

**// THE INDUSTRIAL RELATIONS
IN THE COMMERCE SECTOR:
ANALYSIS OF ORGANIZATIONAL
MODELS AND TOOLS DEVELOPED
BY SOCIAL PARTNERS AT
EUROPEAN AND NATIONAL
MEMBER STATES LEVEL TO
GUARANTEE MORE OPPORTUNITIES
TO WORKERS AND COMPANIES //**

THIS PROJECT HAS RECEIVED FUNDING FROM THE EUROPEAN UNION

ENTE BILATERALE DEL TERZIARIO, DISTRIBUZIONE E SERVIZI DELLA PROVINCIA DI PERUGIA



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We would like to thank the partners who, together with us, believed in the project and contributed their expertise and professionalism.

Preface

In recent years, the role of social dialogue and labour relations has been the topic of debate, but never before in a period such as this one marked by a severe economic recession, social upheaval and a lack of values, has it been more important to emphasize concertation.

In this context joint decisions must be taken by representatives of governments, business owners and workers since only through the democratic participation of all actors in the labour market will it be possible to achieve our common goals such as economic growth, sustainable development, fair competition and compliance with the rules without social conflict.

This study involves a comparison between the European countries of Belgium, Greece, Italy, Latvia and Spain, allowing us to learn about the guidelines within the European Sectoral Social Dialogue Committee in the field of trade.

The aim of the project was the exchange of knowledge on the structure of contractual models and the practices adopted in relation to five issues we believe to be of common interest for both employers and workers since they are closely related to the modernization and development of the labour market in terms of flexi-security, youth employment, reconciling work and family and workplace health and safety.

The activities of the project have allowed us to enhance the skills of the actors involved, with the aim of helping to ease labour relations and to promote awareness of the Collective Agreement and the positive actions made by the social partners at their associative bases in order to take advantage of the opportunities offered by collective bargaining.

Cristiana Casaioli

Introduction

In Italy, the most representative union organisations and signatories of the national collective labour agreement for the employees of service companies distributing and offering services to workers are: FILCAMS - CGIL, FISASCAT - CISL, UILTUCS - UIL and Confcommercio Imprese per l'Italia for employers.

The National Collective Labour Agreement delegates to local chapters of the aforementioned social parties the management of secondary level labour relations. In Umbria, however, as in many Italian regions, labour relations of this type are currently very limited. However, there are several topics on which the social partners have found points of contact:

- ▶ training;
- ▶ regulation of the labour market;
- ▶ labour disputes;
- ▶ union agreements in individual production units;
- ▶ apprenticeship training programmes of the Bilateral Agency.

A Territorial Agreement in a strict sense has never been signed in the province of Perugia. This is probably due to the high concentration of small/micro businesses, therefore the presence of a highly fragmented and poorly unionised sector.

On the other hand, this environment reflects the national trend.

The overall image of the diffusion of regional agreements is perhaps best represented by the image of leopard spots. The poor development of the union relation processes may have contributed to the limited knowledge of workers and companies about the relevant contract, thus causing the loss of certain opportunities offered by collective bargaining.

Over the last few years, in our area, bilaterality has promoted a push in the opposite direction, both in terms of the development of labour relations and awareness about the national collective labour agreement.

This is the environment out of which the desire and need was born to compare our situation with other European countries in order to:

- ▶ learn about the industrial relations models;
- ▶ learn about the concertation vision and logic of EuroCommerce and Uni Europa;
- ▶ identify other bilateral models;
- ▶ investigate select issues of particular interest to both companies and workers.

Objectives and methodological framework of the research

The Ente Bilaterale del Terziario: distribuzione e servizi della provincia di Perugia is the presenter and head of the project entitled “The Industrial Relations in the commerce sector: analysis of organizational models and tools developed by social partners at european and national members states level to guarantee more opportunities to workers and companies”.

The project, launched in late 2011 and concluded on 22 November 2012, was funded by the European Commission.

The activities began on 16 February 2012 in Perugia, with the presentation of the partners, the discussion of the project and instructions about the methodology and operations.

During the year of work, four joint meetings were held which were attended by members of partner organisations in addition to outside experts:

1° Kick Off – Perugia	16 and 17 February
2° Meeting – Riga	9 and 10 May
3° Meeting – Perugia	5 and 6 July
4° Final Conference – Brussels	8 November

The project allowed the following objectives to be achieved:

- ▶ collect and facilitate the exchange of information between the partners, with regard to methods of bargaining and areas and levels of application of collective agreements;
- ▶ create a collection of the contractual models and *best practices* in labour relations, drawing a picture of the legal aspects of reference of each country, highlighting the role and positive actions that the social partners have developed within the five themes:

1st topic: employment contracts that facilitate entry into the world of work and provide training to increase the skills of workers;

2nd topic: reconciling work and family;

3rd topic: management models that require the participation of workers and retribution systems tied to productivity;

4th topic: income support for workers and businesses;

5th topic: workplace safety.

- ▶ measures and policies on a european level promoted by the european committee of the commercial sector: EuroCommerce.

Reflecting on the comparison of the different models, the *exchange of knowledge* allowed us to:

- ▶ promote and revive the debate on the use of the negotiation method in order to improve labour relations and social dialogue;
- ▶ facilitate the dissemination of the Collective Agreement with the membership base in order to create the conditions for fair competition between operators;
- ▶ enhance the skills of the staff of the partners involved.

The critical aspect of the methodology used was that of participation centred on debate and the exchange of experiences of all those involved.

This approach was supported by:

- ▶ workshops between european partners;
- ▶ national dissemination seminars through the membership system of the social parties;
- ▶ a web platform (www.ebtperugia.it/europeplan);
- ▶ forums;
- ▶ newsletter.

A grid was used as a tool for collecting information and for assisting the partners in their search for data. It also resulted in data that was uniform, easy to compare and analyse, in spite of the difficulties tied to the specific technical language that cannot always be translated in an unambiguous way.

The grid was divided into five sections:

- ▶ Section 1: presentation of the structure and national legal system;
- ▶ Section 2: description of the characteristics of the Collective Labour Agreement;
- ▶ Section 3: a list of experiences and cases developed or known on bilateralism;
- ▶ Section 4: Industrial Relations. Analysis of the legal framework of reference and the agreement model;
- ▶ Section 5: analysis of the five themes.





CHAPTER 1.

The Partners

■ **Buurtsuper.be**

Tweeckerkenstraat 29 bus 5, 1000 Brussel - Belgium

Phone: 0032 2 238 06 31 - e-mail: luc.ardies@unizo.be web site: www.buurtsuper.be

Non-profit organization.

Buurtsuper.be vzw is the UNIZO federation for the independent food retail and defends the interests of independent food retailers, from small self-employers to big independent supermarkets. Buurtsuper.be organises a wide range of services for these retailers.

Buurtsuper.be represents 25000 independent food retailers in the joint committee 201 which discusses topics on labour conditions, employment premiums, grants on educational initiatives for employees and jobseekers, premiums for childcare costs.

■ **Confederación de Comercio de Cataluña, CCC**

C/ Via Laietana, 32, 2P 08003 Barcelona - Spain

Phone: +34 93 491 0606 – e-mail: ccc@confecom.cat web site: www.confecom.cat

Association.

During these 25 years the CCC has promoted many initiatives aimed at Catalan retailers, so they could have more powerful tools to improve their competitiveness. The areas of work of the CCC are:

- ▶ deepening social dialogue with unions representing the employees (UGT and CCOO);
- ▶ direct negotiation of the General Commerce Agreement of Catalonia;
- ▶ through its associated organizations, the negotiation of provincial agreements on the diverse commerce branches;
- ▶ employment: promoting a reform of the labour relationships that enhances a more flexible labour market;
- ▶ promoting professional qualifications, supporting vocational training schools and programs aimed at retailers and employees;
- ▶ introduce environmental practices that improve the management of commercial waste, energy efficiency, and the minimization of the elements of pollution in all its forms.
- ▶ planning and promotion of commerce: stability of the current regulation of business hours and the regulation of commercial organization;

- ▶ leading, from the point of view of commerce, the problem of self-employed workers. Improving the set of social benefits for the self-employed and obtaining a tax framework adapted to the economic sector;
- ▶ promoting rules for commercial organization and competition that ensure the SME's presence in the market;
- ▶ to collaborate with the industries of tourism and services to business, in order to strengthen the competitiveness of the entire group of SMEs;
- ▶ to ensure the presence of the SME sector in international bodies;
- ▶ anti-dumping.

To ensure greater security in cities and towns in Catalonia through a reform of the criminal law.

■ **Ente Bilaterale del Terziario: distribuzione e servizi della provincia di Perugia**

Via Settevalli, 320 – 06129 Perugia - Italia

Phone: +39 075 506711 - e-mail: info@ebtperugia.it

web site: www.ebtperugia.it

Bilateral Organism.

It's an entity joint, established in the Collective Agreement, consisting of the Confcommercio Imprese per l'Italia, FILCAMS - CGIL, FISASCAT - CISL, UILTUCS - UIL of Perugia.

The agency helps companies and employees with services transferred by the Collective Agreement and the national legislation, agreed by the social partners in several areas:

- ▶ negotiating area: vocational training; conciliation of work;
- ▶ representative for the territorial security;
- ▶ sector welfare: solidarity funds for workers and businesses;
- ▶ field training: projects Interprofessional Funds (For.Te.), european tenders.

■ **EuroCommerce**

85, Avenue des Nerviens 1040 Brussels - Belgium

Phone: + 32 2 737 05 82 - e-mail: savoini@eurocommerce.be -

web site: www.eurocommerce.be

International organisation no profit. Established in 1998.

EuroCommerce represents the retail, wholesale and international trade sectors

in Europe. Its membership includes commerce federations and companies in 31 European countries.

Commerce plays a unique role in the European economy, acting as the link between manufacturers and the nearly 500 million consumers across Europe over a billion times a day. It is a dynamic and labour-intensive sector, generating 11% of the EU's GDP. One company out of three in Europe is active in the commerce sector.

Over 95% of the 6 million companies in commerce are small and medium-sized enterprises. It also includes some of Europe's most successful companies.

The sector is a major source of employment creation: 31 million Europeans work in commerce, which is one of the few remaining job-creating activities in Europe. It also supports millions of dependent jobs throughout the supply chain from small local suppliers to international businesses.

Role of sectorial Committees

Deal with EU policies and with consensual issues.

The scope and representative role of the European Committees of Sectorial Social Dialogue

See the representativeness study of the Dublin Foundation:

<http://www.eurocommerce.be/content.aspx?PageId=41864>

Strong points:

- ▶ good cooperation on consensual issues;
- ▶ contribute to have more influence on shaping EU policies and to build alliances;
- ▶ gives visibility to the sector;
- ▶ support for capacity building in new member states and candidate countries.

Weak points:

- ▶ different views between the social partners regarding the issues to be dealt with at national or European level (not the same vision of the subsidiarity principle);
- ▶ not all the EU member states are represented, weak participation especially of representatives of new member states and candidate countries.

Imbalance in the representativeness at EU level between employers and trade unions organizations.

Evaluation of the relationship and Industrial Relations of the nations in a community sense

In the sectorial social dialogue from commerce we deal mainly with:

- ▶ health and safety at workplace;
- ▶ education, training and skill needs;
- ▶ EU employment strategy;
- ▶ follow-up of EU sectoral policies with impact on the commerce sector;
- ▶ follow-up of the SD outcomes (see enclosed work programme).

■ **Labour Institute of GSEE (INE/GSEE)**

Em. Benaki 71 A, PC 106 81, Athens, Greece

Phone: +30 210 82 02249 - e-mail: ineobser@inegsee.gr - web site: www.inegsee.gr

Non-Governmental Research Institute.

INE/GSEE's main activities involve the generation of researches and studies on labour and employees issues important to the Greek economy and the Greek Labour movement. Its main strategy is to provide scientific justification and therefore assist in the social and political intervention of the Greek General Confederation of Workers (GSEE).

Most of INE/GSEE's studies concern the demand of equal opportunities of the employed and the unemployed, the battle against social and financial exclusion in the Greek society, the information of trade unionists on the realities and problems of the unemployed as well as producing suggestions in order to counter the problem. In addition to its scientific pursuits, INE/GSEE also plans and partakes in the realization and development of national and European projects focusing on assisting the weaker social stratae via professional training and support initiatives as well as to inform and train trade unionists through the circulation of newsletters and hosting seminars and training programmes at national and European level.

■ **Latvian Traders Association**

Latvia, Riga, Bruņinieku Street 12-9, LV-1001

Phone: +37129548484 - e-mail: hd@trade.lv - web site: www.lta.lv

Non-profit organization.

Latvian Traders association initiates changes in bills and legislation, coordinates state's and business interests, represents traders' opinion in various state's advisory boards and media; provides individual advice to commercial business, assistance for arranging and obtaining the business documents.

Association members can get a competent professional explanation on the law-enforcement practice, and defence in case of unjustified repressions and

help in conflict settlement, discuss and propose amendments to legislation, get assistance in ensuring the fair competition, use various discounts offered by the Association and its partners, be represented in national advisory councils and non-governmental associations to promote entrepreneurship, raise qualifications in courses and seminars organized by Association, participate in vocational and recreational activities – in the competition “The Best Trader in Latvia”, “Product of the year”, in the honours “The best trader in Latvia” and “The Best Producer - Distributor”, sports events for traders etc. activities.

Latvian Traders association Council and the Major Traders Union meet once a month, but Excise Traders Union meets once a quarter to discuss the topical issues.

Name of Organization

Belgium	Buurtsuper.be
Belgium	EuroCommerce
Greece	Labour Institute of GSEE (INE/GSEE)
Italy	Ente Bilaterale del Terziario: distribuzione e servizi della provincia di Perugia (EBT)
Latvia	Latvian Traders Association
Spain	Confederación de Comercio de Cataluña, CCC

Legal form of the Organization

Buurtsuper.be	Non-profit Organisation
Confederación de Comercio de Cataluña, CCC	Association
Ente Bilaterale del Terziario	Bilateral Organism
Eurocommerce	International Organisation no profit
Labour Institute of GSEE (INE/GSEE)	Non-Governmental Research Institute
Latvian Traders Association	Employer’s Organisation





CHAPTER 2.

The legal
framework
and the
contractual
model

2.1 Buurtsuper.be - Belgium

2.1.1 The legal framework of reference

The social dialogue in Belgium contains:

- ▶ an interprofessional dialogue between employer organisations and employee organisations in the National Labour Council in which UNIZO, the umbrella organisation of Buurtsuper.be, represents the SME's. A Framework agreement is set up for further sectoral dialogue;
- ▶ a sectoral dialogue between employer organisations and employee organisations: joint committees.

These joint committees set up concrete collective labour agreements on wage and terms of employment.

E. g. joint committee for independent supermarket (JC 202.01/ white collar workers)

e. g. joint committee for blue collar workers in the food business (JC 119/ blue collar workers).

Buurtsuper.be represents the employers.

Negotiations (every 2 year) on the collective labour agreements.

2.1.2 The structure of the contract

The CLA is typically binding: if the employers' organisations and unions which enter into the CLA are considered representative by the government, then the CLA is binding on all employers and employees, even if they are not part of the organizations concerned. At the request of a party to the CLA, the Minister of Social Affairs and Employment will declare a CLA "generally binding".

2.1.3 The agreement model and the Industrial Relations

A CLA or collective labour agreement is an agreement which is entered into between unions and employers' organisations.

The collective relations between employers and employees in a particular branch of industry are laid down in this agreement. The rights and obligations of both parties are stipulated in this document.

The representative employers' organisations and unions negotiate the conditions of employment and the wage conditions for a specific period, and agree on a

period of social peace (in Belgium typically two years). The negotiations with a view to entering into collective labour agreements take place during the sectorial consultation between the representative employers' organisations and the unions. Additionally, for enterprises employing 50 people or more, there is consultation at company level.

This consultation, however, must fit in with the sectorial agreement. No structural consultation takes place at company level in the case of SME's (<50 employees).

For these SME's the conditions that apply are those which were agreed upon during the sectorial consultation and the collective labour agreements signed, in that context, by the representative organisations.

These CLAs are generally binding, in other words, all enterprises must abide by them.

Within the joint committee for the independent retail trade (JC 201) and the joint committee for medium-sized food companies (JC 202.01), Buurtsuper.be and its umbrella organisation UNIZO, together with the unions, in 1997 created so-called 'Regional Consultation Bodies' for enterprises employing more than 20 people.

These 'regional consultation bodies' have the authority to handle individual or collective disputes or conflicts pertaining to the labour relations, the application within companies of the social legislation, the collective labour agreements, the individual employment agreements and the company rules.

a) Conflict mediation

Individual complaints which are lodged with the representatives in the regional consultation body are handled within the regional consultation body.

The regional consultation bodies are chaired by the chairman of the joint committee. The members of the regional consultation bodies may ask the chairman to add certain topics to the agenda provided that they are within the competence of the regional consultation bodies.

The competent regional consultation body invites an employer in the event of a dispute or an argument of a collective nature arising in the company.

b) Organisation of the information

The powers of the 'regional consultation bodies' also pertain to the organisation of the information of the employers and employees by their respective representatives.

This information relates to the labour relations and the application of the social legislation, the collective labour agreements and the company rules.

Employers' organisations or unions may also spread information about the social legislation, CLAs etc. within the company provided that they advise the regional consultation body and the employer in advance.

This information must remain objective and correct and must be respectful of employers and employees.

The information is provided to the employer, who disseminates it as follows:

- ▶ either, by way of 'official notification', within the company, on a notice board placed in a spot which is easily accessible to the employees;
- ▶ or by an employee of the company.

In the event that the employer is opposed to the information being disseminated, he must give the reasons for this refusal to the regional consultation body.

2.1.4 Definition of bilateral institutes/bilateralism

Employers organizations and workers organizations are represented in a common Social Fund for the independent retail branch (SF 201 and SF 202.012). Employers pay a contribution of 0,50% on the gross amount of the salary of the employees to the Social Fund.

Both organizations decide on the board of the Social Fund which actions are financed with the budget.

The goal of the Social Fund is to promote employment and especially people who belong to risk groups.

2.1.5 Bilateral experiences

- ▶ Subsidies for training costs;
- ▶ subsidies to employ risk groups (low educated people, disabled people, unemployed, ...);
- ▶ subsidies for costs childcare.

2.2 Confederación de Comercio de Cataluña, CCC - Spain

2.2.1 The legal framework of reference

The main laws conforming the legislative framework for the collective contracts are:

- a) State legislation published in the Official State Bulletin (BOE):
 - Royal Legislative Decree 1/1995 of March 24, approving the revised text of the Workers' Statute Law;
 - Royal Decree 713/210 of May 28, on registration and deposit of contracts and collective work agreements;
 - Royal Decree Law 3/2012 of February 10, for urgent action to reform the labor market.

- b) Regulations of the Autonomous Communities (regions), reflected in the corresponding Official Journals:
 - Decree 352/2011 of June 7 to restructure the Department of Business and Employment (Autonomous Government of Catalonia);
 - Law 26/2010 of August 3, on the legal system of government of Catalonia.

- c) Some of the EU regulations, published in the Official Journal of the EU:
 - Directive 2003/88/EC of the European Parliament and of the Council of 4 November 2003 concerning certain aspects of the organization of working time;
 - Council Directive 91/533/EEC of 14 October 1991 on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship;
 - Health and Safety Framework Directive 89/391/EC;
 - Equal Treatment Directive 2006/54/EC.

2.2.2 The structure of the contract

The first title of the collective contract defines the negotiating parties, the scope of application and the procedures for administering the agreement through a joint committee.

The second title deals with working conditions in all its complexity. It includes chapters and sections on: work organization, job classification, professional groups, income, probation, dismissal, promotion, termination, retirement, compensation for termination, hiring and working hours, weekly rest, vacation, working schedule, protection of maternity and paternity, wage and fringe perceptions, union rights and representation, offenses and penalties, social security and risk prevention, vocational training and environmental management.

The final clauses establish principles of equity, non discrimination and protection of workers victims of gender violence.

Finally, the collective contract includes appendixes on wage tables and distribution of professional categories in levels of income.

2.2.3 The agreement model and the Industrial Relations

Functional scope: this collective agreement governs the working conditions of personnel providing services for companies engaged in the activity of commerce, both wholesale and retail, which are not included in the functional scope of any other agreement published in the newsletter or corresponding official journal, prior to the date of entry into force of this agreement.

Personal scope: this collective agreement applies to all workers who make up the staff of the companies included in the functional and territorial scope established in articles 2 and 3, except those falling under article 2.1.a) of the Royal Legislative Decree 1/1995 of March 24.

Territorial scope: this collective agreement affects businesses and workplaces that, being included in the functional area defined in the previous section, are located in the territory of Catalonia.

The dominant model of collective contract is the provincial collective contract of each sector. For example, on commerce there is the Provincial Contract on Textile Commerce, the Provincial Agreement on Metal Commerce, and so on.

Some sectors have a national framework agreement, but the negotiation of wage scales is kept at the provincial level. Large companies, including those in commerce, or chains of hotels, have company agreements at a national level.

The new decree law on the labour reform gives preeminence to the company agreement, and due to the current economic situation, allows companies in troubles to implement opt-out clauses of the agreement.

The Second Agreement for Employment and Collective Negotiation (January 25, 2012), foresees a series of measures aimed at generating a more flexible labor organization within companies, that allows improvements in competitiveness and at the same time promote employment stability.

