Collective Agreements in Italy

by

Gino OLIVETTI

Secretary of the General Confederation of Italian Industry

IN Italy, as to a greater or less extent in almost all countries, the war gave a strong impulse to social legislation. In addition, it contributed remarkably to the rapid and intensive development of collective agreements in industry. Such collective bargaining developed in various directions ; collective agreements were successfully adopted in new districts and industries ; the range of subjects dealt with by them was considerably extended ; above all, a whole series of new rights and favourable employment conditions were created on behalf of the workers. Only a few years ago these rights and conditions were being advocated by the most advanced parties either as the utmost limit of their claims, which might perhaps be reached after long and fierce struggles, or merely as an academic statement of abstract principles.

Before the war collective agreements existed in very few districts and industries. Where they were in force they usually covered only a specified industry in a single town or at most in a province. A double explanation may be given of the slight progress they made. There was, firstly, the general situation. Italy, in face of difficulties arising from natural and economic conditions —difficulties which were well known and which seriously hampered all progress—had only recently taken steps towards creating and developing her industries. Secondly, there was the non-existence, or at any rate ineffectiveness, of workers' organisations. Yet these organisations were the *sine quâ non* for the conclusion of agreements involving not only rights, but corresponding duties incumbent on a large and fluctuating body of workers, many of whom were not yet capable of appreciating such obligations. Before the war, in fact, collective agreements had chiefly been concluded in centres, such as Milan and Turin, where industry had developed most rapidly and intensively, with a resultant increase of influence of the workers' organisations over their members.

During the war, and even more markedly during the period immediately succeeding the Armistice, collective bargaining spread rapidly to other districts and industries. This extension was simplified and facilitated by the organisation of the war industries on a combined economic and military basis. In order to increase and co-ordinate the output of war material, committees were appointed in every area early in the war known

as Regional Industrial Mobilisation Committees (1), on which employers and workers were represented, as well as the Government and the military authorities. Among the duties assigned to these committees was the settlement of disputes betwen capital and labour, either by conciliation or by a compulsory arbitration order ; this involved fixing the terms of employment contracts for the various industries within their jurisdiction.

In this post-Armistice development there is one outstanding feature of considerable importance, which will probably have a more than passing influence on the future of Italian industry. This is the conclusion of national agreements. The agreements regulating employment contracts in almost all industries, certainly in all the most important, are national in scope, and apply to the whole of Italy. Most of their provisions are applied throughout the country without change. Occasionally slight modifications or exceptions are allowed in certain districts in the provisions which may strictly be called economic, i. e. those which deal specifically with questions of wages. An examination of the desirability or otherwise of national agreements would take us too far from the main purpose of this article and we shall not go into the question in detail here. Such agreements impose moral and material obligations and almost always ultimately involve a charge on industry, even if there is no direct financial liability. In Italy industrial conditions differ fundamentally between one area and another, and sometimes even between adjacent provinces, owing either to economic causes or to differences in the character, ambitions, industry, customs, and standard of living of the workers. The experiment of national agreements might apparently be tried in almost any other industrial country with more hope of success.

The peculiar economic conditions of the war period and of the period, extending almost to the present day, which followed it, have suppressed not only all international competition, but, what is no less important, normal competition within each country. Here it would be out of place to go into the reasons. One effect has been the artificial reduction of all industries to practically the same level of efficiency. Further, many employers, workers, and politicians have come to consider a system of national agreements as not only possible, but desirable. It should not, however, be supposed that such a system of national agreements would necessarily appear equally advantageous and desirable, were conditions entirely different from what they actually are ; were they, for instance, those foreshadowed in the early stages of the economic crisis from which all countries are now suffering, or those which will rule when the world finally reaches a state of economic stability.

We propose to give a short account of the main provisions of the agreements at present in force in Italy. The nature and extent of the most important differences between those for dif-

(1) *Comitati regionali di mobilitazione industriale.*

ferent industries will be pointed out, and an attempt will be made to show the general trend of ideas behind the various provisions. We shall try especially to show the effects, both past and present, of these agreements on the development of relations between employers and workers, on factory life in general, and on the economic and social conditions of the workers.

The information available with regard to collective agreements before the war is incomplete and of unequal value (2). Some degree of comparison will, however, be attempted, in so for as the data allow, between the pre-war period and the present time, dealing separately with the various questions covered by the agreements.

Engagement of Workers

The agreements do not, as a rule, compel the employer to try to obtain the necessary staff through particular employment exchanges, whether managed separately or jointly by the employers' and workers' organisations, but leave him free to engage his own staff directly if he wishes. The employers wish to maintain this freedom in finding and selecting workers, in preference to the more or less rigid and automatic method of engagement involved in the compulsory use of an employment exchange. They are strongly of opinion that the latter system hampers the process of gradual and continuous selection of staff which takes place under the system of direct engagement. They also charge it with depriving the individual workman of the strong natural stimulus to material and moral improvement which exists when he knows that his chance of obtaining employment depends only on his technical skill and his character and not merely on priority on the books of an employment exchange. In some agreements, however, the principle of absolute freedom of engagement is to some extent modified. For instance, in the boot and shoe trade, the employers have undertaken to apply for workers in the first instance to the employment exchange. In the paper trade they have agreed to notify the union employment exchange immediately of all workers engaged directly, though expressly reserving the right to use the exchange or not as they please. In other agreements the establishment of a joint employment exchange is contemplated, but nothing is laid down as to whether its use is to be compulsory or not. In some localities the principle of compulsory engagement through the union employment exchange is approved by almost all the workers in the printing trades. Incidentally, it may be noted that one consequence of the absolute enforcement of this rule is that no one can be employed who is not a member of the particular union which is a party to the agreement. Most of the other agreements omit the compulsory clause ; certainly there is no such clause in any of the more important agreements, always

