

## **Why no board-level employee representation in Italy? Actor preferences and political ideologies**

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### **Abstract**

Unlike most continental EU countries, Italy lacks any system of board-level employee representation, despite a specific article in the 1948 Constitution. Hence involvement and participation remain limited to the sphere of contractually established information and consultation rights, primarily because of the reluctance of the social partners to establish reciprocal responsibilities by law. Employers feared that this would limit their property rights and prerogatives, unions that it would restrict their own autonomy. After a long history of confrontational industrial relations, there has been a shift towards participatory approaches, but in a distinctive way. We present an overview of the historical background and the cultures and practices of the main actors, the Italian approach to industrial democracy, the influence of other national models and the current debates and legislative proposals. We conclude by assessing the opportunities for and obstacles to real change in the future.

### **Keywords**

board-level employee representation, employee participation, corporate governance, trade unions, Italy

### **The constant return of participation but in debate, never in law**

Several years ago, Jackson (2005) addressed a ‘fundamental historical question’: why employees have rights to representation and codetermination within corporate boards in some countries but not others. Italy is one of only ten European countries with no legal provision for worker representation in boardrooms with decision-making power (Conchon, 2011; Gold et al., 2010; Waddington and Conchon, 2015). Of the ‘old’ EU member states, only Belgium and the UK are in a similar situation. All three countries have single-board corporate governance, whereas most countries with board-level employee representation (BLER) have dual structures. But BLER does exist in some countries where the unitary board structure is the norm, as in Sweden, Norway and (to a lesser extent) Spain (ETUI and TUC, 2015). Thus other factors must help explain Italy’s anomalous situation, related to the nature of Italian capitalism, the particular evolution of class relations and the cultures and ideologies of the main social and political actors.

In the European context, the Italian system of industrial relations stands out in a number of respects. The factors in question are attributable to a virtually unique level of voluntarism. Statutory intervention, while particularly intense in individual employment relations, has been marginal when it comes to collective regulation in the private sector (employee representation, collective bargaining, minimum wages, strike action and workers’ participation), notwithstanding the reference to them in the 1948 Constitution (Leonardi, 2017). Both among the social partners and scholars, the primacy of collective autonomy was robustly asserted over a long period, in contrast to some other models (as in the ‘cousin’ Latin countries) in which state intervention prevailed. Moreover, trade unions leftist parties long insisted that industrial and economic democracy should have been aimed through a autonomous and

external workers' controls over company boardrooms through works councils, collective action and bargaining and political reforms. This choice proved quite effective, for a couple of decades (the 1960s and 1970s), when the absence of legislation on industrial relations did not leave the Italian labour movement any less able to assert its voice in company affairs.

Nevertheless, the radical changes of subsequent years revealed the limits of voluntarism. The lack of legal provisions on representation and collective bargaining paved the way for an unregulated proliferation of industry-wide agreements (over 800), signed by unrepresentative associations and susceptible to create wage dumping and endless disputes. Similarly, the lack of statutory regulation of management boards deprived Italian workers and unions of access to the strategic sphere of corporate governance.

Aware of all these problems, Italian social partners and policy-makers have come to embrace participatory approaches, though in some respects in a distinctive 'Italian way', very much rooted in the primacy of collective autonomy and bargaining. International influences also play an important role, arising from comparison with the successful German and Nordic codetermination models and the impulse of the EU efforts to reform corporate law, with openings to a dual system of supervisory and management boards.

Trade unions, on the defensive, have been rethinking the strategic value of participation, overcoming the traditional reluctance of some with regard to institutionalized forms of worker representation in boardrooms. A memorandum of understanding signed in 2016 by the three principal confederations, *Confederazione generale italiana del lavoro (CGIL)*, *Confederazione italiana sindacati lavoratori (CISL)* and *Unione italiana del lavoro (UIL)* was very clear in this regard, seeking to foster participation in all possible forms: operational, financial and in the corporate governance. Employers, on their side, are extremely favourable to direct participation and collaborative industrial relations, accordingly to the new paradigms of HRM, but fiercely against BLER, considered as an interference with ownership rights and prerogatives and an imposition of a 'foreign' system. They argue that employee representation must be based on free will and experimentation at firm level, without top-down and 'one size fits all' solutions. The agreement on industrial relations and collective bargaining (*Contenuti e indirizzi delle relazioni industriali e della contrattazione collettiva*), signed by the peak-level unions and *Confindustria* in March 2018, reflects a compromise between these two approaches. Yes to operational participation, with some disclosure of strategic planning, if entirely rooted in collective autonomy. This is an example of how the actors can overcome institutional outcomes, with the help of tax incentives for firm-level bargaining and involvement and a disappointing transposition of the EU legislation on the two-tier board structure.