With the aim of preventing dismissal as an undesirable solution for business adaptation to the current economic situation, the Second Agreement sets up measures for business flexibility regarding work schedules, functional mobility and variable salaries.

2.2.4 Definition of bilateral institutes/bilateralism

There are bilateral institutions formed by trade unions and employer organizations, but in Spain they tend to become trilateral institutions, including the participation of governments at the municipal, regional or State level.

2.2.5 Bilateral experiences

Some bilateral institutions are:

- ▶ Fundación Tripartita para la Formación en el Empleo (Tripartite Foundation for Training in Employment);
- ▶ Consorcio para la Formación Continua de Cataluña (Consortium for Lifelong Learning of Catalonia);
- ▶ Consejo Económico y Social (Economic and Social Council);
- ▶ Consejo de Relaciones Laborales de Cataluña (Labour Relations Council of Catalonia).

Here are some examples of agreements:

- ▶ agreement on employment and collective negotiation;
- ▶ agreement on professional training for employment;
- ▶ agreement on autonomous solution of labour conflicts.

2.3 Ente Bilaterale del Terziario: distribuzione e servizi della Provincia di Perugia - Italy

2.3.1 The legal framework of reference

Work is one of the fundamental principles established by the Constitution of the Italian Republic, a founding value of the Republic (art. 1). As a central source (at least formally) of Italian law, the ordinary law (and acts with force of law) are the primary tools by which the State seeks to maintain the delicate balance of the parties involved in labor relations.

The Civil Code of 1942 gave the definition of employment (art. 2094), the general principles of contract (art. 2060) and above all, comprehensive regulation for the protection of employees. After the Constitution became law, it evolved in three periods: an initial period of retention of the traditional model of intervention, with the expansion of existing safeguards (Laws n. 741 of 1959, n. 1369 of 1960 and n. 230 of 1962).

A second period with Law n. 300 of 1970 (famously quoted as the Workers' Statute), by a legislative measure to support trade unions with the introduction of the proceedings of the anti-union repression.

And finally the third and last period of reconciliation and worker protection in favor of the demands of efficiency and productivity of business and the liberalization of the labor market. Regulation of employment may be left to standard policies, in cases where there are no laws or related collective agreements. These practices may also prevail in case of disposition of law if they provide more efficient protection, but do not override the contract of employment. Business policies are considered as sources of labor law. Negotiation policies, coming under the area of individual autonomy, cannot be considered sources of labor law.

1. Concept and types of collective agreements

With the collective agreement of the conflicting common law, workers' unions and employers dictate the treatment and mandatory minimum that must be applied in the employment relationships existing between the workers and employers registered with the associations.

Inter-confederal agreements, collective agreements and those of national, regional, provincial or other geographical area, as well as corporate contracts are in the nature of collective common law.

The national collective labor contract – while not applying directly to non-union members who have signed it – is generally taken by the Court as a ‘parameter’ to assess the adequacy of remuneration and these standards apply to employment relationships.

Other types of collective agreements

Our system also recognizes collective agreements which are different from common law, such as:

- a) corporate collective agreements;
- b) the collective agreements must be made effective for all members of the profession to which they refer (so-called extended ‘erga omnes’) under the appropriate delegated legislative decrees (see also point 6).

The collective agreement in the Constitution

The Constitution, art. 39, provides that “registered trade unions” representative unit in proportion to their members, conclude collective labor agreements having mandatory effect for all members of the category to which the contract relates.

However, this presupposes a system of ‘trade union registration’ that, having never been implemented by ordinary legislation, does not allow the state to award a contract of this nature and effectiveness.

2. Collective agreement of common law

The freedom to conduct negotiations and conclude collective agreements of common law is recognized by the Constitution (art. 39 “free union”) and international standards (“right to collective bargaining”).

Following abolition of wage indexing (contingency), Protocol 23 of July, 1993 was signed. It covered income policy and employment, contractual assets, labor policies and support for the production system; it created a new structure based on two bargaining levels: national sector bargaining (CCNL) and that at a company or local level (i.e. the second level).

This protocol has been replaced by a new framework signed by the Government and social partners on January 22, 2009, which was implemented in a subsequent inter-confederal agreement on April 15, 2009 between CISL, UIL, UGL and Confcommercio Imprese per l’Italia.

The two levels for collective bargaining remain – national and local – each lasting three years both for economic and legislative fields.

All national contracts, whether first or second level, which expire after April 15, 2009, and all previous contracts with earlier expiration but not yet subject to renewal will be renewed according to the rules of the current agreement.

The principle new features include:

- harmonized index of consumer prices; instead of the planned inflation rate, it is identified by the HIC (harmonized index of consumer prices), which will express the growth of consumer prices in Europe with reference to Italy. The development of the prediction will be entrusted to a third party. The new index will be applied to a value identified by the specific agreements;
- renewal of contracts: specific arrangements will define the timing of negotiations for the renewal of contracts in order to avoid excessive extensions. Upon the expiration of the contract, economic coverage for workers will be recognized in individual collective agreements on the date of ratification;
- bonuses linked to productivity: greater emphasis on second-level bargaining for economic incentives linked to achieving objectives of productivity, profitability, quality, efficiency and results related to the financial performance of businesses;
- specificity of second-level bargaining: exercised over matters delegated by the national contract or by law, and institutions not already negotiated on other levels of bargaining; specific agreements may provide for procedures and conditions for small and medium industries because of their size, conducive to the spread of second-level bargaining, and may set terms and conditions to change individual economic institutions or standards of national collective agreements.

Identification of the applicable collective agreement

The national collective labor contract applies – except as stated on its subjective effect - to work relationships for persons belonging to the category of workers and employers to which it refers. Pursuant to art. 2070 paragraph 1, Ref. civ., the category – except in special cases (e.g. janitors and building custodians) – is usually identified on the basis of the employer's activity, not in relation to the activities performed by an individual worker. It follows, for example, that the contract of a truck driver responsible for transporting products from a chemical company will be controlled by the collective agreement for the chemical industry rather than by the transport company.

If the company has different types of business activities, the collective agreement is determined with reference to the prevalent one.

The determination of the prevailing activity is done by combining the various criteria:

- the costs and revenues associated with each;
- the volume of labor force employed in relation to each.

According to paragraph 2 of the cited article, if the employer performs different autonomous and distinct activities, he/she may apply the corresponding collective agreement to the respective single activity.

However, according to case law, the possibility of applying by analogy the collective agreement to persons in fields other than those covered by the contract is precluded.

Application in Time

The collective agreement of common law applies only during the period for which it has been stipulated. The principle of continuing activity established by article 2074 of the Civil Code applies only to corporate contracts.

However, the following still hold true:

- the employee shall retain the rights provided by the contract expired in the period between the expiration and renewal thereof;
- the group can, as part of their negotiating autonomy, provide, at the signing of the new contract, for retroactive coverage for the period that had remained 'uncovered.'

3. Company collective agreement

The company agreement is a common law agreement between the union representatives in the company and the employer.

It does not constitute a collective agreement, but rather an agreement reached with a number of individual workers instead of with the union representatives, which constitutes a multi-person contract.

The Inter-confederal Agreement of June 28, 2011 states that the national collective labor contract is designed to ensure certainty of economic and regulatory measures common to all workers employed throughout the country, while company negotiations are exercised for matters delegated by the national contract or by law.

Therefore, business agreements can define, even on an experimental basis and within the limits and procedures laid down by the CCNL, modifications to

the regulations contained in collective bargaining. If not planned and pending contract renewals, the Company contracts with business representatives in consultation with the local organizations may regulate by modifying agreements on work performance, hours and organization of work, to manage whether in crisis situations or during significant investments aimed at economic development and employment.

The company agreements are effective both for economic and regulatory issues for all staff, and binding on all signatories to the inter-confederal Trade Unions operating within the company, if approved:

- ▶ by the majority of the RSU members;
- ▶ by the RSA formed by the Trade Unions to whom are sent most of the proxies related to the union contributions by workers in the year prior to ratification. The workers are called to vote to approve the collective agreement if, within 10 days of the conclusion of the contract, at least one organization signatory of inter-confederal or at least 30% of workers request it. The vote is valid if it 50% plus one of the owners participate. The agreement is rejected by a simple majority vote.

The legislature has also intervened in support of collective bargaining at the local level (called 'neighborhood contracts') and decided that, subject to compliance with the Constitution and the constraints arising from EU legislation and international labor conventions, special arrangements may operate notwithstanding any provisions of the law and regulations contained in the national collective employment contracts (art. 8, paragraph 2-bis, Legislative Decree no. 138/2011).

These arrangements are made through the conclusion of collective agreements signed by company or local associations most representative of workers at the national or local level or by their union representatives in the company operating under existing laws and Inter-confederal Agreements, including Inter-confederal Agreement of June 28, 2011, and cover all workers interested in a position to be subscribed on the basis of a criterion relating to the aforesaid majority union representation.

The agreements must also focus on increasing employment, quality of labor contracts, the adoption of forms of employee participation, the emergence of irregular work, competitive wage increases, business and employment crisis management, investment and starting a business (art. 8, paragraph 1, Legislative Decree no. 138/2011).

4. Regulations and business practices/policies

According to case law, company policies are considered similar in nature to collective business contracts.

The company policy can be applied only in the company for which it was issued; i.e. it is only in effect internally. The employer cannot extend its initiatives to other companies without the consent of the workers they employ.

Company policies

Company policy consists of a practice adopted by the employer with behaviors repeated over time within the company.

The clause resulting from company policy, as opposed to corporate regulation, does not have a collective nature but is individual, per art. 1340 of the Civil Code, as inserted in each individual employment contract.

Consequently it cannot be amended or repealed by subsequent collective contract terms, but only by individual agreements between employer and employee.

5. Collective agreements extended "erga omnes"

With Law no. 741 of 1959, Parliament empowered the government to enact legal rules with the force of law to ensure mandatory minimum pay and conditions for all those belonging to the same job category.

By issuing these rules, the Government would have to conform to all provisions of individual contracts and collective economic agreements, including cross-industry, concluded by the trade unions before the law of October 3, 1959 went into effect. With the next Law of October 1, 1960, no. 1027, art. 1, the proxy was extended and included collective agreements concluded within 10 months from the date of Law no. 741 going into effect. By judgment of Law no. 156 on July 6, 1971, the Constitutional Court, occupied with the issue of legitimacy of the 'system' arising from that legislation, recognized the constitutional legitimacy of Law 741 of 1959. It declared, however, the constitutional illegitimacy of art. 1 of Law no. 1027/60. It follows that, in the wake of the intervention of the Constitutional Court, extension 'erga omnes' of collective agreements concluded prior to October 3, 1959, pursuant to powers contained in Law 741, is still valid.

Nature and interpretation

Although these contracts have been incorporated by legislation (such as DPR), the law recognizes their nature as acts of negotiation, so the interpretation of a contract made effective 'erga omnes' may be based on the canons of interpretation provided for the interpretation by articles 1362 and the following Civil Code.

6. Relationships between law, collective agreements and individual contracts

The clauses of collective agreements of common law and collective agreements extended 'erga omnes' cannot dictate unfavorable treatment compared with those established by law.

Relationship between collective agreements of different nature

Collective agreements effectively 'erga omnes' may be lawfully waived by collective common law only in the sense most favorable to the worker.

To establish whether the collective agreement of common law could be considered favorable or unfavorable to the worker, the law has:

- on some occasions compared the two economic and regulatory measures as a whole;
- on other occasions compared the disciplines of the institution in question (e.g. duration of the service and associated increases, or rights to retain the post in case of illness) dictated by the two contracts.

Relationship between collective agreements of common law

According to case law, the collective agreement that succeeds to the same level it completely replaces the previous one even if it contains provisions less favorable to employees, since the exemption 'reduction of protection' works only in the relationship between collective and individual contracts.

In the case, though, of a succession of collective agreements concluded at different levels, the new contract replaces the former, even if less favorable to employees, provided they do not hinder the willingness of the national group, or the provision of special and mandatory divisions of competence between unions of different levels (national, provincial, corporate).

Therefore, in the presence of the above conditions, the collective enterprise agreement – as well as the provincial one – may contain exceptions less favorable to the employee than the national contract.

In this regard, it is good practice to keep in mind when talking about:

- collective bargaining when the lower-level collective contract intervenes to regulate a matter which is already governed by the contract at a higher level;
- negotiation when the lower-level collective contract intervenes in areas that the higher-level collective contract has deliberately left unregulated.

Relationship between collective and individual contracts

As evidenced by art. 2077, paragraph 2 of the Civil Code, if the individual contract contains provisions differing from those of the collective agreement, the first are replaced by the second by law unless they are more favorable towards the employee.

In the comparison between the individual and collective contracts, one must evaluate not the single provisions but the discipline of the institution in question dictated by both contracts.

2.3.2 The structure of the contract

The Tertiary CCNL, Distribution and Services, is divided into different sections and chapters: validity and scope; industrial relations systems (within which is also the issue of bilaterality); health and dignity of the person; dispute settlement; rules of employment (which contain all the rules, working hours, holidays, types of contracts, levels of supervision, the welfare contract, maternity and paternity leave, etc.); and finally, that relating to the commencement and duration of the collective contract.

2.3.3 The agreement model and the Industrial Relations

The collective labor agreement (CCL) is a contract between employers or associations of employers and worker organizations whose object is to maintain the working conditions and relations between the contracting parties.

It is governed by articles 356 - 358 of the Code of Obligations.

The party that represents employers can consist of one or more employers or one or more associations of employers.

The workers are always represented by one or more groups of workers (trade unions). A collective agreement contains provisions on the traditional conclusion, content and the end of the employment agreement (regulatory requirements), provisions on the rights and obligations of the parties to each other (provisions relating to the law of obligations) and provisions on the application and control of the application of the CCL.

The regulatory provisions of a collective agreement, entered into force, become an integral part of the employment agreement. They will automatically apply to workers who are members of an association of contractors if the employer participates in the CCL. Employers who participate in a CCL generally apply the provisions of the CCL to workers who are not part of an association of workers. CCLs are made with a duration of validity, accompanied by the obligation to maintain social peace for the two parties.

The method by which a Union Agreement is reached and specifically ratified by a Collective Category Agreement is defined as: first by legislation, then through inter-confederation agreements (the last one in 2009) and last as outlined, step by step, in every individual national labor collective contract (CCNL).

To be specific regarding the spirit of the CCNL of the tertiary, distribution and services sectors, one can read in the general premise, as the parties state, that <<The present National Labor Collective Contract embraces the true spirit of the “Memorandum on income and employment policy, contractual framework on labor policies and support for the production system” of July 23, 1993. This national labor collective contract embodies the goals and guidelines on labor relations. To this end, the Parties agree to structure of the body of the collective agreement document to the terms and procedures specified in the present contract>>.

The February 26, 2011 revision clearly redefines the contractual arrangements and the platform submission methods and procedures to be followed.

The revised contracts incorporate the contents of the inter-confederal agreement specific to the January 22, 2009 contractual structure reform, launching a testing phase of contract models for the validity period of 2011-2013.

National Level

In compliance with the January 22, 2009 inter-confederal agreement on contractual arrangements, a three-year national contract timeframe was established, also providing that the platform for contract renewal should be submitted six months before expiration.

The Union grace period is 7 months, commencing on the CCNL expiration date or, in case of delayed submission, on the date following the late submission.

Summary of the Tertiary Collective Contract Structure National Level Contract Agreement

- duration: three year;
- platform submission: 6 months before contract expiration date;
- “union grace period” = NO unilateral initiatives: 7 months (from platform submission);
- economic coverage mechanism (contractual vacation indemnity – IVC – no longer available): specific notation at every contract renewal.

Local level Contract Agreement

Rules regarding the subject of local level collective contract have also changed, not only to comply with the revisions of the aforementioned agreement of 2009, but to re-launch it, while avoiding the creation of additional costs.

Therefore, dividing the subdivision into two headings “territorial contract agreements” and “business contract agreements”, and allocating specific subjects to each of them, the guidelines that will guide the activities of the parties have been identified, also providing the possibility of establishing agreements that may also include exceptions or suspension pertaining to certain special issues.

Guidelines, criteria and content

In addition to confirming the principle of “ne bis in idem” (ie the prohibition of establishing local level agreements in matters previously agreed upon at national level) and that of subsidiarity (whereby the local level develops matters expressly delegated by the CCNL), the following key guideline criteria have been reinforced:

- ▶ principle of alternative, not overlapping, territorial versus business contract agreement: territorial contract agreements, in fact, cannot be established with companies with whom they already have an agreement, even if it concerns issues different from land;
- ▶ principle of variability regarding economic rewards: the criterion, also confirmed in the 2009 inter-confederal agreement of contractual framework, that the delivery of bonuses or fees of similar nature is based on the actual competitiveness/productivity gain of the company, it will necessary to connect the aforementioned disbursements to productivity indicators and will not be possible to provide fixed premiums, independent from the results (so-called “general bonus”).

The renewal agreement, also regarding the local level contract agreement typology applicable to each company, in re-stating the difference connected to the company’s size (companies up to 30 employee and those over 30 employees), introduces a new policy that allows companies to choose whether to apply the local contract or to use only the economic element of guarantee.

Specifically:

- ▶ companies employing up to 30 employees can choose to use the local contract agreement or the economic element of guarantee;
- ▶ companies that employ more than 30 employees can choose whether to use the business contract or, if they have no contract, use the local

- contract or the economic element of guarantee;
- ▶ companies with manufacturing units distributed across multiple provinces, regardless of the number of employees, may choose to use the business contract or, if they have no contract, use the individual local contracts, agreements upon in the different provinces or the contract ratified in the province where the company is legally registered or alternatively use the economic element of guarantee.

Regarding content, the agreement states that one may use the local level contract agreement in the following cases:

- ▶ for matters expressly delegated to the local level of contract agreement stipulation by the CCNL;
- ▶ arrangements for exemptions aimed at improving levels of productivity, competitiveness and business efficiency in the following areas as identified in Sec. 4 of the CCNL:
 - labor market (with the exception of Chapter II - Apprenticeship);
 - employment relationship;
 - course of employment (as per Headings I through VII, excluded provisions of articles 118, 132 and 146, first paragraph, 147, 149 to 153);
- ▶ to improve/renew existing agreements.

Mode of platform presentation

The principles for the submission of the local level contract platforms were adjusted to the 2009 collective contract agreement reforms.

Specifically, it is planned that local platforms be submitted two months before the expiration date of the agreement, if existing, and that two months of Union grace period will follow; in the first phase, the total period of 4 months begins with platform submission.

Given the newness of the program, the parties agreed that the deadline for platform submission be 18 months from the signing of the agreement for the renewal (February 26, 2011).

Verification mode

In order to prevent the submission of platforms or the ratifying of agreements of the local level (territorial or corporate) not in line with the CCNL mandates, the following procedures have been introduced:

- ▶ platforms: separate verification check by signatories of the Tertiary CCNL, which must take place within 15 days of receipt of the platform;
- ▶ for the local level agreements (territorial/corporate): Confcommercio or national Union Organizations which have approved the tertiary CCNL may refer to the national Joint Commission, which must express its opinion within 30 days regarding the applicability of the agreement.

Crisis, development, employment and Southern Italy

Another significant element in the local level contract agreement is the possibility, in line with provisions of the January 2009 agreement on the contractual arrangements, to make agreements with the derogatory or suspensive effect of CCNL institutions as in the following cases:

- ▶ overcoming crisis situations;
- ▶ economic and employment development;
- ▶ starting, expanding, restructuring and reviving new businesses;
- ▶ addressing any situations emerging from undeclared work in the presence of appropriate legislative measures.

However, the following are excluded from the aforementioned minimum wage arrangements: vacation/former holiday (32 hours); the right to information/assets and rules contract agreements/tools joint/bilateral; health care; the conciliation of disputes; shares of the following national funds: EST / FOR.TE. / Qu.AS / QUADRIFOR; and the normal weekly hours (40 hours) and minor's weekly hours.

Economic element of guarantee

In implementing the agreement of January 22, 2009 on the contractual arrangements reform, a test for this renewal has been planned, using an economic element of guarantee that acts as an alternative in the identification of a performance bonus within the local level contract agreement (business or territorial).

This means that the employer may choose to use the local level contract or disburse the aforementioned economic element.

In the latter cases, this remuneration will be disbursed to all permanent employees, apprentices and entry contracts with the November 2013 wages, provided they are in the work force on October 31, 2013 and that they have been enrolled in the LUL (employee registry/log book) for at least six months.

This amount is contained, up to the set limit, in all individual or collective remuneration in addition to what is mandated by the Tertiary CCNL, which is disbursed after 1 January 2011.

2.3.4 Definition of bilateral institutes/bilateralism

The definition of bilateral institutions is given in Legislative Decree No. 10 of September, 2003, Law no. 276, the Biagi Law.

These are bodies established for the initiative of one or more associations of employers and providers of representative jobs. In other words, bilateral bodies are privileged sites for regulation of the labor market through activities such as:

- ▶ promotion of regular quality work;
- ▶ mediation of the encounter between supply and demand of labor;
- ▶ planning of training activities and determination of the implementation of vocational training in the company;
- ▶ promotion of best practices against discrimination and for inclusion of the disadvantaged;
- ▶ management of funds for the benefit of training and supplementary income;
- ▶ certification of employment contracts and of regular and equal contribution;
- ▶ development of actions related to health and safety in the workplace;
- ▶ any other activity or function assigned by law or by the collective agreement of reference.

2.3.5 Bilateral Experiences

Bilateralism in the tertiary sector, distribution and services, instituted and regulated by the National Collective Agreement, provides for bilaterality in the strictest sense and the so-called welfare contract.