(2) The Confederation of Italian Industry (*Confederazione de l'industria italiana*) was not founded till 1919.

excepting those for the printing trades. In the printing agreement it is further laid down that, when neither the employment exchange nor the union can provide suitable workers, and the employer is forced to employ non-union men, no man may be engaged if he has previously been excluded from the union on moral grounds.

A point dealt with by some agreements, and forming part of the general problem of engagement, is the treatment of workers who have been absent on military service. The printers' agreements specify that a workman who left his employment for military duty shall on his return be re-instated in his former post, the workman engaged to replace him being discharged. The agreements in the wool trade contain similar provisions with unimportant differences. The agreement for the glass, crystal, and mirror trade accords the same treatment to workmen called up for short periods of military service. Workmen who have not yet completed their full military training are merely given right of precedence for future employment.

Before leaving the subject of engagement it may be noted that the agreement for the silk-weaving industry provides that preference shall be given to unemployed men who were discharged owing to shortage of work.

Normal Working Day and Overtime

The principle of the 8-hour day and 48-hour week is affirmed in all agreements. As far back as 1919, in advance of many other countries, Italian employers, without waiting for legislation, agreed to a reduction of the working day from ten or nine to eight hours, a reduction which had many years been the slogan of the workers' organisations and the goal of their most ardent desires.

The introduction of the 8-hour day was the result of a widespread but peaceful dispute which arose both between the employers' and workers' organisations directly, and also between their representatives on the Permanent Committee of Labour (3). The employers had asked the workers to form an unbiased estimate of the probable consequences to the country of the general adoption of the 8-hour day without due preparation. They pointed out that Italy was exposed to competition from other countries on particularly unfavourable terms, and that it was urgently necessary to keep costs of production as low as possible in order to encourage comsumption and meet competition. Their arguments, however, were without avail ; and for the reasons previously indicated they decided that it was unwise further to oppose the introduction of the 8-hour day. They were influenced in this decision by the assurances of the workers' reprensentatives that the total output would not suffer in consequence of a reduction of hours. They were led to expect an increased hourly output

(3) *Comitato permanente del Lavoro.*

per worker for the eight hours, as compared with that for nine or ten hours, in accordance with the well known theory of industrial fatigue, but this prediction, unfortunately, is far from being fulfilled.

The adoption of the 8-hour day naturally added to the importance of the question of shifts, regulations for which are included in all the agreements for the industries employing them. For instance, in the metal trade it is provided that the worker shall undertake to work, for the hours stated on the time-table, in any of the shifts fixed by the management, which may be for specified departments only. There are similar provisions in other agreements, with a few variations in form rather than in substance.

The details of regulations as to shifts in the cotton, wool, and silk trades are of considerable interest. It is recognised that the workers' organisations are opposed in principle to the two-shift system, though they agree that it shall be maintained where it already exists, or shall be introduced either by mutual agreement when necessary in order to avoid unemployment or under pressure of industrial conditions. This being granted, it is agreed that each of the two shifts shall have a working day of 7½ hours, including the half hour's rest. This rest is to be taken outside the work place, if possible, or, failing that, while the machinery is at rest. In the wool industry the 7½-hour day of each shift is exclusive of the half hour's rest ; otherwise the provisions are substantially those given above. In the printers' agreement it is laid down that the employer may take on unemployed workmen for shifts of either 8, 7, 6 hours, or 8, 6, 6 hours respectively, according to circumstances, which are set out in detail in the agreement. Some exceptions to the principle of the 48-hour week are naturally allowed in industries involving continuous processes, e. g. in the iron and steel, chemical, and electrical industries. In such cases the hours of work must not exceed 144 for each period of three weeks.

In the agreements for the textile industry there is an important provision with regard to workers under 16. Such workers have the right to attend trade schools ; if proof is given that it is impossible to hold the classes outside working hours, attendance at the school is counted as work, and is paid for accordingly.

With regard to the nature of overtime, and the extent to which it is compulsory, the agreements may be divided into two main groups. In one (the engineering, boot and shoe, chemical, and other industries) it is laid down that no worker may, without adequate cause, refuse to work overtime up to a maximum of 12, 10, or 8 hours a week according to the industry. This overtime must not, however, be regular, but only occasional. Exceptions to these restrictions are allowed in cases of urgent work which cannot be delayed. In the other group (the textile and printing trades) there is merely a statement of the cases in which overtime is allowed, and of its duration. As a rule, a maximum of six hours a week is fixed. There are also agreements with

various provisions on the subject ; some explicitly lay down the principle that overtime shall not be compulsory, but these agreements are local in scope and of no great importance.