As we cannot describe things that have simply never happened, what we do is to follow Jackson's question, trying to understand the factors which have historically impeded Italy from adopting the kind of codetermination institutions comparable to those of a substantial portion of other European countries. In an attempt at explanation, we revisit the diverse understandings of workers' participation among the main political and social actors, and the debates and dilemmas about the role and powers of workers and unions in the enterprise. After this, we concentrate on the influence of EU law and its inadequate transposition into national norms and practices, concluding with the latest academic and legal proposals on this issue. The story-line, the link between sections, is represented by the developments of ideas and practices for industrial and economic democracy. We take a comparative approach on how international experiences and literature have influenced domestic debates.

## **The first post-war decade: Management boards and Article 46 of the 1948 Constitution**

In order to understand Italian practice concerning workers' participation it makes sense to start with the period just after the Second World War, in which the political and institutional foundations were laid for the new democratic order emerged from the ashes of war and fascism.

In the last months of the war, and for some years after its end, an unprecedented two-tier system emerged in Italy: parity-based management boards (*Consigli di Gestione*, CdG), empowered by supervisory functions: a result of the near insurrectionary climate, with factory occupations in the ‘industrial triangle’ (Turin, Milan, Genova). More than 500 CdGs were elected in larger companies (Amari, 2014), intended to promote technical cooperation, working alongside the board of directors in running the company.

The CdG represented a twofold challenge to both the unitary system of corporate governance and to the single channel of trade union workplace representation. Industrialists opposed any derogation from civil law, based on a single board of directors and agency theory, because it impinged on the principle of unity of command in the enterprise. On the workers’ side, the CdG took its place alongside the works council (*commissione interna*), restored at the fall of fascism, with an unprecedented division of functions between bargaining on one hand and cooperation on the other. Workers were more interested in the former, in years in which companies tried to quell workers’ militancy with mass redundancies.

The CdG gradually ran their course, simultaneously with the major changes of this transitional period. In the early 1950s, the experiment was finally brought to an end and never saw the light of day again. The left-wing parties, losers in 1948 general elections, were long excluded from national governance, whereas the employers resumed their traditional dominion in the factories. In a few years, the labour movement had been expelled from representation, both political and socio-economic. Social partnership was not an option any longer, while frontal confrontation became the only way to manage labour-capital relationships in the rising era of Fordism and cold war.

In 1946–47 the Constituent Assembly had drafted the new constitution of the Republic, as the various political forces debated relations between property rights, labour and democracy (Leonardi, 2006). For the Christian Democrats, inspired by the social doctrine of the church, participation should be instituted fostering worker shareholding, with a right to designate their own members in the supervisory ‘efficiency boards’. Among the leftist parties, in spite of their radical ideologies and programmes, a strong sense of realism prevailed: they had in mind a two-tier system, with a parity-based board exercising workers’ control over labour and social issues, in conjunction with national industrial planning policies.

During these years, policy-makers and scholars followed with great attention the practices of other advanced democracies. German corporate and labour law had strongly influenced Italy’s faculties of jurisprudence during the first half of the twentieth century (Biasi, 2013; Gaeta 2016) with their theories of enterprise and social partnership, and were influential in the late 1940s among the Christian Democrats attending the Constitutional Assembly. On the other side of the political spectrum, many leaders on the left had fled to the France of the Popular Front under fascist persecution and were influenced by similar ideas, transplanting the Preamble of the 1946 French Constitution on workers’ participation ‘into the domestic debate. Also the Anglo-Saxon models exercised a certain influence, albeit more with regard to full employment policies (Pepe, 2001; Sciarra, 1978) than their welfare state or industrial relations. Neither the Soviet nor the Yugoslavian experience, although studied, received great consideration in the projects tabled during those years.

