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Inclusive unions in a dualised labour market? The challenge of organising labour market policy and social protection for labour market outsiders

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Inclusive unions in a dualised labour market? The challenge of organising labour market policy and social protection for labour market outsiders

Niccolo Durazzi*

Abstract

Dynamics of labour market dualisation have affected most Western European countries over the last two decades and trade unions have been often seen as conservative institutions protecting the interests of their core constituencies and as such contributing to labour market dualisation. However, empirical evidence from Italy shows that unions' stance towards atypical workers has been more inclusive than the literature expected, despite the conditions for pro-insider policies being firmly in place, and unions have emerged as important actors in the organisation of social protection for labour market outsiders. By analysing unions' strategies towards temporary agency workers in Italy through a disaggregated approach (i.e. focussing separately on salary and job protection; active labour market policies; and income protection), I reconcile the empirical observations that conflict with the theoretical expectations. I argue that unions have indeed put in place inclusive, yet selective, policies towards atypical workers and that unions' identity is a central explanatory variable to understand the puzzling coexistence of a dualised labour market and (selectively) inclusive unions. Through a disaggregated identity-bound analysis of unions' strategies, I shed new light on the complex relationship between labour market dualisation and the dualisation of social protection. In particular, findings suggest that paradoxically unions' strategies to *counteract* labour market dualisation may be *furthering* the insider-outsider divide in terms of social protection. I also suggest that a clearer analytical distinction between labour market dualisation and welfare dualisation is needed in future research and that the understanding of unions' strategies towards marginal workers would greatly benefit from a systematic disaggregated analysis of unions' agency.

Keywords: trade unions; dualisation; interests; ideas; atypical work; Italy

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1. Introduction

Processes of labour market dualisation have occurred almost everywhere across Western Europe over the last two decades (cf. Emmenegger et al., 2012). In nearly all the largest European economies, and particularly in continental and Mediterranean countries, such as Germany, France (Eichhorst & Marx, 2010; Palier & Thelen, 2010) and Italy (Jessoula et al., 2010), labour market reforms have been characterised by the introduction of flexibility at the margin, i.e. a less regulated labour market for the new entrants without affecting those already in the labour market. Flexibility at the margin resulted in an increasing divarication between ‘traditional’ and ‘atypical’ workers, whereby ‘traditional’ workers enjoy higher level of job security and social protection, while ‘atypical’ workers are at the opposite end of the spectrum and enjoy considerably less protection (Davidsson & Naczyk, 2009).

In this context, trade unions have been often seen as conservative actors concerned exclusively with protecting the interests of their core constituencies (the insiders) while letting the new entrants in the labour market (the outsiders) bear the adverse consequences of flexibilisation (Gumbrell-McCormick, 2011, p. 197; Ebbinghaus, 2006); in particular, insider-outsider models (cf. Lindbeck & Snower, 1984, 2001; Rueda, 2005, 2006) assume that unions systematically protect the interests of the insiders and

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therefore contribute to producing and re-producing dualisation in the labour market.

Against this background, this paper aims to shed light on unions' strategies towards temporary agency workers (TAWs) in Italy in the first decade after the creation by law, in 1997, of the TAW sector. The case of Italy is interesting because it is particularly puzzling. Labour market dualisation is regarded as a highly dramatic phenomenon, having a central role in public discourse (cf. Simoni, 2012) with unions traditionally considered as actors who defend the interests of the 'male bread-winner' (Graziano, 2011, p. 175). Yet, several accounts of Italian unions suggest that inclusive strategies towards atypical workers have been put in place (Leonardi, 2008b; Johnston et al., 2011; Benassi & Vlandas, 2015) particularly through the three confederal unions¹ establishing specific structures to represent atypical workers² thus taking the most inclusive stance, i.e. that of 'engagement' (Heery, 2009, p. 431). Furthermore, trade unions have also emerged as important actors for the organisation of social protection of labour market outsiders (Johnston et al., 2011).

The research question that this paper aims therefore to answer is: How can we explain the coexistence of a dualised labour market and seemingly inclusive unions' strategies towards atypical workers?

In order to answer the question, I argue that unions' strategies towards atypical workers need to be analysed and explained, moving beyond a

¹ The three confederal unions in are: CGIL (Confederazione Generale Italiana del Lavoro, Italian General Confederation of Labour), CISL (Confederazione Italiana Sindacato Lavoratori, Italian Confederation of Workers' Trade Unions), UIL (Unione Italian del Lavoro, Italian Union of Labour).

² The three structures for atypical workers are: NidiL (Nuove Identita' di Lavoro, New Labour Identities), ALAI (then FELSA, Federazione Lavoratori Somministrati Autonomi Atipici, Federation Temporary Agency Workers Autonomous Workers Atypical Workers), CPO (the UIL TEM.P@, Categoria Nazionale dei Lavoratori Temporanei Autonomi Atipici e Partite Iva, National Category of Temporary Autonomous Atypical Workers and the self-employed).

reliance on ‘deductively inferred hypotheses’ and ‘aggregate evidence that assumes and reproduces rather stylized dualistic typologies’, such as insider-outsider models (Schelkle, 2011, p. 302). In other words, I claim that unions’ strategies need to be investigated in their own account – rather than inferred according to labour market outcomes – and examined through a disaggregated approach. Dualisation is usually seen as a process leading to insiders enjoying considerably better conditions than outsiders ‘across the board’, i.e. in terms of salaries, employment rights, social protection, and access to passive and active labour market policies (Davidsson & Naczyk, 2009, p. 9). I argue here that a more fine-grained understanding of the interaction between unions’ strategies and labour market outcomes may be reached if the different elements just mentioned are analysed and assessed separately. Hence, this paper analyses Italian unions’ strategies towards TAWs along three axes: (i) salary and job protection; (ii) access to training; and (iii) income protection.

The findings demonstrate that unions’ strategies vary significantly across the three axes. In particular, unions were determined – and by and large successful – in furthering the interests of TAWs along the first and second axes, while they largely refrained from protecting outsiders’ interests along the third axis. These findings lead to questioning the explanatory power of the dualisation literature building on interest-based insider-outsider models (Lindbeck & Snower, 1984, 2001; Rueda, 2005, 2006). On the contrary, it finds support for a growing strand of literature that takes unions’ identity (Hyman, 2001) as the crucial explanatory variable to understand unions’ strategies towards marginal workers (cf. Benassi & Vlandas, 2015; Vlandas, 2013; Meardi, 2011; Marino, 2012; Pulignano & Doerflinger, 2013).

However, the findings also have a distinctive feature vis-à-vis existing identity-based accounts of unions’ strategies. A disaggregated identity-bound

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analysis of unions' strategies sheds new light on the complex relationship between labour market dualisation and the dualisation of social protection. In particular, the findings suggest that paradoxically unions' strategies to *counteract* labour market dualisation may be *furthering* the insider-outsider divide in terms of social protection. In other words, combining an identity-based analysis with a disaggregated assessment of unions' strategies allows to understand why unions have been inclusive in some – and arguably most – policy domains, but less so in others.