The bearing of all these regulations is quite clear. On the one hand, we can discern the growing opposition of the workers' organisations to overtime, which they would like to see abolished, or at any rate reduced to the smallest possible amount. The manufacturers, on the other hand, wish to retain the power of extending working hours in an emergency. The strong dislike of the labour organisations for overtime is very largely caused by their fear that the employers may prefer to work the existing staff overtime rather than take on new workers. Many arguments could be brought to meet this contention. One, however, is conclusive. In his own interests the employer will tend to engage extra workers in all cases where the amount of overtime required makes it technically possible to do so, because he is obliged to pay overtime at a rate considerably higher than the ordinary rate, at which he would pay the new workers. Since it cannot be supposed that the employer conducts his business against his own economic interests, we may rest assured that he will resort to overtime only when it cannot be avoided, and that it is superfluous to introduce restrictions which in practice only complicate working conditions, and may give rise to disagreements or disputes.

It is laid down in all agreements that overtime shall be paid at a higher rate than the normal day. As a rule, the overtime rate (which is expressed as a percentage of the ordinary pay) rises as the amount of overtime worked increases ; there are also different rates for overtime worked on ordinary working days and for overtime worked on public holidays. For instance, the metal worker's agreement fixes the extra pay as follows : for the 9th and 10th hours, 30 per cent. above ordinary pay ; for the 11th, 12th, and 13th hours, 50 per cent. ; for the 14th, 15th, and 16th hours, 100 per cent. On public holidays the ordinary rates are increased by 60 per cent. These percentages, as well as the amount of overtime, vary from one trade to another, but the variations do not amount to much on the average.

Before leaving the subject of overtime, it is worth noting that in almost all industries night work is paid at a rate 20, 25, 40 and even 50 per cent. above ordinary day work, even when it is done on shift, and within the limits of normal working hours. This points to the fact that night work is considered more exhausting and a greater strain on the worker than day work, even when it is preceded and followed by the same rest periods as the latter.

Workers' Committees [4]

The wide-spread adoption of the system of workers' committees has certainly been one of the most important reforms effected since the war. The Turin industrial area, and in particular the

[4] *Commissioni interne.*

motor trade, has always been progressive in the sphere of collective bargaining. Before the war, the regulations in the Turin motor factories provided that disputes as to their interpretation or application should be discussed, and if possible settled, by mutual agreement, by the management and a representative group of three workers elected *ad hoc*. There is no trace of any similar provision in the agreements in force elsewhere and for other industries, although it may be taken for granted that in practice some similar plan was quite often adopted by an employer who had to settle questions of a general nature with his workers, and who was faced by the impossibility of negotiation with them as a whole. Comprehensive and detailed regulations for workers' committees, properly so called, were made for the first time in the workshop regulations (5) which are an integral part of the basic agreement of February 1919 for the engineering, iron and steel, and shipbuilding and allied industries. This agreement was the employers' response to a request for the institution of workers' committees. Since then workers' committees have been gradually adopted in many other industries. In nature and methods of working these are broadly similar to those in the engineering and iron and steel industries, which may, therefore, be taken as typical examples.

The function of the workers' committee—the method of its appointment will be explained below—in a given establishment is to discuss with the management general questions affecting the workers and to consider disputes and individual claims regarding the application or interpretation of the regulations in cases where a point of general interest is plainly involved. Individual claims of any other kind must follow the normal procedure of the establishment, and are settled by direct negotiation between the workers concerned and their superiors. Many agreements explicitly assign definite duties to the workers committees, as, for instance, the expression of opinion on regulations to be adopted by the management, agreements fixing hours of work, etc. There is no need to enumerate these, since they are all covered by the preceding general description of functions of the committees.

The number of members of a committee varies with the number of workers to be represented. The committee consists of 3, 5, 7, or 9 members, when the number of workers is under 100, under 500, under 1,000, or over 1,000 respectively. All workers, male and female, who are over 18 and have been employed by their firm for at least three months have a vote. All workers, male and female, who are over 21 and have been employed by their firm for at least six months are eligible for membership of the committee. Members hold office for one year, and are re-eligible. They have no special privileges.

The elections are by secret ballot under reciprocal guarantees for the management and for the workers. Attention may be called to the provision which ensures the representation of minorities

(5) *Regolamento di fabbrica.*

on the committee by limiting the number of names to be written on each ballot paper to 2, 3, 5, or 7, according as the number to be elected is 3, 5, 7, or 9 respectively. Special provisions are made for the partial or total re-election of the committee in consequence of the resignation of some or all of its members.

The committee must arrange to do its work outside working hours ; the members are not allowed to leave their places or stop work, unless sent for by the management, or in exceptional cases for which adequate reasons can be given. The management must, if at all possible, place an office at the disposal of the committee for one hour after the close of the normal working day, where the committee may receive complaints from the workers.

When the committee wishes an interview with the management, the request must be accompanied by a statement of the reasons for it. The management shall, within twenty-four hours, fix the day and hour of the interview, which shall take place at the earliest possible moment. The decisions of the committee must be recorded in writing and signed by both parties ; they are binding on the workers.