At the end of heated discussion, an article in the Constitution --- quite peculiar among such fundamental Charters --- was devoted entirely to the workers’ *collaboration* in the enterprise: Article 46 asserts that ‘for the economic and social betterment of workers and in harmony with the needs of production, the Republic recognises the rights of workers to collaborate in the management of enterprises, in the ways and within the limits established by law’ (D’Antona, 1992; Ghezzi, 1980; Pedrazzoli, 2005). The formulation adopted was unfortunate, given its controversial politico-semantic implications. Instead of the verb ‘participate’, which had been agreed initially, ‘collaborate’ was preferred, at the suggestion of some representatives of the Catholic camp. An ‘obligation’ on the part of employees under the Civil Code, now became their constitutional ‘right’. Furthermore, the reference to being ‘in harmony with the needs of production’ seemed to echo the communitarian vision of the company characteristic of the old corporative regime that had just been overthrown. No statutory or tripartite agreements, in future, would have transposed such a constitutional right into norms and practices. Long marginalized, a reassessment of Article 46 has now returned to the fore. In January 2016 the trade unions explicitly asked for its

transposition into law. The thesis is that, duly updated in its interpretation, it contains already all the elements needed to enable advanced, European-style legislation, including BLER.

During the years following the demise of the Management Boards, analysis was given to why this experiment had been terminated so easily, without particular regret, and how this outcome might have influenced the failure to develop forms of BLER over the ensuing decades. The social-democrat attitude led to self-criticism concerning the undervaluation of the potential of that experience for enabling a greater workers' voice in companies. On the Marxist left, the major limitation of that experience was the de-politicization of labour-capital relations and the risk that workers' organizations would lose their class autonomy, in favour of an employer-dictated, technical problem-solving approach.

What is certain is that for a few decades, the labour movement and the employers acted within the framework of different cultural and strategic orientations. National capitalism, with its champion families and weakness of capital market, had emerged from fascism with some enduring imprints of that era, rooted in the hierarchical, despotic dominance of the employer at corporate and workplace level. On the other side, and symmetrically, the most militant and influential segments of the labour movement had in mind the dream of the revolution, theorizing and practising an antagonistic model industrial relations. In debates in the left parties, until the 1970s, the key concept was the *political governance of the economy*, through democratization of politics and the development of a wider plurality of actors, scope, levels and procedure. An idea of 'progressive democracy' and transition to socialism, where (in terms of the 1948 Constitution) economic planning, comprehensive public ownership and a right to strike (all forms of external, oppositional corporate control) were preferred to internal and collaborative participation in the enterprise.

What was lacking for decades were reformist traditions, liberal and social democrat, with neither side of industry, convinced that what lay ahead over the long term was an inevitable, pragmatic coexistence. On this basis, it proved impossible to foster a political class compromise, comparable to the one that was emerging in the countries of northern Europe (Accornero, 1993). While in the latter, capital was coming to recognise the workers' movement as a legitimate partner, in the political and in the economic and corporate arenas, in Italy this was still denied, reinforcing a *logic of exclusion* and repression that characterised the stage of industrial reconstruction up until the eruption of social struggles at the end of the 1960s.

## **Trade union cultures and the influence of international experience between 1960 and 1980**

In the 1960s, the Italian labour movement experienced one of the longest cycles of labour militancy and union power in any Western country (Pizzorno et al., 1978). It was a reaction to the dehumanizing despotism of the post-war Taylorist-Fordist industrial expansion, with the rise of a new unskilled working class, migrants from Southern Italy without a memory of class. In the social climate of the *autunno caldo* (hot autumn) of 1969, new forms of works council were established, the factory councils (*consigli di fabbrica*). A model of semi-direct democracy in which *delegati* (shop stewards) with full bargaining power were elected, with a revocable mandate, by their 'homogeneous work unit', whether unionized or not.

