architecture introduced at the request of the unions by the 1993 tripartite agreement, confirmed by the 1998 tripartite pact, avoided the usual trade-offs between standardization on the one side and local flexibility on the other. An interesting structure of 'nested' collective bargaining combined the central negotiation of national guidelines with the possibility of

adjustment at local level. Thanks to this structure of collective bargaining, the unions were active at both the national and local levels in a coordinated fashion. As such, they had fewer reasons to fear collective bargaining decentralization than in the past (Katz, 1993; Pontusson and Swenson, 1996; Thelen, 2001). This decentralization could actually turn out to be a strategic opportunity.

Having painted a rosy picture of the Italian unions' strategic capacities, we hasten to add that not all strategic opportunities were seized in the 1990s. The golden opportunity missed was the *merging of the three major confederations into a single organization*. This would have finally realized one of the dreams of the 'hot autumn' of 1969. In 1996 and 1997, when CGIL and CISL held their conventions, unity appeared to be just round the corner; even a date was set for the symbolic event, the year 2000. Now, unity is once again a remote prospect. As mentioned earlier, the differences between CGIL and CISL in particular have recently been growing considerably; yet many of these differences are unlikely to matter much for rank-and-file workers. Moreover, the distance separating the median CGIL and CISL member is probably often less than that between two CGIL members, one affiliated with the 'right' and the other with the 'left' faction. We can think of no other reasons than organizational inertia and personal ambitions (on all sides) to explain why unification did not materialize in the 1990s.

We regard this as perhaps the major threat for the future. The re-emergence of political competition among the three confederations threatens to undo many of the gains accumulated in the past decade. Most accomplishments have been only weakly institutionalized (Cella, 1989), and rest on consensus among all parties involved. The legal status of concertation, for example, is that of a contract between government and various interest groups — a contract that can be renegotiated or, worse, renege upon by future governments. Also, the regular election of workplace representatives has become law in the public sector, but is still based on voluntaristic arrangements in the private sector.

It would be ironic if the confederal unions were to unlearn the lessons of the 1980s and 1990s and squander the strategic advantages they have accumulated. This might imply the return to an old phase of Italian industrial relations in which a portion of the labour movement signs 'sweet-heart' deals with governments and employers, while another portion plays the role of unconditional opposition. But stranger things have been known to happen in Italy, and in light of recent developments, this eventuality seems far from remote.

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NOTES

- 1 Because of space constraints, we do not explicitly discuss the international strategies of the Italian labour movement. These strategies appear less important in Italy than in other European countries (Locke and Baccaro, 1999; Martin and Ross, 2002). International *influences* were, however, quite important in shaping the Italian unions' *national* strategies. In fact, the Italian unions' commitment to European integration helps explain their acceptance of centralized wage restraint and pensions reform.
- 2 Preliminary data on 1999 and 2000 seem to suggest that the haemorrhage of employed members has now stopped and that the confederal unions are once again attracting workers, not just pensioners. Between 1998 and 2000, the number of active workers affiliated to CGIL increased from 2,303,653 to 2,341,743; for CISL, from 1,833,305 to 1,934,854; and for UIL, from 1,174,243 to 1,786,879.
- 3 The voluntary character of private-sector elections implies that not all workers in all plants have an opportunity to vote. In 1996, elections were held in 9600 private workplaces employing 1.7 million workers.
- 4 This local agreement, allowing municipal authorities a more flexible use of fixed-term contracts in exchange for job creation, was signed by CISL and UIL, but not by CGIL (*La Repubblica*, 2000).
- 5 The new party failed to pass the threshold needed for representation in parliament, and it looks as though the CISL did not strongly support its leader's political ambitions. After the election, the party joined the centre-right camp.

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