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# **Structure and consistency of Employers' Associations in Italy: an analysis through firms' data**

## **The presence, role & economic impact of employers' associations in Europe**

On-line workshop organised in the context of the EmpRep Action – Friday 18th February 2022



# OUTLINE

Introduction

**The *strange non-death* of EAs  
and the Italian debate**

Data source and theoretical method

Results

Conclusion



## Motivation, aims and tools

Renewed scientific interest on the topic

Bridge the information gap related to Italian EAs

Rilevazione Imprese e Lavoro (Ril), a sample survey of the National Institute for Public Policy Analysis (Inapp)



## Institutional Framework

Freedom of association (art. 39 Cost.)

Collective *laissez faire*

Two-tier bargaining structure



# The state of the debate

Overall erosion of the *raison d'être* of collective organizations

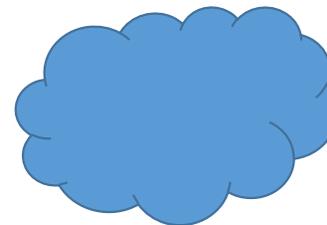
«A common neoliberal trajectory» v. *Varieties of Capitalism* theory

«Adjustment strategies» on the organizational structure and the mechanisms governing the associative offer (Traxler, 2004)

## In Italy



EAs are resilient: changes in the organizational criteria and goods offered, support the continuing vivacity and organizational compactness of EAs



Collective laissez faire leads to the decline of Membership and fragmentation of EAs, with disruptive effects on the entire IR system



# Data source and theoretical method

Our analysis is based on Rilevazione su Imprese e Lavoro (RIL), an INAPP sample survey

RIL is a nationally representative firm-level survey of partnership and capital companies operating in the non-agricultural private sector.

RIL survey has a panel structure (waves in 2007, 2010, 2015 and 2018)

RIL collects a large set of information about management, industrial relation, personnel organization and other workplace characteristics

Focus on firms with 2 employees or more



# Data source and theoretical method

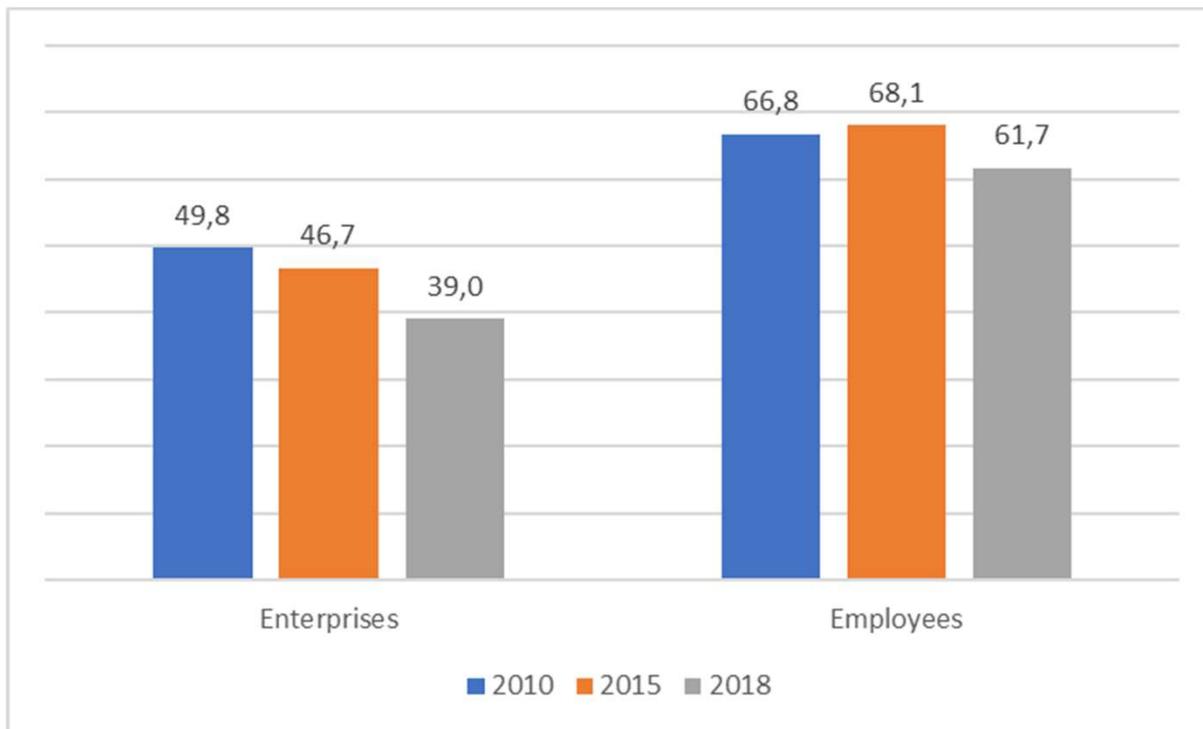
- To investigate some determinants that influence the choice of becoming members of an employers' association, we have considered the following logistic regression evaluated on INAPP-RIL 2018 :

- $$Y_i = Cover_i + OA_i + OE_i + Inv_i + Train_i + Union_i + X_i$$
 (Sample size: N=24.641)

- **Dependent variable:** a binary variable that assumes value 1 if a firm is associated with an employer association. Value 0 otherwise.
- **Independent variable:** Cover indicates the collective and/or firm-level bargaining coverage. Other variables formalize respectively owner's age (OA), owner's educational attainment (OE), if the firm has done investment in the previous year (Inv) , if the firm has provided training in the previous year (Train) and the presence of trade union.  $X_i$  contains a vector of firms' characteristics (geographical area, sector of activity, firm size and legal form).



