



1506
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DEGLI STUDI
DI URBINO
CARLO BO



Varieties of Industrial Relations in Aviation Lockdown



Work Package 3: Industrial Relations pre-Covid19

National report: Italy

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Industrial Relations in Italy: an Overview

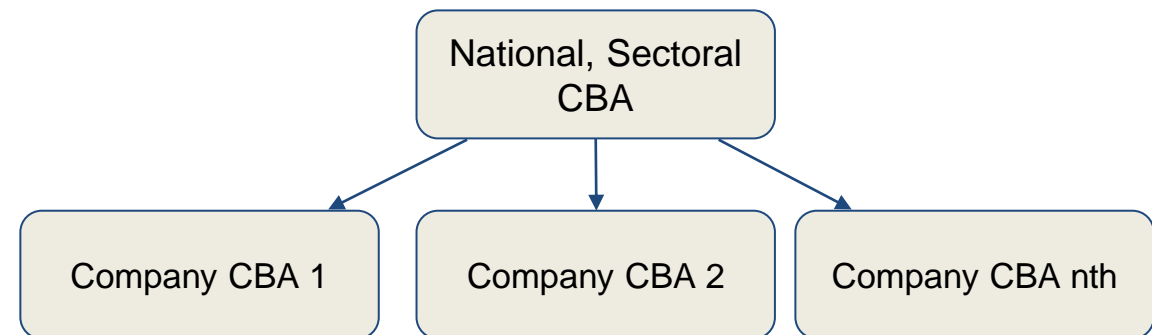
IR in Italy: Fast Facts

- Voluntaristic System
- Regulation: Primarily through social partner agreements
- Trade union density: 32.5%
- Employer association density: 60%



Two-tier Bargaining Structure:

- 1st: National, sectoral CBA sets industry floor (80-90% coverage)
- 2nd: Company level, negotiated within bounds set by sectoral CBA (30-40% coverage)



Italian IR: Main Actors



Labour

- Historic Union Confederations
 - CGIL (2.7 million members)
 - CISL (2.4 million members)
 - UIL (1.7 million members)
- Independent Unions
 - UGL
 - CISAL
 - Craft Unions
 - Autonomous (“Base”): USB, CUB, COBAS, SLAI COBAS, SI COBAS

Employer

- Confindustria (70% of large firms)
- Confartigianato, CNA, Casartigiani (30% of artisanal firms)
- Confcommercio, Confesercenti (20% of retail, tourism, hospital firms)
- Legacoop, Confcooperative, AGCI (cooperatives)
- Confagricoltura, CIA, Coldiretti (agriculture)

Italian IR: Legal Framework

Italian Constitution (1948)

Article 39: First clause: “Trade unions may be freely established.” Remaining clauses related to collective bargaining (*erga omnes*) never enacted through successive legislation.

Article 40: “The right to strike shall be exercised in compliance with the law ”



Workers' Statute (1970)

Establishes/reinforces workers rights (e.g., stronger protections against termination without just cause) & union rights in workplace (e.g., right to hold union assemblies, dedicated rooms for union business)

Creates “Workplace Representation Structure” (RSA)



Recent Legislation

- Act 146 of 1990 passed to regulate the strike in “essential public services” (passed with the favourable opinion of unions)
- Act 138 of 2011 introduces “proximity contracts,” allowing company level agreements to derogate with respect to sectoral CBA and employment law
- Acts in 2012 and 2015 weaken protections against termination without just cause

Workplace Representation

RSA

- Introduced in 1970 by Workers' Statute
- Single-channel structure
- Delegates appointed by signatory unions
- Each RSA represents a single union, therefore multiple RSAs may be present in a single workplace
- Present in 12.1% of firms

RSU

- Introduced by social partners with 1993 tripartite agreement, regulated by 2014 agreement
- Single-channel structure
- Unlike RSA, RSU is *unitary*, with one structure *elected* by all employees on the basis of union-specific lists
- Designed to substitute RSA
- Present in 11.8% of firms

IR in Italy: Key Trends

- Main features of the system continue to hold, despite pressures
- Explosion of number of contracts:
 - Between 2008 and 2018 the number of national, sectoral CBAs doubled to 884
 - Emergence of “pirate” contracts negotiated for purposes of social dumping by less representative organisations
- Increased self-regulation of critical issues (e.g, pirate contracts) by social partners
- “Organised decentralisation” vs. “disorganised decentralisation” of bargaining
- Erosion of strength of social partners vis-a-vis state, especially labour