Examination of the above summary, and careful and unbiased consideration of the effects of these measures on relations between employers and workers, will certainly lead to the conclusion that we were not guilty of exaggeration in saying that the wide-spread adoption of workers' committees in almost all establishments of any importance is one of the most important progressive measures gained by the workers since the war. It is to be noted, further, that in Italy, unlike many other countries, it has been achieved without the intervention of the legislator.

It is easy to understand why the workers' committees have secured such benefits for the worker. He is now permanently represented by a body which jealously guards his rights and interests, and whose acknowledged duty it is to watch and protect them as against the management. Consciousness of this fact increase his self-respect and has the effect of strengthening his desires and aspirations. In addition, the employer often asks the committee to state its opinions and wishes in the early stages of many cases other than those which he must in any event refer to it. He appreciates the advantages of having a body permanently available providing facilities for immediate discussion and agreement, and welcomes its co-operation in promoting order and discipline in his establishment.

One important aspect of the functions of workers' committees may well be considered at this point. We shall not deal with their intervention in technical and management problems, as this would involve a broader and more comprehensive discussion of the whole question of control than that here proposed. We shall therefore merely recall a series of facts which are now amply proved. In certain cases workers' committees attempted to overstep the prescribed limits. Either they tried to intervene by an expression of their wishes or opinions in questions of discipline

and of the engagement and discharge of workers, or else they exercised their functions—whether or not in virtue of special agreements—at times and in ways contrary to those prescribed by the general agreements. This state of affairs was in some cases tolerated, in others directly sanctioned, by special agreements. Such grave inconveniences resulted from it, however, that the firms in question have been obliged to insist that the regulations for factories in general should be strictly observed in their own establishments also.

The case of the Fiat works is typical and instructive, and may be briefly recalled. These works employ several thousand workers and are well known as one of the largest manufacturing concerns in Italy. Their workers' committees had gradually been adopting the practices criticised above. In March and April 1920 the much discussed workers' agitation for factory councils (6) began. It ended in the complete triumph of the employers' views and, for the Fiat Company, in the submission of their workers' committees to the authority of the general regulations. A further dispute took place in the following September, culminating in the occupation of the factories. This ended in an agreement stating that the old general regulations remained in force. In spite of this the firm accepted a provisional special agreement, by the terms of which the members of the committees were granted certain powers and privileges approximating to those which existed through established custom prior to March-April 1920. These powers and privileges mainly concerned the committees' methods of procedure, but they were enlarged by the insistence of the members on their right to be consulted in a large number of questions of discipline. In consequence of all this the improvement of methods of production and the development of smooth working relations became more difficult than ever. The management of the firm is widely known for its enthusiastic support, both in theory and in practice, of all measures of reform ; but even so, it was forced subsequently to issue a peremptory request to its staff for the strict and absolute observance of the general regulations laid down for engineering and iron and steel workers. In the end its views were fully accepted, and the Fiat workers' committee is again working under the recognised regulations.

Settlement of Disputes

The next point to be considered is the procedure in case of disagreement between management and workers or a workers' committee acting on their behalf. Most agreements prohibit the declaration of a strike or lock-out until conciliation has been tried by the respective organisations, either directly or through specially appointed representatives. It is generally laid down that, if the

(6) *Consigli di fabbrica.*

workers strike, or cause a total or partial stoppage of work, or interrupt in any way the normal progress of work, before conciliation has been tried, they forfeit the sum—usually six days' wage—deposited with the employer as a guarantee for their observance of their side of the agreement. If the employer under similar circumstances declares a lock-out, he is likewise obliged to pay a fine equal to the sum total of the guarantee money of all the workers. These restrictions do not, however, apply to political strikes and lock-outs.

Different provisions are made by different agreements to meet the case of the two organisations being unable to reach a settlement, whether the dispute in question is directly between the two organisations or originates in a disagreement between employers and workers in one or more establishments. There is one group of agreements, including those for metal, chemical, textile, and rubber workers, and some others, which make no provision for conciliation, much less for arbitration ; their silence leaves both sides free to agree on procedure in each case on its own merits, or to fall back on the customary methods of trade union warfare. Another group, including the printing, paper, and electrical trades, and a few others, provide for the setting up of joint arbitration committees, to which shall be referred all or some of those disputes between employers and workers for which a settlement cannot be found by the respective organisations.

There is considerable difference in the force of the decisions of the arbitration committees provided for in different agreements. In the glass, crystal, and mirror industry, for instance, the decision of the court of arbitration (7) is in the nature of an opinion which the parties are not strictly obliged to accept, while in the other industries named above the decisions of the arbitration committee (8) are binding on both parties.

The National Joint Committee for the Electrical Industry (9) is of special interest. It was appointed last year, under the terms of an arbitration award of the then Minister of Labour, Mr. Labriola. Its special feature is that it denies the right to strike or lock-out in the public services, and that it applies this principle, rather by way of experiment, to the electrical industry. It may also be noted that all members belong to one of the two parties concerned and that the decisions are taken by a simple majority of votes. If the voting is equal, the question is held over and brought up again at a subsequent meeting.

