Country Report

netwiR
Networked Coordination of Industrial Relations

Understanding collective bargaining coordination: a network relational approach.

The case of Italy

Luigi Burroni
Anna Mori
Andrea Bottalico
Dipartimento di Scienze Politiche e Sociali
Università degli Studi di Firenze

UNIVERSITÀ DEGLI STUDI FIRENZE | DSPS DIPARTIMENTO DI SCIENZE POLITICHE E SOCIALI

European Commission

This publication constitutes a deliverable of the NETWIR project – Networked Coordination of Industrial Relations

This project has received funding from the European Commission, DG Employment, Social Affairs and Inclusion under Agreement No VS/2018/0023.

March, 2020

General contact: quit@uab.cat

QUIT - Centre d'Estudis Sociològics sobre la Vida Quotidiana i el Treball
Universitat Autònoma de Barcelona
Campus UAB, Edifici B- C/ de la Fortuna s/n
08193 BELLATERRA, Spain

Please refer to this publication as follows:
Burroni, L., Mori, A. & Bottalico, A. (2020). *Understanding collective bargaining coordination: a network relational approach. The case of Italy*. NETWIR Research Report. https://ddd.uab.cat/record/229072

netwiR

CONTENTS

1. AN INTRODUCTORY OVERVIEW OF COLLECTIVE BARGAINING IN ITALY 2

2. METHODOLOGY 3

3. SECTORAL ANALYSIS 4

4. COMPARATIVE ANALYSIS AND CONCLUSIONS 20

REFERENCES 23

1. AN INTRODUCTORY OVERVIEW OF COLLECTIVE BARGAINING IN ITALY

In Italy, collective bargaining represents the most important mechanism for regulating and defining terms and conditions of employment. The bargaining system is based on a two-tier structure: national collective agreements (NCAs hereinafter) are negotiated at the sectoral level by national trade unions and employers' associations and are applied to all employees of the specific economic sector. At this sectorial level, the main contractual arrangements of the employment relations are established as, for instance, wage levels, working conditions, job classifications, working time and access to social security protections (such as allowances covering maternity, sickness, injuries). NCAs are legally binding only upon employers and employees belonging to the organisations that have signed them, or that choose to apply them even though they are not a member of the signatory employers' association. However, NCAs cannot be extended to the whole sector by legislation, but a de facto extension is set out by labour courts in case of a dispute.

At the decentralised level, second-level integrative agreements are negotiated, generally at the company level (but also at territorial level, regional or provincial level) by the employers and the local branch of the trade unions that have signed the NCA applied in the plant. Indeed, only signatory unions are allowed to take part in second-level bargaining. At this level, company-specific arrangements delegated by NCAs are defined, like productivity standards, performance-related pay, schemes for incentive remuneration and special kinds of allowances and indemnities. As anticipated, decentralised second-level bargaining takes mainly place at the company/workplace level, in the private manufacturing and service sectors as well as in the public administration. However, in peculiar economic sectors, decentralised agreements are negotiated at the territorial level. In the construction sector, tourism and agriculture, second-level bargaining takes place at the provincial level; in the artisanal sector, instead, at the regional level.

In terms of duration and timing of collective bargaining, the NCAs are generally renewed every third year, while wage levels are adjusted to the inflation rate every year. Decentralised second-level agreements have variable duration, but renewals tend to follow the renewal of the NCAs of the sector of belonging. Agreements concerning productivity standards and productivity bonuses, however, used to be renegotiated every year, to update the variable objectives.

In Italy, the largest and most representative trade unions are affiliated to the three main union confederations: the CGIL (Italian General Confederation of Labour), the CISL (Italian Confederation of Workers' Unions), and the UIL (Italian Union of Labour).

2. METHODOLOGY

The actors' coordination in the collective bargaining in both the pharmaceutical and large retail sector was investigated through a two steps process. The first phase was based on a qualitative analysis of the relationships among the relevant actors and on the mechanisms through which they coordinate in the definition and negotiations of the NCAs. A preliminary analysis of the documentary sources and of the relevant literature in the two sectors was followed by exploratory semi-structured interviews with the core actors identified in the processes of collective bargaining. A common grid was used to carry out the interviews, focusing on the following topics: presentation of the sector, mechanisms to set wages in the sector, intra-organisational coordination, inter-organisational coordination, influence on other sectors. The interviews have been recorded, fully transcribed and content analysed.

More specifically, in the pharmaceutical sector 4 semi-structured interviews with key informant (3 trade unionists and 1 employer) have been conducted, complemented by an observatory participation to an internal meeting of the bipartite body FONCHIM created to provide an integrative pension fund to the workers in the chemical and pharmaceutical sector. In the retail sector, 7 semi-structured interviews have been realized (2 trade unionists and 5 employers) between October and December 2018, in Florence, Rome, and Milan.

This first qualitative phase enabled also to point out the complete network of actors involved in the collective bargaining in each sector: 16 actors in the pharmaceutical sector and 15 the retail one. The second phase of the analysis based on the Social Network Analysis targeted these networks. An on-line questionnaire was drafted and adapted to the Italian context, as well as further adjusted to the specificities of each sector analysed. The questionnaire was circulated on-line via the platform SurveyMonkey: the survey response rate amounted to 63% in the pharmaceutical sector (10 respondents out of 16) and to the 80% in the retail sector (12 respondents out of 15). Nevertheless, not all the questionnaire collected were fully filled.

In detail, in the pharmaceutical sector a strong resistance in answering to the questionnaire was encountered, in particular to the sections regarding the power relationships among actors and the influence of each actor in the network. It turned to represent a too sensitive topic to be explored in such a direct way and survey participants refused to answer. Furthermore, the SNA was criticised as methodology to study relationships which are defined as too complex to be simplified through rates and numbers. All in all, the sector turned not to be suitable for the application of the methodology.

In the retail sector, more or less the same issues have been faced during the two above-mentioned phases. Moreover, it should be noticed that since December 2018 – which means during the fieldwork – three national collective agreements regulated the employment conditions – for medium and large-scale retailers, for small retailers and for cooperative retail respectively. Only recently, the employer association who represents the large and modern retail industry signed the fourth national collective agreement who sets the employment conditions for the GDO. Therefore, from January 2019, four national collective agreements regulate the employment conditions and wage settings. This change occurred during the fieldwork not only has altered all the historical equilibriums of the industrial relations in the retail sector, but also the relationships among social partners during the last contractual rounds, reflecting in turn their sceptical approach to this study.

3. SECTORAL ANALYSIS

3.1. Pharmaceutical sector

3.1.1. Socio-economic situation

The pharmaceutical sector represents a global business per excellence, being primarily export-oriented and dominated by a limited number of multinational companies, the Big Pharma, based mainly in the US and in Europe. In terms of international ranking, the Italian pharmaceutical industry represents the 6th main exporter among the member state with a market share accounting for 4.9% in 2017, following Germany (15.35%) and Switzerland (13.45%) as leading countries, then Ireland (7.22%), UK (5.99%) and France (5.82%), displaying current market share similar to the Italian one. Interestingly, the export market share in Italy has remained almost unchanged in the aftermath of the economic crisis, displaying values comparable to the decade preceding the crisis (OECD 2017).