EBINTER (national)

Current responsibilities:

- a. study and research will be conducted by the National Center or through implementation of special projects, meaning those activities of a non-repetitive nature, initiated by EBINTER to achieve specific goals or the development of new 'services' on behalf of the Board and the Presidency, in accordance with the duties assigned by statute;
- b. operation of centralized collection of contributions via F24;

- c. support activities, coordination and monitoring of Bilateral Regional institutions activities;
- d. activities/services for multi-localized enterprises;
- e. support activities, information and transition to the Joint Committee for Tertiary bilaterality.

Bilateral Regional Institutions (EBT), consisting of 103

Current responsibilities:

- a. establish and manage the Provincial Observatory;
- b. promote and manage local initiatives on training and professional qualification in collaboration with the Regions and other competent bodies, taking advantage of resources provided by the regulations;
- c. carry out appropriate actions to ensure the competent bodies are provided courses of study which, with the purpose of contributing to the cultural and professional improvement of workers, facilitate the acquisition of higher professional values and are appropriate to the characteristics of the assets of the sector;
- d. receive from the local business associations and corresponding unions agreements relating to contracts of application integration/reintegration, as well as employers' communications regarding hiring;
- e. receive agreements made at the local level that determine, for specific professionals, periods of apprenticeship longer than those specified by the Tertiary CCNL or, in the case of apprenticeship training within the business, arrangements that may involve the inclusion of training profiles not included in the specific CCNL;
- f. issue binding opinions on compliance for applications from employers wishing to recruit apprentices according to the standards set by the Tertiary CCNL in this area, examining the objective conditions related to the ratio of apprenticeship referred to in article 47 of the Tertiary CCNL of July 18, 2008 and subsequent amendments and additions;
- g. perform functions relating to the emergence and salary realignment entrusted to it by the territorial agreements in the matter in accordance with regulations;
- h. perform support functions relating to conciliation and arbitration, as required by the applicable Tertiary CCNL;
- i. perform such tasks as specifically provided in Tertiary CCNL inter-confederal contracts and collective agreements, national and local, as defined by the social partners and other laws.

The Welfare Contract

Definition that the social partners wished to give the national legislation that integrates the social status of the country in favor of the workers of the sector.

Appropriate funds or entities that provide healthcare plans, continuing education and supplementary ensions were established.

Below are the funds provided by the Tertiary CCNL, distribution and services and the CCNL Executives of the Tertiary sector:

Employee funds (CCNL of the Tertiary Sector, Distribution and Services)

EST	FORTE	FON.TE.	QUADRIFOR	QUAS
Healthcare plans for employees Member companies: 176,041 Employees enrolled: 1,435,560	Continuing Education Member companies: 117,414 Employees: circa 1,147,480	Supplementary Pension Member companies: 30,000 approximately Employees: 195,021	Managers Training Member companies: 10,500 Employees: 46,000	Supplementary healthcare for Managers Member companies: 16,248 Employees: 70,000

Executives Funds (CCNL of the Executives of Tertiary Sector)

FONDIR	FASDAC	MARIO NEGRI	CFMT
Joint Interprofessional Fund for Continuing Education Member companies: 5,053 Executives: 24,128	(the first to be formed in 1946) Healthcare assistance funds Member companies: 8,341 Executives: 32,000 approximately	Supplementary pension fund Executives: 33,549	Training center for managers of the tertiary sector Executives: 21,650

Bilateralism: an all-italian system

The experience of the Bilateral Tertiary Institution of the Province of Perugia

Bilateral entities appeared at around 1900 in the building sector and later in the area of craftsmanship. They reflect successful understanding of the social institutions (unions and employers), aware of the benefits of shared management of a critical labor market characterized by labor relations instability and, more importantly, the spread of micro and small enterprises.

Since the eighties the instrument of bilateralism has extended to other areas of the production system, such as trade, the professions, tourism and services.

These sectors were characterized by increasing diversification of the company, weakening of the business structure, instability of employment, high turnover of labor and the spread of atypical or irregular work practices.

Within this context, and through the parties' cooperation, bilaterality was established and included in the CCNL; the legislature subsequently conferred to the bilateral institutions new and extended functions and powers above and beyond the original contractual limitations.

Bilateralism, therefore, represents an effective contribution and an appropriate answer to the need to consolidate a pluralistic democracy in which the performance of social functions (in the broad sense) cannot be confined merely to the public sector and public administration - central or peripheral - but must also include social representation, primarily by (but not limited to) large union organizations. This of course is especially true in matters relating to economic and social work, social rights and living conditions of workers.

It must not limit free trade, which actually will grow, since bilateral institutions and their competence derive from the contractual action between the parties.

In recent years, the expansion of the role of bilateralism has led to renewal and innovation in Italian industrial relationships, with the bilateral institutional bodies becoming sites of stable interaction between the parties.

These institutions have structured specific services for welfare for the workers and companies within the sector.

In the service sector, the National Organization of reference was created in 1995 by the national trade union organizations of employers belonging to Confcommercio Imprese d'Italia and those of workers from FILCAMS - CGIL, FISASCAT - CISL and UILTUCS - UIL.

It was established based on rules set by the CCNL in the areas of Service and Distribution; it is not legally recognized and not for profit.

As of today, nationwide, over eighty entities have developed with provincial level responsibilities.

CCNL: prominence and space for bilaterality

Important emphasis is given to bilateralism by the collective agreement as shown in:

Title III “Joint National Instruments” defines the criteria for operations, governance and the statutory roles. Articles 11 through 16 introduce and define the joint national instruments.

- 1) The National Commission for the development of social issues on a European level;
- 2) the Joint Permanent Commission for equal opportunity;
- 3) the National Observatory;
- 4) the Joint National Committee.

Title IV – Bilateralism: articles 17 through 21 of the contract outline the activities and the methods of financing the organization.

The law: de facto recognition of bilaterality

The legislature defines the bilateral bodies as “best forums” in matters such as:

- Intermediation in terms of negotiating between supply and demand in the labor market (Law 276/2003 and subsequent amendments);
- income protection for suspension of apprentices, outlined in Law 2/2008 where employees suspended because of corporate economical crisis would have access to an indemnity provision provided in part by INPS (government agency) and in part by the Bilateral organization;
- safety in the workplace (Law 81/2008);
- definition of training plans for apprenticeships (National Law No. 276/2003).

Based on this last line item and in the absence of regional guidelines, the bilateral body of Perugia, with the agreement between the social partners, identified the training plans for apprenticeship contracts in 2005.

The delegation of power in matters such as safety in the workplace is extremely important: Law Decree 81/2008, art. 48 designates a Representative for the Safety of Workers, who may be assigned to an outside entity managed by bilateral agencies.

Both the national law and CCNL attribute to the institutions, the ability to certify the labor contracts according to which, to date, is a cause of heated political debates.

EBT Perugia's experience

The contractual provision is in fact the foundation of bilateralism. The contractual relationship is established only between persons who are affiliated with trade unions or employers who sign national contracts, whose forecasts (especially economic ones) then extend to all.

Based on this premise, fidelity to Bilateral Agency cannot be regarded as an obligation, as the membership of representative associations is only on a voluntary basis.

In 1996, FILCAMS - CGIL, FISASCAT - CISL, UILTUCS - UIL and the Confcommercio Imprese per l'Italia of Perugia established the EBT institution of Perugia whose scope of action is determined by the provisions of the CCNL agreements but also by accords that the social partners to conclude at a territorial level together with the national and regional legislative provisions.

With the renewal of the contract for 2011, the alternative of joining the institution and the payment of an e.d.r. (distinctive element of the remuneration) has been strengthened.

The e.d.r. is payable to the employee for 14 months, providing triple the amount allocated per employee (0,3%) and including the e.d.r. within the base pay and contingency.

From 2000 to 2011, member companies of our province increased from 300 to 2800. Over the years, the agency has developed a range of services in various fields of application:

Negotiation:

- issue notice of compliance for hiring apprentices;
- reconciliation of labor disputes;
- Employee Representative for Territorial Safety;
- certification of employment contracts, service approved but not yet operational.

Monitoring:

- compilation of business communications relating to active contracts provided by the CCNL.

Welfare:

- creation of protective funds:
 - covering workers for birth, orthodontic expenses, scholarships, death, daycare expenses and summer camps, disability;
 - for firms in the case of employment stabilization, expenses for safety improvement in the workplace and for business training.

Training:

- subject presenter of training plans through the Strong Funds;
- european projects.

2.4 Labour Institute of GSEE (INE/GSEE) - Greece

2.4.1 The legal framework of reference

In Greek law, the right to collective bargaining has been established as a right of constitutional order, is recognised as a social right and is set out within the framework of article 22, par. 2 of the Constitution; the result of the collective bargaining is clearly stated to be binding for all parties. The current model of sectoral collective bargaining had remained mostly unrevised and unchanged since it was first introduced into law in 1990 (Law 1876/1990). According to this law, sectoral collective agreements cover employees of companies of similar or related industries or sectors and are signed by sectoral federations of employers and employees. Also according to the aforementioned law, the sectoral collective contract adheres to the national collective contract in respect to the minimum agreed wages and salaries as well as other non-wage agreements such as vocational training etc. Collective agreements at sectoral level (SSE's) cannot contain terms less favourable to workers than the terms and conditions agreed in the EGSSE and, in the case more than one SSE regulates an employment relationship then the one most favourable to workers applies (article 10, Law 1876/1990).

The principal mechanism for settling labour disputes is the Organization for Mediation and Arbitration (OMED) and its main purpose is to help the Social Partners under negotiation to conclude to a solution through mediation when the negotiations cannot lead to an acceptable solution by both Parties. In the case when the mediation also proves unfruitful, both parties have the right to apply for arbitration. The Arbitration Award may substitute an agreement between the Parties, and for that reason it is legally equivalent to a Collective Labour Agreement, binding to both parties. However, the economic crisis brought changes in the role and function of the OMED (among others the right to arbitration is nullified by abrogating the right of unilateral appeal to arbitration or the stipulation that recourse to OMED prerequisites the consent of both parties).

The economic crisis starting in 2009 initiated a legislative trend that severely deregulates the labour relations. Law 3986/2011 entitled “Emergency measures for the implementation of a medium-term fiscal strategy 2012 – 2015”, which was passed according to urgent enactment proceedings and which includes, among other things, also the previous regulations regarding the abolition of the minimum wage provided for by the National General Collective Agreement (EGSSE) for young workers, so that investments become more “attractive”: for

young workers under 25 years of age the minimum wage is reduced to 80% of the national minimum wage determined by the EGSSE that is in force each time, while, for those aged 15-18, the minimum wage is reduced to 70% of the national minimum wage determined by the EGSSE that is in force each time.

As for the matters directly regarding the labour relations, the law contains further regulations expanding the framework for the employment of workers under contracts of limited duration and the possibility of implementing the institution of working time arrangements.

More importantly, Law 4024/2011 entitled “*Pension regulations, uniform pay scale – rank scale, labour reserve and other provisions for the implementation of the medium-term fiscal strategy 2012 – 2015*” changes the regime of collective agreements (article 37), bringing about a further serious shake-up of labour rights, both in the public and in the private sector, through the abolition of the favourability principle, the prevailing of business-level agreements over the sectoral ones, the “freeze” of the expansion of the validity of the sectoral agreements in the entire production sector, but also through the abolition of all the restrictions with respect to the conclusion of business-level agreements.

Most recently the Ministerial Council Act no. 6 (FEK A’ 38/20-01-2012), and for the duration of the fiscal adjustment programme, the minimum wage agreed in the EGSSE is cut down by 32% for employees younger than 25 years.

As a consequence, this leads to the abolition of collective autonomy, brought about by article 37 of the Law, practically establishing the scenery for negotiations at an individual level, where the will of the employer always prevails.

2.4.2 The structure of the contract

The collective contract may regulate issues concerning terms in individual contracts of employment, mainly terms concerning commencement, termination, salary, bonuses, working time, health and safety. In addition, the collective contract regulates issues relating to the protection and exercise of the trade union rights in a company (i.e. the procedures and conditions of the collective negotiations, mediation and arbitration, strike, internal work regulations, occupational health and safety and issues regarding codetermination and employee representation). Additionally, a collective contract may include clauses concerning the regulation of the contractual parties’ rights and obligations, issues regarding social security, subject to special preconditions and limitations, issues regarding the interpretation

of the terms of the collective agreement.

A collective agreement may be of defined or undefined timeline; in any case, the collective agreement cannot be valid for less than one year.

2.4.3 The agreement model and the Industrial Relations

A written contract between one or more trade unions and employer unions (or individual employers). A collective agreement may regulate the employment terms and other issues concerning the labour relations in general, for example, labour, financial, social security, social and trade union issues.

The collective agreement is the legal expression of statutory principles and the right of collective autonomy as regulated by the Law 1876/1990. Collective agreements are generally ratified by law. This gives them a special legal status and the terms become rules of Public Order, having direct effect and mandatory force. The main types of collective contracts are the National General Collective Agreement, signed on a national level and establishing the minimum work conditions and wages across the country, the Sectoral Collective Agreements, regulating work issues of employees working in similar businesses and the Business Collective Agreement that regulates work issues within an enterprise.

Collective bargaining

All dependent salaried work is covered by the EGSSE determined through a collective bargaining between the GSEE (the workers' side) and SEV, GSEVVEE, ESEE (the employers' side).

In addition, it is estimated that the various collective agreements cover 85% of workers.

The current system of collective bargaining has been in force by the Law 1876/1990 without any major changes or amendments until the economic crisis of 2009, causing land-sliding changes in labour relations. The law 1876/1990 differentiated national collective agreements into the following categories:

- ▶ the EGSSE sets minimum wages and salaries for workers all over the country and is signed by GSEE on the trade union side and SEV, GSEBEE and ESEE on the employer side;
- ▶ sectoral collective agreements cover employees of many companies of similar or related industries or sectors, and are signed by sectoral federations of employers and employees.

- ▶ company or plant-level trade unions and company management sign company collective agreements, which cover the employees of a single company;
- ▶ national occupational and local or regional occupational collective agreements, which cover employees engaged in a specific occupation or profession at national or local level, are signed by employer federations and occupational trade unions.

It also stipulated that collective agreements at sectoral, company and national or local occupational level (SSEs) could not contain terms less favourable to workers than the terms and conditions of employment set out in the EGSSE.

If more than one current SSE regulates an employment relationship, the one most favourable to workers applied, according to article 10 of Law 1876/1990. Furthermore, a collective agreement at industry or company level overrides an occupational collective agreement if both were concurrently in force.

Legal parameters

In Greek law, the right to collective bargaining has been established as a right of constitutional order, is recognised as a social right and is set out within the framework of article 22, par. 2 of the Constitution, which states: general working conditions shall be determined by law, supplemented by collective labour agreements concluded through free negotiations and, in case of the failure of such, by rules determined by arbitration.

Thus, the terms laid down in the SSEs are binding for the parties.

The Minister of Employment and Social Protection (Υπουργείο Απασχόλησης και Κοινωνικής Προστασίας, ΨΠΑΚΠ) may decide to extend a collective agreement and declare it mandatory for all workers in a certain sector of economic activity if the agreement is already binding to employers employing 51% of the sector's or profession's workers.

In practical terms, this means that, when an SSE is signed, all of the parties involved are bound by its terms and conditions irrespective of whether they are members of the most representative organisations that took part in the bargaining on the SSE. However, law 4024/2011 has suspended the right of extension for Sectoral and National occupational collective agreements for a period of three years.

There are no voluntary mechanisms for expanding and applying the regulations laid down in an SSE.

Bargaining framework

Normally, in December of the year when the existing EGSSE expires, GSEE invites the employers' side to a bargaining round in order to sign a new EGSSE, usually for a two-year term. Wage-related issues, including remuneration and bonuses, are dominant in the bargaining agenda, and disagreements often arise regarding the rate of increase. To restore purchasing power, trade unions consider that, in determining the amount of wages, parties should take into account the inflation rate, increases in the prices of products and services, as well as the increase in work productivity. On the other hand, in an effort to boost competitiveness, employers consider the inflation rate as the top criterion and the rise in the cost of living as a secondary issue. Individual sectoral agreements normally follow the pay increases set by the EGSSE.

During the past few months, in the context of the support mechanism of the Greek economy, this manner of determination of minimum wages was substantially modified both at national and sectoral level.

The all-inclusive nature of the collective bargaining came to a halt after the abolition of the EGSSE by the law 4046/2012. In addition, reports from the Ministry of Labour and Employment show estimations that in the near future, over 80% of the employed will be subject to individual contracts due to the severe deregulation of the collective bargaining framework. The main characteristics of this new scene are, on the one hand, the direct intervention of the state authorities in the determination of minimum wages and, on the other hand, the significant restrictions imposed to free collective bargaining.

It should be pointed out that the new round of inspection and assessment of the Memorandum's course in Greece (December 2011) by the IMF/ECB/EU representatives set the social dialogue between the "social partners" leading to a "partial agreement" on three points (the preservation of the minimum wage at current levels, the non intervention with respect to the 13th and 14th salary, the non abolition of the grace period of collective agreements (namely their continuing to be effective for a six-month period after they expire) and to a failure to reach an agreement on the "freeze" of pays in the private sector.

The cause was the recent Ministerial Council Act no. 6 (FEK A' 38/20-01-2012) on the "Approval of the Program of the Memorandum of Understanding between the Hellenic Republic, the European Commission and the Bank of Greece and other urgent provisions on reducing the debt and saving the national economy" which changes the existing labor environment by introducing, inter alia, the reduction of the minimum wage: the reduction of the salary threshold by 22% (a

monthly salary of 586 EUR is established) along with a reduction of the EGSSE's basic salary for young people under 25 years old by 32% (426,64 EUR), followed by a “freeze” by the end of the programming period.

Trend towards decentralisation

Overall, the Greek collective bargaining system is centralised, both at an intersectoral and sectoral level. However, in recent years there is a trend for decentralised bargaining at a lower level – that is, at company level – as shown by the information provided by the Organisation for Mediation and Arbitration (Οργανισμός Μεσολάβησης και Διαιτησίας, OMED), which indicates a significant increase in company collective agreements.

Other issues in collective agreements

The unfavourable financial situation and the country's recourse to the IMF did not leave much room for demands with respect to other institutional matters in most sectors of the Greek economy. However, the 2010–2012 EGSSE included arrangements about vocational training, arranging for the payment of an amount of 20 Euros per year by each employer, so as to meet the summer camping needs of the children of unemployed and low-paid persons (about 25,000,000 Euros per year).

Industrial conflict

The 2010–2011 Greek protests were a series of demonstrations and general strikes taking place across Greece with an unprecedented –for Greek standards– participation of citizens. In this context, a “barrage” of strike action was called by GSEE and ADEDY, in protest against the changes in public-sector and private-sector labour relations brought about by the Memorandum.

On 23 February 2011, a 24-hour general strike, called by GSEE and ADEDY, for both the public and private sector takes place, involving up to 100,000 people in view of the renewal of the loan programme to Greece that had been conditioned on fiscal tightening. The measures adopted by Greece were considered harsh by the protesters.

On 11 May 2011, GSEE and ADEDY stage a strike in the private and the wider public sector, protesting against the government's economic policy. The entire Public Sector, the public utilities, the revenue departments, the social security funds, the public transports, the employees of Public Hospitals, the bank

employees, the crews of all categories of ships (Pan-Hellenic Seamen's Federation), the mass media employees (Pan-Hellenic Federation of Journalists Associations) participate in the strike.

On 25 May 2011, and for 3 consecutive days, the Indignant Citizens Movement (Greek: Κίνημα Αγανακτισμένων Πολιτών), started demonstrating in major cities across Greece. Sparked by the 2011 Spanish Protests, these demonstrations were organized entirely using social networking sites.

On 28 June 2011, Greek unions, including those in health, transportation, education, and government jobs began a 48-hour strike, in protest against the deteriorating economic situation and suggestions on the part of the government of Journalists and a number of artists also stopped working in solidarity with the protest. That day, demonstrations turned violent as protestors clashed with police in front of the Greek parliament and other areas of central Athens. Violence continued during the night and on 29 June, the day when a new package of deeply unpopular austerity measures was passed.

Hundreds of thousands of protesters, including employers, took part in a national 48-hour strike organised by the Greek General Confederation of Labour (GSEE) and the Confederation of Civil Servants (ADEDY) on 19 and 20 October 2011. The strikers, from both public and private sectors, were protesting against a draft law by the Ministry of Finance. It includes cuts in pay, jobs and pensions, and has been brought in as part of Greek's financial bail-out deal with the EU, IMF and ECB.

Finally, new strike action was taken by the trade unions, as GSEE and ADEDY held a 24-hour nationwide strike on the 1st of December, protesting “against the measures described in the 2012 budget” and the “pro-memorandum’ policy of the new Government”.

Mediation

The principal mechanism used for settling labour disputes is OMED, which is primarily responsible for helping negotiating parties when negotiations come to a halt. However, strikes in Greece are mainly against government policy and the target of the relevant claims is the government, not employers in particular.