Much might be said on the actual effects of arbitration awards which are in theory compulsory, and their practical consequences for each of the parties to a dispute, but this would trench on the question of compulsory arbitration in general and would go beyond the limits of this article. We shall therefore pass on to the next point.

---

(7) *Collegio arbitrale.*

(8) *Commissione arbitrale.*

(9) *Commissione paritetica nazionale per l'industria elettrica.*

Terms of Discharge

Before the war, and in fact up till September 1920, when conditions were most favourable to the workers (though not in the electrical trade), the custom was that a worker could be discharged by the management on a given notice, usually a week, or at most a fortnight. The employer had the option of replacing the notice by payment of the corresponding wage if he wished to discharge the worker immediately. This did not, of course, apply when the worker was dismissed for disciplinary reasons expressly stated, in which case he was liable to summary dismissal at the discretion of the employer.

The agreement of September 1920, which closed the metal workers' dispute, lays down the principle, in addition to the above conditions, that a worker discharged for other than disciplinary reasons is entitled to compensation. It stipulates that a worker who has been employed continuously by his firm for three years (including the periods in which he was called up for short military service) shall receive as compensation two days' (16 hours') wage for each year of employment, in addition to the customary period of notice or the equivalent pay. Workers in employment on 1 October 1920 are allowed to count a maximum period of ten years' previous employment in the establishment. This compensation cannot, of course, be claimed by a worker who leaves of his own accord.

Since the conclusion of the metal workers' agreement, its provisions have been included, with little or no modification, in a large number of other agreements, including those for the chemical industry, the cotton, silk, and wool industries, the rubber industry, and others. It may, however, be noted that Mr. Labriola's award for the electrical industry fixes the discharge compensation at a considerably higher level than has been reached in any other industry ; it rises from a minimum of ten days' pay for each year of service up to 15, to a maximum of twenty days' pay for each year of service when the total is over 30 years.

In considering ordinary discharge, excluding dismissal for disciplinary reasons to which special regulations apply, attention may be drawn to an important difference of opinion between employers' and workers' organisations. According to the employers, a firm may discharge any given worker with the notice and compensation required by the agreement, whenever such discharge is considered desirable and necessary. They hold that this is of the essence of the employment contract, which must always be terminable at the will of one party. It is so terminable when the worker wishes to leave, as he has merely to give the statutory notice. The principle is tacitly recognised by most agreements, in which no limitations are imposed other than those concerning notice and compensation, either on the employer's right of discharge, or on the worker's right of resignation. The contention of the workers' organisations, which they advanced

and upheld with special energy during the discussions on the control of industry, is the direct contrary. They insist that workers' committees and organisations must be given some kind of control over discharges in order to prevent their being made on political grounds, or by way of reprisals, or as an attack on the trade union ; whereas discharges should be solely on grounds of skill or character, or for reasons somehow connected with the manufacturing conditions of the industry. The employers' organisations, however, are firmly convinced that facts, with rare and insignificant exceptions, in no way justify this fear on the part of the workers. They are therefore strengthened in their opposition to the recognition of any such control. They foresee that it would lead to endless disagreements and disputes about practically every discharge. Human nature is such that nearly every discharged worker would consider himself unjustly treated, and would apply to his competent organisation for redress. Workers' committees and organisations, shaping their policy either by motives of opportunism or because they cannot help themselves, would spread their net very widely in choosing cases requiring their support and intervention.

Another point of disagreement is the procedure to be followed when a reduction in the volume of available employment compels the employer to discharge a larger or smaller number of workers. Workers' organisations are pressing for the adoption of standard rules, to be strictly and invariably obeyed ; these shall determine which workers are to be discharged, preferential treatment being given to those who have been longest employed by the firm, those who have a family to support, etc. This claim, too, was very strongly put in the discussions on the control of industry. The objections raised by the employers' organisations are the same, with slight variations, as those to compulsory engagement of workers through employment exchanges. It may be added that, whenever workers have to be discharged, Italian employers act on the principles upheld by the workers as far as technical requirements allow. Rigid compliance with these principles would, however, be impossible, since it would destroy that elasticity of action which alone offers any hope of progress in production.

Holidays

Before the conclusion of the metal workers' agreement of September 1920, which has already been referred to several times, the principle of holidays with pay had been admitted only in the printers' agreement and in Mr. Labriola's award for the electrical industry, both dating from 1919. In the former case, six days' leave, in the latter, fifteen, was generally allowed. It is laid down in the metal workers' agreement that workers who have been with their present employer for at least twelve months are entitled to six days' leave a year, during which they are to be paid their usual wage, including the cost of living bonus. The same holidays have since then been granted in many other indus-

tries, though not in the boot and shoe, wood, building and some other trades. The date of the holiday is fixed according to the requirements of the work, either simultaneously for a whole shift, workshop, or gang, or for individuals. Some agreements, such as the metal and electrical workers', require mutual arrangement between the parties as to date ; others, such as the textile workers', implicitly leave the fixing of the date to the employer. The question of whether the whole holiday is to be taken at once is not referred to in some agreements, including the metal workers'. Others, such as the textile workers', expressly provide for the division of leave into two or more periods when necessary for reasons imposed by the industry.