The paper is structured as follows: section 2 introduces the theoretical expectations based on the literature; section 3 presents the research design; section 4 provides a description of the development of the TAW sector in Italy following the labour market reforms in the late 1990s and early 2000s; section 5 analyses unions' strategies towards TAWs; section 6 provides an explanation of unions' strategies through an identity-based perspective; finally, section 7 draws the conclusions and implications for further research.

2. Competing theoretical expectations on unions' strategies towards atypical workers: interests vs. ideas

At the core of the insider-outsider theory is the analysis of 'the behavior of economic agents in markets where some participants have more privileged positions than others' (Lindbeck & Snower, 2001, p. 1). Building on earlier work (cf. Lindbeck & Snower, 1984) which was mostly concerned with explaining the presence of unemployment and which identified the insiders with the employed and the outsiders with the unemployed, the insider-outsider divide became an analytical construct to be applied to a broader

variety of categories, including ‘employed versus unemployed workers, formal- versus informal-sector employees, employees with high versus low seniority, unionized versus non-unionized workers, workers on permanent versus temporary contracts [...]’ (Lindbeck & Snower, 2001, p. 2). According to the insider-outsider theory, ‘[i]ncumbent workers (insiders) in the labor market enjoy more favorable employment opportunities than others (outsiders), on account of labor turnover costs (e.g. costs associated with hiring, training, firing, and insiders’ ability to punish underbidding outsiders)’ (Lindbeck & Snower, 2001, p. 1). As far as unions are concerned, it is claimed that unions have an incentive to protect the insiders and to discard the interests of the outsiders because it is precisely increasing insiders’ employment protection and turnover costs that allow unions to exist (Lindbeck & Snower, 2001, p. 25).

The insider-outsider theory has been developed further by Rueda (2005, 2006). In his approach, the crucial element is that insiders and outsiders have different and mutually exclusive interests. The former favour stronger employment protection legislation (EPL) whereas the latter ask for other types of policies, notably ALMPs. According to this approach, the two sets of interests are mutually exclusive and unions can therefore not devise strategies that simultaneously protect and represent the interests of insiders and outsiders. Given that insiders constitute the largest part of unions’ membership base, it follows that unions will tend to favour insiders and they will not protect outsiders. More precisely, Rueda (2006) develops the insider-outsider framework as a model for predicting left-wing governments’ and unions’ choices arguing that both – and unions even more so – have an incentive to systematically further the interests of the insiders, who are their most powerful constituency. As a consequence, it is claimed that one of the

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conditions for pro-outsiders policies to be developed is indeed that of 'weakening of unions' (Rueda, 2005, p. 72).

The crucial elements for pro-insiders policies are all present in Italy, namely: a rather strong union movement (Leonardi, 2008b, p. 205) and a high employment protection for insiders (Ferrera, 1996; Graziano, 2011, p. 176) leading to high turnover costs. Thus, according to the insider-outsider theory and consistently with the dualisation literature, we should expect Italian unions to be fully supportive of insiders' interests.

As an alternative approach to the dualisation literature, and moving away from preference formation rooted in rational choice, a recent body of literature has been analysing the implications of unions' identity for their strategies towards marginal workers (cf. Papadopoulos, 2014; Marino, 2012; Pulignano & Doerflinger, 2013; Benassi & Vlandas, 2015). The role of unions' identities has been elucidated by Hyman (2001) who argues that unions are caught in a tension between three ideological orientations: market, class and society.

While Hyman's analysis does not specifically address the relationship between unions and atypical workers, there is strong evidence that identity plays a role in shaping unions' strategies towards atypical workers. In particular, trade unions with a *class orientation* are expected to be more likely to devise inclusive strategies towards marginal workers as class orientation underpins bargaining strategies aimed to increase the welfare of all workers. In-depth case studies establish a strong link between class orientation and the inclusion of marginal workers. Marino (2012) finds that Italian unions devised inclusive strategies towards migrant workers and ethnic minorities through a 'strong call for class identify' that 'required union (migrant) workplace representatives to be impartial representatives of all workers' (Marino, 2012,

p. 17). In a similar vein, Pulignano and Doerflinger (2013) find in their comparison of unions' strategies towards TAWs in Germany and Belgium that 'the distinctive encompassing identity of Belgian unions which [...] can be positioned between society and class' (Pulignano & Doerflinger, 2013, p. 4162) enables inclusive strategies towards TAWs. These findings are corroborated by Benassi and Vlandas (2015) through a cross-country analysis of unions' strategies towards TAWs covering 14 Western European countries. Their findings show that class orientation is a crucial element to explain unions' inclusiveness towards TAWs, particularly in Mediterranean Europe, where such identity is more pronounced. In other words, the class orientation of trade unions is seen as a crucial element that makes unions' strategies shift away from rational calculations to move towards a 'logic of appropriateness' (cf. March & Olsen, 1989) informed by their identities.

Thus, following this approach – and counter to the dualisation literature – we should expect Italian unionism, which is situated between class and society (Hyman, 2001), to develop and pursue inclusive strategies towards TAWs.

3. Research design and data collection

The research is based on a single case study, Italy, and focuses on a specific category of atypical workers, TAWs. Italy has been selected as case study since a sharp contrast between labour market dualisation and seemingly inclusive unions' strategies calls for further explanation, as briefly outlined at the beginning. Furthermore, when placing Italian unions against the expectations formulated by the existing literature, we are left with conflicting hypotheses since the conditions postulated by both strands of literature are present in Italy, namely strong unions' and high employment protection of

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insiders should be conducive to strategies consistent with the dualisation literature while the class orientation of the union should be conducive to an inclusive outcome. The TAW sector has been selected since it provides an interesting example of ‘outsiders’, being ‘an important and growing industry in the EU [...] at the heart of the “flexicurity” debate’ (Arrowsmith, 2008, p. 52). Furthermore, TAW is the best documented segment of the atypical workforce in terms of data availability.

Data has been gathered through semi-structured interviews³ carried out with former and current senior members of the three Italian confederal unions between April and July 2013. Interviewees have been selected in order to capture a variety of viewpoints within the unions. In particular, representatives from CGIL and CISL have been interviewed to investigate the confederal approach to the representation of atypical workers; representatives from NIDiL-CGIL, FELSA-CISL and UILTEM.P@-UIL have been identified to analyse the viewpoints of the specific structures representing atypical workers within the three confederal unions; finally, a FIOM⁴-CGIL delegate has been also interviewed to shed light on the stance of a federal / sectoral union. The majority of interviews have been held with individuals affiliated with CGIL, since CGIL is the union that led the debate to set up specific structures for atypical workers in Italy thus prompting the others to follow (Leonardi, 2008b, p. 211; Gumbrell-McCormick, 2011, p. 301). Data triangulation has been carried out through the analysis of unions’ congressional documents, unions’ statements, collective labour agreements (CLAs), policy reports by international and national sources (e.g. Eurofound, EIRO, CNEL) and other relevant secondary literature.