In practice, this means that strikes do not end by filing an appeal with OMED, since the relevant claims are related to broader labour issues. At company or sectoral level, when it comes to individual labour issues that are within the scope of operation of OMED, strikes are fewer, which is mainly due to the low

trade union density in the private sector. However, the economic crisis brought changes in the role and function of the OMED. According to new legislation, the employees' representatives are essentially stripped of their unilateral right to recourse to OMED in case the collective bargaining reaches an impasse (Law 3899/2010, article 12, §6) by stipulating that recourse to OMED prerequisites the consent of both parties. In the cases where the employer denies this solution, the employees can only strike in an attempt to assert their rights. Further, the right to arbitration was similarly nullified by abrogating the right of unilateral appeal to arbitration (Law 4046/2012, article 3, §1) while at the same time, the arbitration award, though still considered legally equivalent to a Collective Labour Agreement and binding to both parties, is confined to deciding the monthly wage and/or salary according to the need for business competitiveness and the need to cut down the unit labour cost (Law 4046/2012, article 3, §2-3).

Tripartite concertation

The highest social dialogue body is the Economic and Social Council (Οικονομική και Κοινωνική Επιτροπή, ΟΚΕ), which was set up in accordance with Law 2232/1994 and is similar to the corresponding EU entity – the European Economic and Social Committee (EESC).

ΟΚΕ comprises three segments representing employers, workers and a group that includes independent professionals, self-employed persons and local government organisation representatives. ΟΚΕ advises the government in relation to taking measures on specific issues. The advisory role of ΟΚΕ, through the submission of documented opinions, is a mandatory process to be followed prior to passing formal laws on matters concerning wider socioeconomic policy, and its advice is also requested by the government when considered necessary in connection with any current issues. Furthermore, ΟΚΕ can take the initiative to provide advice on topics that it considers important.

The Opinions (Greek: Γνώμεις) submitted by ΟΚΕ (about 275 by March 2012) consist of unanimous opinions and those including at least two different viewpoints.

Workplace representation

In accordance with the Greek labour representation system within enterprises, three main forms of representation exist at workplace level: trade unions, works councils and safety and health committees.

Company trade unions in Greece are limited in number, since Law 1264/1982 requires the existence of 21 members for setting up a trade union, and private

enterprises employing over 20 workers represent no more than 3% of the total number of companies. The lack of trade union representation in companies is not offset by using alternative forms of union representation within those enterprises, since the law has not provided for the existence of a trade union representative – namely, a company employee acting as a union member or a sectoral organisation – to provide union coverage for the workplace in question.

Works councils can be set up in enterprises employing over 50 workers and, in the event that there is no company trade union, in those employing more than 20 workers.

Safety and health committees can be set up in companies employing over 50 workers; however, such companies represent only 2% of the total number of enterprises. Both works councils and safety and health committees are participation institutions that are functioning inadequately, since they have been established in only 30% of the eligible companies. Also, according to the article 37 of the Law 4024/2011, business-level agreements are signed by union representation in the business or, in the case where the business employees fewer than fifty workers (the minimum amount of workforce prerequisite for union representation), by a committee of workers.

This committee must be comprised of three fifths (3/5) of the total workforce in the company, regardless of the size of workforce, and its duration has no set timeline. Thus, worker representation in the workplace is inadequate overall.

Participation institutions in Greece are the result of legislative initiatives. Works councils are set up in accordance with Law 1767/1988, while safety and health committees are established in accordance with Law 1568/1985.

Employee rights

There are two ways to ensure employee rights: judicial authorities and the Labour Inspectorate.

A total of three levels of jurisdiction are responsible for adjudicating cases subject to the labour disputes resolution procedure.

- ▶ the magistrate's court of first instance has a single judge;
- ▶ the Court of Appeals is competent to adjudicate disputes;
- ▶ the Supreme Court of Civil and Penal Law (*Areios Pagos*) is the highest level.

The Law stipulates that individual labour disputes are examined by the civil courts according to a special labour disputes procedure (articles 663–676 of the Code

of the Civil Procedure). The administrative courts are competent to adjudicate in cases involving disputes where the employment relationship is governed by rules of public law. The courts have the power to ban strikes that they find illegal or abusive. Employers are not permitted to lock out workers, or to replace striking workers.

The Labour Inspectorate (Σώμα Επιθεωρητών Εργασίας, SEPE) is an agency operating under the control of ΥΠΑΚΡ and is set up at national and regional level. SEPE is responsible for: supervising and controlling the implementation of labour law provisions; the investigation, exposure and prosecution of violations of the labour law and illegal employment; investigating the social security coverage of workers; and providing information and recommendations on the effective implementation of labour law provisions. Labour inspectors working for SEPE may enter all workplaces freely on a 24 hour basis.

(SOURCE: EUROFOUND/EIRO, link: http://www.eurofound.europa.eu/eiro/country/greece_4.htm)

2.4.4 Definition of bilateral institutes/bilateralism

Throughout the 1990s there have been developments to improve social pacts as consistent with the general European trend. These attempts include introducing new legislation for free collective agreements and creation of new institutions to flourish social dialogue (e.g. OKE, OMED, ELINYAE).

Generally speaking, however, the focus of collective bargaining since then has been about the wages. Therefore bilateralism in Greece has been a longer and more difficult process than many of the EU-member states due to the country's specific social and cultural characteristics. However, during the last decade there has been significant progress by the social partners in the sense of a wider social consensus.

Since 1991, there have been several bilateral institutes composed of experts from the workers syndicates and the employers' confederations.

These institutions have assisted in promoting a spirit of cooperation and negotiation between the social partners which resulted in the social partners agreeing on the formation of a permanent bilateral institution called "VIMA DIALOGOU" (Social Partners' Forum) which is composed of equal representatives from all parties signing the EGSSE (GSEE, SEV, GSEVEE, ESEE) with the goal to meet bi-annually and research the labour market problems from a social and economic perspective and attempt to reach a decision on proposed actions by consensus.

2.4.5 Bilateral experiences

The foremost bilateral institute in the country is the Economic and Social Council of Greece (OKE). The Greek ESC was established in 1994, based on the model of the ESC of the European Union: tripartite division of the interests represented, one of representatives of the employers (four representatives from SEV, GSEVEE, ESEE and SETE and one representative from minor employers' federations such as the Hellenic Federation of Bankers), one of the employees (GSEE and ADEDY) and one including the other categories, such as farmers, self-employed people, local government and consumers. As of May 2001, the Greek ESC has become a constitutionally recognised institution of the Greek state.

The objective of the ESC is to promote the social dialogue and through it to formulate (if possible) mutually acceptable positions on issues of concern to society as a whole or specific social groups.

In addition to the OKE, other bilateral/tripartite institutes include the *Greek Institute for the Hygiene and Safety in the Workplace* (EL.IN.Y.A.E) the creation of which is an important result of cooperation and consensus between the employers and the employees in Greece, as well as the first of the Greek bilateral institutions. The way for the creation of EL.IN.Y.A.E opened by the article 7 of the National General Collective Labour Agreement (E.G.S.S.E.) of 1988 and was concluded by the article 6 of E.G.S.S.E. of the years 1991-92.

According to them, a mixed committee of experts from the Greek General Confederation of Workers (GSEE) and the National Confederation of Hellenic Commerce (ESEE) was formed by the findings of whose, submitted in July 1991, the basic principles for the founding of the EL.IN.Y.A.E were agreed upon. Subsequently, in June 25th 1992 the stature of EL.IN.Y.A.E was submitted at the high Court of Athens, forming a non-profit civil partnership.

The purpose of EL.IN.Y.A.E is:

- 1) the identification, recording, processing, analysis and investigation of harmful agents or events in the working environment and their impact on Health, Hygiene and Safety for workers;
- 2) the processing of rules, regulations and legislation;
- 3) the monitoring of international developments and experiences, the promotion and documentation of the issues;
- 4) the promotion of information and education of both parties in Occupational Health and Safety;

- 5) the contribution to the investigation and dealing with problems arising from the interaction of work and wider environment and the general living and working conditions;
- 6) the study of possible effects in Health of workers through the application of new technology and methods for prevention of occupational hazards;
- 7) the provision of expert Health and Safety advice and/or assistance if requested by one parties (employers, employees).

Also, the National Institute of Labour and Human Resources (EIEAΔ), founded in 2011 and comprised of representatives from the State, the employers and the employees. The role of the National Institute of Labour and Human Resources is to monitor the labor market on a systematic basis, the organization, financing and implementation of training programs and training, to provide technical support to the activities referred to as well as to evaluate the integration policy of employment in local labor markets throughout the country, and promote measures assets character immediately.

Lastly, apart from the national institutes aforementioned, the national social partners are members of wider European institutes promoting social dialogue such as ETUC, BUSINESSEUROPE, CEEP and UEAPME and, in many cases, have reached a large number of autonomous agreements at the European level which they implement themselves, while others have been transformed into binding legislation.

2.5 Latvian Traders association - Latvia

2.5.1 The legal framework of reference

- Constitution
- Labour Law, part B “Collective agreement”
- Law on Trade Union
- Cabinet of Ministers Regulation, 30.10.1998. “National Tripartite Cooperation Council regulations”
- Cabinet of Ministers Regulation No. 390, 17.05.2011. “Regulations regarding determination and reviewing procedure of the minimum monthly wage”
- Labour Dispute Law
- Strike Law
- Law on State Social Insurance
- Law on Personal Income Tax
- Civil Procedure Law, Chapter 72, Directing Recovery against Remuneration for Work, Payments Equivalent thereto and other Amounts of Money”
- Law on Maternity and Sickness Insurance
- Cabinet of Ministries, 03.04.2001, regulations N°152 “Procedures for Issuance of Sick-Leave Certificates”
- Labour Protection Law

2.5.2 The structure of the contract

Not answer.

2.5.3 The agreement model and the Industrial Relations

Paragraph 18 of Labor Law defines that labor collective agreement in the industry or territory is entered into by an employer, group of employers, employers' organization or union of employers' organizations with trade union of employees or union of employees' trade unions, if both parties of the general agreement has corresponding authorizations or if such rights to enter into general agreement are stated in the statutes of such unions.

General agreement signed by employers' organization or union of employers' organization is binding to all members of such organization or union of organizations.

If members of employers' organization or union of employers' organizations in the corresponding industry employ more than 50 percent of employees or their trade turnover or amount of services is more than 60 percent of the turnover of amount of services in the industry, general agreement signed by such employers' organization or union of employers' organizations and trade union of employees or union of employees' trade unions is binding to all employers of the industry and relates to all employees employed by such employers.

Currently there is only one general agreement between employers' organization and employees' trade union in Latvia, namely, between Latvian Railway Sector Employers' Organization and Latvian Railway and Transportation Sector trade union.

Regulation of work relationship between employer and employee in normative acts of Latvia

Labor law of Latvia was accepted in 2001, 10 years ago and it has not seen many amendments. Regulations of the Cabinet of Ministers, which are derived from the law, do not change often as well. Those legislation acts in general conforms with European Union's position in social sphere.

New amendments are welcomed by both employers and employees, but it is difficult to achieve since they first must be directed to National triangular cooperation council that is represented by:

- a) state authority (government);
- b) organization of employers – Employers' Confederation of Latvia (including Latvian Traders' Association);
- c) labor unions – Free Trade Union Confederation of Latvia.

The content of Labor law is contradictory, mutually excluding norms exist, because the main text is approved during discussions and transposition of text, therefore it has lost the shape of correct normative act.

Despite of court being independent, Themis's eyes are shut, but judges are just people as well, they are influenced by the years of crisis and in case there are tiny doubts, each case will be adjudicated in favor of employee.

Directors of companies, authorities complain: "I have made at least five reorganizations in my experience, but there are no consequences", now it is almost impossible to punish or dismiss an employee, because a case will be brought to court, where the employer has no chances to win and he will have to compensate

the employee a working salary for forced absence from work – only loses. The law of proceedings only fosters this situation, because there is no state fee for submitting a claim in court, only after losing the case one has to pay, but the possibility is very small.

In trade sector it is common to fire an employee if he has acted illegally or lost employer's trust; in most cases it is the shortage of goods, money in the shop. If authorities have not approved the violation, then in such case this is not a reason to fire an employee. Often, when the shortage is found out, the employee has disappeared, later employer finds out that he has left to EU states for better job options; it is not even possible to return the tax payer's book.

Due to state budget's consolidation requested by international creditors employees in state and municipal sector were painfully affected. Institutions were closed down, narrowed down or merged, salaries were reduced. The same happened in private sector.

Labor law includes norms about work collective agreement, the aim is to provide employees with wider social guarantees than stated in the law. But it is in force only when the company works, when it is liquidated or changed (reorganized), the impact is minimal.

The impact of trade unions in Latvia is small, but frequently they are used as legal switch, since the presence of unions is stated in the law. Often administration enters into collective agreements not with trade unions, but with representatives of employees. In accordance to labor safety norms, companies must have trustees, that act in the place of trade unions and enters into collective agreements as well.

Employers lose cases in court, because they have not “understood” the aspect of trade unions. For example, in order to fire a member of trade union, approval of trade union is necessary, but trade union can be from other sector or outside the working place. Employer must find out whether the employee is a member of a union, then he has to turn in the union with a request.

Actually no work is done in a trade union, just being a member is an addition guarantee. In our opinion an employee must be a member of an union, which act in the corresponding sector and which understands the whole situation.

Widely used term is prohibition of different attitude, in order to escape discrimination by gender, age, etc., especially in cases about job reinstatement, where it is easy to find some kind of discrimination. For example, professional employee usually is older, but younger persons consider that they are discriminated due to their age. In court a question is raised, that a young person will learn with time, company must take care of him, send to various courses, but never to let go.

Labor law includes list of privileges to continue work relationships in the case of reduction of employees, in total ten articles, but non of the privileges is more important than the other, for example, for employees, which have worked longer or are learning the profession. In crisis during reorganizations and reduction, this is an “unlucky” article. It even got so far, that with issuing a special law they tried quite opposite to state additional reasons (excuses) for dismissal from work.

Regarding working hours in trade sector. In Western countries the movement originates about closing the shops on Sundays. Employers are not interested to work later than 20:00, since they are considered to be night hours and salary is additional 50% to basic salary, it is forbidden to sell alcoholic drinks after 20:00 as well. The pressure of illegal alcohol is huge, but employers do not insist on longer working hours, since it costs more.

Therefore we see that the level of social protection depends on general economical situation in “good” years it is higher, and opposite, when the protection is needed, it does not exist, despite the fact that in laws and collective agreements it is stated, but additional special laws are issued in order to reduce this protection.

Constitutional (Satversme) court, when answering to many claims regarding invasion of inhabitant rights in social sector, for example, reduction of pensions or support for new mothers, has concluded that those human rights are granted by the state in accordance to its financial capabilities. It pretends that prior benefits and guarantees to workers in Latvia and old EU states will never be renewed due to high competition in global market and increasing aging of the society.

2.5.4 Definition of bilateral institutes/bilateralism

There is established the Social Dialogue Council of Trade Industry, composed of 3 representatives of Latvian Traders Association and 3 representatives of Latvian Commercial Workers Trade Union (Latvijas Tirdzniecības darbinieku asociācija).

2.5.5 Bilateral experiences

No subsidies from national government or European Social found.

2.6 Technical sheets

Signatures of the collective contract

Belgium	<ul style="list-style-type: none"> ▶ Employers' representatives: <ul style="list-style-type: none"> - Buurtsuper.be (Flemisch SME's) - Comeos (Retail Chains) - UCM (Walloon SME's) ▶ Workers' representatives: <ul style="list-style-type: none"> - LBC (Flemisch Christian organisation of employees) - CNE (Walloon Christian organisation of employees) - BBTk/Secta (socialist organisation of employees) and ACLVB (liberal organisation of employees)
Greece	<ul style="list-style-type: none"> ▶ Employers' representatives: <ul style="list-style-type: none"> - The Hellenic Federation of Enterprises (SEV), The National Confederation of Hellenic Commerce (ESEE) - The Hellenic Confederation of Professionals, Craftsmen and Merchants (GSEVEE) - The Hellenic Retail Business Association (SELPE) ▶ Workers' representatives: <ul style="list-style-type: none"> - Greek General Confederation of Workers - The Greek Federation of Private Employees (OYIE)¹ <p>¹ Concerning collective agreements in the commerce sector</p>
Italy	<ul style="list-style-type: none"> ▶ Employers' representatives: <ul style="list-style-type: none"> - Confcommercio Imprese per l'Italia ▶ Workers' representatives: <ul style="list-style-type: none"> - Filcams- CGIL - Fisascat – CISL - Uiltucs - UIL
Latvia	<p>It has not been signed collective agreement, but only cooperation agreement between us and trade unions in sector and sectorial social dialogue council. Both signed by Latvijas Tirdzniecības darbinieku arodbiedrība Trade Union of Commerce (Latvia) and Latvian Traders Association (LTA)</p>
Spain	<ul style="list-style-type: none"> ▶ Employers' representatives: <ul style="list-style-type: none"> - Confederation of Commerce of Catalonia (CCC) ▶ Workers' representatives: <ul style="list-style-type: none"> - Catalan Federation of Labour, Commerce, Hotel industry, Tourism and Gaming (Federación de Cataluña de Trabajadores, Comercio, Hostelería, Turismo y Juego, FCTCHTJ-UGT) - Federation of Commerce, Hotel industry and Tourism of Catalonia (Federación de Comercio, Hostelería y Turismo de Cataluña, FECOHT-CCOO)

Validity of the collective contract

Belgium	2 years
Greece	The collective agreements in Greece cannot be valid for an undefined timeline. The maximum validity period of a collective agreement is 3 years
Italy	3 years
Latvia	The collective contract is open-ended
Spain	2 years

Territorial jurisdiction of the collective contract

Belgium	National level (Flanders and Wallonia)
Greece	It can be either national or territorial. However, the EGSSE covers the minimum levels of workers' production
Italy	National
Latvia	No answer
Spain	Regional: this collective agreement affects businesses and workplaces that are located in the territory of Catalonia (Autonomous Region)

Field of application

Belgium	Retail branche
Greece	The Sectoral Collective Agreement apply to employees across the country working in enterprises (either wholesale or retail), supermarkets and food stores, confectioneries and shops associated with commercial bakery activities as well as enterprises (either retail or wholesale) dealing in cigarettes. It is important to note that the collective contract includes employees with the following specialties: salesmen (in the case of supermarkets personnel this includes salesmen of edibles like meat, poultry, cheese, sausage, vegetables, fish shops as well as salesmen in clothing, household goods, camping goods etc.), chief secretaries, office staff (office employees, warehousemen, collectors, ushers), accountants and assistant accountants, cleaners, security guardians - night guards – concierge, drivers of trucks and personnel in the transport vehicles business, computer specialists (programmers, analysts, operators). Further, there are several other categories of employees who also adhere to the collective contract such as craftsmen with the general conditions laid down within the EGSSE clarification that granted them the individual increases and benefits of this arrangement, decorators as stipulated in the terms of the G.D 21/96 and electronic - technical hardware personnel (either of tertiary education or recognized public and private schools).
Italy	Tertiary, distribution and services
Latvia	Data not provided

Spain	<p>Functional scope: This collective agreement governs the working conditions of personnel providing services for companies engaged in the activity of commerce, both wholesale and retail, which are not included in the functional scope of any other agreement published in the newsletter or corresponding official journal, prior to the date of entry into force of this agreement</p> <p>Personal scope: this collective agreement applies to all workers who make up the staff of the companies included in the functional and territorial scope established in Articles 2 and 3, except those falling under article 2.1.a) of the Royal Legislative Decree 1/1995 of March 24</p>
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Can the national collective contract empower their local structures to coordinate certain matters at a local level?

Belgium	Yes
Greece	<p>There is no possibility for local level differentiation for eg. areas of high unemployment. On the contrary, the EGSSE sets the tone for SSE collective agreements.</p> <p>In regards to sectoral SSE, there can be no differentiations at a local level. There is only the possibility, in the context of sectoral SSE, and that is either an improvement of the existing conditions, or a worsening of conditions for those covered by a business-level collective agreement. Therefore, sectoral collective agreements have lost their coordinating role especially after the recent changes in the collective bargaining structure.</p>
Italy	Yes
Latvia	No answer
Spain	Yes, the national collective contract works as a minimum framework that must be respected by the local contracts.





CHAPTER 3.

The five
topics in
the partners
countries

3.1 Buurtsuper.be - Belgium

3.1.1 - 1st topic: employment contracts that facilitate entry into the world of work and provide training to increase the skills of workers

With every sectorial agreement, the social partners (employers' organisations and unions) undertake, by means of a collective labour agreement, to increase the degree of participation in vocational training for the entire sector by 5% annually. This commitment is supported by the Social Fund, which provides subsidies for that. The Social Fund is financed by means of an extra contribution which is paid by the employers (0.10% on the gross salary).

The employers and employees carry out this commitment by means of, amongst others:

- a) an increase in on-the-job training.
The efforts to promote this training, both among employers and employees, are initiated by the Social Fund. By developing a website, placing ads in various (specialist) journals and sending direct mails, the number of training hours keeps rising year after year;
- b) a collaboration with the employment office (VDAB) with a view to trainings for job seekers.
The sales trainings in collaboration with VDAB aim to help as many job seekers from the training as possible get a job in the distribution sector. Our sales trainings for job seekers are in-depth and practice-oriented trainings during which the students get many practical tips and tricks which they can use on the workforce. They are armed with information they need on the job.

Approach

The approach to the sales trainings is not academic, but very practical. The emphasis is on concrete, compact, useful and practice-oriented information. For example, visits to shops are organized, among others, to accompany practical assignments.

The participants are taught by specialist teachers, people with a great deal of experience that are still active in the field, and from whom they can learn a lot.

The didactic material we use has been specifically designed for people whose schooldays are over. It contains many useful tips and tricks which the students take with them on the workforce. In this way, they learn to work efficiently within the sector. PMO vzw continually invests in renewing and expanding the didactic material.