In view of the social and health value of holidays, almost all agreements which grant them provide either explicitly, as for the textile workers, or implicitly, as for the metal workers, that the employer may not withhold, nor the worker refuse to take, holidays, even in return for a higher wage than would normally be due for the leave period. Exceptions to this principle do, however, exist. The electrical industries' award, for instance, lays down that when the worker has to give up all or part of his leave on account of the requirements of the work, his standard wages shall be doubled for the time worked, plus an increase of 50 per cent. for the first four hours, and 100 per cent, after that.

Total or Partial Stoppage of Work

It is difficult to generalise about those clauses in the agreements which deal with the treatment of the worker in case of total or partial stoppage of work, seeing that they nearly all prescribe a different procedure. From the general body of agreements, however, it is possible to deduce the principle usually followed. When the stoppage is in no way due to the workers, i. e. when the employer is responsible, even though it may be inevitable in the normal course of business, or when it is due to external causes, the workers who are forcibly deprived of employment and not discharged by the employer are entitled to some pay. Certain specified conditions have to be fulfilled and the amount of pay varies in different cases, and according to the length of the stoppage. For instance, in some agreements (e. g. in the paper trade) it is laid down that the worker is entitled to payment for days when work is stopped for stocktaking, or for cleaning the machinery or workshops, the employer, of course, having the right to transfer him to other work. Other agreements (e. g. in the boot and shoe trade) fix a maximum period of four days' suspension of wages for stocktaking, after which the unemployed worker is entitled to half the minimum wage of the grade to which he belongs.

The paper trade agreement makes special provisions with regard to stoppage of work for causes genuinely outside the employer's control, such as failure of power, shortage of raw material, or deterioration of plant. The worker is entitled to

full pay for the current week provided he makes up all lost time, if it can be done on ordinary working days, and half lost time if it has to be done on public holidays. In the printing trades, the worker is entitled to full pay for the current day in case of stoppage of work due to external causes ; this does not include a breakdown of machinery not caused by the workers, in which case he is entitled to payment for the whole week. Other agreements allow payment in whole or in part, with the stipulation that the workers shall remain on the premises at the disposal of the management during the stoppage. The agreement for the silk industry prescribes that in case of stoppage of work due to the above-mentioned causes the worker shall be entitled, for a period of not more than six consecutive days, to 50 or 60 per cent. (according as the stoppage is general, or affects him only) of his average wages during the last two months. This enumeration could be considerably extended. But it is already sufficiently clear that the principle, which before the war was rigidly applied, of payment only for work actually done, has undergone far-reaching modifications, to the very great advantage of the workers, through the introduction of the measures we have described.

The further case of reduction of working hours on account of industrial depression is provided for by many agreements, some of which lay down that the employer must, others that he may, reduce working hours to 36 per week before dismissing any of his workers. The agreement for the cotton trade, and to some extent those for other branches of the textile industry, contains detailed provisions. Their obvious aim is to lessen the hardship on the workers as far as possible, by paying compensation for days or parts of days of stoppage or shortage of work, by helping them to look for other employment, or by giving them the preference when workers are again being engaged. The cotton trade agreement, in particular, provides that in case of a general stoppage a worker who, for reasons beyond his control, loses more than two hours' work in one week, shall receive 50 per cent. of the pay and bonuses for all time lost beyond the first two hours. After the first fortnight of continuous stoppage, either party may give the usual fortnight's notice, on the ordinary terms, the workers having to hold themselves at the disposal of the firm for that period. The same agreement also awards compensation for individual stoppage of work for reasons beyond the worker's control, amounting to 60 per cent. of wages and cost of living bonus to workers who are discharged, and to 75 per cent. to those who remain in the factory. The agreement for the printing and paper trades provides that the workers shall receive special notice of discharge on account of the business being wound up or otherwise coming to an end.

Penalties

In certain industries general rules forming an integral part of the labour agreements are in force ; in this case, detailed regulations about penalties are also included in the texts of agreements.

In other industries the collective agreements leave the question of penalties to be settled by the different workshop regulations existing in each factory, these having been either drawn up in consultation with the workers, or accepted by them at the time of their engagement. Both kinds of regulations expressly reserve to the management, and to it alone, the power of imposing the proper penalties. They mostly enumerate specifically and in detail the various offences which are punishable by fine, suspension, and dismissal respectively. They also fix the maximum fine in hours of pay, and the maximum period of suspension. As a result the imposition of penalties becomes almost automatic, the worker is guaranteed against all possibility of punishment beyond the proper limits, and a large number of individual and collective complaints and disputes are avoided.

In order to give an idea of the way in which penalties are adapted to the importance of the offence committed, we give the list of breaches of discipline which are followed by dismissal according to one widely accepted set of regulations. It is as follows : insubordination ; theft or deliberate injury to plant or buildings ; brawling in the works ; misappropriation of plans or designs for machinery, tools, or other equipment ; manufacture of any object for the benefit of the worker himself, or of a third party ; unauthorised absence for three consecutive days, or three times in one year on the day following public holidays ; repetition of offences punishable by fine or suspension. It is obvious that none of the causes of dismissal on this list, with one exception, call for any attempt at estimating the magnitude of the offence ; it is only necessary to establish the fact of its having been committed. The single exception is insubordination, differences of opinion being sometimes possible as to whether a particular speech or action comes under this category or not.