One fourth of the pharmaceutical establishments located in Italy are owned by foreign investors, amounting to 108 in 2014. This data is particularly significant if considered that their turnout correspond to the 62% of the total turnout in the Italian pharmaceutical industry; they employ the 53% of the workforce in the sector, and that they contribute to the 48% of the total expenditure in research and development (*Istat – Rilevazione sulle attività delle imprese a controllo estero residenti in Italia*). Also, the presence of the Italian pharmaceutical industry abroad is remarkable: 189 companies controlled by Italian capitals are based abroad, employing 23,000 workers and amounting to €5,747million of turnout (*Istat – Rilevazione sulle attività estere delle imprese a controllo nazionale*).

In line with the trend observed also in the other European countries, the Italian production has increased until the 2008 financial crisis when, after a short decline, it remains permanently stable since 2010. Moreover, between the 2010 and the 2017, in the aftermath of the financial crisis, the growth of the pharmaceutical industry turned to be the highest among the Italian economic sectors, featured by: an increase in the overall production corresponding to the 21% (while the average in the manufacturing corresponds to -3%); an increase of 73% in the export (against an average +33%); and a 100% of growth devoted to the export (while the domestic sales decreased). All in all, the pharmaceutical sector turned to be rather dynamic also in comparative perspective with the other economic sector within the national economy, scoring higher than other manufacturing activities in terms of index of industrial production in the time-lapse 2012-2016 (*Istat – Indagine mensile sulla produzione industriale*).

In line with a lively production, also the structural developments of the employment present a positive trend. The pharmaceutical sector displays a rather stable trend, characterised by a light drop immediately after the economic crisis but an overall stability. The sector employs on average about 1.8 million workers in Italy, representing the 0.7% of the total employment and the 4.5% of the employment in the manufacturing industry (data: oecd.stat). Moreover, the workforce involved in the satellite activities counts further 66,000 workers (www.farmindustria.it).

Overall, the pharmaceutical sector is characterised by a highly qualified workforce (more than the 90% of the employees holds a high-school diploma or a degree) (data:

www.farmindustria.it) and a quite fair gender balance compared to other economic sectors. The male component amounts to about the 62%, while the female components overall amounts to 38% of the total workforce, amounting to 52% in the research branch (Eurostat Labour Force Survey 2018).

The distribution of pharmaceutical companies in the Italian territory is characterised by a marked concentration in the Northern regions. In terms of number of active enterprises, indeed, more than half of the companies is located in the northern regions, and in particular in the northern-western part of Italy where the 44.7% of the total active companies is situated (204 enterprises out of 456). More in detail, 169 companies are concentrated in the Lombardy region. The concentration of companies is rather high also in the centre of Italy, were the 26% is located, in particular in Lazio (75 companies) and Tuscany (37 companies). Lombardy represents the first pharmaceutical region in Europe, with 28,000 employees in the sector and 18,000 workers involved in the satellite activities. Emilia-Romagna embodies a pole of excellence in the ancillary activities with its 7,000 workers and by directly employing 3,600 employees.

The *Menarini Group* (https://www.menarini.it/) is the largest Italian pharmaceutical group in the world based in Florence (Tuscany), counting 17,640 employees, distributing its products across 136 countries, out of which 70 countries through a direct involvement and more than 30 countries through local distributors. With its €3,667 millions of turnover in 2018, the 75% abroad, the Menarini group in fact has established fruitful international collaborations, to improve in particular the R&D potentiality. It is affiliated to Farmindustria. The *Chiesi Group* (https://www.chiesi.com/) is an international group founded in Parma (Emilia-Romagna) in 1935, that represents the second largest Italian group in the pharmaceutical sector with its 5,624 workers in 2019, a turnover of €1,768,000 million and an investment in R&D amounting to €382,000. It is affiliated to both Farmindustria and Federchimica. The *Bracco Group* (https://corporate.bracco.com/it-it) is an Italian multinational company, the third largest in the country, operating in the life sciences sector and a world leader in diagnostic imaging. Founded in 1927, it counts a consolidated turnover of around €1.3 billion, of which 87% on foreign markets, in particular in North America (€550 million) and in Europe (€476 million). It employs approximately 3,450 employees. It is affiliated to both Farmindustria and Federchimica.

3.1.2. Single and multi-employer collective bargaining

On the union side, the main trade unions organising in the pharmaceutical sector are affiliated to the three major Italian union confederations CGIL, CISL and UIL and are respectively: Filctem-CGIL, Femca-CISL and Uiltec-UIL. Beyond the three confederal unions, further autonomous trade unions organise in the sector: the UGL-Chimici, FAILC-CONFAIL and FIALC-CISAL. Overall, the collective representation of workers in the sector displays a low degree of fragmentation, unlike in other sectors, such as the public sector. Membership to the union is voluntary and these sectoral trade unions compete for the recruitment of members given that their domain coverage perfectly overlaps. The economic sectors organised by the union category is rather wide, encompassing workers not only from the chemical and the pharmaceutical sector, but also from textile, clothing and footwear industry, and from the energy sector. Although the pharmaceutical industry is not the largest category in the national sectoral trade union in terms of membership, it certainly represents the most important one in terms of relevance of the sector and of its national collective agreement.

The Filctem-CGIL (F*ederazione Italiana Lavoratori Chimica Tessile Energia Manifatture*) is the Italian Federation of Workers in the Chemical, Textile, Energy and Manufacturing Industries, affiliated to the major union confederation CGIL (*Confederazione Generale Italiana del Lavoro*) the Italian General Confederation of Labour. With an historically consolidated unitary tradition, the Filctem-CGIL affiliates more than 216,000 members in important productive sectors of manufacturing and craft (chemical-pharmaceutical, textile-clothing and footwear, plastic rubber, glass, tanning and leather, ceramic and tile, glasses, industrial laundries, lamps and displays), energy (oil, gas transport, mines) and services with high technological relevance (electricity, water, gas). It counts 33,000 active members in the chemical-pharmaceutical sector (Eurofound 2014).

The Femca-Cisl (*Federazione Energia Moda Chimica e Affini*) is the Union Federation in the Energy Fashion Chemical Industries and alike, affiliated to the second Italian union confederation CISL (*Confederazione Italiana Sindacati dei Lavoratori*), the Italian Confederation of Workers' Unions. Organised by three main categories - chemical, energy and fashion – the union organized workers employed in the chemical and pharmaceutical industry, in oil, gas and water companies, in mines, in companies in the textile and clothing sectors, in tanning, leather and footwear, in companies that produce or work rubber and plastic, ceramics and tiles, glass and lamps and in the companies of related sectors. Femca-Cisl counts overall 58,000 members, out of which 48,000 active members in the chemical-pharmaceutical sector (Eurofound 2014). Accordingly, even if the union is the second largest in Italy, it represents the major one in terms of membership in the pharmaceutical category.