³ The list of interviewees is provided in appendix

⁴ FIOM is the CGIL federation representing the metal-working industry, which is where the largest share of TAWs are employed (IRES, 2006: 43)

4. Italian 'traditional' (un-) employment policy and the labour market reforms in the late 1990s and early 2000s

Two major reforms of the labour market were undertaken in Italy with the aim of increasing flexibility by introducing a variety of contractual forms (i.e. atypical work) to complement and, to some extent, replace the dominant model of permanent, full-time employment, which constituted – with some degree of approximation – the only existing form of employment since the 1950s. The first reform, implemented in 1997, was known as the 'Treu package', and designed by a centre-left government, while the second one, the 2003 reform inspired by the so-called 'Biagi Law', was passed by a centre-right government.

Before reviewing the content of the two reforms in closer detail and analyse the main features of the TAW sector that emerged from the reforms, it is appropriate to take a step back and provide a brief overview of the Italian welfare system to map the terrain upon which the reforms have been enacted. In particular, given the nature of atypical / temporary work, which entails, by definition, spells of unemployment, it is useful to shed light on the traditional characteristics of the Italian welfare system with respect to unemployment benefits and income protection measures as well as ALMPs.

4.1. The traditional characteristics of the Italian system of unemployment benefits, income protection and ALMPs

The Italian welfare state conforms to the Southern European model of welfare (Ferrera, 1996). The key feature of Southern European welfare states is their

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“polarized” character of the protection’, which translates into ‘generous protection [...] to the core sectors of the labour force’ and ‘weak subsidization to those located in the so-called irregular or non-institutional market’ (Ferrera, 1996, p. 19). The polarisation argument is reinforced by Graziano (2011) who identifies ‘strong protection of workers (insiders) and weak (or non-existent) protection of the so-called “outsiders”’ (Graziano, 2011, p. 176) as the main characteristic of Italian employment and social security policy since the 1950s. This polarised welfare structure is accompanied by a social model built around the ‘male breadwinner’ featuring social expenditure heavily geared towards permanent workers in core sectors, as opposed to individual citizens (Graziano, 2011, p. 175). A prime example of the implications of this model on the distribution of social expenditure can be drawn by comparing Italian expenditure on various items of welfare state with the EU-15 average: it emerges a systematic above-average spending on pensions and a systematic below-average spending on unemployment benefits (Graziano, 2011, p. 175), that is a systematic prioritisation of the worker over the citizen.

Indeed, the structure of the unemployment benefits and income protection systems is such that, traditionally, hardly any individual, besides permanent workers in core sectors, could access it (Jessoula et al., 2010, p. 563). Across Europe, income protection systems are usually built on three pillars: a work-related pillar which links benefits to contributions; a selective social assistance pillar to cover those whose have not accumulated enough contributions to access the earnings-related pillar; and a universal pillar providing a safety net, for instance through a guaranteed minimum income (Jessoula et al., 2010, p. 565).

In Italy, however, the second and third pillars have never been developed to a significant extent, thus leaving income protection almost entirely run as a contribution-related system with high contributory requirements, and as such

serving essentially only those in permanent full-time employment (Jessoula et al., 2010, p. 565). The few exceptions to this general framework include two special schemes that grant benefits upon less strict conditions, and are targeted at other types of workers (e.g. seasonal workers), having however very limited coverage (Jessoula et al., 2010, p. 565). As far as guaranteed minimum income is concerned, Italy – together with Greece – is the only European country that does not provide such an instrument of social assistance (IRES, 2009, p. 129).

Regarding ALMPs, Italy stands out for its backwardness vis-à-vis most European countries. Jessoula and Vesan (2011, p. 142) note that Italy has traditionally displayed ‘low investment in labour market policies, with underdeveloped active measures’, with unions generally opposing the development of a comprehensive system of continuous vocational training that was seen as a threat to labour unity (ISFOL, 2006, p. 26). As such, ALMPs, and continuous vocational training in particular, did not have any place in the Italian employment policy mix for almost four decades, with the 1970 Workers’ Statute explicitly envisaging school and higher education – but not continuous vocational training – as the only elements of workers’ human capital (ISFOL, 2006, p. 25). This framework changed in the 1990s, when the importance of introducing ALMPs in the Italian employment policy became a salient issue on governments’ agendas and was broadly accepted by the social partners. The factors that led to ALMPs becoming a far less controversial issue include the gradual shift towards a knowledge-based economy, the changing production processes, and the wide acceptance and promotion at EU level of ALMPs as a desirable component of labour market reforms.

This shift from opposition to acceptance and support of vocational training on the part of the unions was marked by the inclusion of vocational training in the CLAs signed in the framework of the 1993 tripartite agreements. In the

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same year, Law 236/93 increased the financial resources available for ALMPs and vocational training by devoting, among other measures, more resources from the European Social Fund (ESF) to this policy area (ISFOL, 2006, p. 18). Subsequently, in 1997, ALMPs underwent a comprehensive reform. Indeed, the Treu package (whose main provisions are summarised at the end of this section) introduced substantial measures of ‘activation’, including an overall re-organisation of this policy area, supported by increasing resources devoted to ALMPs (Jessoula & Vesan, 2011, p. 155).

4.2. A summary of the labour market reforms in the late 1990s and early 2000s

The brief overview of the traditional features of the Italian welfare system with respect to employment policy strongly suggests that heavy reliance on work-related measures, which in turn are predicated upon long and stable contributory histories, and an infant framework of ALMPs, make the system ill-suited at the outset for atypical workers (Graziano, 2011, p. 181). The 1997 and 2003 reforms were designed and implemented against this background.

The immediate observation on the two reforms is that, despite being implemented by governments of opposite stripes, they are rather similar in their underlying principle as they both injected a degree of flexibility in the labour market for the new entrants, without modifying ‘the rules for (both individual and collective) dismissals of workers hired with traditional standard contracts’ (Jessoula et al., 2010, p. 575).

The Treu package, contained in the Law 196/97 and titled ‘Norms to promote employment’, touches upon a variety of issues across its 27 legislative articles,

spanning from the introduction of new forms of employment to specific measures to boost the economy of less developed regions. However, there are two main innovations introduced by the reform that are relevant to this research: (i) the creation of TAW and, as a consequence, the end of public monopoly over placement services, giving the possibility to private agents to provide this service as well (articles 1 to 13); and (ii) a novel focus on ALMPs in general, and training in particular, targeted at both permanent and temporary workers (articles 15, 17 and 18) (Gazzetta Ufficiale, 1997). Although still low by comparative standards, the Treu package led to significant investments in ALMPs between 1997 and 2003, with active measures becoming a progressing more important item of expenditure in labour market policies relative to passive measures⁵ (Jessoula et al., 2010; Jessoula & Vesan, 2011).