Thanks to the wide array of collective cultures and plural identities among communists, socialists and Catholics (Cella, 2008), academics close to the labour movement played an important role in importing ideas from abroad. Unorthodox communists and socialists, linked to CGIL, revisited ideas of workers' control elaborated in the 1920s by 'council communism' (given powerful theoretical underpinning by Gramsci). Young Catholics and leftist intellectuals linked to CISL provided new theoretical tools that substantially transformed their initially moderate union into a more rank-and-file oriented one, focusing very much on humanization of work and self-management. However it was the Anglo-Saxon rather than the German or Nordic models that exerted the strongest influence. Labour lawyers such as Gino Giugni and Federico Mancini pursued the ideas developed by the British 'Oxford

school' (Kahn-Freund, Clegg, Flanders, Fox) and the American 'Wisconsin school' (Perlman, Commons), on the role and value of collective autonomy, pluralism and self-regulation in industrial relations. They sought freedom from state regulation and corporate co-responsibility, and hence rejected theories and models of neo-corporatism at macro level and codetermination at micro company as ambiguous and dangerous. As in the Webbs' seminal *Industrial Democracy* (Webb and Webb, 1897), strikes, collective bargaining and political lobbying were considered the most effective and satisfactory tools for achieving industrial democracy (Clegg, 1972) and, importantly, changing society. The 1970 *Statuto dei Lavoratori* (Workers' Statute), which set the subsequent framework for Italian industrial relations, reflected this approach: it was inspired by Roosevelt's Wagner Act and drafted by Giugni, who at that time was the right-hand man of the Socialist and ex-CGIL, Minister of Labour, Giacomo Brodolini.

In the 1970s and 1980s, international experiences and projects on economic and industrial democracy received increasing attention (Bonell, 1983; Sciarra, 1978). The socialists were looking for new tools and inspiration for a project of liberal socialist democracy (Bobbio, 1977), to combat communist hegemony on the left. They were interested in experience in the rest of Europe, especially in France, after the 1971 Epinay congress of the *Parti socialiste* (PS) (Gambilonghi, 2017). They studied the debates concerning *autogestion* and decentralised counter-powers, such as shop stewards and works councils (Giugni and Cafagna, 1977). It was CISL that relaunched the debate on self-management (Baglioni et al., 1977), pursued in France by the *Confédération française démocratique du travail* (CFDT) (Rosanvallon, 1978). There was also interest in the project for BLER discussed by the British Labour Party and the trade unions, which led to the 1977 Bullock Report with its proposals for equal shareholder and employee board members together with independent directors (the formula '2x+y'), though this was never implemented (Sciarra, 1978). Other academics, often linked to the Communist Party (*Partito comunista italiano*, PCI), looked with interest at the of debates on *ownership* (Rodotà, 1981), as in the Swedish Meidner Plan for union-controlled investment funds intended to socialize excess profits (Amoroso, 1980;). The very notion of *participation* (and *corporatism*) lacked any legitimacy, seeming to conjure up an ambiguous community of interests and objectives that was rejected by the social partners both in principle and in practice. Codetermination in the German form of BLER was largely rejected, considered as an insidious form of co-optation (Giugni, 1977): *Mitbestimmung* found supporters only in the third-largest confederation, the social democrat UIL (Craveri, 1979), and among some labour lawyers (Arrigo, 1975). Meanwhile, since 1976, industry-wide collective agreements began to include workers' rights to information and consultation on an increasing range of issues. In 1979, unions obtained a voice on corporate and public investment plans, calling for new production plants in the less developed regions of the South.

The prevailing options in those years included external, 'disjunctive' (Bonell, 1983) and 'conflictual' participation (Mengoni, 1977), as well as 'workers' control', through an extension of collective bargaining into managerial strategic prerogatives and, at macro level, influencing public investment decisions from below.

During the 'decade of the unions' (1969–79), the effective voice of Italian workers proved to be no less strong than in countries with more institutionalized models of codetermination.