The important fact with regard to fines is that they do not benefit the employer, but are, as a rule, paid over to specified insurance or welfare funds for the benefit of workers in the establishment. This fact removes certain objectionable features which would appear if the person directly or indirectly responsible for imposing fines were also entitled to keep them. It also eliminates the possibility of suspicion, which might easily be aroused, especially in the case of collective fines.

Grading and Minimum Wage Rates

An important feature of the post-war agreements is the classification of the workers into clearly defined grades, each including workers with specified qualifications.

The simplest method of grading is that by age and sex alone. This method is followed by several agreements, including, among others, those for the rubber trade, the Tuscan metal trade (carrying out the national agreement referred to above), and the chemical trade. A less elementary, though still quite simple, classification is that based partly on sex and age, and partly on

the worker's qualifications (e.g. skilled, unskilled, or general labourer). This is adopted by the other metal workers' agreements covering one or more districts which carry out the terms of the national agreement. Most industries, however, grade their workers on a purely technical and occupational basis, i.e. according to the nature of the work actually done by them. At the same time, several of these industries have a main grading of this kind by occupation, and in addition, a secondary grading by sex and age. The methods of grading in the cotton and paper trades may be given as examples.

Cotton Trade. (1) Weavers. (2) Dyers, bleachers, etc. (*a*) men (by age groups), (*b*) women (by age groups). (3) Printers (*a*) one-colour roller and Perrot machines, (*b*) two or more colour roller machines. (4) Engravers (*a*) etchers, (*b*) disc engravers, (*c*) pentographers, (*d*) wood roll engravers.

Paper trade. Men over 18 : (1) engravers, skilled mechanics, etc. (2) Wood pulp and wet press (cardboard) machine men, continuous machine men, roller-men, mixers, rag boilers, etc. (3) Machine helpers, rag washers, wood preparers, pulp carriers, etc. (4) Cleaners, felt men, pulp pickers, boys, etc. Women over 17 : (1) bundlers, rag and wastepaper sorters, cutters, etc. (2) Sorters, wire stitchers, etc. (3) Calender attendants, cellulose pickers, etc.

There are, however, a large number of agreements which contain no suggestions as to grading, for instance, in the wool and linen trades.

The question of a minimum wage is closely connected with that of grading. Indeed, the main, if not the only purpose of grading, is the ultimate fixing of a minimum wage for the workers in each grade, and the agreements which grade their workers also fix minimum wages for each grade and sub-grade. As a rule, these minima apply to establishments of all sizes, and in all districts ; no account is taken of the average output in each district and in each establishment, of the special circumstances of each firm, or of local customs and standards of living. It should be noted that in almost all cases the minimum wage is not fixed on the basis of providing the bare necessaries of life. Social legislators use the term "minimum wage" in this special sense, and there is a possibility of the same meaning being wrongly attributed to it here. The sum stated is rather a kind of standard wage—often the economic maximum which many firms can afford to pay—and in many cases is identical with the time wage properly so called.

The reader should here refer to our opening remarks on the possible consequences for Italian industry of the conclusion of national agreements. However, the existence of national agreements must not be considered as synonymous with complete equality of economic treatment for the workers in different districts. In the first place, there are important national agreements, such as that in the metal trade, which either leave the drafting of the strictly economic clauses to special agreements covering

one or more districts, or make distinctions—sometimes of no great consequence—between different districts. Secondly, some industries differentiate between different districts in fixing the cost of living bonus ; this may or may not be referred to separate negotiations for each district, but can in any case be based on local variations in the cost of living. Lastly, differences may arise, at least in theory, because some industries which are in a position to do so pay wages above the so-called minimum rates, or fix piece-rates at a higher level.

A very important point to be considered with regard to grading is the procedure to be followed in the transfer of the worker from one grade to another, and more especially to a higher one. All the agreements which deal with promotion agree that this is at the discretion of the management ; the same principle naturally holds in the industries where the agreements say nothing about it. No other course would be possible. Suppose, for instance, that some automatic criterion existed for transfer from one grade to another, for example, seniority of employment with the firm, or in one grade. The swift and inevitable result would be a kind of bureaucratisation of labour, and the loss of all incentive to the acquisition of greater technical skill which exists when the worker knows that promotion to a higher grade, and consequently to better pay, is only to be gained by an improvement in his technical qualifications. It is perhaps within the bounds of probability that the workers' organisations, in putting forward the demand for grading, actually had some such bureaucratisation in view in the last analysis. The employers, however, could not do otherwise than combat such a possibility. In so doing they could rest assured that they were protecting, not their own private interests, which might well be negligible, but the ultimate fate of industry. No restrictions, in fact, on freedom of movement and independence of technical opinion can be imposed on the management without incurring the certain danger of paralysing production.