The 2003 reform, built around the Law 30/2003 and titled 'Mandate to the government on issues related to employment and labour market', did not introduce substantial innovations; rather, it reads as a 'more radical' version of the 1997 reform. In particular, the concept of atypical work introduced in 1997 became more widespread through the introduction of several additional forms of atypical employment, including job on-call, coordinated and continuous work, and occasional work (article 4). TAW is also affected by the 2003 reform, which calls for an expansion of this form of employment by lifting some of the restrictions to the use of TAW established by the previous reform and by introducing the concept of 'leased worker', i.e. the possibility for a worker to be hired permanently by a work agency and then hired out on a temporary basis by companies (article 1) (Gazzetta Ufficiale, 2003).

⁵ It should nevertheless be noted that, despite the sharp increase in expenditure on ALMPs following the Treu package, Italian expenditure on these measures relative to most European countries remains considerably lower (Jessoula et al., 2010, p. 577).

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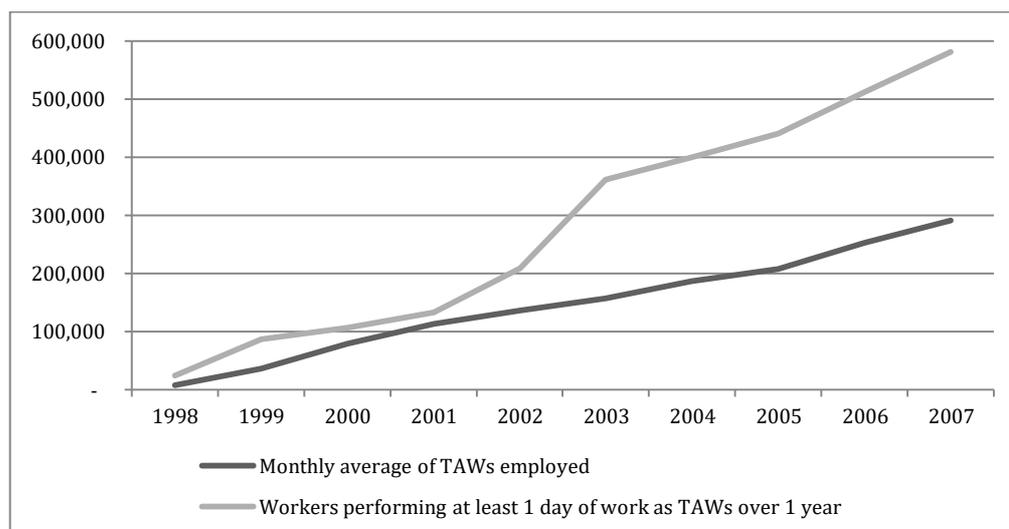
It should be noted that while both reforms (de-) regulate the use of TAW and touch upon issues of ALMPs and vocational training for temporary workers, neither of them tackle significantly the issue of income protection (Jessoula et al., 2010, p. 573).

4.3. The emerging TAW sector after the labour market reform

As a consequence of the reforms, TAW became an increasingly significant segment of the Italian labour market. The expansion of TAW occurred in the broader context of a sharp increase of atypical work, which was ‘the only growth area of employment in Italy’ in the late 1990s (EIRO, 1999), leading to a constant decrease of the incidence of ‘standard’ work as a percentage of the overall work-force between the mid-1990s and the mid-2000s (CNEL, 2006, p. 142). In 2007, ten years after the introduction of TAW, the absolute number of workers in this category amounted to 594,744, representing the fourth largest contingent of TAWs in Europe after the United Kingdom, France and Germany⁶ (Arrowsmith, 2008, p. 4). Figure 1 shows the progression of TAW over time since its introduction, providing a clear picture of its rapid expansion in the first decade after its establishment.

Looking at the distribution of TAW across economic sectors, it emerges that both ‘traditional’ sectors (e.g. manufacturing, metalworking in particular (IRES, 2006, p. 43) and economic sectors typical of the post-industrial economy (e.g. services, such as call centres) are significantly affected, as shown in table 1. Further, professional profiles of TAWs are fairly equally distributed across more and less qualified jobs, as shown in table 2.

⁶ It shall be noted, however, that the statistics for Italy do not make a distinction between full-time and part-time TAW thus resulting in a likely conflated figure vis-à-vis other countries where TAW is reported in ‘full-time equivalent’.

Figure 1. Size of the TAW sector (1998 - 2007)

Source: Ebitemp (2011)

Table 1. Economic sector of private companies employing TAWs (2004)

Economic sector	%
Agriculture	0.5
Fishery	--
Mineral extraction	0.1
Manufacturing	52.4
Production and distribution of electricity, gas and water	0.4
Constructions	4.9
Sales of cars, motorcycles and household appliances	14.5
Hotels and restaurants	3.7
Transport, storage and telecommunications	2.9
Monetary and financial intermediation	2.5
Real estate, IT, research and other entrepreneurial professions	12.9
Education	0.6
Health and other social services	2.0
Other public, social and personal services	2.4
Total	100.0

Source: IRES (2006)

Thus, in the second half of the 1990s Italian unions found themselves confronted with the challenges posed by the emergence and rapid expansion of a new type of employment, displaying very different features from the workers traditionally represented by the unions, and yet cutting across

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various sectors and professional profiles. The next section analyses how unions engaged with this 'new' segment of the labour force.

Table 2. Share of TAW according to professional profile as a percentage of total TAW (2nd quarter, 2005)

Professional profile	Male	Female	Total
Intellectual professions, scientific and with high specialisation	--	0.6	0.2
Technical professions	15.5	3.2	10.6
Clerical workers	13.0	41.3	24.1
Qualified professions in trade and services	3.7	28.5	13.5
Artisans, qualified workers and farmers	16.3	6.0	12.2
Semi-qualified workers responsible for fixed and mobile machinery	26.4	3.3	17.3
Non-qualified professions	25.2	17.1	22
Total	100.0	100.0	100.0

Source: IRES (2006)

5. Identifying unions' strategies towards TAWs: inclusion, more or less

An immediate observation with respect to unions' response to the birth and growth of the TAW sector is that the three confederal unions established specific organisations to represent atypical workers. In the late 1990s, NIDiL (affiliated to CGIL), ALAI (then renamed FELSA, affiliated to CISL) and CPO (then renamed UILTEM.P@, affiliated to UIL) were created. These three organisations, while still representing a limited number of workers in absolute terms, saw their membership base expanding extremely rapidly (Leonardi, 2008b, p. 215), and their establishment was seen as an example of unions' deep commitment in searching new ways to respond to the global challenges faced by the new labour world' (Leonardi, 2008b, p. 208).