Much was change in Italy in the 1980s, as elsewhere. The balance of power started to shift and Italian academics and trade unionists started to look with growing interest at neo-corporatist models (Maraffi, 1981; Vardaro, 1988), long rejected, both politically and semantically, for their implication with the fascist legacy. In a period of mounting crisis, models with greater institutionalization of industrial relations seemed better able to cope. Information and consultation rights alone were no longer considered enough; their real effectiveness was called into question. Demands for a *second phase* of auxiliary legislation (Craveri, 1979; Mancini, 1977), expanding the 1970 *Statuto* and making legally enforceable the information and consultation rights obtained via collective bargaining. The UIL proposed the adoption by law for a two-tier corporate structure in companies with over 500 employees, with workers' minority representation in the supervisory board, empowered by a veto right on employment issues (Carinci and Pedrazzoli, 1984). We should note how state-owned holdings and companies (IRI, ENI) played a key role

in the evolution of industrial relations, establishing from the mid-1980s a robust system of joint committees, multi-level consultation and cooling-off procedures --- the same time as influential sectors of domestic capitalism were calling for an explicitly Thatcherite exit strategy from the 1970s. Later, the milestone framework agreement of July 1993, by establishing the basic rules for collective bargaining and workplace representation, endorsed the value of employee involvement, elevating it as a key element in company bargaining. 'From conflict to participation' was the mantra of this new phase.

What remains was the problem of the cross-veto exercised with regard to *method* (CISL reluctant to involve the law), *content* (CGIL opposition to BLER) or both (employers' associations). Generally speaking, CISL has emphasized more and more its original inspiration: an identity-dictated choice for *participation* in all possible forms (Baglioni, 2011). CGIL instead revised some of its original idiosyncrasies on the subject. From the late 1980s, through a lively internal debate, it gradually accepted *codetermination* (Leonardi, 2016), BLER included, with a special concern about employees' voice over work organization, skills and life long learning (Trentin, 1997).

Today, all sectorial agreements and those in large company include broad provisions on information and consultation, with a number of joint committees on a range of issues and explicit references to the transposing norms of the EU framework directive on information and consultation. In addition, bipartite and self-financed funds are established at national level, providing integrated pensions, health insurance, vocational training and unemployment and welfare benefits. This *bilateralism*, which has received strong support from legislation, can now be considered the most structured form of participation achieved in Italy in the past 20 years.

## **The influence of EU law: The last chance for a dual system?**

Across the years, the EU has come to exercise a strong influence on the development of employee involvement and participation in Italy (Alaimo, 2014; Corapi and Pernazza, 2011; Ficari, 2006; Olivelli, 2006; Zoppoli, 2006). This occurred by means of the full implementation of the *acquis communautaire* on information and consultation, European Works Councils, the European Company Statute (SE), also in the cooperative form (SCE) and cross-border mergers, with also some limited experiments with dualistic board and financial participation. In particular, the SE Directive was transposed almost literally by legislative decree in 2005, after a joint statement by all the major social partners. CGIL, CISL and UIL, in a joint document, welcomed a model introducing the two-tier system, finally enabling workers' representatives to be elected or designated to the supervisory board.

A few years before, the company reform was dominated by corporate law scholars, with a shareholder-value approach and no attention to the other stakeholders and the industrial relations implications. It culminated with the adoption of a legislative decree in 2003, establishing an optional regime with the possibility for companies to introduce a two-tier corporate structure with a supervisory board, potentially open to workers' participation. However, the law did not provide any specifications in this regard, whereas substantial barriers were erected to obstruct, rather than promote, workers' representation in the boardroom. The eligibility requirements for membership exclude those linked to the company or to its subsidiaries 'by an employment relationship or a continuing consulting relationship or one of performing paid work that compromises their independence'. Hence employees are not eligible to become board representatives, as they are presumed to lack the essential requirements of independence (Schiuma, 2006). A quite peculiar exclusion, if compared with the great majority of national legislation, where *only* company employees are eligible. The contrast here with the letter and the spirit of EU legislation is evident (Guarriello, 2006). In our opinion, the crucial issue is the definition of independence rather than the existence of an employment relationship (Gottardi, 2014): independence must be considered a 'relative' and not an 'absolute' condition of eligibility. From the point of view of industrial relations, the workers' representation must necessarily be 'independent' of the company, otherwise it would simply be a form of 'yellow unionism'. Some light was thrown on this issue in 2005 by the European Commission's recommendation (ignored in Italy through perhaps wilful negligence) which

treats independence as a guarantee that there are no conflicts of interest, not as a requirement for eligibility. The supervisory board should be composed of members ‘who, as a whole, have the sufficiently diversified competences, experience and opinions to attend properly to their tasks’.

