Union responses to precarious workers: Italy and Spain compared

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Italy and Spain

- Italy and Spain are the 4th and 5th biggest economy in the European Union, respectively

- Employment precariousness and unemployment among the highest in Europe
  - Youth unemployment rate in 2009 at 37.8% in Spain and 25.4% in Italy (EU27 average was 19.7%), respectively 1st and 3rd in EU (Eurostat)
  - In Italy 17.7% of workers were in a ‘critical’ (IRES on ISTAT data) in 2009, and a similar proportion of workers is considered ‘precarious’ by Berton et al (2009)
  - In Spain, precarious employment became an issue since the introduction of numerical flexibility in the 1980s. In spite of the efforts made in the 1990s to cope with it, temporary employment remains outstanding for OECD standards, reaching a peak of 34.1% of dependent employment in 2006
Labour market in Italy and Spain

• Low employment levels and polarised labour market in Italy:
  – Temporary work went from 33.1% in 2004 to 42.1% in 2009 among workers between 15 and 24, while remained stable or slightly increased for other workers. Employment rate of 56.9% in 2010 (64.2% in EU27), and only 46.1% for women (above only Malta in the EU) (Eurostat)
  – Strong regional differences (North and Centre VS South), as well as in Spain

• Recent labour market reforms
  – Italy: Treu Law (1997) & Biagi Law (2003), introducing a wide range of types of atypical contracts. Scarce regulation of some contract types: abuse of semi-subordinate contracts (autonomous contracts used for dependent work) with lower costs and fewer rights than standard contracts (about 700,000 workers according to Leonardi, 2010)
  – Spain: Atypical contracts were first introduced in 1984 and generated a strong labour market segmentation that recent reforms (1994, 1997, 2001) have not been able to reduce (Amuedo-Dorantes, 2000; Dolado et al., 2002)

• Introduction of measures to increase flexibility have thus led to an increase in workers’ precariousness (see Alonso and Férnandez, 2011, Barbieri and Scherer, 2009 and Dota, 2011)
Unions and precarious workers

• General decline of union density
  – From about 50% in late ’70s to 29% in 2008 in Italy (Baccaro and Pulignano 2011)
  – Stability or increase in trade union membership from very low initial levels in Spain

• Creation in Italy of special union federations (NIDIL – CGIL, FeLSA – CISL, UIL Tem.p@) for atypical workers following the labour reform of 1997 (introducing agency work)
  – Affiliation in these federations skyrocketed (in relative terms) in the last years (eg: affiliates in NIDIL went from 18.640 in 2004 to 53.304 in 2010, similar figures for FeLSA)

• In spite of soaring precariousness, no such federation was in any of the two main Spanish trade union confederations (UGT, CCOO), nor in the small formerly anarchist CGT.
ER system in Italy and Spain

• Similar industrial relations systems
  – Political unionism
  – New corporatism and social pacts from ‘90s
  – Primary importance of sector-level nationwide collective bargaining (recent process of centralisation in Spain, efforts to strengthen company-level bargaining in Italy)
Research question

• Why do trade union confederations in Italy and Spain act differently in the representation of precarious workers?
How we developed the research

• Interviews to national and local union officers
  – 8 people interviewed in Italy, at the atypical federations’ national offices, and at sectoral federations (metal, public education)
  – 6 interviews in Spain: 5 to officers in the self-employed and youth associations belonging to both UGT and CCOO; one in CGT

• Secondary data: review of statistical data and union documents (reports, agreements, leaflets, websites)
Compared empirical findings

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<td>Initial resistance of federations to atypical unions overcome by confederal support and general rise in affiliates. Federations tend to include precarious workers’ issues in collective bargaining and try to be their point of reference</td>
<td>No atypical workers’ federation exists within any of the three Spanish trade union confederations considered. Resistance to an eventual existence. Youth and self-employed associations are the closest element to federations of atypical workers. But youth associations work more resembling youth section of a political party → training of future cadres</td>
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<td>Strategies defined nationally and mediated by the labour market situation in different sectors and territories</td>
<td>No strategy defined at the State level. Strategies are defined mainly at the level of Autonomous Communities (regions)</td>
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<td>Importance of political environment: ‘atypical’ unions found it more difficult to co-operate with the current pressure from the government and CGIL-CISL division</td>
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**Compared empirical findings**