The general organisational principle behind the establishment of these specific structures is that the organisation of atypical workers is best achieved by combining two levels of representation. The first level has to do with the worker's status, regardless of the economic sector she / he is employed. This dimension stems from the awareness that some social policies, such as vocational training and income protection, are expected to be demanded by atypical workers regardless of their specific sectoral employment. The second level relates to sectoral employment, where atypical workers need representation to ensure that needs and instances are also understood and catered at the level of the work place. Organisation of atypical workers is therefore realised through cooperation between a (horizontal) structure, the union for atypical workers, and a (vertical) structure, the industry-wide unions (i.e. the federations).

This combined approach is meant to widen the unions' action by bringing together collective bargaining and political representation (Gottardi, 1999, p. 653), as confirmed in an interview by a former FIOM-CGIL delegate, who stated that 'there is a dimension of precariousness that has to do with the nature of atypical work [that NIDiL deals with], but there is also a bargaining dimension at the company level [...]; thus when workers' representatives are elected, it is also necessary to elect atypical workers so that when bargaining at the company level also atypical workers' interests are catered' (Interviewee B). A survey of unions' rights held by temporary workers across Europe carried out by Storrie (2002) confirms the importance attached by Italian unions to TAWs' representation at the work place level, reporting that in Italy TAWs 'enjoy all statutory trade union rights' (Storrie, 2002, p. 14), a rather infrequent feature in Europe, where several caveats preventing TAWs from enjoying full union rights are observed in nearly every country.

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In terms of goals set by the three organisations, the approach is also rather similar. Indeed, NIDiL, ALAI and CPO have been sharing common objectives since their establishment. Some of these objectives are fully in line with the tradition of Italian unionism, whereas some others are less common to Italian unionism, and more broadly to countries conforming to the Southern European model of welfare state (Vettor, 1999, pp. 628-630).

As far as traditional objectives are concerned, collective bargaining, aiming at regulating and protecting TAWs' salary and job, stands out as a shared central priority among the three unions. Turning to less common objectives, an emphasis on ALMPs (vocational training in particular) and universalisation of welfare provisions (such as income support measures) can be found as recurrent themes in the official documents of the unions for atypical workers (Vettor, 1999). The next three sections will provide a detailed account of unions' strategies towards TAWs in terms of, respectively, traditional and 'new' objectives.

5.1. Traditional objectives: collective bargaining and the protection of salary and job

Collective bargaining for TAWs became a central concern for trade unions as soon as Law 196/97 introduced TAW in the Italian labour market. As early as 1998, i.e. roughly one year after TAW was introduced, a first CLA between the three confederal unions and the national organisation of temporary work agencies⁷ was signed. Collective bargaining for TAWs reflects the organisational structure of unions, with a degree of cooperation between the

⁷ The national organization of temporary work agencies, Assolavoro, covers 98% of the TAW sector (Arrowsmith, 2008: 18), thus the CLA has an extremely high level of coverage.

unions for atypical workers, which operate at an horizontal level and set the framework conditions for the whole TAW sector, and the industry-wide unions, that regulate specific aspects according to the economic sector where TAWs are employed (Eurofound, 2002, p. 19).

The TAW CLA has been renewed twice since it was first signed, with the 2003 and 2008 CLAs introducing some new provisions, notably the establishment of bilateral bodies to offer several services to TAWs (Arrowsmith, 2006, p. 35). However, the main principles remain those laid out in the original agreement in 1998. In terms of salary and job protection, two main items stand out. Firstly, the TAW CLA stipulates that TAWs' salary should not be lower than the salary of permanent workers (CCNL, 2008, p. 49). Equality of treatment in terms of salary was already set by Law 196/97 and is reiterated in the various TAW CLAs. In addition to equality in terms of salary, the TAW CLA also stipulates parity between TAWs and permanent employees on a number of other aspects, which include 'working hours, job classifications, overtime and night-time work, holidays, [and] leave' (Arrowsmith, 2008, p. 49). Secondly, it is stated that after 42 (also non-consecutive) months of employment at a user company, TAWs must be offered a permanent position by the user company (CCNL, 2008, pp. 62-63).

The industry-wide CLAs add on to these provisions by setting ceilings for the use of TAWs within a company as a percentage of the total work-force as well as by setting, for some economic sectors, more advantageous (i.e. shorter) timeframes for TAWs to be offered a permanent position. A survey of how industry-wide CLAs affect TAWs shows that *every* CLA has provisions in these respects (NIDiL, 2010), highlighting the heavy weight attached by unions on: (i) creating a path towards permanent employment, through automatic conversion from temporary to permanent employment after a certain period of time; and (ii) ensuring that TAW does not turn into a

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potentially unlimited substitution to permanent employment, by setting ceilings for the use of TAW.

Thus, a high degree of inclusiveness is observed when defining unions' strategies towards TAWs in terms of traditional objectives of Italian unionism. A CGIL senior representative stated that: 'One of the main points for us to accept the [Treu] Law was that CLAs at the firm level regarding salaries were to be applied equally to all workers, including temporary workers and TAWs, because we used to think back then and we still think today that there cannot be collective bargaining that only covers full-time permanent workers' (Interviewee C). Similarly, the concern for establishing a maximum length of the assignment and defining a path towards job security has been a central issue since the early days of unions' strategies towards TAW. A former FIOM-CGIL senior representative declared that: 'in many cases atypical workers' main claim is that of having their contract turned into permanent' (Interviewee B), a claim that unions took on board by including the above-mentioned clauses for automatic conversion into permanent employment (cf. also Goslinga & Sverke, 2003 on job security as a central claim of atypical workers). The same conception of atypical work as a transitional step towards permanent employment was also reiterated by a FELSA delegate who declared that: 'There is a flexible segment of the labour market; the key point is to ensure that they are not always the same individuals to be part of this segment, otherwise flexibility becomes precariousness' (Interviewee F).

Arrowsmith (2008, p. 51) highlights the key concerns of unions for the TAW sector across Europe in his comparative report and confirms that 'length of the assignment' and 'regulation of pay equality' are central to the activity of Italian unions with respect to TAW.

5.2. 'New' objectives I: ALMPs and access to training

Several studies find that a major demand that atypical workers have is that of increased ALMPs, and in particular of access to vocational training (Rueda, 2005, p. 65). Notwithstanding that ALMPs and vocational training have traditionally been a very marginal component of the Italian employment policy, unions have showed increasing interest towards this policy area since the early 1990s; this surge of interest affected both traditional and atypical workers. With respect to atypical workers, unions expressed their commitment to establishing a coherent system of training since the introduction of TAW (Vettor, 1999, p. 630; Gottardi, 1999, p. 654; Carrieri, 1999, p. 669) and as early as 1999, senior representatives of NIDiL, ALAI and CPO identified training as an important service for TAWs that unions should organise, co-manage, and strengthen (Scarponi & Bano, 1999, p. 641).