However, even if the obstacle to eligibility is resolved and worker representatives are enabled to accede as such, Italian law provides other constraints that may prevent workers’ participation from becoming a meaningful mechanism of corporate governance (Gottardi, 2014). The upshot is that, in the light of the 2003 reform, the dualistic system did not develop; and even firms which initially adopted it (almost exclusively ‘popular banks’) abandoned it after some years of disappointing results. If the two-tier system is to be given a new lease of life, and legislation harmonized in accordance with the most advanced national systems, the current eligibility criteria must be changed, enabling workers’ representatives to join the supervisory board and expanding their competences and functions.

### **Attempts to develop participation in decentralized bargaining: Between state interventionism and academic proposals**

More recently, politicians from different parties have aimed to introduce comprehensive legislation covering all the different aspects of participation: information and consultation, financial participation and BLER (Zoli, 2015). Following the revelation in 2011 of the ECB ‘secret letter’ and the resulting political turmoil, a law was adopted in 2012 to promote ‘participatory approaches to industrial relations, in line with the guidelines adopted at European level, and in order to improve company competitiveness’. Parliament was authorized to develop a law designed to encourage ‘forms of employee involvement in the enterprise, instigated by collective agreements’. The principles and criteria laid down included ‘the institution of joint, parity or mixed bodies competent to exercise control and participation in the management of such matters as health and safety in the workplace, work organization, vocational training and equal opportunities’. That authority expired, however, without any result. Like other previous bills, this one was entirely based on the ‘free will’ of the social partners at firm level. With only a voluntary approach to involvement, with no sanctions for avoidance or violations and weak enforceability and effectiveness, there is always a risk that there will be no substantial impact. There is simply no reason to believe that companies will willingly establish supervisory boards with workers’ representation, when these are not mandatory. As has been argued, ‘none of the soft-law mechanisms aimed at gently reforming corporate governance helped to prevent flawed decision-making, distorted by groupthink and short-termism, or the adoption of excessive executive remuneration’ (ETUI-TUC, 2015: 8).

Legislation in 2016 and 2017 encouraged the social partners to negotiate decentralized agreements with the aim of improving performance. Collectively agreed and productivity-related wage increases will be subject to a lower tax rate of just 10 per cent. Signatories to these agreements have to define objectives and parameters in detail, including forms of employee involvement and direct participation, such as joint committees, teamwork or groups of projects. Meanwhile collective bargaining, at both sectoral and company levels confirms the role of information and consultation rights on a broad spectrum of items. The last national agreement for the metal sector (2016) introduced a ‘consultative participation committee (*comitato consultivo di partecipazione*) in all companies employing more than 1,500 workers and gives unions the right to be consulted also on strategic decisions such as mergers and projected employment levels.

Proposals from various quarters for legislation concerning participation, including the BLER, appear to be a response to the increasingly acknowledged need to re-establish the Italian industrial relations system on a more effective legal basis (Carrieri et al., 2015), also in the strategic sphere of corporate governance, which ‘free collective bargaining’ has so far been able to achieve. Initiatives in the last decade include draft legislation presented by two deputies from the *Partito democratico* (Nerozzi and Treu, 2008); proposals by academics linked to the labour law journal *Diritti, lavori, mercati* (Zoppoli and Santagata, 2015); the Memorandum of understanding signed by CGIL, CISL and UIL in 2016, for ‘a

modern system of industrial relations’; and the 2016 CGIL *Carta dei diritti universali del lavoro* (Charter of Universal Workers’ Rights).