The Uiltec-UIL (*Unione Italiana Lavoratori Tessile, Energia e Chimica*) is the Union Federation of Workers in the Textile Emergy and Chemical Industry affiliated to the union confederation UIL (*Unione Italiana del Lavoro*), the Italian Labor Union. It was created in 2013 from the merger between UILCEM (Italian Union of Energy Chemistry and Manufacturing) and UILTA (Italian Union of Textile and Clothing Workers). The Uiltec-UIL counts 120,901 members overall, including all the domain of coverage (Eurofound 2014).

Also, on the employer side, the degree of fragmentation in the representation of interests is very low. Two organisations are active in the pharmaceutical sector: Farmindustria and Federchimica, both affiliated to the employer confederation Confindustria, the main association representing manufacturing and service companies in Italy. While Farmindustria affilates almost exclusively companies in the pharmaceutical sector, Federchimica primarily target the chemical industries, but encompassing also the pharmaceutical companies. Membership to these associations is voluntary. Farmindustria (*Associazione delle imprese del farmaco*), the Association of Enterprises in the Pharmaceutical Sector, established in 1978, represents a major sectoral employer association in the pharmaceutical industry. It currently counts around 200 affiliated companies operating in Italy, with both domestic and foreign capital, for a total of about 63,500 employees (www.farmindustria.it). Federchimica (*Federazione nazionale dell'industria chimica*) is the Italian Federation of the Chemical Industry, representing companies in the chemical sector and service enterprises for the chemical sector. It currently affiliates 1,400 companies, almost all in the chemical and pharmaceutical sector, with a total of about 90,000 employees in the sector.

The main level of collective bargaining in the pharmaceutical sector is the sectoral level. The coverage is particularly high, estimated to amount to 90-95% (Eurofound 2014). The multi-employer bargaining prevails in the sectoral collective negotiations, where the extension is pervasive in the practice, but not compulsory by law.

Two main national collective agreements (NCA hereinafter) applied in the pharmaceutical sector, both signed on the employer side by the two main associations Farmindustria and Federchimica, while the union signatory parties vary. The most widespread national collective agreement is the contract for the chemical and pharmaceutical sector signed by the three major trade unions in the sector Filctem-CGIL, Femca-CISL and Uiltec-UIL, while a second one is negotiated by the autonomous trade unions UGL-Chimici, FAILC-CONFAIL and FIALC-CISAL.

The NCA covers over 171,000 workers in the sector: in particular about 109,400 in chemical sector and about 62.300 in the pharmaceutical industry. The contract applies to 2,770 companies affiliated to Federchimica and 174 affiliated to Farmindustria in a wide range of economic sectors including: chemical, pharmaceutical, chemical fibres, detergents, dielectrics, carbon electrodes, waxes and lights, abrasives, gpl, technical gases; insulation for petrochemical plants, refineries, power plants, etc.

The NCA is regularly renew every third year: the one currently in force for the triennium 2015-2018 was signed on 15 October 2015 (previous renewal during the last decade: 10 May 2006; 18 December 2009; 22 September 2012). On 8 June 2018, the social partners reached an agreement on the platform hypothesis for the NCA renewal for the triennium 2019-2021. They agreed upon an overall wage increase amounting to €130. Beyond the economic treatment, the agreed platform aims at valorising the company-level collective bargaining by widening the issues covered by the decentralized collective agreements as well as by increasing the budgetary transfer from the national to the decentralised level. In particular the company-level negotiations will have to target the improvement of the productivity, the profitability, the welfare policies and the education and training programmes. Moreover, the new platform aims at simplifying the regulatory aspects of the NCA.

The decentralised collective bargaining in the pharmaceutical sector occurs primarily at company level where the social partners sign integrative collective agreements to the national one. The second level collective agreements mainly deal with the following matters: performance-related pay, productivity bonuses, integrative welfare, training and education.

A bipartite sector-specific body has been established through an agreement between the social partners in the sector (Filctem-Cgil, Femca-Cisl, Uiltec-Uil, Ugl-Chimici, Failc-Confail, Fialc-Cisal on the union side; Federchimica, Farmindustria, Assovetro, Anicta on the employer side) regarding the pension fund. It is called FONCHIM - the Pension Fund for the Chemical-Pharmaceutical sector.

3.1.3. Network Analysis of CB in the pharmaceutical sector

The industrial relations in the sector: characteristics and coordination

According to a report issued in May 2018 by Federchimica, the system of industrial relations in the pharmaceutical sector is described as modern and efficient, built through a high degree of involvement and participation of the companies in the relevant decisions and thanks to a relationship between the social partners featured by reciprocal responsibility and acknowledgment; a longstanding, sound and continuous dialogue between the parties; and a pragmatic and not ideological attitude oriented to problem-solving negotiations (Federchimica 2018). Such a constructive and collaborative framework, defined as “an absolutely collaborative relationship, a constant dialogue” (Interview with Federchimica) has been built over the last four decades through an incremental process rooted on a series of hinges. In particular, the role of the actors and the reciprocal posture they adopted turned to have played a crucial role.

A first pivotal characteristic relates to the *size and the composition of the network*. It is a relatively small network made up of 16 actors belonging to the three main unions (Filctem-Cgil, Femca-Cisl, Uiltec-Uil) and the two employers' associations Federchimica and Farmindustria, hence the degree of fragmentation is very low. Furthermore, importantly, it embodies a stable network where the actors display not only a longstanding experience in their organisation of belonging, but also a sizeable involvement in the wage setting in the pharmaceutical sector, as displayed in the following table. Among the Italian respondents in both sectors of analysis, the large majority has been directly involved in the wag setting within their organization for more than 5 years. Such stability and continuity in the composition of the network has strengthened and facilitated the coordination among the actors.

Table 1: Descriptive characteristics of respondents in the pharmaceutical sector

	Ireland	Italy	Netherlands	Spain	Total
Time in current organisation					
Up to 5 years	1	5	9	2	17
More than 5 years	9	15	33	35	92
Time in wage-setting in sector					
Up to 5 years	2	3	26	11	42
More than 5 years	8	17	16	26	67
Type					
Direct involvement	8	20	42	36	106
Indirect involvement	2	0	0	1	3
Involvement in wage setting in other sectors					
No	4	5	21	14	44
Yes	6	15	20	22	63
Total	**10**	**22**	**42**	**38**	**112**

As emerged from the SNA, in fact, the lack of trust among the actors, the power differences among the actors and the fragmentation in the representation of workers or firms do not represent, according to the survey, a challenge for the coordination in the wage setting in the sector.

Table 2: Main challenges for coordinating (1 = irrelevant | 5 = extremely relevant).