A landmark event in this respect was the establishment of a bilateral institution, Forma.Temp, jointly managed by unions and employers. This institution was introduced by the 1997 Treu package and set up by the 1998 TAW CLA, with a crucial contribution provided by the social partners in filling the implementation vacuum left by the 1997 reform, which did not specify the shape that training for temporary workers should have taken in detail (Johnston et al., 2011, p. 357). Forma.Temp has been offering four types of training to TAWs since 2001: (i) *basic training*, which focuses on general skills such as foreign languages or IT literacy; (ii) *professional training*, to which most of the resources are devoted, aiming to equip workers with specific and technical skills that can be of immediate use at the work place; (iii) *on the job training*, aiming to (re-) align workers' skills to those needed for her / his job; and (iv) *continuous training*, which consists of a training voucher that allows TAWs to attend a specific training programme of their choice (Forma.Temp,

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2013). The number of courses offered and of individuals trained increased sharply from 2001 onwards, as shown in table 3.

Table 3. Courses offered and individuals trained by Forma.Temp (2001 - 2007)

Year	Courses	Individuals trained
2001	8,440	76,584
2002	20,557	122,577
2003	39,298	188,264
2004	38,330	207,622
2005	30,389	186,701
2006	31,180	204,153
2007	36,187	225,139

Source: Forma.Temp (2013b)

Leonardi (2008b, p. 216) notes that ‘vocational training for the agency workers can be considered a good practice’. Indeed, Italian TAWs appear to be comparatively better off than most of their European counterparts in this respect. In contrast to an overall expenditure in ALMPs still lower than many EU countries (Jessoula et al., 2010, p. 577), significant resources are invested in training for TAWs and a very high share of TAWs have access to training compared to other European countries, as shown in table 4.

Notwithstanding the difficulties of establishing a coherent system of training stemming from the almost inexistent tradition in this policy domain at the national level, a noteworthy framework of vocational training for TAWs was nevertheless initiated, with an important role played by the unions in setting up and running Forma.Temp. Thus, as far as ALMP and access to vocational training are concerned, unions took a rather inclusive stance towards TAWs.

Table 4. Overview of training programmes provided to TAWs in five EU countries in 2008

	FR	BE	NL	ES	IT
Number of trained agency workers [x 1,000]	270.0	19.6	138.7	10.9	204.2
% of trained agency workers	12.3	3.6	19.0	1.4	35.6
Number of training hours [x 1,000]	10,110	303		760	1,221
Amount invested in training by temporary work agencies [x 1,000,000]	331	4.7	35	4.8	149
Amount invested per trained agency worker (in €)	1,225.9	239.7	252.3	440.4	729.6

Source: Based on Eurociett (2010), emphases added

5.3. 'New' objectives II: universalisation of welfare provisions and income protection

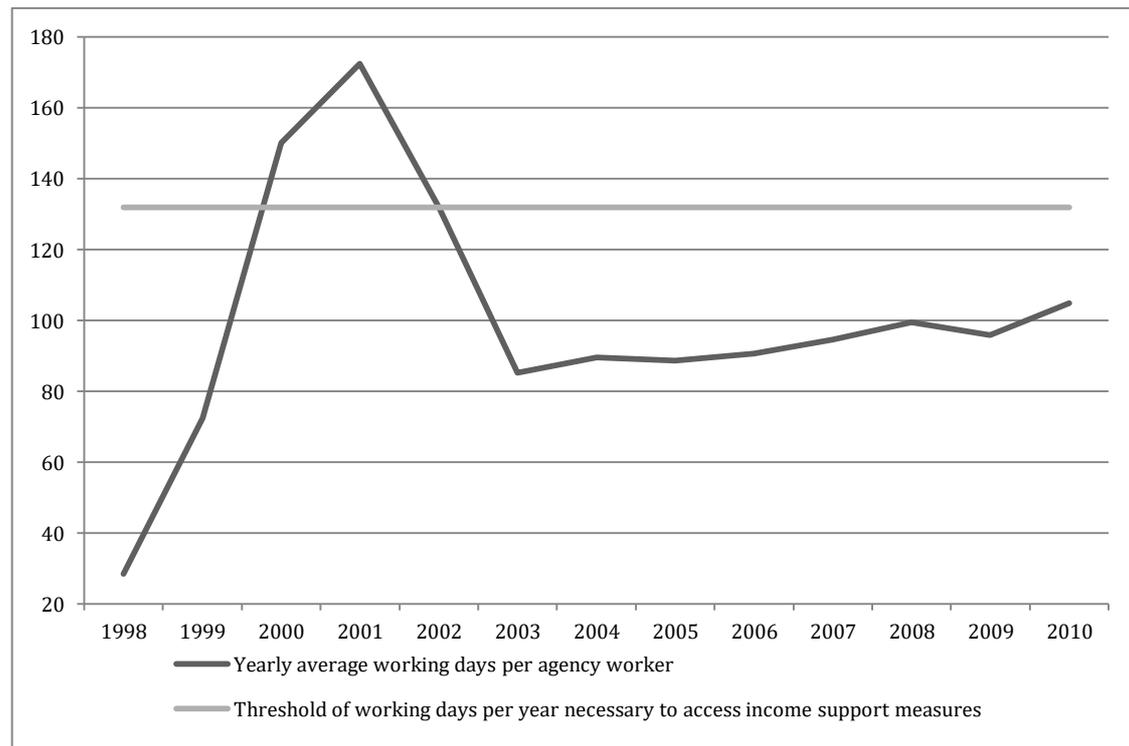
The analysis of unions' strategies towards income protection of TAWs is more complex. As has been noted in section 4, the Italian system of income protection is tailored to permanent full-time workers, since access to unemployment benefits is only granted on a long and stable history of social security contributions. The commitment to reforming the welfare system in the direction of more income security for atypical workers is identified as a shared item of novelty in the programme documents of NIDiL, ALAI, and CPO (Vettor, 1999). Further, the reference to a more universal system of welfare can be also found in the confederations' congressional documents from the mid-1990s (e.g. CGIL, 1996). However, as the remainder of this section shows, the pledge for a more universal welfare system, which tackled substantially the issue of income support for atypical workers, remained to a large extent dead letter.

