

STRENGTHENING INVOLVEMENT of representatives of employees in information and consultation

VS-2018-0043

Case study

Italia Report

FAI CISL

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INTRODUCTION

Food products remain the top in sales sector of the *Made in Italy* brand around the world. The Food sector demonstrates an exceptional growth, and, unlike other industrial sectors in Italy, it has been proved able to retain employment and production.

We will present certain figures in order to better depict the evolution of the Food sector in the framework of our economy. The Food industry employs around 465 thousand workers and it comprises 58.000 companies throughout Italy. The Food sector has confirmed in the latest years that it has a most valuable characteristic, i.e. to stabilize its level of employment, retaining it grosso modo unvaried. In the same period, Italy has suffered the loss of circa one million of jobs. However, since 2007 the Food sector has only lost 20.000 jobs, most of them due to the decrease in turn-over.

The weight of the Food sector on the trade balance is 135 billion euro per year, of which 60 billion euro correspond to only 500 big companies. This means that the situation in the sector is extremely polarized and, at the same time fragmented, exhibiting both a few big companies, which are world leaders, but also a whole galaxy of small and medium-sized companies aiming at achieving excellence, not addressing the mass market but enhancing the sales of high appreciated goods instead.

The best way to support the structure of SMEs in our country is to reinforce the system of second- level subcontracting, which strengthens production nationally and resists procedures of transfer of plants abroad.

This situation has had positive impact also in industrial relations, which in many industrial groups are good. This fact has allowed them to have a noteworthy operational flexibility. Perhaps the most essential feature is that industries of that companies of the food sector cooperate closely with Italian agricultural farms, from which they buy about 72% of the raw materials they use. This factor fully motivates companies in a systemic way and interconnects them. It also sustains the excellence of production and the capacity of companies to take advantage of the existing qualitative work force.

As a result, in order to prove that exporting is an integral part of this system, we mention the fact that from 2000 on, the average balance of exports in the Food sector is double paced compared with the respective one of the rest industrial sectors. In 2017 exports have reached the record of 41 billion euro. Production, instead, suffers from weak internal consumption.

For this reason, in latest years our companies have been obliged to be re-organized, though rationalization of costs, particularly labour cost, and in order to face that situation the trade unions had to respond defending employees and workers.

The success of the Italian food industry, is based on a unique competence, combining tradition with innovation, distinctiveness and technology. This recipe, unrivaled in the world, may be found in over 760 products with protected designation of origin. The sector has capitalized this advantage by positioning itself to the preferences of the upper fraction of consumers in the world.



Nowadays, about the one third of the annual turnover of the Food sector corresponds to products, in which innovation plays a major role. Innovation adds on value to the “traditional food products”. Companies are exposed to risks related to economic crisis, to the centrifugal movements of the global competition, not to mention competition due to imitation and fake products, the so-called *Italian sounding*. To turn these risks into opportunities, it is useful to introduce new models that link culture with local know-how, are oriented towards sustainability and in this way, to reposition competition on quality standards and on the basis of diffusing benefits through solid networks of collaboration.

Case Study Perugia

NESTLE GROUP

Number of employees	860
Number of plants in Italy	1
Seat	Perugia
Collective Agreement	Food industry
Company-based collective Agreement	Nestle Group
United trade union representation	Unified trade union representation
Coordination of group	Yes, Nestle
EWC	Yes, Nestle
Company dynamics referring to consultation	Yes

In 1988 the Italian part of the Nestle Group has bought the Perugia company, located in Perugia, Umbria, and it has succeeded in making it one of most principal plants of producing Nestle chocolate in Europe.

In Nestle, and more specifically in Perugia, the trade unionism is high and there are good trade union relations at local, national and European level. In 2016 Perugia had 860 employees, out of which 600 full time and the rest with part time contracts. To these employees one may add around 150 seasonal workers, mainly for the Easter campaign.

In April 2016 an agreement signed by three parties was signed, which previewed in exchange of an investment of €60 milion and the establishment of a Department of Core Confinderies, that:

- The caramel production (Rossana, Glacia, etc.) would be given away to FIDA (a Piedmonte company)
- Biscuits (Ore Liete) would be given away to PISELLI (an Umbria company).

There were previewed various meetings to assess different situations regarding redundancies. In a few months the management communicated to the trade unions that there would be 360 redundancies. Trade unions initiated the fight against this, involving also local and national institutions. They organised General Assemblies of employees and various institutional meetings. The Ministry of Economic Growth, responding to the appeal of trade unions has opened sessions with the presence of the management of the company. Our commitment was extended to embrace the whole city of Perugia, through the organisation of a manifestation, in which participated a big number of citizens and representatives of all political forces, which took place in the historical centre of the city. This went hand-in-hand with other initiatives of the trade

unions, e.g. informing students in schools about the importance of the company for Perugia and the impact of these evolutions on the city itself. Trade unions undertook also industrial action, such as strikes, extraordinary stoppages, flexible stoppages etc.