Examples include:

- the educational comic “De trouwjurk van Sofie” (Sofie’s Wedding Dress), in which the fashion-conscious Sofie searches for a wedding dress;
- a brochure with ergonomics tips for working a cash register;
- the DVD about customer-friendliness and complaint handling, in which Flemish actors show how best to deal with complaining and demanding customers;
- the guide on colour and style advice;
- ...

PMO vzw seeks to take an innovative and non-pedantic or dull approach to training, aimed at improving customer service.

By using pictures and footage, the students learn more and more easily than they would from thick textbooks.

After the training, the students receive a nice booklet in which the most important tips and techniques featured in the course are repeated in an original way.

This approach works well with the target groups that PMO vzw caters to.

Target group

- Who: candidates aspiring to become professional salesmen/women;
- number of participants: maximum 15 students per training to enable the lessons to be kept interactive;
- foreknowledge:
 - good social skills are a plus;
 - (basic) command of Dutch is a must as the training is given entirely in Dutch;
 - flexibility when it comes to working weekends and, possibly, evenings;
 - a dynamic personality;
 - immaculately groomed.

PMO vzw offers 5 sales trainings:

- general sales;
- polyvalent shop assistant in the food retail trade;
- sales - multimedia;
- junior fashion consultant (fashion - sales);
- do-it-yourself.

These trainings need not be given strictly separately from one another. A custom package can be put together.

For example, during the general sales training it is possible to teach a more extensive cash register module from the food training. Or the sales - multimedia training can be extended to include a day of shoplifting prevention from the food training. So, multiple combinations are possible.

The various VDAB offices are free to decide whether, in addition to the training, they also subscribe to the screening, the front end and the follow-up.

Traineeship

Upon completion of a training course, all students do a practice-oriented traineeship at a shop of their choosing.

During those few weeks, the student is supposed to assist in the shop and perform a wide range of tasks that are representative of a job in the sector. In this way, the simulated situations and the role-playing which were/was rehearsed in class are turned into realistic situations on the workfloor.

We encourage the students to search for a trainee post at a shop that has a job opening. This increases the odds of getting a job.

The traineeship is fulltime. This means that everyone works a minimum of 36 hours and a maximum of 40 hours a week.

Follow-up module

During the traineeship a traineeship supervisor of PMO vzw comes by the shop for personal guidance, follow-up and evaluation of the trainee. There are three days reserved for an interim and final evaluation of the student.

The traineeship supervisor of PMO vzw has a one-on-one talk with the traineeship supervisor/shop manager and the student himself/herself.

During this evaluation talk, the student's performance is discussed and the odds of employment are assessed. Also discussed in more detail are employment measures such as 'IBO', 'activakaart' (assets card), 'startbanenkaart' (start job card) and the like. The great benefit of on-the-job traineeship supervision is that corrective action can be taken in a timely manner when needed. Additionally, the traineeship supervisor is in a better position to try to help the trainee get hired at the trainee post.

After the traineeship the students receive 1 day of follow-up regarding their job search. During this day, the students that haven't found a job are guided in finding one. As well as an evaluation of their traineeship, they are given concrete tips about going on job interviews that should enable them to find a job more quickly.

On that day, they also make a plan for themselves in which they specify what steps they will take during the following period (about 2 months) to find a job:

- a) closer collaboration with the educational networks concerned with a view to train-the-trainer projects for teachers in business education;
- b) collaboration with a temping agency specialising in retail (Randstad) with a view to short-term training programmes for temporary employees that can be deployed in the retail sector.

Objective

To anticipate the needs of the retail sector by increasing the commercial skills of the employees and by giving them extra tools to perform their tasks.

Duration:
2 days

Contents:
in the box “Op weg naar een succesvolle winkerverkoop” (on the road to successful shop sales) we work around the various stages of the sales process.
The training features an interactive setup around a ‘box’, whereby participants are guided, in 7 steps, through a structured story, informing them about the various stages of the sales process:

- welcome;
- contact with customer;
- sales talk;
- convincing customers;
- closing the sale;
- complaints.

The picture below gives a good impression of the didactic model.



As the participants progress through the various panels, there is ample room to contribute own experiences, both as a customer and as a seller in the shop. Both sides are covered so that the students learn first-hand what is important in dealing with customers.

Because the participants are seated in pairs/trios around the box, they get the chance to consult with one another and to share experiences. They are also encouraged to engage in self-reflection: “What do I find important as a customer?”.

After each panel is completed, the trainer, in his role as facilitator, will translate the participants’ input into ‘good practices’, which they can use as a steppingstone on the workfloor.

The trainer keeps the attention and involvement of each participant by means of practical exercises, visual support and role-play. The enthusiasm and dynamism of the trainer are crucial.

The aim is to bring the participants to a point where they have a “strong desire” to put the practice-oriented tips & tricks into practice on the workfloor, thus doing a better job. And of course that well reflect well on their customers!

Results:

Overview from the autumn of 2010 until the end of 2011:

- ▶ 21 trainings;
- ▶ number of students: 192;
- ▶ number of hours of employment: 8,460 (1,007 days).

Apart from these training initiatives, the Social Fund offers employment premiums to employers who employ ‘risk groups’ (long-term unemployed, semi- and unskilled workers, disabled, senior employees...). In Belgium the Collective labour agreement on wages gives the opportunity for companies to pay younger workers less than other workers with the purpose that they can be hired more easily.

The wages for younger workers less than 21 years are:

- 80% (16 years)
- 84% (17 years)
- 88% (18 years)
- 92% (19 years)
- 96% (20 years)
- 100% (21 years)

3.1.2 - 2nd topic: reconciling work and family

The Social Fund provides allowances for employees who contribute partly towards nursery costs. This applies to young children who have not yet reached school age and who are looked after by recognised institutions on working days, as well as to older children with respect to nursery outside of school. This is a greatly valued premium system in the retail sector because employees often need to work family-unfriendly hours (in the evenings until shop closing time at 8 p.m. or on Friday until 9 p.m., and on weekends).

3.1.3 - 3rd topic: management models that require the participation of workers and retribution systems tied to productivity

In Belgium there are few possibilities to anchor the wage to the productivity of the company. Since two years you can introduce a bonus which can be paid on the end of the year. But the bonus must be paid for each employee and the amount is limited.

3.1.4 - 4th topic: income support for workers and businesses

In Belgium the agreements have no reimbursements for workers for expenditures for glasses, because of the fact that the disease and legal health services are very expanded. Employers and employees pay high social insurance costs (% on the wages) that have this kind of reimbursement.

3.1.5 - 5th topic: workplace safety

Only actions provisioned by the regulation.

3.2 Confederación de Comercio de Cataluña, CCC - Spain

3.2.1 -1st topic: employment contracts that facilitate entry into the world of work and provide training to increase the skills of workers

The Second Agreement for Employment and Collective Negotiation signed on January 25, 2012, between business (CEOE-CEPYME) and workers (CCOO-UGT) representation at the national level, sets important goals to promote employment and facilitate contracts.

Among these goals are:

- ▶ promoting permanent contracts in the labor market, seeking to transform temporary contracts into permanent ones, and to keep the level of employment promoting equal opportunities;
- ▶ to encourage the appropriate use of forms of contract, so the permanent needs of companies are met through unending contracts, and circumstantial needs are met through temporary contracts;
- ▶ to analyze the desirability of determining the overall volume of temporary contracts;
- ▶ to encourage recruitment of young people, promoting training contracts as a way of labor integration and improvement of qualifications, favoring the possible final incorporation in the company upon completion of the training contract;
- ▶ in discontinuous or seasonal activities, to promote permanent discontinuous contracts;
- ▶ partial retirement and relief contracts should remain an appropriate tool for job retention and staff rejuvenation. Early retirement and early retirement measures linked to the current economic circumstances faced by companies are also considered useful in achieving these goals.

Regarding professional training, the referred agreement renews the commitment to Vocational Training for Employment. Trade unions and employers have agreed to extend the duration of the IV National Training Agreement, in order not to paralyze the training of workers and companies, and to formalize the V agreement within a maximum of six months.

Created in 2007, the Tripartite Foundation for Training in Employment is a Spanish organization responsible for promoting and coordinating the

implementation of policies on vocational training in the field of employment and labor relations. Its board of trustees involves the most representative business organizations (CEOE, CEPYME) and trade unions (CCOO, UGT, CIG), as well as the Central Government, through the Public Employment Service (SEPE). This foundation promotes training in several ways: continuous training programmed and managed by companies, continuous training for workers at different centers, and individual permissions so workers can be trained at no cost for companies.

3.2.1 - 2nd topic: reconciling work and family

The Commerce Framework Agreement (February 2, 2012), signed by trade unions and business organizations at the State level, includes a chapter on gender equality, and encourages companies to accomplish work and family reconciliation through the information and application of permits and legal leaves.

Those legal leaves, permits and other measures aiming at reconciling work and family are settled in the Law 39/1999, of November 5, to promote reconciliation of work and family life of working people. This Law provides for the transposition into Spanish law of the EU directives and exceeds minimum levels of protection provided for therein.

In addition, the Sixth Collective Contract on overall work of the commerce sector in Catalonia for the period 2010-2011, published on January 25, 2012, applies and improves some of the measures aiming to reconciling work and family established in the Law 39/1999. According to this collective contract, if the employee notifies in good time and properly justifies it, he or she is entitled to paid leave in the following situations:

- 15 days for marriage or formalization of co-habiting couples;
- 3 days in case of childbirth or severe illness or death of relatives in second degree of consanguinity or affinity;
- 1 day for the wedding of relatives within the second degree of consanguinity or affinity;
- the time required for examinations in studies of formal education;
- 1 day for the change of usual residence;
- women workers, breastfeeding a child under 9 months, are entitled to one-hour time off work, which can be divided into two fractions. The woman, at his discretion, may replace this time off by a reduction in half-hour of the daily schedule for the same purpose and accumulate it in whole days to be enjoyed after the completion of motherhood. This permit may be enjoyed either by the mother or father on the assumption that both are workers.
- 1 day for own affairs.

The Sixth Collective Contract referred above also establishes measures for protecting maternity and paternity. The pregnant woman has the right, from the time pregnancy is diagnosed, of a change of job if it is shown that working conditions may adversely affect the worker or the fetus. The worker, prior notice and justification, may be absent from work entitled to remuneration for the time required to perform prenatal testing and birth preparation techniques that have to be done within the working day.

Those workers who have the legal guardian and care for children under eight years or a person with physical, mental or sensory impairment not holding a gainful activity, shall be entitled to reduced working hours, with the decrease compensation between at least one eighth and one half of the length of that.

The same right to reduce working hours is recognized for those who are responsible for the care of a relative within the second degree of consanguinity or affinity, that for reasons of age, accident or illness cannot help himself, and is not carrying out any gainful employment.

Overall, the collective agreement introduces some concrete improvements with regard to the Law 39/1999, and keeps some essential levels of rights already established in that regulation, such as the working week of 40 hours, the weekly and daily rest, the holiday period of 30 calendar days, and the compensation for holidays worked.

3.2.3 - 3rd topic: management models that require the participation of workers and retribution systems tied to productivity

The Second Agreement for Employment and Collective Negotiation signed on January 25, 2012, foresees that collective agreements must include additional upgrade components of wages based on the evolution of economic indicators (variable pay) associated with company performance (profits, sales, productivity). The increases resulting from these additional upgrade components will be integrated into the variable part of the salary, which must adapt to the reality of business sectors.

The referred Second Agreement also foresees some wage upgrading according to the general performance of the Spanish economy, taking into account the difficulties imposed by the current situation.

So far, all the Collective Contracts established the adaptation of salaries in accordance with changes in the annual CPI (Consumer Price Index), setting up clauses for updating retributions applicable at the end of each financial year.

The Second Agreement for Employment and Collective Negotiation, which is the framework agreement to be bound by all sectoral agreements for the period 2012-2014, introduces by the first time the concept of flexibility in salaries.

It establishes that salary structures should have variable supplements in a way that some percentage of the total salary is tied to the business performance and results. It also recommends that collective agreements must promote the rationalization of salary structures in order to replace obsolete concepts of unproductive retribution with new models tied to productivity. Since it is a framework agreement, this new concept has still not materialized, but will become tangible when applied at sectoral or company agreements.

The Second Agreement also includes an accord for the year 2014, about wage increases related to increases in the CPI, that is to say, with regard of the performance of the Spanish economy. For 2013, this agreement establishes that salary increases will not exceed 0.6 % in case the CPI increase is below 1%, and salary updates will not exceed 1% in the case the CPI increase is between 1% and 2%. Finally, in the case the CPI increase exceeds 2%, the salary raise will not go beyond 1.5%.

On the other hand, we can consider that it has always been a variable retribution in the commerce sector, materialized in the commissions to sellers on sales made, which are not usually included in the collective contracts.

3.2.4 - 4th topic: income support for workers and businesses

The new labor reform promoted by the government (Royal Decree Law 3/2012 of February 10) introduces changes aiming to create a more flexible labor market and to encourage job creation. Requirements for hiring and dismissal become more flexible, intending to encourage new entrepreneurial initiatives and to promote hiring of young people that are currently unemployed. It includes incentives for creating permanent contracts, especially for those entrepreneurial businesses recently created. In these cases, the employer can receive a tax deduction of 3.000 euros for each hired (previously unemployed) worker under 30 years old. The employee can still receive the 25% of the unemployment benefit during one year. Incentives for transforming temporary contracts into permanent ones are also foreseen. Companies that transform training or replacement contracts into permanent ones, shall be entitled to a bonus of 41.67 euros/month in the employer's contribution to Social Security was 41.67 euros/month (500 euros/year) for three years. For women, these bonuses will be of 58.33 euros/month (700 euros/year).

3.2.5 - 5th topic: workplace safety

The Law of Occupational Hazard Prevention requires all companies to carry out a periodic assessment of occupational hazards and to create a commission in charge of developing a plan for labour risk prevention, with the support of a specialist on every sector from the National Institute of Workplace Safety and Health. Sectoral Collective Contracts include clauses to promote worker's safety and health through the development of measures to prevent work hazards, in compliance with the Law 31/1995, of November 8, which establishes the general principles concerning the prevention of occupational risks for protecting the safety and health, the elimination or reduction of risks from work, and worker's training, information and participation in risk prevention.

The Commerce Framework Agreement (February 2, 2012), signed by trade unions and business organizations at the State level, creates the State Commission for Occupational Safety and Health. It is a joint commission where workers and business organizations are equally represented, aiming at disclose and report on occupational risks in the commerce sector as well as the rights and obligations on risk prevention of the employer and workers. It will develop informative actions to promote a better commitment of companies and workers on risk prevention, as well as research and development of new products for the improvement of workplace safety and health, and actions to promote compliance of regulation on risk prevention.

In addition, the Spanish Network of Workplace Safety and Health (Red Española de Seguridad y Salud en el Trabajo) has been created to connect multiple providers of information, public and private, on workplace safety. It is composed by governmental institutions at the State and Regional level, business organizations, trade unions, universities and other organizations dealing with risk prevention and workplace safety. The Network aims to ensure the coordination and communication of information on safety, hygiene and health at work to all stakeholders.

3.3 Ente Bilaterale del Terziario: distribuzione e servizi della provincia di Perugia - Italy

3.3.1 - *1st topic*: employment contracts that facilitate entry into the world of work and provide training to increase the skills of workers

The italian experience: internship

Regulatory framework

The new Decree no. 167/2011, which attempts to collect, simplify and in part update the entire discipline, defines the contract of apprenticeship as a contract of indefinite duration, aimed at training and youth employment.

It concerns a long awaited reform which saw the involvement of social partners and of the Regions in the preparation and design of the institute, making it the main channel of input of young people into the labor market.

The apprenticeship law has long been in the Italian system; the first was Law no. 25 in 1955.

Given the changes that took place in the economy and various industries, apprenticeship was the subject of numerous legislative measures, among them Decree no. 276/2003.

The use of apprenticeship as outlined by the reform of 2003, though, was in fact often hindered or poorly implemented because of overlapping, sometimes chaotic, of differing sources and standards: from regional to national law, by different levels of collective bargaining to the many interpretative circulars of the Ministry of Labor.

Therefore were not clear assignments of responsibilities.

In addition, the judgment of the Constitutional Court, Law 176/2010, was added, which declared unconstitutional the exclusion of the regions with respect to the matter of training apprentices.

The regulatory uncertainty and risk of litigation had thus slowed the spread of apprenticeship.

To remedy this situation and revive the institution, the legislature and the social partners attempted to draw a clear and unified framework with Law 167/2011. In professionalizing apprenticeship or a job, an important role is also represented by the contractual discipline, to which is entrusted an important task, limited though not subject to regional legislation.

The social partners must start and conclude useful comparisons so the institute becomes operational; this is the central task of the inter-confederation agreements. The apprenticeship contract is a mixed case that exchanges and combines work and training – for a limited time – and is divided into three types:

- ✱ apprenticeship for the qualification and professional diploma, for young people aged 15 to 25 years. The contract is also useful to meet scholastic obligations. The duration, maximum of three years extendable to four for regional diplomas, is established by the region, together with the social partners;
- ▶ contract of apprenticeship or job for young people aged 18 to 29 years, whose duration is determined by bargaining (maximum 3 years, extendable to 5 for particular skills);
- ▶ apprenticeship for higher education and research, youth 18 to 29 years. The duration is established by the region, together with the social partners and educational institutions.

The type of apprenticeship that most calls into question the social partners, or regulation of the institute, is that of vocational or trade.

To the three types of apprenticeships is added an important new feature, namely the ability to sign contracts of apprenticeship aimed at training or retraining mobile workers.

In a time of economic crisis such as the one we are unfortunately experiencing, it is clear that the latter can be a valuable tool to facilitate relocation in the workplace. With the new Consolidated Text the maximum duration of the contract is significantly reduced. It goes from a maximum of 6 years under the law to the current limit of 3 years. This limit is raised to 5 years for certain specific professional apprenticeships, identified by collective bargaining.

On this particular point there was dissent from employers' associations and trade (Confcommercio Imprese per l'Italia). A subsequent questioning of the approval of the Consolidated Text explained that it can provide for types of professional business, analogous to and overlapping with those of artisans, extending the maximum duration of the contract of apprenticeship.

On this theme, a discussion between the national social partners has already begun at the negotiating table, to regulate and implement in general the new apprenticeship.

The discipline of apprenticeship contract is remanded – pursuant to Legislative Decree 167/2011 (art. 2) – to the appropriate Interconfederal accords or collective agreements.

Some important steps of the act regarding:

- ▶ writing the contract, the test pact and the related training plan;
- ▶ ability to classify the employee up to two levels lower than the category due under the national collective labor contract, or to establish the apprentice wage rate on a percentage basis and gradually according to length of service;
- ▶ presence of a tutor or representative from the company;
- ▶ ability to finance the training of apprentices business through joint inter-professional fund;
- ▶ possibility of recognition, based on the results achieved during internal and external training programs, of professional qualification for contract purposes and of skills acquired for the pursuit of studies and courses in adult education;
- ▶ completed training and professional qualification achieved for potential contractual purposes recorded in the training booklet;
- ▶ possibility for the parties to terminate the contract with notice.

The total number of apprentices that an employer can hire cannot exceed 100% of qualified workers and craftsmen employed. The employer who does not have qualified employees or specialized craftsmen, or who has fewer than three of them, may hire apprentices not to exceed three in number.

Collective bargaining

Law 167/2011, which has given such prominence to collective bargaining at a national level, should:

- ▶ define the duration and mode of delivery of training according to the established professional profiles in systems of classification and grading of staff.
- ▶ determine the duration of the apprenticeship, but within the framework provided by the Consolidated Text;
- ▶ determine compensation for the apprentice, to be defined either by under-classifying or by percent-based system.

The potential role of the bilateral relationship with respect to the apprenticeship

institute and its diffusion should not go unnoticed.

Will the social partners appreciate and use that potential? This is clearly an area for discussion and debate for the foreseeable future.

The social partners can express their views on the compliance requirements for apprenticeship. Additionally, they can define, as required by the rule, individual training plans that the apprentice must follow during his/her assignment, and which the parties of the working relationship must sign, under penalty of invalidity. This task is of foremost importance; the entities involved would become the bilateral venue where the forms are available to all who request them. But bilateralism can do more, if it is specialized and becomes an important instrument focused on quality delivered to businesses and workers.

The standard today requires that an individual training plan for the apprentice, which must be written, be created within 30 days of signing a contract.

The company previously delegated to a consultant the process for establishing the working relationship and defining an apprentice training plan.

Now the firm must arrange for a training plan tailored to the specifics of the business and to the training and skills the young person already possesses.

To accomplish this, a longer interval of time is now available. Bilateralism can assist the parties in preparing the training plan.

Agreement reorganization of apprenticeship in the service sector, distribution services (24/03/2012)

On March 24, 2012 in Rome, the social partners (Confcommercio Imprese per l'Italia, FILCAMS - CGIL, FISASCAT - CISL, UILTUCS - UIL) signed the agreement for the definition of materials authorized by Law 167/2011.

Law 167/2011 gives the parties the responsibility for vocational apprenticeship, qualification, contract to be achieved, duration of the contract for its educational component, and the duration and mode of delivery of vocational training. Moreover, the parties have the responsibility for defining the duration of the contract up to a maximum of 36 months.

In light of this, the agreement provides for the apprenticeship training programs that will undertake during their work.

The duration of the contract and the training vary depending on the final classification and final qualification to be attained.