Industrial Relations in aviation pre-Covid 19

Financial situation and employment in aviation prior to Covid-19

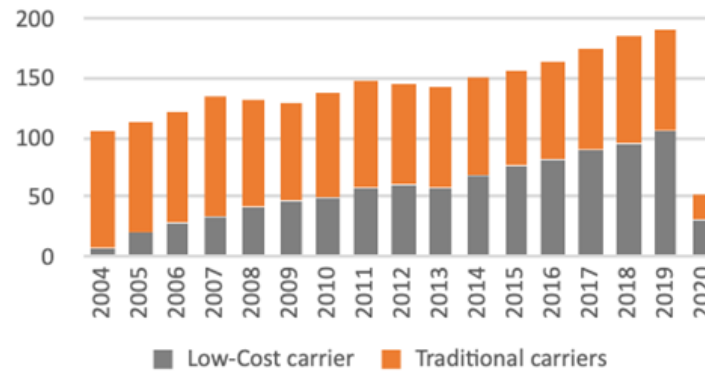
Against the doubling of passenger traffic from 2004 to 2019 (from 100 million to almost 200 million) the share covered by **low-cost companies** has rapidly increased from 6.2% in 2004 to 55% in 2019. The leader is Ryanair, which in 2019 carried 40.5 million passengers (compared to 22 million by Alitalia) out of a total of 192 million passengers that year

The faster growth of the **Italian market** is due to:

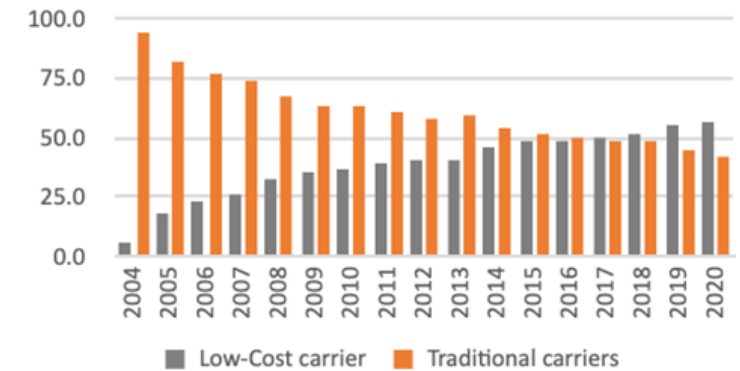
- The weakness of the legacy carrier
- Fragmentation of airport operators
- Massive penetration of low-cost carriers

On the basis of ISTAT, the **number of employees** in the air transport industry in 2018 was about 20,000. On the basis of interviews conducted, total airport-based employment amounts to about 120,000 and on Assaeroporti's estimates, the whole air transport sector employs, directly and indirectly, about 880,000 workers (2019)

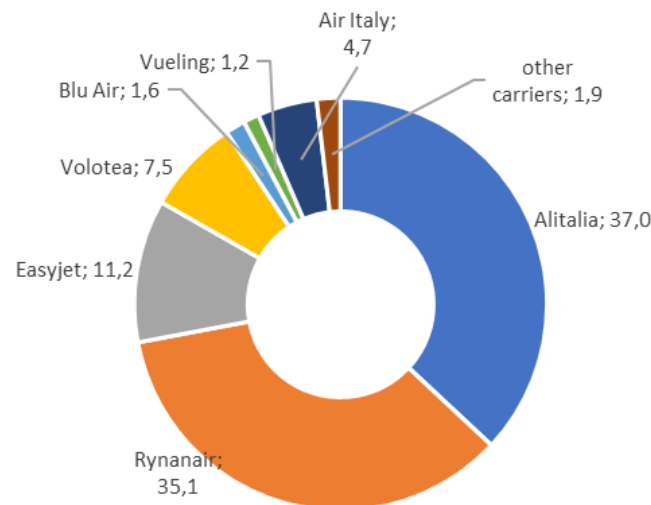
Traffic of Low-cost carriers and traditional carries: number of passengers (2004-2020)



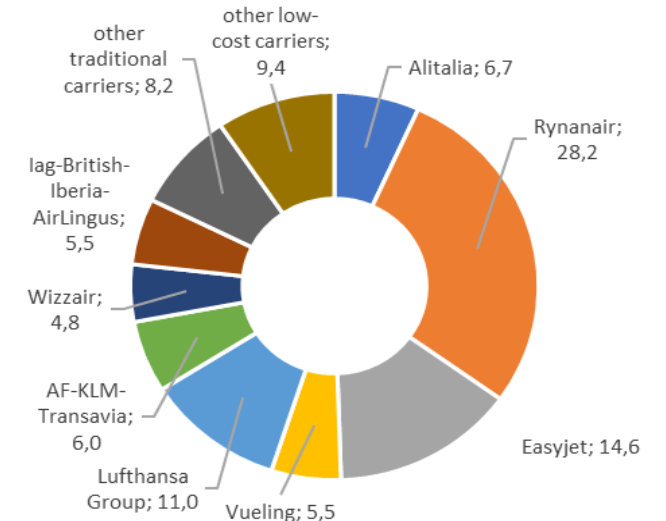
Traffic of low-cost carriers and traditional carriers: % of total traffic (2004-2020)