Lack of trust	2,38
Power differences	2,63
Fragmentation in the representation of workers or firms	3,13
Obstacles from economic and/or sectorial context	3,63

Relatedly, *the continuous periodical interactions and meeting* the social partners hold have reinforced the trust among the actors and their capacity to coordinate. The key interviewees have, in fact, underlined the relevance of keeping the interchanges and the dialogue constant over time, well beyond the formal institutional appointments for the negotiations of the national collective agreements:

> *once the renewal is completed, the dialogue continues. It is a feature of our industry. Why? Because there is a series of commitments that we set among each other, especially in the contract renewal phase, which became an opportunity for debating, and in some cases for working together. So, these moments, representing occasions where we exchange opinions, we discuss specific in-depth aspects on some issues, are constant. It is clear, then, that these moments the closer we get to a contract renewal deadline, the more they become meaningful, they become more frequent and they are an element that practically allow, even before starting to sit at the table of a contract renewal, they now allow to facilitate the dialogue (Interview to FILCTEM – CGIL).*

Beyond the formal meeting purposely devoted to the discussion and the definition of the contractual platform, leading then to the signature of the national collective agreements every third year, the social partners in the pharmaceutical sector exploit several other *formal and informal occasion to interact*, including the training meetings for the union workplace representatives, the meetings relating to the management of the bipartite sector-specific body FONCHIM for the integrative pension fund, the training meetings focused on health and safety issues at workplace, and the National Observatory.

The *centrality of the informal relationships* emerging from the qualitative interviews is confirmed also by the SNA: as displayed in the table the predominant form of interaction occurring among the actors are the informal bilateral meetings (3,33), followed by the informal multilateral meetings (3,08).

Table 3: Predominant form of interaction in the Italian Pharmaceutical Sector

Informal bilateral meetings	Formal bilateral meetings	Informal multilateral meetings	Formal multilateral meetings
3,33	2,38	3,08	2,85

In terms of *network centralization* in the pharmaceutical sector, the power is highly concentrated in a small number of actors who are key in the bargaining process. Such characteristic emerges clearly from the qualitative interview, during which the five core actors, one from each organization, are pointed out: they remain stable along time, renewal after renewal, *they regularly meet formally and above all informally*, they all have a technical role in their organization and they practically carry out the negotiation for the definition of the NCA. Conversely, the results of the SNA show the opposite picture: the index relating to the degree of centralization attains the minimum value of 0, meaning that all actors have degree of power in the network.

Table 4: Degree of centralization in Italian pharmaceutical sector

Country	Sector	Degree centralization	Weighted degree variance
Italy	Pharma	0,000	0,715

Keeping into consideration the methodological limitation of the SNA, it is plausible that the qualitative interviews provide more reliable data on this point.

A further key characteristic concerns the *unitary positions of the social partners* in the sector, and in particular of the trade unions. Accordingly, the *degree of inter-coordination*, and above all, *of intra-coordination among organisations is particularly high*.

> *Another thing that has helped us a lot is that, in our sector, thanks to the fact that we have worked in this direction, the union has always been fairly unified, there have never been any major cracks in our sector. There were moments, perhaps due to other events, of tensions, but we put the positions back together, we collaborated to reconstruct the relationship, and this was certainly an advantage (Interview to Federchimica).*

The ideational divides that have repeatedly featured the relationship at the national level between the three major union confederation CGIL, CISL, and UIL in diverse historical moments do not reflect the unitary stance traditionally adopted by the three sectoral trade unions affiliated (FILCTEM – CGIL, FEMCA – CISL, and, UILTEC – UIL). This is relevant from different perspectives: it legitimizes the role of the trade unions by strengthening their position with the counterpart, which, on its side, is strong and unitary.

> *As far as the trade unions are concerned, we have never made separate contracts, unlike in other sectors. There have been moments of trouble, but in the fact we fixed them quickly, because, our organisations operate in the context of good unitary relations, it is clear that in certain situations, where great difficulties emerged within the union confederations, this has some influences for us, we cannot deny it. But fortunately, the trouble has not been so harsh, and perhaps the unitary tradition that was built in the past in this category turned to have been stronger, which has made it possible to overcome even this type of difficulty (Interview to FILCTEM- CGIL).*

To this aim, the employers' association Federchimica, thanks to its strong organizational structure, the high coverage in the sector and the responsibility it has historically had as pivotal actor and collector of interests to coordinate the actions between the social partners. Overall the sectoral dynamics and developments have prevailed over the confederal national union trajectories, reflecting a high degree of intra-unions coordination:

> *there have been moments, in these 40 years, of greater difficulty, of some difficulty because perhaps confederal events outside the sector, especially in the union, could affect certain things, but the culture of industrial and sectoral relations has always prevailed in the end; has overcome them (Interview to Federchimica)*

Also, in this case, the picture displayed by the SNA does not reflect the reality, because of the methodological limitations pointed out in the methodological section. The average tie strength measure (ranging from 0 to 8) is rather low in the pharmaceutical sector, as shown in the table below.

Table 5: Tie strength in the Italian Pharmaceuticals

Country	Sector	Average tie strenght (total)	Average tie strenght (within employers)	Average tie strenght (within unions)	Average tie strenght (between employers&unions)
Italy	Pharma	3,4	-	4,	2,5

The unitary position of the social partners is also connected to the share "*spirit of service"* (Interview to Federchimica), as opposed to an ideological approach driving the industrial relations and negotiations in the pharmaceutical sector. This aspect reflects on the one hand the willingness of the parties involved to overcome ideological-based division and clashes, to find instead a common platform, and on the other, importantly it conveys their shared belief that industrial relations serve as main platform to introduce innovation in the industry (Interview to FILCTEM – CGIL):

> *we do innovative things, trying to give a role to the industrial relations. We have shared for several years the idea that industrial relations are a lever for development, one of the levers for development. Our relationships are an element of competitiveness for us; they make the systems stable, adaptable, flexible; hence meeting the needs of the two parties. And so, we worked a lot in the past on this kind of industrial relations. Was it an element of peculiarity? Yes, I would say. (Interview to FEMCA – CISL).*

If innovation represents an essential element in the negotiation, the contractual platform hinges on a range of work-related dimensions, and of particular importance are "all the aspects relating to safety, health and environment at work" (Interview to FILCTEM – CGIL). Negotiation over wages is still present and relevant, based on the willingness of both the parties to overcome the pure logic of adaptation of wage dynamics to the inflation, but the social partners in the sector opted for better qualifying their contractual platforms:

> *Salary levels remain in our sector an important dimension of confrontation, hence we avoid the automatism inflation/increases: inflation rate is still the reference, then we wanted to keep negotiation alive on that issue, with interesting results. But we tried to better qualify our industrial relations. For instance, we tried to move forward and innovate on the issue of participation. [...] Hence, we focus on relationship, training, safety, we try to provide a better welfare starting from the pension funds and the healthcare integrative scheme (Interview to FEMCA – CISL).*

All in all, as recognized also by the parties involved, such a pragmatic "spirit of service" was also adopted to respond to the peculiar productive environment characterizing the chemical and pharmaceutical industry, which distinguish it from the traditional Fordist manufacturing enterprise. If in the latter, a logic based on the rights and duties of workers and of employers prevail, in the former the context where negotiation is embedded is different:

> *We are talking about very different worlds. It is clear that the chemical sector, inherently, pushes towards a different approach in the industrial relations since we are dealing with process-based companies. In process-based companies you cannot switch off the machines and say "see you next Monday", these enterprises work in a different way (FILCTEM – CGIL).*

A final characteristic of the industrial relations in the pharmaceutical sector emerging from the qualitative interviews concerns the role they had in the crisis. Overall the *financial crisis was handled as an opportunity* rather than a threat as in other manufacturing industries: it represented in fact an opportunity to further strengthen the national collective agreement and the role of the social partners in times of retrenchment and financial restraints, that often embodied an open threat to the institutions of social dialogue and an occasion for employers to weaken the role of the organized labour.