Additionally, the parties shall define the duration of the contract.

Final classification level	Length of contract	Total hours of professional training
Level II	36	210*
Level III	36	180
Level IV	36	180
Level V	36	160
Level VI	24	120

* Training hours and durations change for the professional profiles artisans counterparts which have a maturity of 48 months. The total hours are 340 and 280 for the second level to the third level of the final classification.

Training may occur internally or externally and may be done in the traditional way, via on-the-job training, distance learning and e-learning.

The agreement also provides for the following:

Numerical proportion

The number of apprentices that may be hired cannot exceed 100% of the number of skilled and specialized workers. A company with less than three may hire three apprentices.

Levels of job classification and salary

It is possible to categorize the apprentice at two levels below for the first half of the duration of the contract and one level below for the remaining half, compared to the classification he/she would have if not an apprentice.

Illness

For the first three days of absence due to illness, limited to six occurrences, the apprentice is entitled to an allowance equal to 60% of normal salary.

Percentage of confirmation

Companies cannot take on apprentices if they have not kept in service at least 80% of workers whose contract of apprenticeship has expired within the past twenty-four months.

Excluded from the computation are: workers who resigned, those dismissed for just cause, those who at the end of the training periods have exercised the right of withdrawal, and working relationships dissolved during or after the trial period.

Apprenticeship in bilaterality

In 2000, bilateral agency of Perugia activated the Joint Commission, comprised of the social partners Confindustria Imprese per l'Italia, FILCAMS - CGIL, FISASCAT - CISL, UIL UILTUCS - UIL of the province of Perugia.

The Commission's task is to verify compliance with the agreement in relation to:

- ▶ worker classification;
- ▶ length of contract;
- ▶ number of weekly working hours;
- ▶ percentage of confirmation;
- ▶ correctness of the training plan. In this respect, the Regional law (May 30, 2007, no. 18) has also delegated to bilateral agencies the view on compliance regarding the training program for apprentices.

The commission meets weekly, and in 2011 issued approximately 1,200 views.

Internship training - Regulatory framework Region Umbria Case

Regional Law n.18 of May 30, 2007

With this law, the Region promotes the quality of training within the contract of apprenticeship, enhancing visibility, availability within the territory, the use, the support mechanisms and teaching instruments, in order to support the inclusion of young people in the work place, increasing their professionalism and enhancing their skills.

This law regulates the following aspects:

The training program	The law defines the concept of the training program as the set of learning objectives and minimum competence standards for groups of professionals to be achieved during the contract of apprenticeship through internal and external, formal and informal company training. The regional board, in agreement with representative employers' and work providers' associations, defines training programs for apprenticeship various professionals on a regional level. It also acknowledges training programs developed by the national negotiation collective and the results of national and regional surveys on training needs carried out by bilateral agencies.
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The formal training	<p>The law also defines the concept of Formal training and training training capability of the enterprise: formal training, both internal or external to the company, is intended as follows:</p> <ul style="list-style-type: none"> a) to be delivered in an organized and structured context distinct from the production site; b) to be implemented through a specific design, where the analysis of the skills possessed, educational objectives, minimum standards of competence, the schedule and mode of learning are explicit; c) to be built and supported by competent professionals; d) to have the outcome recorded within the training booklet; e) to produce verifiable results in accordance with the terms and procedures established by the Regional Council and in agreement with representative employers' and work providers associations on a regional level. <p>The formal training is accomplished through a training program, which aims for the acquisition of basic and technical-professional skills and cross-training, according to the objectives set by the training programs.</p>
Who provides formal training?	Public and private organizations registered in the regional catalog of providers of apprenticeship training or the businesses themselves, if they have the capability, can deliver formal training. By training skills ability of the company, it is intended that such company meet the standards expressed above.
Regional providers catalog of apprenticeship training	The Region establishes the regional providers' catalog to help meet the demand for apprentice training.
Financing of vocational training in apprenticeships	The Region funds the formal training of apprentices based on annual programming defined by the Regional Council in agreement with those involved, such as representative employers and work providers associations on a regional level. This is done within the limits of available resources and provided that employers adhere to the national collective labor agreement, ratified by trade unions and representative employers' associations on a national level. The companies guarantee to provide formal training even in the absence of public funding.

The individual training plan	The individual training plan is the document attached to the labor contract that describes the apprentice's training path, with reference to the training program itself, for the entire duration of the apprenticeship contract. The individual training plan is an essential element of the apprenticeship contract. Lack of the plan deems the contract nul and void.
The company mentor	The company mentor counsels the apprentice through the entire path identified in the individual training plan. Training for this task must be no less than twelve hours.
Certification of training	The Region, in agreement with representative employers and labor providers associations on a regional level, regulates the proceedings leading to the evaluation and certification of the apprentice's basic skills, cross-training and technical- professional training, which are then recorded in the training booklet.

September 18, 2008 – Implementation rules

The rules cover the following aspects:

Committee for professional apprenticeship	<p>Creating a committee for professional apprenticeship, which includes:</p> <ul style="list-style-type: none"> a) the counselor responsible for employment, or his delegate as Chairman; b) three representatives from representative employer's associations at the regional level; c) three representatives from representative workers organizations at regional level; d) a representative from the Province of Perugia; e) a representative from the Province of Terni. <p>The committee collaborates with relevant regional structures for monitoring, such as quantitative and qualitative assessment of effectiveness and efficiency of training activities, aimed at understanding the dynamics of the system at the regional / provincial level.</p>
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Duration	The educational commitment by the apprentice includes a number of hours of formal training of at least one hundred twenty per year to acquire: basic skills, cross-training and technical – professional competencies. The apprentice is required to attend all formal training provided in relation to the educational program of reference and individual training plan during working hours, for the entire duration of the initiatives; any absences are permitted only for causes provided within the contract and attributable solely to the students themselves and must be properly documented.
Training program	The training program must contain: a) group name of the professional skill; b) identification of basic and cross-training competency; c) identification of technical-professional competency; d) minimum training standards (content, educational methods, duration, evaluation methods).
Individual training plan	The individual training plan, sent to the CpI (Centro per l'Impiego di Perugia) for use by the person responsible for the territory.
Providers of formal training	a) public or private organizations registered in the catalog of regional providers of apprenticeship training, which can: guarantee widespread geographical distribution of the training program; ensure a connection with associations of representative employers and providers on the regional level and/or with bilateral agencies; and have experience gained in the formal training of apprentices; b) companies possessing training capabilities.
Company's tutor	The company tutor's role is held by an employee contractually classified at the same or higher level compared to the qualification the apprentice will attain at the end of his/her apprenticeship, when the appropriate skills will have been acquired. Training of company tutors is handled by the person referred to in paragraph a) and will be of at least twelve hours.

Accreditation of structures and creation of training plans

In compliance with the provisions of the Umbria Region, the unions of the involved sectors (trade, tourism, services) have worked – through their training

agencies – to guarantee minimum requirements for the accreditation of training structures, that is, widespread geographical distribution of the training program, a connection with associations of employers and providers most representative on the regional level and/or with bilateral agencies, and experience gained in the formal training of apprentices.

The plans through which accreditation is given to training structures were developed by:

- Innovazione Terziario (Confcommercio imprese per l'Italia della provincia di Perugia);
- Università dei Sapori (Confcommercio imprese per l'Italia della provincia di Perugia);
- IAL (CISL Umbria);
- Smile (CGIL Umbria);
- Enfap (UIL Umbria).

The bilateral organization guarantees technical collaboration that will facilitate communication with the businesses, and definition of training plans for apprentices confirmed to be in compliance.

The project framework is composed of training and non-training actions, in order to standardize the formal and informal sessions, with the aim of:

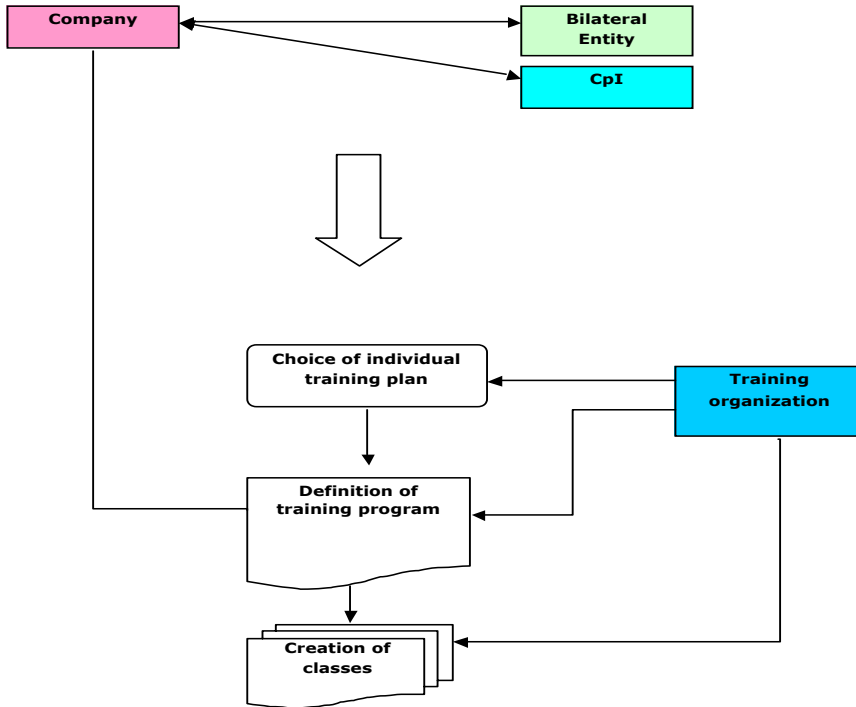
- guiding and preparing for job placement;
- developing and / or reinforcing basic and cross-training skills;
- developing and / or consolidating technical – professional skills;
- reviewing experiences carried out according to the personal and professional project of the individual trainee.

Characteristics of the project framework

Companies that had applied for training apprentices were identified by main sectors. Within them, qualifications required were identified and training programs developed for the targeted sector and specialization, leaving more detailed specification elements of the course to the implementation and realization phase, after thorough analysis of the company's production context.

Greater involvement of companies in the definition of the relationship between training at the firm and beyond, and identification of criteria to identify the beginning competencies has been sought in the creation of the project framework, in order to appropriately define the configuration of the personalized programs and of the characteristics of the modules themselves.

Defining the training plan and educational program



Program	Training Unit 1	Training Unit 2	Training Unit 3	Training Unit n
Training Program A	X	X			X		
Training Program B		X	X			X	
Training Program C	X		X		X		
...		X	X	X			
...	X				X	X	
...		X		X	X		
Training Program Z		X	X		x		

Implementation of the Consolidated Guidelines and news on Training

Legislative Decree of September 14, 2011, n. 167

Apprenticeship Consolidated Guidelines:

Contractual rules: news	The apprenticeship contractual rules refer to the appropriate inter-confederation agreements, specifically the collective work agreements ratified at national level by representative employers and work providers associations in accordance with the following principles
Training: news	The professional and vocational training, carried out internally or externally by the company, is included, within annual available resources, in public grants. Its goal is the acquisition of basic and cross-training skills for a total duration not to exceed one hundred twenty hours attended over a period of three years, managed by the Regions in accordance with the social partners, taking into account the apprentice's age, educational qualifications and skills.
Professional standards, training standards and competency certification	For the purpose of verification of apprenticeship training programs, the professional standards of reference are defined in national collective agreements by category or, failing that, through specific agreements to be ratified at a national or interconfederal level, even during the term of the contract. The certification logged in the apprentice's training booklet, substantiating relevant training and of acquisition of professional qualification for contractual purposes, is the responsibility of the employer.
Establishment of a register	To harmonize diverse professional qualifications acquired under different types of training, and to enable a correlation between educational and professional standards, a register of professions prepared on the basis of the classification system of personnel shall be established, as provided for in collective work agreements

Interconfederal Agreement of reorganization of apprenticeship in the tertiary, distribution and services sectors

Effective date: April 26, 2012

Definition	The apprenticeship contract is an contract of indefinite term targeted at youth training and employment.
Modality	Employers wishing to recruit apprentices must submit an application with the training plan attached and prepared on the basis of standard projects, to the specific Bilateral Commission office responsible for the area, as stated in art. 20 applicable to the current Tertiary CCNL guidelines. The Bilateral Commission office will then deliver an opinion of conformity in relation to the standards set by CCNL on apprenticeship, training programs drafted by the company and the content of the training plan, aimed at achieving specific professional qualifications.
Apprenticeship mentor	The implementation of the training program is monitored, internally or externally, by the apprenticeship mentor, who must be identified at the start of training program.
Educational activities: duration and content	Qualification is defined as the outcome of a vocational path with professional objectives to be achieved, through internal training, mentorship, or through external training focused on the acquisition of all the relevant skills.
Methods for providing training	Vocational training can take place in the classroom, on the job, and through the means of distance learning (DL) and e-learning tools, in which case the mentoring activities will be performed on-line and using tools such as distance-mentoring or remote video. If training is carried out exclusively within the company, the company must be able to provide such training and have adequate human resources to transfer the knowledge and skills required by the training plan, ensuring the execution in suitable environments, as outlined in training plan.

3.3.2 - 2nd topic: reconciling work and family

Policies to achieve reconciliation represent an important innovation in social, economic and cultural models, that affect men, women, and organizations and provide tools to ensure a balance between work and family sphere.

Several initiatives have been undertaken at national and European levels in order to promote a better quality of family Life.

In Italy, in recent years, the rate of participation of women in the labor market has increased, but it remains low especially compared to other European countries.

Causes for this include: the demographic structure of families; the tendency to relegate women to the home environment, a phenomenon which is now diminishing in younger generations; the age difference in terms of presence in the labor market between men, whose involvement increases with age, and women, for whom there has been a gradual reduction due to the dual role of working women and mothers.

However, the last decade has seen a gradual increase in female participation in social life, work and family due to many factors, including: the increased level of women's scholastic education, a gradual cultural change and more employment opportunities for women. But all this must be accompanied by strong and effective legislation, which instead today is still insufficient.

The Law

The Italian Constitution, art. 37 provides that "Working women have equal rights and equal pay for equal work as working men. Working conditions must allow women to fulfill their essential family duties and ensure both mother and the child special and appropriate protection".

Over the years, a series of legislative measures has strengthened this principle in the Constitution to ensure, in practice, the actual performance of the role of both parents (mother and father) in caring for the offspring, thus giving equal dignity to woman's work. These principles create the basis for encouraging greater professional and, therefore, economic autonomy.

Among the fundamental laws that have contributed to a significant change it is important to emphasize the Law 1204 of 1971 "protection of working mothers." This law had introduced certain fundamental rights, such as the period of absence from work and the prohibition of being dismissed within the first year of a child's life.

Law 903 of 1997, "equal treatment between men and women in employment," represented a turning point for the primary purpose of achieving equality of treatment and protecting working women. It also extends certain rights to working fathers as well.

The regulatory path developed until the promulgation of Law 53 of 2000, whose purpose is to promote a balance between work, care, training and relationships, through:

- a) the establishment of parental leave and extension of support for parents of persons with disabilities;
- b) leave for continuing education and extension of leave for training;
- c) managing life in the city and promoting the use of time for purposes of life balance.

With Decree Law 151/2001, “Consolidated laws concerning the protection and support of motherhood and fatherhood,” several measures were introduced, including:

- ▶ prohibition on assigning pregnant women to jobs that could create problems during the pregnancy (lifting weights, dangerous work, unhealthy conditions);
- ▶ prohibition on changing responsibilities, except for safety reasons, in which case pay and status must be maintained;
- ▶ protection even during the first year of the child’s life (prohibition of night work);
- ▶ prohibition of dismissal during pregnancy and lactation (until 1 year of age);
- ▶ permission to breastfeed until the first year of age of the child’s life;
- ▶ mandatory leave for the 2 months before the presumed delivery date and for three months afterwards;
- ▶ during mandatory leave the employee is entitled to payment equal to 80% of pay from the public entity INPS (National Institute of Social Security). The trade and services CCNL (National Collective Agreement of Work) mandates that the employer augment the amount to arrive to 100% of the original pay;
- ▶ additional optional periods of leave with pay allowances up to 30% are provided for and paid by the public entity INPS;
- ▶ contributions relief is granted to companies that hire temporary workers to replace staff on maternity leave.

Also to note is the important initiative outlined in the 2002 Budget Law. This announces specific funding for companies that choose to provide child-care or play centers to improve the business climate and quality of life of working mothers and make the separation between mother and infant less stressful.

On March 7, 2011, an agreement was signed between the Ministry of Labor and the Social Parties on measures in support of policies for balancing family and work, with the primary objective to support an increase in female employment. This agreement emphasizes the importance of flexible work arrangements and hours, which are both in the interest of employees and the company; it is understood that through the practice of “second-level” negotiation (negotiation between unions and company), one can be assured of better distribution of working hours during the week, month, year, in response to market needs, adapting - in compliance with the law - the average and maximum hours of production needs and balancing them with respect for the rights and needs of the people. There is also the commitment to emphasize best practices for “family-friendly” flexibility and existing efforts to balance work and family, in ways that are consistent with the company’s size, production and organizational needs.

What the CCNL anticipates

Although within CCNL there is no specific reference to the theme of balancing work and family, there are many references and tools to facilitate the role of women in the workplace. One example is the possibility of requesting conversion from full-time to part-time employment for a specific time frame.

Other potential agreements may regulate and improve the CCNL. Some of them are recognized by FILCAMS - CGIL, FISASCAT - CISL, UILTUCS - UIL and, as of today, a small group of businesses, often multi-localized, have identified interesting practices, such as:

- ▶ the transformation of a contract from full-time to part-time to allow working mothers to care for their children, allowing for the hiring of “substitutes” for uncovered hours;
- ▶ a coaching/mentoring program to assist in the reintegration of female workers returning from maternity leave;
- ▶ a yearly voucher and a birth delivery bonus;
- ▶ a set of services, paid by the company, to help employees better manage time dedicated to family, health and to domestic responsibilities. These include: assistance finding baby-sitters, periodic availability of medical specialists and/or access to medical services (blood tests, etc.) in the company’s facility.

However, these experiences are often aimed at a corporate image and do not affect the true nature of the business organization, where, today, the balance between work and care is considered an exception to normal process and to standard work hours.

3.3.3 - 3rd topic: management models that require the participation of workers and retribution systems tied to productivity

The regulation of tax relief deserves attention. The source is normative, primarily fiscal, also considering the role of collective bargaining.

Art. 2 of Legislative Decree 93 in 2008 provided, referring to the second half of 2008, a substitute tax of 10% for amounts paid to employees of the private sector, both in relation to overtime as well as for increases in productivity, innovation and organizational efficiency and other elements related to the economic competitiveness of the company.

The reduction in VAT has been extended for 2009 (art. 5 of the Legislative Decree of November 29, 2008, n. 185) and 2010 (art. 2, paragraphs 156 and 157, of Law no. 191 from December 23, 2009), limited though to bonus payments (letter c) of art. 2, Legislative Decree no. 93), excluding, therefore, overtime (letter a) of art. 2, Legislative Decree. no. 93), extra work and that resulting from flexible terms (letter b) of Art. 2, Legislative Decree. no. 93).

However, with Resolution no. 83 of August 17, 2010, the Agency of Revenue stated that the system should be considered partially subsidized, also applicable to payments relating to overtime and night work, provided that these contribute to increases in productivity, innovation and organizational efficiency and other elements related to the economic competitiveness of the company.

The matter was further considered in the joint circular from the Agency of Revenue and the Ministry of Labor, no. 47 of September 27, 2010, taking the principle from Resolution no. 83 by the Agency of Revenue, which states that overtime, night work and shift work are partially subsidized also for 2009 and 2010, provided there is a bond of relationship with the production parameters.

In particular, by virtue of the aforementioned clarifications regarding administrative measures, it can be asserted that:

- ▶ partially subsidized *overtime* is the only one for which there is a correlation with the parameters of productivity, innovation and organizational efficiency and other elements related to the economic competitiveness of the company. The partially subsidized regime covers both the case of the ordinary so-called 'forfetizzato,' which is made by employees who are not bound by office hours, as well as other types of extraordinary performance;

- ▶ *additional work or return on flexible terms* can be considered only if tied to the pursuit of increased productivity, innovation and organizational efficiency and other elements related to the economic competitiveness of the business;
- ▶ *night work* is partially subsidized, whether regular or occasional, provided the performance of night work creates or is linked to increases in productivity, innovation and organizational efficiency and other elements related to the economic competitiveness of the company. Additionally, not only the allowances or bonuses aid for night work are subject to a special tax system, but also the ordinary compensation paid for performing the same work;
- ▶ allowances (or bonuses) aid to *shift work* fall more easily within the tax system, both when the company applies for the first time for the organization of shift work, and when applying for a new and broader pattern of shifts. In both cases, the work is organized in shifts only to help provide increases in productivity and innovation, organizational efficiency and other elements related to the economic competitiveness of the company. In the case where shift workers have night hours, they can take advantage of the tax system for the entire compensation paid (i.e. more than ordinary fee increase);
- ▶ lastly, please note that, as agreed by the parties at the bottom of art. 141 of the Tertiary CCNL, “*they fall under the cases of which art. 2, letter c) of the Legislative Decree 93/2008, converted to law no.126/2008*” increases are recognized for *work on sundays*.

It is emphasized that this advantage applies to a maximum of 6,000 Euros for the years 2009 and 2010, in favor of private sector employees, with either a temporary or permanent contract of employment, that have not surpassed an amount of income from employment of € 35,000 gross in the previous year.