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The concrete approach taken towards income support for TAWs followed a somewhat similar route to that of vocational training. A bilateral organisation, Ebitemp, co-managed by unions and employers, was created with the aim of providing a number of social security services, including income support. However, Ebitemp's organisation mirrors the traditional approach of Italian unemployment benefits schemes, notwithstanding the crucial difference of its target beneficiaries, namely the likely (very) short contributory history due to the discontinuous nature of their employment. As a result, access to income support is granted upon a worker having performed a certain amount of working days, with a very high threshold that makes the use of this instrument hardly accessible to any TAWs. Through Ebitemp, TAWs are entitled to a one-off contribution to income support of EUR 700.00, which is made available to those who have performed at least 132 working days over the last 12 months prior to the request. The effectiveness of this instrument is rather easily assessed: as figure 2 shows, the average number of working days performed by TAWs tends to fall well below the threshold for being eligible to income support, apart from a peak in 2000 and 2001 (Ebitemp, 2013).

Several studies confirm the ineffectiveness of income support for atypical workers, which is identified as the weakest component of the framework of welfare. In particular, it is pointed out how 'it is necessary to think thoroughly about how to introduce universal measures of income support, as it has been advocated for years at European level' (IRES, 2006, p. 93) since the coverage of TAWs in terms of income protection is extremely low (IRES, 2009, p. 85).

Figure 2. Average number of working days per year per individual agency worker (1998 - 2010)



Source: Own calculations, based on Ebitemp (2010)

However, the views of unions in this respect are rather sceptical. Indeed, the introduction of a system of universal income support has never found a central place in unions' priorities in the 1990s and 2000s. Unions' actions were rather targeted at achieving other goals 'such as (mostly resistance against) pension reforms, labour market competitiveness, wage negotiation and insurance based contributory unemployment compensation' (Madama et al., 2013, p. 63), and there cannot be found any exceptions to this general approach as far as TAWs are concerned. On this note, Tiziano Treu, the Minister of Labour after whom the 1997 reform is named, stated that the lack of a coherent system of income support was the major shortcoming of the reform (Marmo, 2008, p. 21).

Thus, the analysis of the system of income protection shows how TAWs are largely excluded by this component of the welfare state, and that unions'

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strategy has been far less inclusive than with respect to salary, job protection and access to vocational training, where Italian TAWs are in many respects better off than their European counterparts. On the contrary, as far as income protection is concerned, (Leonardi, 2008b, p. 217) notes that '[t]he shortage of a fair and inclusive system of social protections in case of unemployment increases the sense of precariousness felt by Italian atypical workers with respect to most of their colleagues in other European countries'.

6. Explaining unions' strategies towards TAWs: a disaggregated perspective through the lenses of unions' identity

The picture that emerges from the analysis carried out in section 5 is that of a *selective inclusiveness* of unions' strategies towards TAWs. Namely, a high degree of inclusiveness in the first two axes (salary, job security and ALMPs) is accompanied by very low inclusiveness in the third axis (income protection). These findings cannot be easily reconciled with the main theories outlined in section 2. In particular, the insider-outsider theory, which predicts that unions would not take on board outsiders' prerogatives, seems to hold as far as income protection is concerned, but falls short of explanations for the inclusiveness of unions towards TAWs in terms of salary, job protection and ALMPs. Indeed, notwithstanding the fact that all the conditions for pro-insiders policies are in place in Italy, an equally high level of protection of TAWs during their periods of employment is hardly traceable anywhere else in Europe (EIRO, 2000, p. iii). To elucidate this point further, it is noteworthy that the main provisions introduced by the European Directive 2008/104/EC

on temporary agency work, which prompts member states to grant TAWs equal pay treatment, access to various services (e.g. vocational training) and representation at the work-place, were already all included in the first TAW CLA, which was signed some ten years before the Directive was passed.

On the other hand, when specific domains of representation of atypical workers are analysed separately, it emerges that unions only showed a partial degree of inclusiveness. More specifically, highly inclusive strategies have been pursued with respect to the protection of job and salary as well as ALMPs and training. However, unions did not appear willing to compromise on other issues, such as the universalisation of income protection, notwithstanding the fact that this measure would have been greatly beneficial to atypical workers (Jessoula et al., 2010, p. 563). The continued support for insurance-based types of unemployment benefits schemes is therefore seemingly at odds with identity-based accounts that predict unions situated 'between class and society' to pursue inclusive strategies towards labour market outsiders. Thus, both approaches seem to capture only partially the rationale behind Italian unions' strategies towards TAWs.

How can we then make sense of the observed selective inclusiveness? It is argued here that the missing ingredient in order to achieve a more complete explanation of unions' strategies towards TAWs is greater reliance on unions' institutional identity *combined with* a disaggregated analysis of unions' strategies. Putting unions' identities at the core of the analysis and looking at various policy domains of unions' agency separately allows us to understand why unions have put in place more inclusive towards agency workers in some areas than in others.

The prime building block of Italian unions' identity is the pre-eminence of the confederal dimension, over the sectoral dimension (Benassi & Vlandas, 2012;

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Leonardi, 2008a). This aspect was stressed by nearly all interviewees who stated that it is in the nature of a confederal union to provide an horizontal representation of *all* workers, regardless of their type of employment (Interviewees A, B, C, F). A CGIL senior representative stated in this respect that: 'We have always refuted the insider-outsider approach for reasons that have to do with our ideology; we are a general confederation of labour, and we therefore think that labour as such must be represented, in its various forms, and that the interests of the labour should always be unified and brought to unity' (Interviewee C). A FELSA-CISL representative, on the same note, declared that: 'In our culture of representation [...], the union should equally represent independent work, dependent work and [...] atypical work because it is part of our cultural approach which we have traditionally had' (Interviewee F).

A second element that shapes the identity of Italian unions, and follows on the previous one, is their orientation 'between class and society' (Hyman, 2001, p. 143), and the resulting commitment to solidarity among workers to be achieved by a synthesis of 'working-class unity' and 'support [to] the cause of the weak and disadvantaged', respectively inherited from the socialist / communist and catholic traditions of Italian unionism (Hyman, 2001, p. 166). In particular, the identity of the largest union, CGIL, which is built around 'the defence of *workers'* rights' (Hyman, 2001, p. 165 emphasis added) goes a long way in explaining why it has been observed a decreasing degree of inclusiveness as we move from TAWs as 'workers' (i.e. in the first and, to some extent, second axes of the analysis) to TAWs as 'unemployed' (i.e. in the third axis of the analysis). Indeed, while CGIL itself engaged in the early 1990s in internal debates to move towards a somewhat broader focus on 'citizenship' (Leonardi, 2008a, p. 5), it is noted that the concept of citizenship does not constitute a shift away from the centrality of work as the basis for

social recognition (Gottardi, 1999, p. 658). Thus what is embodied by the concept of citizenship is an extension of unions' action to the entirety of labour, including the new typologies that were emerging in the 1990s (Leonardi, 2008a, 2008b), but without compromising on the centrality of work (and workers) as the pivotal element of unions' agency (Gottardi, 1999).

The point was made clear by a former NIDiL representative who stated that: 'A TAW, *when working*, is as protected as a permanent worker' (Interviewee A, emphasis added); by the same token, an identity built around the worker – as opposed to the citizen – is what explains the lack of commitment by the unions in support of a more universal system of income protection, which was dismissed by a UIL delegate as a 'financial support to unemployment' (Interviewee G) that should be avoided.