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<td>Different strategies adopted:</td>
<td>Mainly youth associations (but also self-employed ones) within the union put pressure to sector federations so that atypical workers’ interest are taken into account at the collective bargaining process, mainly at the workplace level. No specific strategy found in the Spanish case resembling the initiatives taken by both atypical workers’ federations and confederations in Italy</td>
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<td>- ‘atypical’ federations have signed a collective agreement for agency workers, and framework agreements at local level or for specific worker types (eg: ‘tagesmutter’), with the establishment of ‘contractual welfare’ to integrate existing (insufficient) legal protection</td>
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<td>- ‘atypical’ unions and federations put pressure on employers to regularise atypical workers (eg: call centres, schools)</td>
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<td>- confederations lobby to increase costs of atypical contracts (especially on social contributions) to avoid dumping</td>
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<td>Differences across unions: CISL and UIL more ready to accept employers’ discourse in the analysis, CGIL’s plain rejection of certain contract types (eg: staff leasing). Focus of CISL on territorial agreements and personal services</td>
<td>No major difference between the two main trade union confederation. Important differences between them and CGT, which seems to be more concerned by precariousness in its agenda at the workplace level</td>
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Analysis

• Italian unions have adopted a more targeted strategy for atypical / precarious workers than Spanish ones → creation of ‘ad hoc’ structures (NIDIL, FeLSA, UIL Tem.p@)

• The preferred strategy for Italian unions is to sign collective agreements whenever possible (agency workers, research centres, single companies), but personal services are considered an essential element (see also Leonardi, 2010). Mix of ‘servicing’ and ‘mobilising’ model.

• Differences in perception of the phenomenon of ‘precariat’ are (at least partly) reflected in strategies -> CGIL view of precariat, and opposition to staff-leasing
Possible theoretical explanations of the divergence found: LM-based hypotheses

• Insider-outsider theory:
  – Trade unions will develop specific federations for representing atypical workers’ interest if they feel atypical and permanent employees compete (acting more as ‘vested interest’, in Flanders’ (1970) sense) → low rate of conversion of atypical contracts into permanent ones / substitution effect
  – The rate of conversion from temporary to permanent contracts was higher in Italy than Spain, especially in the mid-90s (when the first major labour market reform was approved) (Quintini et al, 2007, García-Pérez and Muñoz-Bullón, 2011, and Alonso and Férnandez, 2011)). Italian unions would then be incentived to ‘catch’ temporary workers before they turn permanent. However:
    • Some data show the opposite pattern (Barbieri and Scherer 2009)
    • Some groups in Italy are more vulnerable than other to precariousness, and more inclined to spend long spells in atypical work (especially young people, see Dota (2011))
Possible theoretical explanations of the divergence found: ER-based hypotheses

- Relative importance of union membership
  - Strong voluntarist tradition in Italian ER. From the 70s, micro-corporatism where employers seek union cooperation in order to reduce conflict (Regini, 1997; Baccaro and Pulignano, 2011), although mixed with ’90s stage of social pacts (Regalia and Regini, 1998).

  - Expansion of precariat in a situation of decreasing affiliation represents a challenge for unions’ capacity of representation: different logic of union action (membership and micro-level influence VS macro-level lobbying) (Molina, 2005, 2006) is reflected in Italian unions’ will to increase affiliation of atypical workers, in a long-lasting phase of decline in union density (see also Chiarini, 1999, for pensioners).

  Spanish unions would be disincentived to represent temporary workers by the structure of the election system at workplace (Malo, 2006), and by their reliance on ‘most representative’ status

  - The more dependent trade unions are on political and economic resources drawn from union membership, the more likely they will be to set up specific federations for the representation of atypical workers
Thanks for your attention!