Procedures for the use of reduced VAT on wages paid

In its circular no. 47, the Agency of Revenues states that employees may rely on more favorable taxation on earnings already subject to ordinary taxation, when filing tax returns, presenting a supplementary return for past years or taking advantage of the refund.

To this end, the employer shall give account by written declaration to the employee, certifying with the increase in productivity and competitiveness. Businesses, therefore, may issue the employee a statement indicating the sums aid by way of increased productivity, taxed at ordinary income tax which however,

in light of the clarifications provided by the Administration, shall be subject to a substitute tax.

In view, however, of the difficulty for stakeholders to put in place the above-mentioned requirements, the Agency of Revenue has returned to the subject with circular no. 48 of September 27, 2010 and resolution no. 130 of December 14, 2010.

In circular no. 48, the financial administration indicates a procedure by which they can apply to both taxable periods concerned (2009 and 2010) a refund taxes paid at the higher rate.

In particular, the administration states that:

- ▶ a model CUD/2011 will be prepared, which will indicate not only the sums relative to 2010, but also those paid in 2008 and 2009 for the achievement of elements of productivity and, therefore, eligible for substitute tax in those years;
- ▶ the employee may recover his/her credit by means of a tax return to be submitted in 2011.

With resolution no. 130, the administration explains that if the refund process is done via form CUD/2011, the employer's certification that payments were tied to productivity increases can be "carried out with an explicit statement to be affixed in the space reserved for records of certification CUD."

In other words, the recovery of higher taxes paid by erroneous taxation of wages may be reduced in one of the ways described below:

According to the instructions contained in circular no. 47 of 2010:

- ▶ for the sums received by the worker in 2008, using the integrative model Act 2009 (terms of which for the presentation are, however, now expired) or by submitting the request for reimbursement within 48 months from the date of execution of the withholding;
- ▶ for amounts received in 2009, using the model Act 2009 (terms of which for the presentation are, however, now expired), perhaps presenting it late (i.e. by December 29, 2010). Always save the possibility of use, even for such a sum, the request for reimbursement;
- ▶ for the sums for which reimbursement of taxes is requested, the employer must issue to the employee a statement certifying that wages are tied to productivity increases.

According to the instructions contained in circular no. 48 and in resolution no. 130:

- ▶ only for amounts received in 2008 and 2009, the employer is requested to complete the appropriate spaces in form CUD/2011, certifying that the funds are linked to productivity gains, through an express statement in the notes field of the CUD. The employee can then recover the taxes via the 2011 tax return (Form 730 or Act).

In light of those rules, with the renewal of the CCNL of tertiary, distribution and service of February 26, 2011, a verbal declaration was included enacting a contractual declaration in the minutes related to tax relief.

The substitute tax of 10% is recognized only for the institutions referred to in the second level of bargaining.

The following may be agreed upon:

- overtime;
- additional work;
- compensation for flexible terms;
- shift work;
- work on Sundays or public holidays also conducted during normal business hours;
- night work;
- variable performance awards;
- pay for every other item designed to increase business productivity, quality, competitiveness, profitability, innovation and organizational efficiency.

It should also be noted that the national Framework Agreement on tax exemption was signed by FILCAMS - CGIL, FISASCAT - CISL and UILTUCS - UIL, as well as by CGIL, CISL and UIL, to facilitate agreement with the territories for the withholding tax of 10% on the ancillary components of remuneration in the face of increases in productivity, quality, profitability, innovation and organizational efficiency in relation to the economic performance or profits of the firm or any other relevant factor in improving business competitiveness.

3.3.3.1 Participation in Europe and in Italy: between De Jure Condendo (The Right Ones) perspectives and praxis. Focus on Auchan and Merloni

*Report of Roberta Caragnano intervention, Researcher ADAPT (association for international and comparative studies) and research fellow of University of Modena and Reggio Emilia*¹

1. The issues related to the legal definition of participation

The participation of workers in management, to results and profits of companies is an issue that over the years has acquired new sap in the European context, and a great impetus in terms of national legislation, since the spread of participatory schemes is considered a tool to facilitate the development of an advanced model of industrial relations in a logic of loyalty and promotion.

The presupposition comparatively is that implementation of participatory schemes is a fundamental prism of labor relations that can mark a change to introduce “innovation - friendly industrial relations” cooperative participatory oriented systems. The comparative experience is unique in reporting that participatory systems are those capable of confirmations of increased competitiveness in the productive system despite the diversity of these systems .

Jean-Claude Juncker, in fact, makes this point in his introduction to PEPPER IV Report, *Benchmarking of Employee Participation in Profits and Enterprise Results in the Member and Candidate Countries of the European Union*, and reiterated that “[...] Financial participation of employees to profits of companies they work for, as an additional element to the monthly salary, is nothing but the practical implementation of the idea that the creation of wealth in a company is the main result of work and know-how of its employees. However it provides to the employer the possibility to harmonize his own interests with those of employees, to tie the cost of labor to business performance, and if well organized, to increase motivation [...]”.

Before I go into the theme and regulatory aspects, in order to investigate the potential use of participatory tools, however, it seems appropriate to provide a more complete semantic definition of the concept “workers’ participation”, full of practical connections as well as theoretical; also because of the intense debate on the concept and definition of exegesis - not only legal - it stimulates the attention of the social partners and the economic and business world for the various implications generating. If participation in its classical sense can be considered, in terms of Cella

NOTE: ¹ This paper is, in part, an extract from the book R. Caragnano, *Il codice della Partecipazione. Contributo alla studio della Partecipazione dei lavoratori, (The code of Participation. A contribution to the study of Worker Participation)* Giuffrè, Mialno, 2011.

and Treu, a fourth form of industrial action next to the three identified forms in the late nineteenth century by Mr and Mrs Webb: unilateral regulation, collective negotiation, legislative initiative promoted by the syndicate; nowadays participation can be understood as shared by Poutsma, broadly as “any process that allows workers to exercise some influence over their conditions and results of their work” and therefore also including procedures for information and consultation, although not a determining factor for the decisions of managers. Strictly speaking, however, it pertains “to the collection of systems and procedures, which may be established at the level of corporate company or its organizational structures to enforce joint decisions on matters included in the power management of the company.” But when we talk about participation, both in the Italian and in the European context, which forms do we refer to?, under which lens do we read the phenomenon and what are the interpretations? Participation, in fact, has extensive links and affects not only legal and economic field but also social and sociological field, demonstrating that workers’ participation “both in the firm through their responsible decision making and operational involvement, and the company through having contributed to the definition of its being and its general goals” assumes a multiplicity of events and looks like a prism with many facets in a context in which internal, contractual and participatory relations combine with each other in such a way as to ensure a better balance of social and economic interests.

If we consider participation from a strictly legal point of view this may be in its classical conception: antagonistic, collaborative and integrative². In the first model, which tends to change the effective asymmetry of the relation of wage labor, participation is understood as a tool that allows the overcoming of the traditional capital-labor comparison. In this type “Workers’ control” forms are included: the cooperative enterprise and the self-managed enterprise.

The second model, that is the collaborative participation, provides the possibility for workers to improve the socio-economic position and correct certain imbalances without changing the institutional structure of capitalism and the name of the company. Participation in this sense, has tasks and institutions that allow the reconciliation between improving workers’ conditions and needs of the enterprise; German model of codetermination is included in collaborative participation and model of concertation between business companies, syndicates and institutions is typical of Italian and Spanish situations.

NOTE: ² G. BAGLIONI, *Democrazia impossibile? I modelli collaborativi nell’impresa: il difficile cammino della partecipazione tra democrazia ed efficienza, (Impossible democracy? Collaborative models of enterprise: the difficult path of participation between democracy and efficiency)* Il Mulino, Bologna, 1995.

Integrative participation³ after all, proposes employees to get involved (not necessarily through their representatives) in the performance of the company and/or engaging them in its affairs and its destiny. Typical experiences of Anglo-Saxon reality belong to this model through the means of gain-sharing and profit sharing and realizing common interests and objectives between the actors of the firm. At the same time talking about workers' participation means not neglecting the analysis of micro and macro components and the relationship with the internal flexibility without prejudice to EU input (contributions). An objective fact is that participation is still an instrument of redistribution of wealth, sustainable economic development for the positive impact that has on the quality of work, knowledge and professionalism of the employee but at the same time is also part of becoming an instrument of social cohesion business management.

So much has been reaffirmed by the European Union in its actions, as well as in the European Employment Strategy, where it was and still is repeatedly stressed the key role of participation *tout court* and its link with the quality, labor productivity and industrial relations.

In line with this approach the Report of the High Level Group on Industrial Relations and Change in the European Union in March 2000 was also posed which stated, in evaluative perspective key, as the quality of employment depends on the quality of industrial relationships and strengthening of participatory culture and institutions. Not only. The coefficient of participation of country systems is an indication of quality assessment systems of industrial relations together with social dialogue and financial participation.

2. Legislative initiatives of the European Commission and stages of the European politics related to financial participation.

The issue of employee financial participation has found momentum in the European and international context in the eighties with the theories on c.d. *share economy* and economic democracy.

Participation in the analysis of the Community legislation may be regarded either as a set of rights to information and consultation and as the presence of representatives of employees on company boards and as a financial and economic participation.

If you regard the information and consultation rights, the European Community

NOTE: ³ Such model has spread along with the development of the human resources management theories ref. H. KRIEGER, K. O'KELLY, The spread of enterprises in Europe, in *Enterprise in Plural* 1994, n.3-4.

However, as supported by a part of the doctrine, integrated participation does not necessarily imply participation in productive decision making, in that such a form of participation includes both policies of mere involvement and those of worker interest, connected to economical and/or financial results of the enterprise. Regarding this read R. MOLESTI, *Impresa e partecipazione. Esperienze e prospettive* (Enterprise and Participation. Experience and Prospective) Franco Angeli, Milano, 2006.

has taken action by issuing directives; however, for financial contributions the action has not materialized on binding rules but occurred only with non-binding acts primarily for the presence “of the absorption profile to issues related to financial and economic participation.”

The first act of the community institutions was the Memorandum of 1979 on the participation of workers in the formation of the assets, soliciting forms and tools of participation rights of workers employed in the capital of the companies in question. To it, in 1983, the European Parliament resolution followed⁴ requesting the Commission to intervene on the matter with a recommendation and to consider the opportunity to draft a directive at least for some sectors. Parliament advocated the participation by emphasizing the principle that the property should have a social function and stated that “only a property individually available and widely spread, corresponds to the principle of distribution of power.” The text of the resolution, as also supported by the theory⁵, in some respects seems to repeat the experience of the Swedish wage funds released in the seventies and eighties from the Scandinavian social democratic parties on the basis of the idea that financial participation could serve as a distribution tool of wealth and power, and thus function as a means of distribution policy and social justice.

In this sense, it is strong the influence of the German legislative experience also in the evolution of the attention of the European Community to the phenomenon of participation. Just the reference in the resolution of 1983, the investment income is an expression of this and refers to what is required by German law, in terms of *Förderung der Vermögensbildung der Arbeitnehmer*, enacted in the late sixties and early eighties when Germany had concluded agreements whereby employers undertook to ensure to their employees (in addition to salary) wages of investment with a lump sum granted to employees based on business profits. The aim was to promote a better distributive justice between employers and workers. After several requests in the nineties the Council Recommendation has been adopted n. 92/443/EEC of 27 July 1992 concerning the promotion of participation by employed persons in profits and enterprise results (including equity participation).

The Community measure having non-binding nature finds its premise in the Commission Communication on the Action Program on the implementation of the Community Charter of Fundamental Social Rights of Workers 1989. The recommendation, along the lines of the doctrine of majority, provided a comprehensive definition of the various forms of economic participation of workers in the enterprise (profit sharing and equity) and identified the

NOTE: ⁴ In GUCE, 12 October 1983, n. 307/68.

⁵ A. ALAIMO, *La partecipazione azionaria dei lavoratori. Retribuzione, rischio e controllo*, (Worker stock participation. Pay, risk and control) Giuffrè, Milano, 1998.

requirements that, regardless of differences in national legislation, should have accompanied the various participatory systems. In this regard, an important suggestion was the adoption of “legal” tools in support of participation, which could be translated into tax cuts and wages, modeled on the French and United Kingdom legislation. In particular, the recommendation invited Member States specifically to “recognize the potential benefits introduced by a major appeal, both individually and collectively, to a wide variety of participation schemes of employed persons in profits and enterprise results, such as profit sharing, equity or a combination of both schemes” indicating punctually two essential conditions for their effective take-off in the adaptation of existing legal structures, on one hand and, the involvement and empowerment of social partners on the other.

Next to the Recommendation, the most important stages of EU policy a key role was also played by the Social Action Program 1989-1992 concretizing itself in the Pepper I Report ⁶ and II and the Working Paper, Financial participation of employees in the European Union, SEC (2001) 1308, merged in the 2002 Notice. If the Pepper I report ended with some concrete proposals for action, the Pepper II showed obstacles and conditions, on one side, for the adoption of financial participation plans and the close link between participation and productivity, without neglecting the key role played by policies adopted by national governments, on the other hand, we reported a static nature of the Member States to implement the directions of the Report. However it is with the Working Paper of the European Commission at EU level that a prior consultation was initiated on the issue, and the groundwork for a debate was laid at European level between social partners and EU institutions. The Paper, which followed the approach outlined in 2000 by member countries during the Lisbon summit, not only illustrated the ‘state of the art’ and provided data on the diffusion of financial participation, but also devoted ample space to enucleation of the reasons that have legitimized an intervention by the European Commission based on the principles of subsidiarity and proportionality as a real problem of the practical impossibility in some Member States to intervene on the matter.

The Working Paper was supported during the 2002 European Parliament resolution on the Communication of the Commission to the Council, the European Parliament, the Economic and Social Committee of the Regions on management for the promotion of financial participation of employees with whom they urged the Commission to promote the exchange of information and best practices across borders to study the impact of the adoption of such plans on employment and wage flexibility. At the same time it urged Member States to

NOTE: ⁶ Report Pepper I, Promotion of employee participation in profits and enterprise results, in Social Europe, 1991, suppl. 3.

implement the directions of the Report by the collective negotiation and to enact discipline framework providing for tax incentives.

The 2002 Communication in substance took up what was anticipated by a Working Paper and concluded from the studies of 'Eurofound in Dublin and provided guidelines on three core themes: the general principles to whom inform the financial participation, how to overcome border barriers and actions to a greater spread of participatory tools. The document, moreover, had explained the positions of the social partners, in particular on the voluntariness of the accession by workers, the regularity in the application of financial participation schemes and the clarity and transparency of the same.

3. The Pepper IV Report and its findings

In 2008/2009 with the Pepper Report IV⁷, the issue of participation has returned to the attention of scholars and institutions. The Report is ranking a different position from the previous and offers a detailed description of the types and forms of employee financial participation in Europe and this is particularly useful in guiding the confrontation initiated by the Government and social partners on prospects for reform.

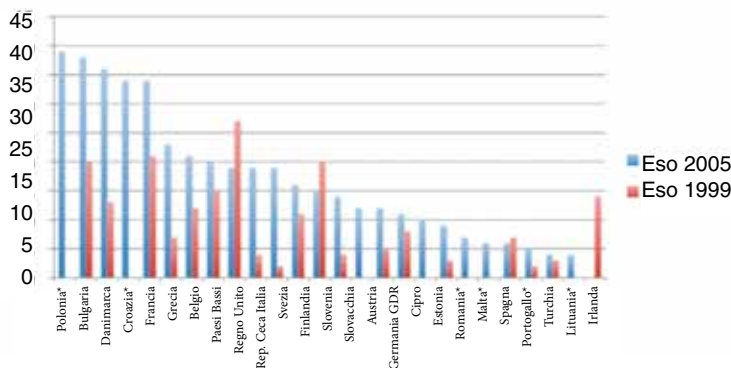
The novelty of the Report is that for the first time we proceeded to map the policies and praxis and this represents an important contribution to the strengthening of the exchange of information and the identification of best practice model.

The essential elements on which the document is developed are the description of the scope of legislation and tax incentives and contributions in various countries, the benchmarking of financial participation schemes, comparative analysis of policies and national characteristics that affect the application of participatory models. Based on the combination of data from the PEPPER IV Report it shows a positive trend which is a necessary condition for a significant change of participation at national and European level.

The data reveal that more than 15% of workers in the private sector contributes to the company where he works and the figure is increasing both profit sharing and stock ownership for employees. In the period 1999-2005, in fact, the share plans offered to employees (Figure 1) rose from 10% to 18%, profit-sharing schemes (Figure 2) from 19% to 26 overall and in most countries there is an active engagement in favor of the equity instrument.

NOTE: ⁷ Report Pepper IV, Benchmarking of Employee Participation in Profits and Enterprise Results in the Member and Candidate Countries of the European Union, 2008/2009, can be consulted on www.adapt.it, index A-Z, heading Worker participation.

Figure 1- The data on the development of share plans in 1999-2005

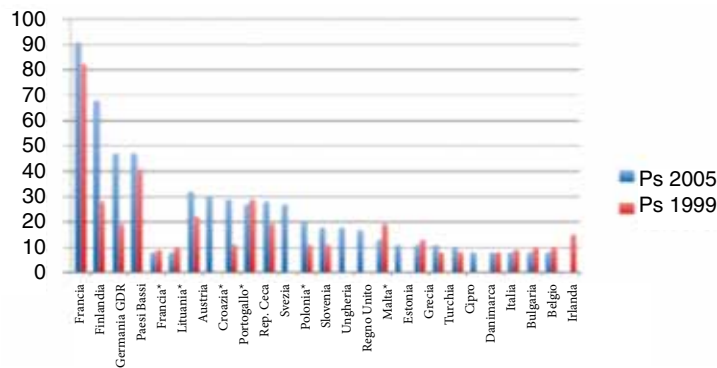


* Croatia, Lithuania, Malta, Poland, Portugal, Romania are countries that joined the EU in 2007 and the data are referred to this year

Key to abbreviations: ESO = Employee Share Ownership

Source: prepared by the ratio Pepper IV, *Benchmarking of Employee Participation in Profits and Enterprise Results in the Member and Candidate Countries of the European Union*

Figure 2 - The data on the development of share ownership plans in the period 1999-2005 Ps



* Croatia, Lithuania, Malta, Poland, Portugal, Romania are countries that joined the EU in 2007 and the data are referred to this year

Key to abbreviations: Ps = Profit-sharing

Source: prepared by the ratio Pepper IV, *Benchmarking of Employee Participation in Profits and Enterprise Results in the Member and Candidate Countries of the European Uni*

From early Pepper reports (I and II) in the nineties the steps taken were considerable, on the promotion of employee participation in profits and enterprise results, with photographing a not very comforting situation in the European context except for France and United Kingdom that are advanced in years in the matter.

In Pepper Report IV, unlike the previous, it has undertaken a benchmarking of national policies and practices which is an important contribution to strengthening the exchange of information and identifying model practices.

What emerges in the first instance and represents a weak link of the system is the absence of Community rules on which to build an European system of reference. The study examines the policies adopted at national level and behaviors taken by the main protagonists in relation to the design and implementation of financial participation schemes and confirmed as governments and central organizations representing the social partners, play a key role, although in a different way, within the context of national participation.

3.1 The role of national governments and a brief comparative

National policies are essentially based on two fundamental principles: first, the voluntary nature of the instrument that requires neither workers nor firms to implement it, second the autonomy of other labor organizations that rely on collective negotiation to achieve equity instruments. This is the case in France where in addition to laws that provide for both participation and ownership are also implementing practices set out in collective agreements.

National policies can thereby influence the size, characteristics and practices of participation at the level of individual firms and develop ways to make this tool more attractive to small and medium enterprises (SMEs).

In other cases, governments consider their duties under the statutory framework but leaving the business or parts of industry to promote the plans. It is proven by the fact that in some countries companies define unilaterally the business plans of employee financial participation set on an individual basis while in others, the assumption of business risk is a collective investment of workers and is the result of a negotiation between the property and workers' representatives of organizations that are part of management or control.

Compared to these policies, however, no lack of concern as the main disadvantages of financial participation lie both in danger of transferring the business risk to employees and the limited applicability of these tools in SMEs.

Within the overall framework of the EU countries and at present, the data show that the mode of participation differ according to the types of schemes used: switching from forms of profit sharing, to subscription of options by employees, to 'employee ownership historically popular in France and England where they are provided savings plans to support the acquisition of shares. In particular, in France there are voluntary schemes of involvement, the *Intéressement des Salariés*, and other mandatory for companies with more than 50 employees, the cd.

Participation aux fruits de l'expansion

The comparative analysis shows that it is still undeveloped, with a coverage of less than 10% and present only in companies of a certain size, financial participation in Italy, Belgium, Cyprus and Spain, where in recent times the use of stock options for personnel policy has been achieved only individually. The situation is different and special in the new EU Member States: first participatory tool in some countries has been slow, in others even if with different emphases are strongly developed. This is the case of Slovenia, which although it is among the countries in transition like Bulgaria, Poland and Croatia has implemented a program of promotion and economic development based on rapid privatization, and it has increased the level of employee financial participation. In these data, it adds the position of Romania, at the moment is the only country that has legislated in the field of company law, the cash-for-profit companies in state even for a limited number of them while not among the countries in transition only Turkey has a law on profit sharing.

Regarding the position of trade unions in general they are in favor of these forms of financial participation provided that certain safeguards are preserved in the sense that such schemes should be of interest to all in equal measure, they should not take the pay and shall protect employees from excessive risks.