In turn, the parallel focus on 'working-class unity' (Hyman, 2001, p. 143) is the factor that led to a strategy focussing on creating the conditions for atypical work to be a stepping-stone to permanent employment through collective bargaining. In line with this approach, also the unions for atypical workers are thought of as a locus for 'transitional' representation (Interviewee C), since, a senior CGIL representative stated, 'we keep thinking that atypical work cannot be seen as a stable condition for individuals, but it should rather be a temporary condition' (Interviewee C).

The quotes just proposed illustrate the central points of unions' strategies: the conception of atypical work as a transitional form of employment explains why we found variation across unions' strategies. Unions bargained to create the conditions for atypical workers to move into permanent employment, including setting limits to the use of TAWs and enhancing TAWs' human capital acquisition. On the other hand, they were more reluctant to support the establishment of passive forms of income protection that would have

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'legitimised' atypical work by making it a potentially stable form of employment, as opposed to a stepping-stone into permanent employment.

Table 5. Identity-driven unions' strategies towards TAWs: an overview

Analytical dimension	Collective bargaining and the protection of salary and job	ALMP and access to vocational training	Universalisation of welfare provisions and income protection
Traditional unions' strategy	High importance attached to salary and job security, to be achieved through collective bargaining	Opposition until the 1990s, then acceptance and support	Preference for insurance-based unemployment schemes; opposition to universal schemes, such as guaranteed minimum income
Strategy towards TAWs	Equal pay guaranteed by law and collective bargaining; clauses for automatic conversion of temporary employment into permanent employment included in all CLAs	Establishment of a bilateral entity providing training to TAWs, with high coverage in terms of percentage of TAWs trained	Establishment of a bilateral entity to provide income support with high contributory requirements and consequent very low coverage of TAWs; opposition to guaranteed minimum income
Outcome for TAWs	Inclusion	Inclusion	Exclusion
TAW's 'status' along the specific analytical dimension	Worker	Worker / Job-seeker	Unemployed

Thus, it emerges from the analysis that Italian unions have not excluded the 'outsiders' but they have not fundamentally changed their policy preferences to include outsiders either. Rather, they included TAWs, by and large, according to the traditional strategies that were applied to permanent workers, which are in turn shaped by their identity, as summarised in table 5.

7. Conclusion and implications

This paper started with the aim to explain the coexistence of two observations seemingly at odds, namely a dualised labour market and inclusive unions, and argued that a fresh look at unions' strategies towards atypical workers is needed to explain the coexistence of a dualised labour market and inclusive unions. It suggested that unions' strategies cannot be simply inferred through labour market outcomes, but they rather need to be investigated in their own account, which entailed disaggregating the analysis of unions' strategies along different dimensions and assessing them separately. In this respect, three dimensions have been singled out for the purposes of this research, namely: (i) salary and job protection; (ii) access to training; and (iii) income protection. The analysis of unions' strategies towards TAWs along these three dimensions led to identify a pattern of *selective inclusiveness*, whereby unions' strategies have been highly inclusive in terms of salary, job protection and access to training, and exclusive in terms of income protection.

The paper argued that the observed selective inclusiveness could not be explained by interest-based theories, such as the dualisation literature. Rather, it argued that idea-based explanations, which rely on the centrality of unions' identity to understand unions' agency, provide a better starting point. However, it has been also pointed out that in order to fully capture the pattern of selective inclusiveness, an identity-based explanation needs to be coupled with a systematic analysis of unions' strategies across different policy domains, since existing identity-based accounts of unions' strategies seem to overlook the variation in unions' strategies across policy areas.

It has been therefore shown that, in some cases, unions pursued strategies precisely to counteract dualisation of the labour market and to unify labour

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(e.g. by supporting equal pay and other measures of equal treatment for atypical workers and including into the CLAs clauses to ease the transition of atypical workers into permanent employment), whereas in other cases, unions' strategies contributed to excluding atypical workers from access to welfare and as such contributed to a process of (welfare rather than labour market) dualisation (e.g. by supporting an insurance-based unemployment system that are to a large extent inaccessible to atypical workers).

Thus, the paper showed that the interaction between unions' strategies and labour market outcomes cannot be reduced to a binary relationship, whereby a dualised labour market inevitably signals exclusively pro-insiders unions. An in-depth assessment of Italian unions' strategies towards TAWs showed that unions' strategies are not simply a response to their core constituencies' interests; rather, unions may be pursuing both inclusive and exclusive strategies within a dualised labour market, and that such strategic choice may be primarily driven by their institutional identity.

More broadly, by providing an explanation to the coexistence of a dualised labour market and (selectively) inclusive unions, this research aimed to make two contributions. Firstly, it is suggested that dualisation is not necessarily a process leading to outsiders being worse off than insiders 'across the board'. The case of the Italian TAW sector shows that, for instance, salary is not a source of dualisation, since equal pay is guaranteed by law and CLA. On the contrary, a highly exclusive system of income protection towards atypical workers stands out as a major difference in the degree of welfare and social protection enjoyed by full-time permanent workers and atypical workers. These factors may be different across countries, and a more fine-grained understanding of the dynamics leading to dualisation may be reached through a systematic disaggregated analysis, for instance by keeping separate the labour market and welfare state dimensions.

Secondly, following on the first point, unions' strategies may be different across countries bearing different consequences on the degree of inclusion of atypical workers in the labour market and in the social protection system – or, indeed, in specific components of it. In this respect, this paper contributed to a broader research agenda that can be summarised by the following overarching question: 'what determines how constructive or obstructive, defensive or proactive, assertive or compromising, trade unions are in particular policy areas?' (Schelkle, 2011, p. 302). The case study of the Italian TAW sector supports the claim that reliance on 'stylized dualistic typologies' is too simplistic (Schelkle, 2011, p. 302). Indeed, this case study showed how unions' strategies towards atypical workers cannot be fully assessed through a clear-cut framework of inclusion vs. exclusion. Rather, unions may be more or less inclusive in different policy domains, and their degree of inclusiveness may be in turn heavily influenced by their identities, which shape 'the interests with which they identify, [...] the agenda they pursue, and the type of power resources which they cultivate and apply' (Hyman, 2001, p. 1).

List of Interviewees

Code	Interviewee	Date	Place
A	Former NIDiL-CGIL representative	03/04/2013	Bologna
B	Former FIOM-CGIL representative	04/04/2013	Rome
C	CGIL representative	20/05/2013	Rome
D	NIDiL-CGIL representative	21/05/2013	Rome
E	CISL representative	22/05/2013	Rome
F	FELSA representative	22/05/2013	Rome
G	UILTEM.P@ representative	26/07/2013	n.a., Skype

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