> *In such a context, what was the relevance of the industrial relations? In my perspective, they have influenced two main fundamental aspects. First, the stable industrial relations in this sector enabled to govern and control difficult conditions, through a series of specific tools to cope with an exceptional situation that limited the negative repercussions on workers. Second, the framework of the industrial relations has allowed the national collective agreement to contribute to solve the critical situation. We kept on renewing the contract even in the harshest moments of the crisis exactly because it held a function of responsibility toward the enterprises, towards the workforce. And it had to safeguard them above all in the moment of difficulty (Femca – Cisl).*

As reported by Federhcimica "it is when the crisis hits that we need even better industrial relations" (Interview to Federchimica).

3.2. Retail sector

3.2.1. Socio-economic situation of the sector

Retailers (supermarkets, fast-food outlets, and other large-scale food retailers) are among the most powerful actors of the consumer driven chain. Retail is an extremely important, heterogeneous and labour-intensive sector, employing some 9% of the EU's workforce. Around 60% of retail workers are women, and a high amount of young and poorly-qualified workers is employed. Pay is relatively low and there are high proportions of part-time work and weekend working. Traditionally, retail has been a sector with low wages and with a pay gap between women and men (EurWork, 2004).
The industry is experiencing structural changes, with processes of concentration and diversification, and pressures for the restructuring, deregulation and reduction of employment. Many analysts in the last years coined the concept of "retail apocalypse", namely the retail closures produced by the rise of e-commerce (in particular in US). Large

chains drastically reduce their points of sale due to the spread of online sales and to the narrowing of profit margins determined by a systematic discount policy implemented to withstand competition.

The retail sector presents sharp differences between retailers, depending mostly on the competitive strategies of firms and the sub-sector within which they operate. The retail trade in general is dominated by small firms, but the trend in the last decades has changed, involving the large companies. In Italy, large-scale and associated retailing covers 75% of market, while “traditional” retailing accounts for only 25%. The entrance of large multinational retailers since the mid-1990s has deeply changed the structure and functioning of the sector.

The retail sector in Italy has been seriously affected by the economic crisis. The mass retailing sub-sector is partially managing to limit losses by keeping prices down. Medium, small and micro enterprises have been the hardest hit, with many closing down in 2009. According to a report of Eurofound, over the past 25 years the retail sector in Italy has undergone widespread restructuring: large distribution chains achieve a dominant position in the sector by making extensive use of non-standard labour contracts, especially part-time. The social partners have put in place a network of bipartite bodies in order to manage training, health and safety at work, by including SMEs (Eurwork, 2012).

The enterprises operating in the retail sector have various characteristics. In mass retailing there are many large national and international groups, while in more traditional commercial activities or in the repair of goods, motorcycles or vehicles, small and medium-sized enterprises are more frequent. The considerable reduction in consumption (one of the principal effects of the financial crisis) has particularly affected the small, medium and micro enterprises of the sector, while the mass retail sub-sector, as it was able reduce prices, managed to actually increase profits by 1.2% in 2009 (Unioncamere).

According to the census of ISTAT (2001), over 1, 6 million were working in the retail sector, 57.3% of them as self-employed - both entrepreneurs and collaborators. 51.3% of employed were women: while they largely dominated amongst employees (60.9%), men prevailed amongst self-employed. While over 95% of self-employed were concentrated in companies with less than ten employees, these latter showed a U-distribution by company size: almost 35% of them worked in micro companies with less than 10 employed and 29% in large firms with more than 250 employed. The share of women over the total workforce was above 60% in both micro and large firms and attained its minimum (57.7%) in firms having 10-19 employed (EurWork, 2012). It is worth to note that small and micro retail employers increase their average size while medium and large ones display a decline in their average employees, due to both the new entries and outsourcing processes (INPS, 2011). Employees in the retail sector increase by 16.2% from 2005 to 2009. Clerks account for about 53% of the workforce, with a slight decline over time. Blue collars (+23.7) and cadres and managers (+21.1%) increase more than average, apparently parallel with the increasing role of multinational firms (mainly retail chains), while the decline in apprentices (most of them blue collars) is due to the impact of 2009 recession. The share of women increased from 60.7% in 2005 to 62.1% in 2008 over the total workforce, then declines in 2009 to 61.9%. The profiles are clearly female dominated (over 68%). Blue collars show an almost even distribution amongst gender, with a noticeable increase of women from 49.6% to 52.9%, while managers are clearly male dominated, although the share of women is increasing (EurWork, 2012).

The Organized Distribution operators (DO – Distribuzione Organizzata) include: Coop Italia, Conad, Selex G.C., Despar, VéGé, Sisa, Sigma, Crai, Agorà, C3, Sun Group, Ce.Di. Gros and Coralis. The chains belonging to a single company or corporate group of companies (the so-called branch companies) are instead defined as Large Distribution (GD). This group includes: Esselunga, Auchan, Carrefour, Finiper, Gruppo Pam, Bennet, Lidl Italia and Eurospin.

Retail in Italy is highly diversified and presents differences between regions, in particular between the north and south. In the North, the higher income levels consequently produce higher retail concentration. In the Italian retail market, consumers demand increasingly for services rather than for products. On the other hands, the competition among groups is re-shaping, with widespread recourse to buying groups by multinational firms. The differentiated structure of competition makes it less effective to apply standardized business logic. In general, the complexity of the Italian market leads to strong differentiation of retailer's commercial performance. The presence of cooperative groups on the Italian market has also reduced growth opportunities for international distributors.
Among the international groups which have developed a significant presence to date, we mention the two French firms Carrefour and Auchan. Among the cooperatives, Coop and Conad are very strong players. In order to strengthen their competitiveness against modern, mostly foreign-owned companies, a number of locals have looked for foreign partners with whom they can combine their activities. Partnerships include matches such as Leclerc/Conad and Carrefour/Gruppo GS.
The six main players in Fast-Moving Consumer Goods retailing in Italy are:

- Auchan, French retailer
- Carrefour, French retailer
- Conad, Italian cooperative set up in Bologna in 1962
- Coop, Italian cooperative, market leader in Italian MGD (Modern Grocery Distribution)
- Esselunga, founded in 1957, private Italian company
- Selex, one of the biggest associations of independent retailers in Italy.

3.2.2. Single and multi-employer collective bargaining

In Italy, since December 2018, three sectoral collective agreements at national level regulated basic and general terms of pay and employment conditions in the retail sector - for medium and large-scale retailers, for small retailers and for cooperative retail respectively. Company-level bargaining, within the sectoral frameworks, deals with complementary and more specific issues, mainly in large stores. Only recently, Federdistribuzione, who separated from Confcommercio in 2011, signed the fourth collective agreement who sets the pay and the employment conditions for the GDO (December, 2018). Therefore, from January 2019, four collective agreements at national level regulate the employment conditions and wage settings in the retail sector. On the employer side, there are various associations representing the enterprises operating in the retail sector: Confcommercio, Confesercenti, Federdistribuzione, ANCC, ANCD.