Methods of Payment

In almost all agreements the worker's pay is made up of two quite distinct parts : the wage properly so called, and the cost of living bonus. Some remarks on the origin and nature of the latter may be of use. Early in the war, or, more accurately, as soon as the price of all goods and services began to rise noticeably, it became necessary to raise money wages. It was considered desirable that the increase should be kept quite separate from the original wage, and it received the name of "cost of living bonus". There were various reasons for this, the principal one being the wish to make quite clear that the increase was not permanent and would naturally only last as long as the rise in the cost of living. It was held that, when prices began to fall, the accompanying reduction in wages would be much more easily effected if the increase was in a form which clearly showed its

origin ; otherwise the increase would in course of time become indistinguishable from the original wage, of which it would have become part and parcel. The cost of living rose so much, however, that the corresponding bonus threatened to become larger than the basic wage. In consequence of this a portion of the cost of living bonus was gradually amalgamated with the basic wage, so that the remainder did not, as a rule, amount to more than one-third of the total pay.

Methods of fixing the cost of living bonus vary in different agreements. All, however, aim at avoiding any reduction in the worker's real wage. In practice what has happened is that, as a rule, the increases granted during the war are very much greater than the depreciation in the purchasing power of money, so that real wages have increased, in some cases to a considerable extent. In fixing the cost of living bonus, the various agreements take into account age and sex, as well as wage grade. Sometimes only age and sex are considered, since in practice there is no great difference in the pay of workers of the same sex and of the same age group, whether adults or young persons. When once the cost of living bonus is fixed, the piece worker receives the whole of it, regardless of the amount of his actual earnings. As a rule, it is paid in full, even if the worker does not work for the whole day.

Having dismissed the cost of living bonus, it remains to discuss methods of fixing the wage strictly socalled.

All workers receive a stated hourly wage, which may be identical with the minimum wage already described, or may be higher. The amount is guaranteed in all circumstances to all workers who are present and prepared to work. This covers the case of the piece worker whose actual earnings on the existing scale fall below the standard wage, either intentionally on his part, or through some mischance. As a result one of the main objects of piece work is largely frustrated, since it aims at inducing the worker to increase his output without continual supervision and encouragement from his superiors, and at paying only for the actual work done. The stated wages are, in fact, only a starting point for fixing the actual wage (exclusive of cost of living bonus) of the worker.

Piece-rates are generally adopted wherever they are technically possible. Most agreements stipulate that the list of piece-work prices must be fixed so that a worker of average skill and normal working speed may be able to earn either a specified percentage more than the stated hourly wage of his grade, or an amount which does not fall below a pre-determined figure. In the case of work which is necessarily paid by time, the stated hourly wage is by no means always the wage actually received by the worker. Some agreements, in fact, stipulate that when time work cannot be avoided, the workers shall be entitled to claim an extra sum over and above the stated hourly wage, the amount varying in different cases.

One last aspect of the subject calls for some consideration : the question of the extent to which piece-work is compulsory.

The workers' strong dislike of such work and the reasons for it are both well known. From time to time there have been prolonged disputes on the subject, and theorists and practical men alike have made elaborate replies to the objections raised. This dislike has left its mark on the Italian agreements. There is the particular case of the printers' agreement, which definitely abolishes piece-work. Beyond this we need only refer to the guarantee of a definite hourly wage to the piece worker, which is in itself an important breach of the fundamental principle of piece-work. Refusal to work at piece-rates is tacitly authorised by some agreements. For instance, the metal workers' agreement for Lombardy and Emilia (carrying out the national agreement) states that a worker who refuses to work at piece-rates shall not be entitled to the extra payment mentioned above. The obvious deduction is that a worker who is satisfied with the nominal hourly pay (including, of course, the cost of living bonus) is at liberty to refuse to work on piece-rates.

Conclusion

The foregoing account will serve to show the very great differences between the collective agreements which now regulate labour conditions in Italian industry and those in force before the war. The questions dealt with have become both more important and more varied. With some exceptions, nearly all the pre-war agreements were limited to the establishment of standards and the determination of wage scales. The few agreements containing more general provisions only regulated a limited number of points, usually of small social importance, in the relations between the employer and his own workmen. But the agreements now in force, and the so-called workshop regulations which form an integral part of them, analyse and regulate employment contracts down to their smallest details and in every aspect—economic, social, and disciplinary. In virtue of them the worker acquires a large number of rights ; his material and other interests are safeguarded. He is placed, in fact, in a class which, considering all the factors and circumstances involved, has but small reason to envy other classes of the community which have always been considered specially favoured and privileged by the constitution of society.

Italian employers may be said to have done their part in keeping the promise given to the workers during the war to provide better social and material conditions, a promise made with the object of arousing their enthusiasm for the cause of Italy and of civilisation and of helping them to bear cheerfully the privations imposed by the war on all alike. The employers were actuated by the desire to fall in with the aspirations of the

workers, so far as economic necessities allowed, and have kept their part of the compact, even when the reforms proposed may have seemed to them premature and unlikely really to benefit the working classes. They offered, and still offer, some resistance to certain changes ; their sole and sufficient justification is their profound conviction that, were these changes to be carried out, they would seriously hamper the growth of normal industrial relations, the development of the productive power of industry, and the maintenance of peace and order in the ordinary conduct of society.