Domestic market by Airline company (2019, market share in terms of passengers)



Intra-EU market by Airline company (2019, market share in terms of passengers)



Industrial relations – the main actors

The **privatisation** of Alitalia (2008) represents a turning point in industrial relations in this sector, marking the end of a model driven by the role of **autonomous craft unions** in the sector, and the move toward a **confederal model**, in which the different occupational groups, together, in a sector are represented by a single trade union organisation

In the Italian private sector, **no law** establishes the criteria to follow when determining the representativeness of trade unions or employer organisations

Among pilots and cabin crew, **union density is 75-80%**. Among **ground services**, the number is around 60% across occupations. Within Ryanair estimates are about 50%.

The **RSA** appears to be the most prevalent workplace representation structure in the air transport industry:

- A form of representation more flexible
- As heritage of the public ownership

Trade unions

- **Affiliated with confederations (all workers):**
Filt-Cgil, Fit-Cisl, Uiltrasporti and UGL trasporti
- **Autonomous unions (pilots, flight attendants and ATM):**
Anpav, Anpac, Atm-PP, Anpcat, Cila Av and Sacta
- **Forms of rank-and-file unionism**

Employer associations

- **Ground services**
Airport Management: Assoaeroporti and Aeroporti 2030
Airport handling: Assohandlers
ATM Sector: Assocontrol
- **Air catering**
Catering operators: Assocatering and Federcatering
- **Airlines**
Air transport carriers: Assaereo and Fairo

Collective bargaining

Collective bargaining in the air transport industry can be split in two periods, with **2008** representing the key **turning point**. Before 2008 the **system of collective bargaining in the sector was particularly fragmented**: there was no industry-wide collective bargaining agreement for the air transport sector.

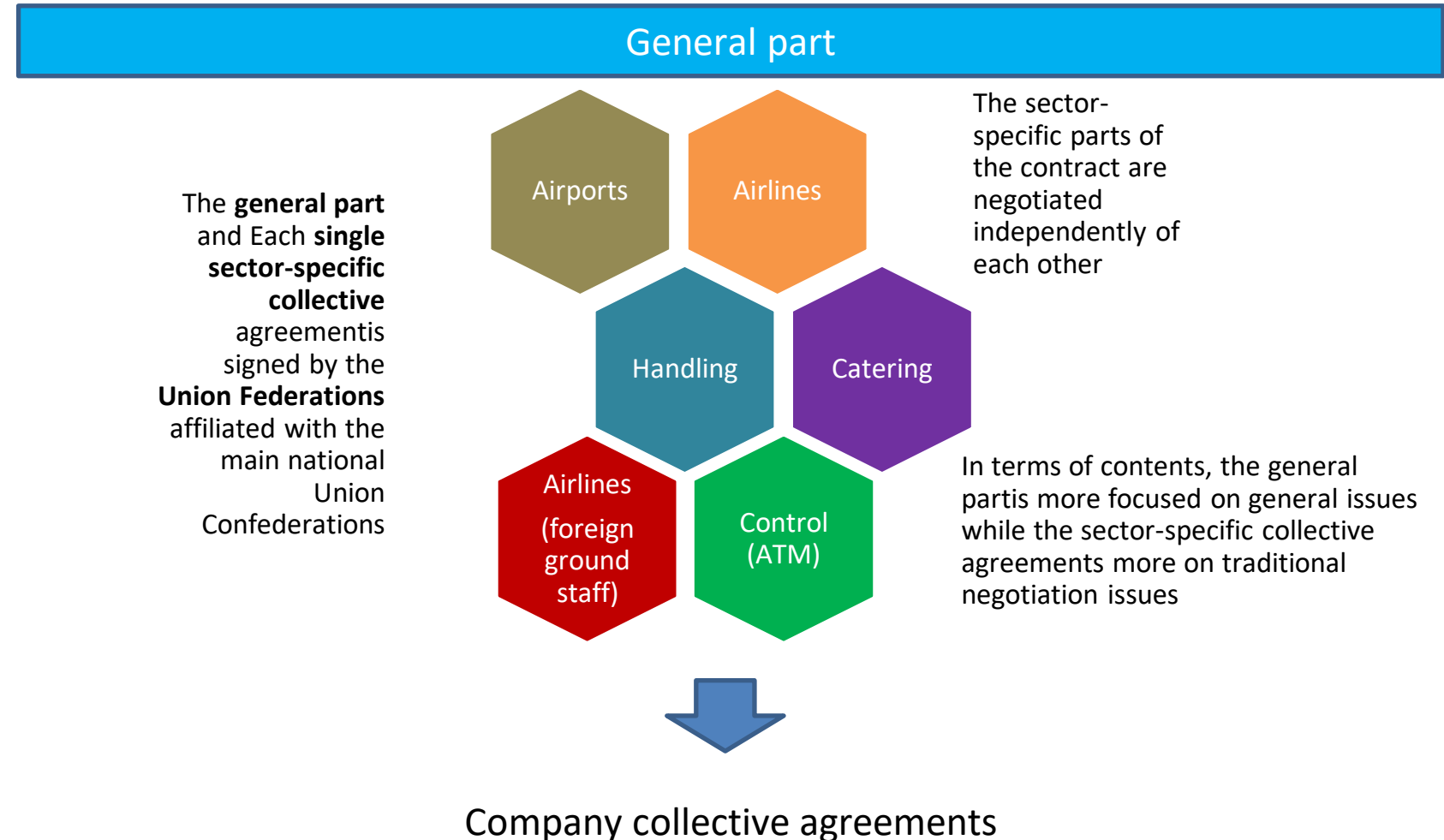
Against the general **plurality of representation**, the air transport sector stands out in terms of rationalisation