Confcommercio (*Confederazione generale del commercio, del turismo, dei servizi delle professioni e delle PMI)* is the General Confederation for Trade, Tourism, Services and SMEs. With its 700,000 affiliated companies and almost 2,700,000 employees, it represents the largest employer association in Italy. It affiliates medium and large-scale retailers.

Federdistribuzione is the lead trade association for the large & modern retail industry in Italy; it gets together and represents, at local, national and European level, large retail companies operating in the food & non-food: hypermarkets, supermarkets, superettes, discounts, department stores, large specialized stores. Federdistribuzione belonged to Confcommercio since 2011 and grouped mostly the large retailers, historically not involved in the associative life. From 2008 to 2011 the representatives of Federdistribuzione were responsible in the negotiations for the renewals of the collective agreement of Confcommercio (most of them were members of the negotiating commission). In December 2011, Federdistribuzione became an autonomous association, being dissociated from Confcommercio. The reasons behind the separation rely mainly on the different – and sometimes conflicting – interests between small and large retailers. As already mentioned, the release of Federdistribuzione from Confcommercio altered the historical equilibriums of the industrial relations in the sector. In December 2018, the association Federdistribuzione signed a new national collective agreement for Modern Retail with the three main trade unions, reflecting the specificities of the industry.

Confesercenti, is the General Confederation for Shopkeepers (*Confederazione degli Esercenti)* representing small retailers.

The National Association of Consumer Cooperative **ANCC** (*Associazione Nazionale Cooperative di Consumator*i) is the employer association that affiliates the cooperative enterprises operating in the retail sector on a medium and large-scale. It is affiliated to the National League of Cooperative Legacoop (*Lega delle cooperative*).

The National Association of Retail Cooperatives **ANCD** (*Associazione Nazionale Cooperative fra dettaglianti*) is the employer association that affiliates the cooperative enterprises operating in the retail sector on a small-scale. It is affiliated to the National League of Cooperative Legacoop (*Lega delle cooperative*).

On the trade union side, the main organisations representing in the sector are Filcams-Cgil, Fisascat-Cisl and Uiltucs-Uil. They all negotiate the four national collective agreements.

From 2019, there are four different national collective agreements applied in the retail sector, negotiated by the three major unions in the sector with diverse employer associations representing medium and large-scale retailers, small retailers, and the cooperative retail.

1) The NCA of commerce for employees working in companies operating in the tertiary sector, in the services and retail, signed by the employer association Confcommercio and the three main unions Filcams-Cgil, Fisascat-Cisl and Uiltucs-Uil. The last renewal was signed on 31 March 2015, covering the triennium 2015-2018 and it has been extended to 31st December 2019 (it expired on 31st July 2018). The contract provided for an average increase of wage levels of €85, it introduced significant changes relating to the use of the fixed-term employment contracts and a simplification of the regulatory regime of working time to increase flexibility. The sphere of application is large and covers a relevant variety of professional profiles. About 400000 firms and over 2 million of employees are involved.

2) The NCA for the workers employed in enterprises in the tertiary sector, in the distribution and in the service sector (*Contratto Collettivo Nazionale di lavoro per i dipendenti da aziende del terziario della distribuzione e dei servizi*) signed by the employer association Confesercenti and by the three main unions in the sector Filcams-Cgil, Fisascat-Cisl and Uiltucs-Uil.

3) The NCA for workers employed in retail and distribution cooperatives (*Contratto Collettivo Nazionale di Lavoro per i dipendenti da imprese della distribuzione*

cooperative), signed by the three main unions Filcams-Cgil, Fisascat-Cisl and Uiltucs-Uil and a series of employer associations for cooperatives (ANCC Coop, ANCD Conad, CCI, AGCI). The last renewal was signed in 2008.

4) The NCA for the workers employed in the Large Retail (*Contratto Collettivo Nazionale di Lavoro della Distribuzione Moderna Organizzata - DMO*), signed for the first time in December 2018 by the employer association Federdistribuzione and by the three main unions in the sector Filcams-Cgil, Fisascat-Cisl and Uiltucs-Uil.

3.2.3. Network Analysis of CB in Large Retail: Survey Results

The industrial relations in the sector: characteristics and coordination

The industrial relations in the retail sector reflect to a large extent the overall national patterns. There is quite a close relationship between the rates of union density in general and those of the retail sector. Countries with a high union density in the overall economy also have a high density in the retail sector, and vice versa. Retail is however a sector with a relatively low union presence. Union density in retail is considerably lower than that in the general economy. Moreover, in the majority of countries trade union presence is very low, or almost non-existent, in small independent outlets (Eurofound, 2004).

The pattern of employers' organisation in the retail sector is also complex and partially related to the general patterns of employers' organisation in each country. In Italy, the employers' representation in retail is divided and fragmented. In many cases, the line of division essentially follows the criteria of the size (or type) of business, or the difference between the for-profit private sector and cooperatives. The employers' organisations perform collective bargaining functions and play a key role in the system of industrial relations in retail.

In general terms, the industrial relations in the retail sector in Italy are characterized by a strong contractual fragmentation and a relative contractual dumping. The relationships among social partners during the last contractual rounds have been conflictual, and most of the issues during the negotiations have been solved informally. It should be noticed that the retail sector in Italy is characterized by the spread of the so-called "pirate contracts". With respect to this strong fragmentation, the inter-confederal agreement signed by Confcommercio and the main trade unions opened, for the first time in the Italian panorama of industrial relations, the possibility of measuring the representativeness of the employers organizations as well, with the aim of identifying the "most representative" organizations capable to sign agreements that can be more easily recognized, in court, as effective towards the whole sector.

For the purpose of this study, the main national collective agreement – in terms of employers and employees involved – signed by Confcommercio and the three main trade unions has been considered during the network analysis of the collective bargaining in the retail sector. However, all the actors involved in the other national collective agreements have been both interviewed in the explorative stage and involved in the survey, given the tight interdependencies among organizations and the last contractual rounds, characterized, as already mentioned, by the release of Federdistribuzione from Confcommercio and the recent signature of the fourth national collective agreement of the DMO (Organized Modern Distribution). Moreover, it should be noticed that, in the case of the retail sector, more or less the same actors negotiate in different bargaining processes. The main trade unions, for instance, negotiate the four national collective agreements. Federdistribuzione – whose members belonged to Confcommercio in the past – interacted with the other organizations (in particular with Confesercenti and Uiltucs-Uil) during the last bargaining process for the recent signature of the collective agreement of the Large Retail. The relationships among social partners during the last contractual rounds, therefore, have been considered in the analysis of the network in the collective bargaining in retail, beyond the fragmentation of the network and the variety of bargaining processes.