# Results: share of associated enterprises and share of employees in associated enterprises



Source: RIL-2018

Steady and gradual decrease of membership (from 49.8 % in 2010 to 39 % in 2018)

Especially during the last survey employer density has declined (from 66.8 % in 2010 to 61.7 % in 2018)



# Results: share of associated enterprises and share of employees in associated enterprises (2010-2018)

Sector	membership			employer density		
	2010	2015	2018	2010	2015	2018
extractive industry, water gas production	62.6	54.6	38.4	78.7	60.3	78.0
Industry (2= food and tobacco + 3=wood and publishing)	59.8	55.7	52.7	75.6	72.7	69.4
manufacturing industry (4=chemistry and metallurgy)	63.7	58.6	55.5	82.0	78.5	74.7
other manufactory (5=mechanical+ 6=other manufactory)	60.7	60.4	49.2	82.4	76.5	71.9
construction	50.2	49.0	37.3	54.8	56.3	47.6
commerce + hotels and restaurants	46.6	41.7	38.3	64.5	58.3	53.9
transport	58.2	60.5	45.0	78.3	84.6	80.1
business services (10=information and telecommunications+ 11 private and other social services)	40.5	36.1	28.0	46.4	67.7	55.7
Geographical area of Italy						
Nord West	55.7	49.2	45.9	78.7	74.0	69.8
Nord East	63.8	59.7	53.1	78.7	74.4	72.3
Center	44.5	42.7	37.2	49.7	64.6	59.8
South and Islands	32.2	34.0	22.4	47.4	50.0	35.4
Enterprises' size						
2 employees	39.7	36.0	34.2	39.7	36.0	34.2
3-5 employees	44.6	41.1	34.5	45.6	41.4	34.5
6-9 employees	51.8	49.4	39.1	51.9	49.6	40.2
10-49 employees	61.7	60.0	45.2	63.7	62.1	47.7
50-249 employees	80.4	72.0	68.1	82.0	74.7	70.4
250 e+ employees	84.6	82.2	79.9	74.7	85.9	86.5

## Sector

- homogenous decrease in membership across all sectors, but differences
- general contraction in density, but an increase in 'Transport' and 'Business Services'

## Geographical area

- Decrease in membership in all areas
- density of the Center grew by around 10 %

## Firm's size

- sharper decrease in membership in SMEs
- Increase density in large enterprises



## Distribution of Collective Bargaining by Employers' association membership (2018)

	Not affiliated	Affiliated	Total
Only sectoral level collective agreement	72,5	80,7	<b>75,7</b>
Only firm level collective agreement	0,6	0,2	0,4
Sectoral + firm level agreement	2,6	6,1	<b>4,0</b>
Not covered	<b>24,3</b>	13,0	19,9
Total	100,0	100,0	100,0

Source : RIL-2018



## Empirical results of logistic analysis (1/2)

### Determinants of membership in an employers' association (N=19.331)

	Coef.	Std. Err.
<b>Geographical area, base=South and Islands</b>		
North west	0,82 ***	0,15
North east	1,19***	0,14
Center	0,50***	0,16
<b>Firm size, base 2-4 employees</b>		
5-15 employees	0,03	0,25
16-49 employees	0,10	0,26
50 and over	0,60***	0,26
<b>Coverage of collective bargaining, base= no covered</b>		
Only sectoral level collective agreement	0,43**	0,17
Only firm-level collective agreement	-0,94*	0,49
Sectoral + firm-level collective agreement	1,04***	0,29
<b>Legal form, base=partnership</b>		
Capital sociedad	-0,7***	0,13

Source: RIL 2018

Table contains average marginal effects. Levels of significance: \*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$



## Empirical results of logistic analysis (2/2)

### Determinants of membership in an employers' association (N=19.331)

	Coef.	Std. Err.
<b>Owner's age, base 15-39 ages</b>		
40-49 ages	0,53**	0,20
50-59 ages	0,84***	0,20
60 and over	0,92**	0,30
<b>Owner educational attainment, base=primary and lower-secondary education</b>		
Tertiary education	0,72***	0,17
Upper-secondary education	0,29**	0,13
<b>Investment; Base=no</b>		
yes	0,49***	0,11
<b>Presence of trade union, base=no</b>		
yes	0,47***	0,13
<b>provides training, base=no</b>		
yes	0,46***	0,11
Constant	-1,77	0,39
<b>Other controls: sector of activity</b>	yes	yes

Source: RIL 2018

Table contains average marginal effects. Levels of significance: \*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$



# Conclusions

Steady and gradual decrease of EAs membership (from 49.8 % in 2010 to 39 % in 2018) and employer density (from 66.8 % in 2010 to 61.7 % in 2018)

...but increase density in large enterprises (from 74.7 in 2010 to 86.5 in 2018)

multi-employer collective bargaining is still the main tool of collective protection (in 2018, 75.7 % of firms apply only this level), on the other hand a large number of non-affiliated firms do not apply any collective agreement (24.3%)

the logistic model shows that the probability to be member of an EAs is greater in: larger firms; Northern Italy; firms with firm-level worker representation

firms that apply a multi-employer collective bargaining are more likely to be affiliated, while firms that only adopt a single-employer collective bargaining have a lower propensity of being affiliated





THANKS for the attention



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