All these texts aim to rationalize the whole topic of workers’ participation and in some cases the whole system of the industrial relations (including representation, collective bargaining and extension mechanism)s. In a nutshell, they share the goals of lowering the threshold for information and consultation rights at company level (from 50 to 35 or 16 employees); establishing a two-tier system in companies with 250/300 employees; and a proportion or number of worker representatives, from one fifth to half the seats, in the supervisory board. The CGIL Charter provides a dualistic system for companies operating in strategic sectors (energy, transport, communication, banks and insurance companies). In these cases, the most representative national unions would gain the right to designate two experts to attend meetings of the supervisory body, with a right to speak but not to vote. In these texts, BLER is assigned a decisive role for collective bargaining, empowered of important functions in determining several aspects concerning scope, board structure, prerogatives and how workers’ representative are nominated and elected. All the documents summarised here have remained only proposals, with no progress in terms of legislation. BLER was not openly included in the electoral programmes of the parties at the last general elections in March 2018. It is not even part of the contract signed between the two current governing parties, *Lega* and *Movimento 5 Stelle*.

## Concluding remarks

Today BLER is not an exotic phenomenon but is considered a central element of the sustainable company (ETUI-TUC, 2015; Vitols and Kluge, 2011). The countries legislation and meaningful institutions for BLER acquired these as a result of specific historical conjunctures in which the strength of the labour movement peaked: immediately after the First and Second World Wars and in the mid-1970s. Such developments have occurred only rarely outside such very precise contexts, under pronouncedly pro-labour governments (France in the early 1980s) or the impetus of European legislation (Central-Eastern European ‘new member states’ of the EU). However, the international picture is not static but constantly evolving, as illustrated by new French laws between 2013 and 2015.

As we have seen, Italy has long been lacking almost all the factors considered by Jackson (2005) as prerequisites for board-level codetermination: it has been marked by fragmented ownership; authoritarian management; radical ideologies; lack of a class compromise; absence of a centralized labour movement; trade union pluralism; long exclusion of the largest leftist party from the country’s governance. All that said, despite the undeniable and protracted delays, Italy is not at Year Zero. The collective bargaining system, though weakened in recent times, is still two-tier and highly coordinated through the primacy of the national industry-wide agreement. Its coverage is high and stable, as also are union membership and density. There is a wide range of important experience in individual companies, and further experiments are going on: all favourable conditions, in these cases, to establish employee codetermination rights.

The memorandum of understanding signed in January 2016 by the three main trade union confederations contains a substantial section on participation in all its forms --- organizational, financial and in company planning --- through implementation of the relevant article of the Constitution. The peak-level agreement of March 2018, mentioned earlier, opens up unprecedented recognition of the importance of the worker participation, though admittedly more operational than strategic in form. There has also been a certain opening in the political realm, and thus it would appear that the necessary conditions are in place for raising matters to the next level (Carrieri et al., 2015). The shortcomings of Italy’s current system are plain to see, and demands for legal intervention are accumulating from many directions --- even if only ‘modest’ in scope and leaning heavily on collective bargaining --- with a view to establishing some of the forms of participation envisaged in the Constitution, prompted by European comparisons but previously disregarded.



The main obstacle remains the employers and their associations, intensely hostile to any kind of legislative ‘invasion’ in this area, while they do look kindly on the adoption of forms of direct involvement as well as financial participation (if this favours capital refinancing). The employers’ side seems to be increasingly receptive to a mainly collaborative industrial relations culture, very much emphasizing ( according to the new managerial paradigms and rhetoric) the value of the persons at work. The impetus, rather than being voluntary, seems to be the result of that we might call a ‘state of necessity’: ‘to overcome passive resistance to change and to enhance productivity’ (Gumbrell McCormick and Hyman, 2018). It thus appears evident that the ‘Italian way to participation’, as both the social partners call it, is evolving, but remains faithful to its traditions, strongly rooted in collective bargaining, information and consultation rights, through bilateral bodies, but with the exclusion of mandatory BLER. Small steps forward, to be neither under- nor overestimated, are largely path-dependent on the traditional Italian model.

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