Concerning the *size and the composition of the network*, given the high degree of fragmentation abovementioned, about 20 actors are involved in the core bargaining processes. They belong to the three main trade unions (Filcams-Cgil, Fisascat-Cisl, Uiltucs-Uil), and the 5 employers' associations (Confcommercio, Confesercenti, Federdistribuzione, ANCC and ANCD). Both in the qualitative interviews and in the survey questions, 15 actors with a political and/or technical role have been selected. 12 actors responded to the survey (3 women and 9 men), with a response rate of the 80%. As already mentioned, the large majority of the network members have a longstanding experience in their organization, being involved in the wage setting for more than 5 years. The lack of trust among the actors and the power differences among the actors do not represent, according to the survey, a challenge for the coordination in the wage setting in the sector. However, the fragmentation in the representation of workers and firms, and the obstacles from economic and/or sectorial context are challenging the coordination in the retail sector, which has been seriously affected by the economic crisis. The considerable reduction in consumption, in fact, has particularly affected the small, medium and micro enterprises in the last years.

Table 6: Main challenges for coordinating (1 = irrelevant | 5 = extremely relevant).

Lack of trust	2,58
Power differences	2,83
Fragmentation in the representation of workers or firms	4,00
Obstacles from economic and/or sectorial context	4,17

The *continuous periodical interactions and meeting* reflect the alteration of the historical balances after the opening of another negotiating table with the large scale-retail (as underlined during the qualitative interviews). The creation of a fourth pole of representation of the associations operating within the Italian market led to a problem for the contract renewals that the social partners faced with a constant dialogue and informal interactions over time (both bilateral and multilateral). Their capacity to coordinate, in fact, has been severely tested by the split of the employer front and the signature of a fourth NCA, perceived and defined as a trauma. For this reason, mainly, the key interviewees have described the relationships among social partners as both conflictual and collaborative, built mainly through informal interactions.

> *...if I said collaborative, I would say something that does not photograph the deep tensions that have been reached, but also in the context of deep tensions the outcome has always been to overcome these strong moments (Confcommercio)*

> *...Talking about coordination is not exactly appropriate (Filcams-Cgil)*

...It is the word 'coordination' that puzzles me. Rather, there are rules defined in the interconfederal agreements, which give the bargaining guidelines (ANCD)

Another aspect underlined by the key respondents is the relevance of high intra organisational coordination. First of all, the trade unions, in front of the high fragmentation in the industrial relations system, tried to overcome the distances by keeping the bargaining process somehow unitary, since they negotiate in the meantime (but not simultaneously) on various negotiating tables. Their strategy has been mainly to present unitary platforms during the bargaining process, with the effort of overcoming the different positions.

Then the employers' associations present a high intra organizational coordination as well, with the willingness of finding a synthesis in the conflicting interests among the associated firms. Confcommercio, for example, is characterized by an "internal union commission" which is activated when the negotiations begin. It is an internal coordination structure that has the task of summarizing the various and specific sectorial needs, as underlined during the interview. Since the members of this confederation are variegated, the coordination within the association itself is an important aspect in the bargaining process.

Federdistribuzione has an internal committee named "Comitato Lavoro" (Labour Committee), formed by the HR directors of the associated firms that express their requests. Then a committee is made by 12 firms of larger dimensions, where the decisions are discussed internally and taken in the bargaining process. The SNA explores intra and inter actor (union and employer) coordination through the average tie strength between sides and within them (ranging from 0 to 8). This corresponds to a value of 6 for the average tie strength within unions, 2,73 within the employers' associations and 3,83 between employers' associations and unions. Again, keeping into account the methodological limitation of the SNA, it is plausible that the qualitative interviews provide more reliable data on this point.

Table 7: Tie strength in the Italian Retail Sector

Country	Sector	Average tie strenght (total)	Average tie strenght (within employers)	Average tie strenght (within unions)	Average tie strenght (between employers&unions)
Italy	Retail	3,97	2,73	6,	3,83

The presence of patters settlers for wage setting (sectors or firms) is relevant in the retail sector, as the table below shows.

Table 8: Pattern settlers for wage setting in the retail sector (sector or companies included)

	Ireland	Italy	Netherlands	Spain	Total
Yes	1	8	11	0	20
No	0	3	2	9	14

As emerged from the SNA, in the Italian case informality is the predominant form of interaction. This is even more the case of the retail sector, as already mentioned, where the fragmented network is characterized by informal interactions among social partners. Along this line, the SNA shows that people attending more events are not necessarily those with higher influence in wage setting. In facts, the Pearson's correlation between the % of events attended and the perceived influence is negative in Italy.

Table 9: Pearson's correlation between percentage of events attended and perceived influence in the Retail sector

Country	Ireland	Italy	Netherlands	Spain	Total
	0.365	-0.229	0.246	0.400*	0.145

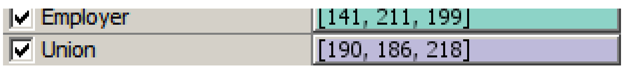
During the qualitative interviews, the social partners in the retail sector underlined that the recent changes have led to a reconfiguration of the power distribution in the network itself. In particular, a relevant power of relatively weak organizations during the release of Federdistribuzione has been noticed. The Union Uiltucs-Uil, in fact, has been used as the "harmed branch" of Confcommercio against Federdistribuzione, whereas Confesercenti had a key role of broker during the last bargaining processes. These dynamics should be taken into account when analysing the *network centralization*. As the results of the SNA show, the index relating to the degree of centralization (0,333) suggests that all actors have degree of power in the network. However, the reconfiguration of power distribution in the network emphasized during the qualitative interviews is not detected. On the other hands, the variance of the weighted degrees indicates higher differences in degrees and, thus, an unequal distribution of centrality. This measure, corresponding to a value of 1,231 in the retail sector, offers a more precise indicator of centralization within the weighted network.

Table 10: Degree of centralization in Italian Retail Sector

Country	Sector	Degree centralization	Weighted degree variance
Italy	Retail	1,231	1,231

Nevertheless, the structure in the figure below shows that the trade unions appear still central in the bargaining network.