Between the end of 2016 and the first months of 2017, we convened with the management to offer the option of voluntary resigning from the company to employees for receiving €60.000 in return for full-time employees and a proportionate sum for the part-time ones, who were employed at least 75% of the full-time. To this we have added the option for early “retirement” of aged employees (Iso pensione system, in which the company pays the employee every month a sum equal to his/her pension plus his/her social insurance). Another incentive was reduction of the working time by 50% and receiving in return additional €5.000 a year for 5 years.

All these measures have allowed 40 persons to benefit from Iso-pensione, 150 persons to voluntarily leave the company by receiving the above-mentioned redundancy compensation and 150 persons to change their full-time contracts or 75% of the full-time work contracts to 50% part-time ones. These solutions, though painful for the trade union and the employees, have permitted them to face a dramatic situation, turning it into bearable measures in the mid-term.

These solutions have given trade unions the possibility to envisage strategies of re-integration of staff, keeping alive a strategic company and a local symbol.

Case Study San Benedetto

San Benedetto

Number of employees	2.100
Number of plants in Italy	6
Seat	Scorze (Veneto)
Collective Agreement	Food Industry
Company-based collective Agreement	Plant-based
United trade union representation	Unified trade union representation
Coordination of group	No
EWC	Yes (recently)
Company dynamics referring to consultation	Yes

The company headquarters are in Scorze in the region of Venice (Veneto, Nord of Italy). It has 6 plants in Italy and additional ones in France and in Spain.

In Italy it has 2.100 employees, out of which the 60% have indefinite duration work contracts and the rest ones are seasonal or temporary workers.

The presence of trade unions is very strong, with FAI CISL and FLAI CGIL having many members. A unified trade union representation (RSU) has been elected according to the law and has taken over the relations with the company management.

In San Benedetto there is a EWC (European Works Council), established a few years ago, which has started operating at the European level.

There is not a single company-based collective agreement covering employees working in all 6 Italian plants. Each plant has its own collective agreement. Especially the plant in Scorze having 1.600 employees signs since many years its own second-level company-based collective agreement.

In view of re-organisation of production and rationalization of costs, the company has communicated that it needed to hire about 30 persons. This has initialized an open confrontation between the company management on one side and the RSU (unified trade union representation) as well as the trade union federations on the other side. Employees' representatives sustained that hiring new staff should be direct and that the management should not use temporary or fixed-term employment contracts. The problem was examined in a positive way following the information and consultation procedure. RSU played the leading role, but external representatives of trade union confederations were constantly present as well.

It has proved that to make recourse to public institutions, especially to the Labour Inspectorate which examines labour disputes, was not necessary in this case. The two parties concluded to a common understanding, which previewed that the company would directly hire 30 persons with apprenticeship contract and that both parties would commit themselves to constantly monitor how apprentices are doing with their jobs and that they would be recruited if the evolutions in production and the business permit it.

During this confrontation and dispute, the employees of San Benedetto were constantly informed through General Assemblies and announcements.

At the same time, the local community was also informed as precisely as possible through press conferences and interviews in the mass media.

Case Study Ferrero

FERRERO

Number of employees	6.000
Number of plants in Italy	4
Seat	Alba
Collective Agreement	Food Industry
Company-based collective Agreement	Of the Group
United trade union representation	Unified trade union representation
Coordination of group	Yes
EWC	Yes
Company dynamics referring to consultation	Yes

In Italy the headquarters of the company are in Alba, but the mother-company is in Luxembourg. In Italy there are 4 plants employing around 6.000 employees. The plants are in Piemonte, Lombardia, Campania and Molise.

About 55% of the staff have indefinite duration work contracts, while the rest have fixed time contracts, which vary from 6/7 months to 3 months annually.

Trade union presence is strong and well-structured. The three Confederations CGIL, CISL and UIL have nearly the same number of members. There is a Unified trade union representation RSU in the company, which undertakes collective bargaining and signs the company-based collective agreement, which is a second level agreement improving provisions of the collective agreement for the Food Industry.

In Ferrero there is a EWC, which operates for many years now. It meets several times a year in the different sites of the company in Europe.

The company-based collective agreement regulates many issues related to the organization of work, the company welfare and a bonus system based on results. It also refers to the management of the group and eventual labour disputes in the different plants. More specifically, it refers to periodical changes in the work schedule and the organization of shifts, in accordance with the progress of production (in Ferrero there are 3 shifts per day and in some months of the year there are continuous circles).

Specifically, the organization of shifts and production circles are the object of labour disputes and collective bargaining, in which the trade unions play a major role both in terms of collective agreements and in terms of information and consultation because these decisions have an important impact on the quality of work of staff and on their life, as it refers also to the night work and work in weekends. The company has informed RSU and the external trade unions on this subject and RSU along with the trade unions have convened a preliminary General Assembly to inform employees,

they have met with the management to discuss and following the conclusion of an agreement they have organized a second General Assembly.

The agreement allows the individualization of continuous circles of 4 days of work and 2 days of rest for each member of staff. Following this agreement the company has recognized a daily bonus for employees that work continuously in circles.

In the framework of this labour dispute the external trade union has been involved in all phases, convening together with the RSU assemblies aiming at informing employees but also assemblies to make decisions.

Mass media has also been involved during the labour dispute, through press releases and interviews to support the positions, which the trade union has presented in the table of consultation. However, it was proved not necessary to ask for the mediation of the labour Inspectorate.