The **Air Transport CBA covers about 1/3 of the 120,000 workers** directly employed in the value chain

Company collective agreements have been recently signed also in **Ryanair** and **EasyJet**, but with some differences:

- The number and type of signatories
- The reference to the national collective sectoral agreement

The Air Transport CBA structure



The relationship between industrial relations and legislation

The first real opening to **low-cost airlines** dates back to the year 2000, when domestic flights became accessible for all carriers without distinction and limitations

All the interviewees consider the **legislative decentralisation** with regard to airports as one of the main reasons for the lack of a national systemic vision in the air transport sector

The **Guarantee Authority** defined together with the main trade union confederations the rules to be observed in the event of a general strike (law 146/1990) called by union confederations.

The wage standards are represented by the relevant **National Collective Agreement** signed by the most representative national employer and trade union organisations: **operational protocols are required but currently suspended**

The relationship has taken on **different forms** over the years:



Liberalisation process in the sector: **privatisation** of Alitalia, opening to **low-cost airlines** and the entrance of new operators players in **handling services**



Title V of the Italian Constitution: the management of airports falls within the matters of **concurrent legislation** between the state and the regions



the **Guarantee Authority for the Implementation of the Law on Strikes** in **Essential Public Services**.



As a reaction to the **social dumping practices** of low-cost operators, the Government introduced **law n. 77 of 17 July 2020**, requiring wage standards for all **air carriers operating in Italy**

The main tensions and conflicts

The main tensions and conflicts in terms of industrial relations are certainly related to the **former national legacy carrier Alitalia** (now ITA):

- its long restructuring process, total employment in Alitalia was cut in half over a ten-year period (from about 22,000 employees in 2008 to about 10,000 today),
- with a worsening in working conditions, primarily **remuneration**, for all occupations

In **2021**, the union federations called two general strikes to push the new Government, led by Prime Minister Mario Draghi, to **redesign the national investment plan in the aviation sector**, which is still in deep crisis

In 2018 and 2019 Filt-Cgil and Uiltrasporti called two strikes to push **Ryanair** to introduce a company-level collective agreement and abandon an **anti-union policy** which had allowed for termination of any employee who came into contact with with labour organisations



According to the **Ministry of Transportation Observatory** on sectoral strikes:

- since 2014 there have been more than 500 national strikes
- 200 were 24-hour-strikes,
- 45 of which were called for jointly by Filt-Cgil, Fit-Cisl, Uiltrasporti and Ugl-Trasporti.
- 75 national strikes involved Alitalia,
- while 18 involved EasyJet and 7 Ryanair.

Conclusions

The **main changes** in the sectoral industrial relations system:

- The **balance of power** within the **air transport value chain** has shifted from the carriers to the airport operators triggered by:
 - Disappearance of **Alitalia** as a national carrier
 - the absence of a **national sectoral vision** due to the decentralization of the regulation of airports
 - the policies of **low-cost operators** with regards to employment and collective bargaining have exerted downward pressure on wages and working conditions
- Reaction of **social partners**:
 - a more **inter-professional** (confederal) approach, with the aim of developing a common sense of identity among airport workers across occupations, with the consequent **decline of the weight of craft unions**
 - a convergence toward a **single sectoral collective bargaining system** which organizes under a common, general agreement all the employer organisations representing the air transport sector

Thank you!