1 – Mode Networks based on frequencies of contact (contact networks)

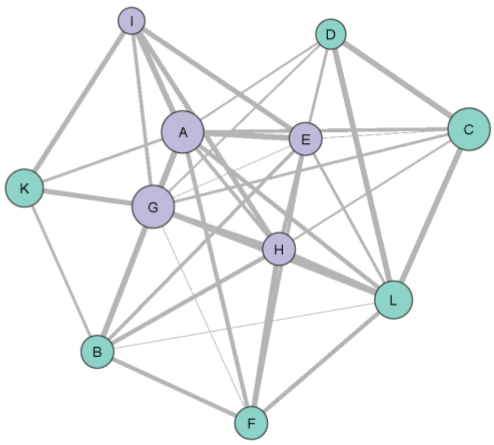


Node size: perceived influence

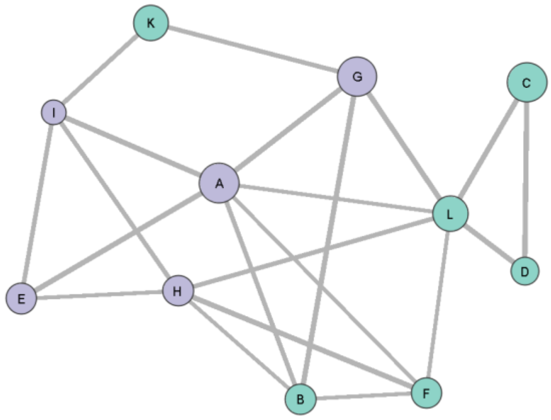
Legend: Label: id. Link size: frequency (sum). Node size: influence. Node Color: side (union/employer

Figure 1: Italian Retail Sector Contact Network

Column A:
all frequencies of contact are included



Column B: links ≤5 have been removed for better visual interpretation (scale from 0=never to 8= very frequently)



Based on question "Please indicate from 1 (never) to 5 (very frequently) the frequency you have met with each of these individuals, either physically, by phone or video-conference, during the last wage-setting process. Both formal and informal relations are considered", this network shows only those actors who have responded the survey and have been included in the questionnaire questions (these are the usual criteria for including actors in network analysis). One limitation of this view is that who seems to be the second more central actor (in line with the perceived influence that all respondents attribute to them) is removed from the graph, because he or she does not respond the survey. However, his or her position is estimated taking into account other's responses (based on the responses of the other actors in the network). Therefore, an important position is missing. On the other side, this is not a severe issue, since the overall structure of the network does not change so much when removing this central actor.

4. COMPARATIVE ANALYSIS AND CONCLUSIONS

In line with the objectives of the country reports, this section will serve two main goals:

A. First, to start building a narrative around the findings that will help to start writing a potential paper

B. Second, to reflect on the importance of the methodology used, the innovative insights it provides in relation to previous work and future avenues of research coming out from the analysis.

On the methodological issue, the reports on the two sectors show some limits of the SNA applied to this type of study. In fact, it has been difficult to rebuild the entire network if some key actor does not respond, just as it is difficult to have reliable answers on trust relationships when the actors of the network are so few and easily identifiable. But combining SNA with qualitative interviews can be an approach that has elements of strength: in-depth qualitative interviews offer a lot of information on trust and power relationships between various actors, thus helping to fill the gap of SNA analysis. Likewise, the combination of SNA analysis and interviews helps to better understand the contents of the exchanges between the actors, that do not emerge clearly from SNA. Finally, it is worth noting that when there is a dissonance between the SNA results and the qualitative interviews, we tend to attribute greater reliability to the results that emerge from the interviews, confirming the importance of combining the two methods for the study of wage coordination.

As for the contents of the research, it showed the need to root social network analysis in the institutional context. A clear example is given by the role that in the past state-owned firms played the pharmaceutical sector: they promoted cooperative relationships between firms, unions and employers' associations which have then reproduced over time. Another example is given by the importance of economic dynamism of each sector: retail and pharma differ radically in terms of competitive strategies (based on innovation in the pharma sector and on costs competition for retail) and this has a notable effect on the structure and dynamics of collective bargaining.

As for the coordination process, the role of the individual actors counts: the identity of the unions and employers fonctionnaires participating in the bargaining round is extremely important to explain coordination. In both sectors, the same individual actors have a long experience of participation in collective bargaining and this helped to ensure that trust relationships emerge between the actors, favouring a positive outcome of the coordination process. Individual trust and relationships based on frequent formal and informal meeting favoured a pragmatic and cooperative behaviour of actors.

Many meetings among relevant actors occur over time, even beyond the bargaining round, favouring the emerging of a nexus of exchanges. At the same time, these actors are involved in different processes of negotiation well beyond wages: in other words, wage setting is part of a broader bargaining process in which other topics are also negotiated. This is important for the relational approach we use because it implies a) the rise of exchange processes between actors on different issues (training, rights, welfare provisions, etc.) that favour coordination on wages b) the creation of mutual obligations (social capital à la Coleman) that can encourage cooperative behaviour.

By this point of view, the role of informal relationships is very important in both sectors. Although the two sectors have a different organizational landscape (with high fragmentation in commerce and low fragmentation in pharmaceuticals), informal links matter.

Focusing on the strengths/weaknesses of the networks in the two sectors, we tried to test if coordination emerged more easily where there were strong and stable relationships between actors, with low fragmentation, as in the case of the pharmaceutical industry or not. The results show a partially different picture: on the one hand, the type of inter-organizational relationships of the pharmaceutical sector favour the coordination on wages, but on the other in a more fragmented system such as retail, alternative path to coordination can be found (such as pattern making mechanisms, the presence of dense informal relationships that bypass inter-organizational conflicts, strong intra-organizational coordination, the role of some broker, etc.)

On the pharma sector, the importance of stable links and the low fragmentation of both employers and trade unions organizations emerged strongly. These issues can be related to the literature on social capital and to the role of "closed and well-defined networks with clearly defined borders" in the creation of trust. For this reason, in this sector the lack of trust among the actors, the power differences among the actors and the fragmentation in the representation of workers or firms do not challenge wage. At the same time, the importance of sharing the same world view between unions and employers' associations contributes to create a common approach to bargaining, strongly based on cooperative relationship and to what can be defined as goal-oriented pragmatism that favour coordination on wages.

On the contrary, in the retail sector, the high fragmentation together with the difficulties of the context are perceived as problematic, but at the same time they do not prevent wage coordination also thanks to some above-mentioned "functional substitutes". In particular, the presence of institutional solutions that increase intra-organizational density and stability is interesting for its capability to promote coordination. At the same time, even if there is a contractual fragmentation – with several national contracts covering this sector - the fact that all of them are signed by the same workers' unions reduce the actual inter-organizational fragmentation. Finally, in terms of network structure, it is worth noting that the rise of Federdistribuzione seem to have modified power relations in the sector, with some actors (such as Confesercenti and UILTUCs) that played a role of brokering.

In conclusion, the combination of SNA with in-depth qualitative interviews helps to identify similarities and differences across the two sectors and to have a clearer picture of the mechanism behind wage coordination. At the same time, this combination helps to better identify key actors and the type of relations among them, that tend to be stable, formal and informal and based on personal relationships. As for future research, an historical approach that compare different bargaining rounds could help to better understand the dynamics of networks and power relations in the two sectors.

REFERENCES

EurWork (2004). New national agreement signed in commerce sector. Retrieved from: https://www.eurofound.europa.eu/publications/article/2004/new-national-agreement-signed-in-commerce-sector

EurWork (2012). Italy - EWCO CAR on Working conditions in the retail sector – National contribution. Retrieved from: https://www.eurofound.europa.eu/publications/report/2012/italy-ewco-car-on-working-conditions-in-the-retail-sector-national-contribution

Eurofound (2014). Representativeness of the European social partner organisations: Chemical sector. Retrieved from: https://www.eurofound.europa.eu/sites/default/files/ef_comparative_analytical_report/field_ef_documents/representativeness_of_the_european_social_partner_organisations_chemical_sector_1.pdf