In some cases the trade unions to share plans prefer profit sharing because it is believed that the risk of substitution of pay is lower, and this system is also capable of achieving greater economic democracy.

On the employers side, forms of financial participation, in some states, are viewed favorably as it is recognized their role in promoting loyalty, employee engagement and increase competitiveness. In Britain, for example, entrepreneurs see financial participation as a useful tool for adhering wages to individual and collective productivity; in Germany and the Netherlands, however, they are more cautious and consider these forms of participation can bring to the company not only benefits but also risks.

The report also looks closely to the U.S. where it is widespread participation of workers in particular to the dynamics of the financial results in both cases of profit sharing, tying a portion of pay to company performance in the form of profit sharing, and with share plans in the ESOPs form. In this direction, and to encourage the development of these plans even in the context of the EU Commission, European Parliament and the Economic and Social Committee, after the communication of 14 March 2006 (COM 2006 - 117 final), as part of implementation of Community Lisbon program for growth and employment has established a comprehensive policy framework for SMEs (small and medium enterprise) which is fully recognized the importance of ownership transfer of companies, are keen to promote a project to develop a model under ESOPs community framework.

4. The de jure condendo (the right ones) perspective in Europe

The future perspective toward which the study has arrived is the adoption of legislation in this matter, with a Council Recommendation on a European platform using the modular approach of the cd. Building Block Approach - regarded as one of the fundamental pillars of the European social model - and the use of economic incentives to encourage voluntary financial contribution.

The last act of the Community, in order of time, is the opinion of the EESC (European Economic and Social Committee) of the financial participation of workers in Europe adopted on October 21, 2010 shows the proposal to resume the debate on the issue in order to give new impetus, raising public awareness and the social partners at European and Member States to take an interest in the subject and to identify the obstacles that arise over the implementation of participatory tools to develop solutions.

In this sense, the opinion suggests possible ad hoc measures to be taken at European level. A basic principle is: the participation must be voluntary, and cannot replace the wages, but must be an 'integration of the payroll system, and cannot impede real wage bargaining. There is more. It must be understood by workers and, to this extent, complement other forms of worker participation, must remain separate from the pension systems but can be an additional resource to benefit the individual level. Another important aspect is that the opinion stresses the need to disseminate and promote the diffusion of good practice.

The EESC supports the application of participatory systems on a regular basis, the calculation according to a predefined formula, the application complements the traditional pay system, the application is both for the private sector and in the public sector, next to the information and worker training schemes offered. It also confirms the Commission's communication framework for the promotion of financial participation of employees in 2002.

The proposals are: the adoption of a Council Recommendation on the establishment of a European platform for the financial participation of workers using various methods including the modular approach and takes into account the ESOP, or plans of collective shareholding workers funded through participation in the profits accruing by way of provision to complement normal salary, promotion of participation through tax incentives to the extent that they have an optional character and do not conflict with national law and, therefore, the introduction applicable to a system involving cross-border harmonization

in terms of incentives in the different Member States which could have positive implications for both demand and supply.

Also evaluating the possibility, exceptionally and in the context of a corporate crisis, the shareholding can be used as compensation for wage rebates or other concessions for workers. On this basis it is slowly making its way to the belief that in the case of support for the rehabilitation of the firm, the workers are entitled, in return, to be recognized as partners in all respects, to that effect given a stake through a holding company, as it is for example in Austria, could be the right solution. In such cases, works councils and trade unions within the company, depending on the type of organization, are involved in strategic decision making (for example in the context of the Board and other governing bodies and, where appropriate, as a fiduciary).

The role of the financial contribution may also be relevant as a form of financing of the company and also help to increase the internal flexibility (as opposed to external) and then to avoid layoffs. In the short term the effects would be the preservation of jobs and reduction of social transfers, the long term, however, would increase the competitiveness and business management. However, these potential effects that deserve further analysis in the context of flexicurity of the Commission and are being studied by the Group of experts in charge.

5. Participation and collective contracting: an open debate

A question that often the academic world, but also the business one, has tried to provide an answer regards to the relationship between participation and collective contracting and whether this expression typical of pluralist industrial relations, may (if so, how much) live with the participation of workers in the firm⁸.

From Flanders in the eighties who argued strongly the separation between participation and collective contracting - quoting as an example the experience of *German Mitbestimmung* that “certain forms of union participation, which could be verified with the agreement of co-management of the German industry, are different in nature from those resulting from collective contracting”⁹ - to date, the evolution of industrial relations has shown that the logic is not completely antagonistic. Nevertheless there are some who believe that, far from being in

NOTE: ⁸ L. BORDOGNA, Il possibile impatto della Società europea sulle relazioni industriali, (The possible impact of the European Society on industrial relations) cit., 120.

⁹ A. FLANDERS, For a theory of collective bargaining, in H.A. CLEGG, A. FLANDERS, A. FOX, The industrial dispute. Bargaining, conflict, power at Oxford School, Lavoro Editions, Rome 1980.

the replacement rapport, participation may help, however, to restore capacity for innovation and effective regulation to industrial relations in the context of globalization of the markets ¹⁰.

Other guidance also believes that both ideas fall into the category of industrial democracy in which “it refers specifically to the formation and building of countervailing power the management: a phenomenon demonstrated by many different devices, through which the influence of workers and their organizations is realized on the management of the firm and the economy” and more specifically to “any device or method of attribution of regulatory powers, however, anywhere and for any matter provided, by which workers or their representatives concur in the formation of rules (decisions) that are to govern the conditions under which work is done”¹¹.

Collective bargaining and participation are thus concepts that are tied together: the first may be the instrument and the best candidate for developing collaborative / participative models, the second has mode of expression that are a reflection of contractual models that characterize the individual countries. There is more, the process of negotiation leading to the pursuit of rights to information, consultation and participation are nothing but a form of collective contracting. Clegg ¹² sees collective bargaining as the fullest expression and the ideal form of participation where other forms would be alternative or partial substitutes due to the underdevelopment of contracting. Moreover, the relationship between collective contracting¹³ and participation - especially regarding the themes of participation or, more generally, the involvement of workers - constitutes the cornerstone of European trade union law which is shaping around the social dialogue. In general, however, it is a balance between institutions and participatory forms of union organization, and their “balanced” participation is referred to in the Directive 94/45/EC of 1994 ¹⁴ on the introduction of measures to encourage improvements in safety and health at work

NOTE: ¹⁰ G.P. CELLA, Industrial relations and participation: which destiny? In *Enterprise in Plural*, 200, n.6, 36.

¹¹ M. PEDRAZZOLI, heading *Democrazia industriale (Industrial Democracy)*, in *DDPCom*, 1989, 242-245.

¹² H.A. CLEGG, *Trade Unions and collective bargaining. A theory based on compared analysis of six countries*, Franco Angeli, Milano 1980. even the high quality group Report on the industrial relations of 2000 is in line with such position, a report in which it is claimed the promotion of collective bargaining at an enterprise or company level can co-exist with participation.

¹³ S. SCIARRA, *Coherence and contradictions of the European Community legislator: matters excluded from the competence of the Agreement on social policies in AA.VV., Social Protocol of Maastricht: reality and prospective*, in *NGL*, 1995, suppl. to n. 12, 149 ss., claims that the fact that this new trade unions right does not have conflict at its centre but collective bargaining should be considered highly. Parimenti L. ZOPPOLI, *Collective worker representation and rights to participate in managing the enterprise*, report at the AIDLASS Conference, Study Days, University of Lecce, 27-28 May 2005, Giuffrè, Milano, 2006.

¹⁴ The Directive of the European Union Council 22 September 1994, 94/45/CE can be consulted on www.adapt.it, index A-Z, heading *Partecipazione dei lavoratori (Worker Participation)*.

to indicate something more than consultation, provided in the same standard, that is institutionalized involvement through elected representatives or appointed by the union¹⁵.

It follows that the relative rights of participation in different national contexts, may take a different kind in relation to other factors such as different industrial relations systems, models of employee representation, the nature of the employment relationship, the organizational dimension of firms and markets, the relationship between legal and contractual source. On these basis the concept of participation of workers and their representatives has been applied differently in relation to the various degrees of intensity and depending on the ability to influence decision making. So different participation rights can be identified corresponding to the various levels of participation: information, understood as the communication of knowledge, consultation, understood as a possibility for the employer to obtain / receive from workers the non-binding recommendations for its decision; obligations treated, understood as an activity aimed at concluding an agreement (on this point, think of the terms of postponement of a collective contract agreement); co-decision, co-management.

6. *The “Code of Participation” and practices*

After the Joint Notice of December 9, 2011 and after months of reconnaissance and monitoring legislation, the Ministry of Labor and Social Policy with the support of social partners presented, July 7, 2011, the Code of participation, which is an open document containing a collection of selected, annotated, and organic rules, and some good practices already tested. The full-bodied “Compendium” is divided into five macro areas - legislation, national legislation, drawings and draft laws, union agreements, best practices - and a *roadmap* of the Italian regulations governing participatory institutions. And the macro area “national legislation” is the most substantial. In addition to constitutional provisions and those of the Civil Code are also collected state legislation, implementation of EU directives on information and consultation rights, the regional legislation, case law, the rules of administrative practice governing the taxation and social security, from common *stock options* to the experimental measures to increase labor productivity; but also national collective integrative contracts and statements, common notices and interconfederal agreements more significant implementation of Community legislation. It follows a *reasoned Note on international documentation* to allow

NOTE: ¹⁵ Così B. VENEZIANI, European Company Committees between autonomy and heteronomy, in DRI, 1995, 51.

the interested reader to appreciate the strategic importance of the subject from the particular angle of comparison between the Italian discipline and European laws. In the same spirit of the Code of participation, this study aims to analyze the Italian legislation on workers' participation, with focus on the strengths and weaknesses, without neglecting the comparative context; with an approach to interdisciplinary investigation also seeks to identify the different facets of the relationship between companies looking for new organizational structures, human labor invested with new responsibilities and social and institutional contexts in which they place the phenomenon of worker participation.

7. The financial participation in the Civil Code

At the legislative level, the Civil Code has identified different modes of acquisition of share ownership and it was preparing to protect remuneration forms linked to company profits with the provisions contained in articles 2349, 2358, 2441¹⁶, which have their foundation in 2099, paragraph 3, for which “the employee may also be paid in whole or in part with participation in profits or products with a commission or benefits in kind and in 2102 which provides that” if corporate policies or agreements shall not arrange otherwise, the bonuses payable to the employee is determined according to net earnings of the entrepreneur, and, for companies subject to the publication of the budget, based on net profits in the published financial statements”.

The distinction between profit sharing and employee ownership looms unlike both for the economic aspect and for a strictly legal profile.

In case there is an agreement to a breakdown of profit between employers and employees (profit sharing) the variable salary is designed to ensure a better distribution of income produced by the firm. This is the type in which economic participation is direct because the employee receives immediately the sums of money in payroll and creates a form of variable pay, which, while transferring to employees in some of the risks of the company, “do not alters the typical cause of the employment contract, “consisting of” mutually binding relationship between job performance and pay¹⁷.

The situation is different if the employee is involved in a share plan that implies a “real worker's adherence to risk capital”, both through direct access to company property, either through indirect participation to economic performance in the

NOTE: ¹⁶ Articles 2099, 2349, 2358, 2441 c.c. can be consulted on www.adapt.it, heading *Partecipazione dei lavoratori – Codice della partecipazione (Worker participation – participation Code)*.

¹⁷ A. ALAIMO, *La partecipazione azionaria dei lavoratori. Retribuzione, rischio e controllo*, (Worker share holding participation. Pay, risk and control) cit., 169.

form of dividends and appreciation of the subscribed share capital, whose value is determined according to economic performance and production company.

The element common to both forms of participation (such as profit and equity) is the motivation of the employer, who supports the adoption of both economic and financial participation models, and the incentive of the worker who feels involved in the destinies of the company and contributes to the achievement of corporate goals. Undoubtedly, however, that at the macro-economic compensation for the adoption of such forms has potential anti-inflationary effects and stimulating the economy virtuous circle.

7.1 Article 2349 of the Civil Code: free assignment of shares and bonds of non-transferability

For the attribution of shares to employees of listed companies, normative references are contained in Civil Code article 2349, which governs this case of free allocation of bonus shares by an AG to its employees, article 2358, paragraph 3, and article 2441, last paragraph, relating to the offer of new shares of the company to its workers. Article 2349 of the Civil Code in paragraph 1 (due to modification by legislative decree n. 6/2003) states that if the company statutes so provide, the extraordinary general meeting may resolve to allocate profits to the employees company or companies controlled by “the issue for an amount equal to such profits as a special class of shares to be assigned individually.” For these actions the company can establish “special rules regarding the form, manner and transfer fees payable to the shareholders”.

Just about the intensity and extent of the restrictions and, especially, the legal description of the title on which basis, the shares are granted has developed an interesting debate in academic and jurisprudential level. The reflection is as follows: the allocation of shares under article 2349 of the Civil Code is a donation made by the employer or represents a transfer compensation?

Some part of the doctrine, both employment law and commercial law, considers that the provision is pertaining to the acts of entrepreneur generosity¹⁸. Only by embracing this argument it would make sense to refer to the “extraordinary nature” of the assignment of profits, otherwise, if such a distribution of shares has to form part of a dynamic correlation we would be before a form of “ordinary”

NOTE: ¹⁸ In this sense L. GUAGLIANONE, *Individuale e collettivo nell'azionariato dei dipendenti*, (Employee individual and collective share holding) Giappichelli, Torino, 2003, 42, and A. ALAIMO, *La partecipazione azionaria dei lavoratori. Retribuzione, rischio e controllo*, (Worker share holding participation. Pay, risk and control) cit., where the author hypothesis that it is the free aspect of the shares to “attribute to the workers an economic benefit which would seem to be as a result of work contracts raising the doubt of the wage aspect of the distributed shares”.

compensation for work done. This approach that releases the delivery of shares from the performance of work seems to be also endorsed by Article 51, paragraph 2, letter g, of the Consolidated Income Tax, as last amended by Decree Law 3 October 2006, n. 262, converted with amendments into law November 24, 2006, n. 286. The rule states that do not contribute to form the income “the value of the shares offered to all employees for an amount not exceeding in the aggregate during the tax period to 4 million liras [2065.83 Euro, ed], provided that they are not repurchased by the issuing company or by the employer or otherwise disposed of before the expiration of three years from the perception, if the shares are sold before the said period, the amount that has contributed to income at the time of purchase is subject to taxation in the tax period in which the transfer takes place”.

Yet another school of thought, even without intending to force the exegesis of Articles 2349 and 2099 of the Civil Code, believes that “it seems a reconstructed notion of synallagmatic concept not strictly anchored to the fulfillment of predetermined salary obligations, but which focuses on ‘an extended idea of correlation: making everything fall into this area attributed to the employee by reason of job performance’¹⁹.”

In the same direction also it is the pronouncement issued on October 24, 2001 by the Spanish Court, the Supreme Court (Sala de lo Social), which reconstructing the nature of shares granted to employees has recourse to a notion of compensation in which the economic benefits that the worker receives are cause and consequence of the presence of an employment relationship between the parties and which legitimizes the delivery. It follows that the concept of correspondence widens in its interpretative dimension that is not only intended strictly as a debt work-pay obligation, but it is configurable as a “complex relationship” strictly functional and related to instrumental legal situations. The employee is eligible for membership only as a subordinate provider of employment, so as a result of his legal status. The loss of such status has consequences, for example, if the worker has retired or ceased its relationship with the company, the bond of alienability of shares ends (see Dalmine agreement).

In line with this approach also Acerbi²⁰ and the Court of Milan²¹ which called

NOTE: ¹⁹ L. GUAGLIANONE, *Individuale e collettivo nell'azionariato dei dipendenti*, cit., 44 (Employee individual and collective share holding).

²⁰ A. ACERBI, *Osservazioni sulle stock options e sull'azionariato dei dipendenti* (Observations regarding stock options and employee share holding), in *Rivista delle società*, 1998, 1238.

²¹ See Court of Milan 3 January 1994, in *Le società*, 1995, 54. Refer also to the sentence of the Court of Turin 8 May 1996, in *GI*, 1995, 23 which declared legitimate an agreement signed by an issuing company and the workers which obliged the employees to sell their shares to the company if their work contract was interrupted. The fundamental idea behind this was social interest and the maintaining control of share holding property.

upon to rule on the case of a director (majority shareholder) who intended and made payable to employees the shares not taken by him of a capital increase, with the judgment of January 3, 1994, the reason for his decision assuming that equity assets can be inserted in the consideration of employment. Not only. This possibility has legal basis in order to “compensate for work performed and [...] to stimulate and encourage future business.” In this light, the company acts in the pursuit of self-interest and, for that purpose, is functional and contributes to the presence of employees

To return to the code provisions governing the matter, paragraph 2 of that article 2349 of the Civil Code provides, again with resolution of the extraordinary meeting, the allocation of financial instruments other than shares, property rights or administrative rights, excluding the right to vote at general meetings of shareholders. This case presents a special feature that allows both to be part of a standard and exceptional derogatory case to article 2442 of the Civil Code, that shares arising from free capital gains should be attributed to shareholders in proportion to the part of social capital that they already hold, but that is - as pointed out by most of the doctrine - perhaps the element that has prevented the spread of the instrument²². For the full operation of article 2349 of the Civil Code, in fact, it takes two shareholder resolutions: one from a General Assembly that allocates a share of profits to reserves, and the other from the extraordinary meeting that increases social capital by assigning shares to employees²³.

The feature of this mechanism is on one side in the distribution into individual equities, dispositive nature requirement for the parties in their negotiating autonomy field are free to assign such shares to a single or to a plurality, and, second, in the element of “special categories”²⁴ of shares, on commercial law, are all those shares with different rights from those typically provided for by law and as such are opposed to ordinary shares. The presence of special actions result in a

NOTE: ²² Refer to L. SPAGNUOLO VIGORITA, Employee share holding: notions and profiles of labour law, in DRI, 2000, n. 3, 3-10, for more detail refer to Y. PARPINCHEE, F. SAMMARCO (coordinated by), Reading Path. Worker participation Literature review, on the site www.adapt.it, historical archive, heading Participation.

²³ In this sense M. CERA, *Il passaggio di riserve a capitale* (The shift from reserves to capital), Giuffrè, Milano, 1988. See A. ACERBI, *Osservazioni sulle stock options e sull'azionariato dei dipendenti*, (Observations regarding stock options and employee share holding), in *Rivista delle società*, 1998, 1238 and B. VISENTINI, *Azioni di società* (Society Shares), in *Enc. dir.*, 1959, IV, 967.

²⁴ In 1992 the ministerial Committee, headed by Vivante and with the task of reforming the trade code, introduced art. 177 in which the “special categories of shares emitted in favour of auxiliary staff and society workers with particular regulations as regards the shape, value, the fact they cannot be sold and any other power of the share holders” is mentioned. In the Report which accompanies the preliminary Project for the new trade code, of 1992, Book I, part II, section II, 55, it can be read that the aim was to “open routes towards work shares”.

change of the internal organization of the company for the simultaneous presence in the corporate structure, of different groups of shareholders with partially not coinciding interests.

This is a factor not to be underestimated because it can affect the delicate balance of organizational and business variables such as compensation policies, personnel and on industrial relations system.

In Italy one of the first business experience in terms of participation recalls the Montecatini case in 1946 when the full period of depression after the war some of the shares were reserved for employees because of a capital increase.

This policy not only allowed the company to reduce labor costs and business risks with their employees, but also to experiment early forms of equity participation and facilitating purchase. Another case is that of the sixties, is that of Solar SpA (formerly family company) in which it was deliberate, for the sole portion of the profits attributable to the majority shareholder, the extraordinary allocation of gains for bonus issue of shares for employees²⁵.

8. The practice in the field of Commerce

The Code of participation has identified some practices already implemented at the level of collective bargaining in different sectors. In the present case practices in the trade sector have not been identified, however, we can consider two interesting situations, such as Auchan and Merloni.

8.1 The incentive system in Auchan

The remuneration policy of Auchan has at the basis the application of CCNL (National Employment Collective Contract), integrated by the system of profit-sharing provided by the company's collective agreement, and it is developed in recognition of salary treatments in line with the market. For all these managerial roles in Hypermarket and Headquarters, the remuneration is periodically updated according to the acquired professional expertise, while through an interview of activities at an annual frequency, Auchan performs a thorough evaluation of the performance of department heads, heads of industry and roles of responsibility in the office, with updates on merit compensation, internal equity and market

NOTE: ²⁵ Subsequently minor partners (arguing family members) contested, claiming that they had been damaged due to the lack of over price and the intent of the major partners to place themselves in a favourable position for the employees, contestation that was then refused for lack of relevance for those contesting, ex. Art 100, c.p.c.

developments. All employees benefit of a bonus multiple articulated system and for each role, for each hypermarket and any related department of belonging.

- ▶ award of the department is a variable premium intended to share the results, for all employees, with a quarterly frequency of delivery. It 's based on the progression of some indicators closely linked to the activities of each business department or the particular belonging service;
- ▶ award of progress redistributes the progression of the results achieved on a quarterly basis in each hypermarket. If the results show a positive trend, you get the prize and the team of the whole hypermarket is awarded;
- ▶ the company results bonus is a form of participation in the results of the whole company, every year, it is redistributed among all the employees as a share of pre-tax profit from ordinary product by the company;
- ▶ individual variable remuneration is offered to all employees who hold management positions and / or responsibilities, it takes place annually and it rewards achievement of specific objectives, both economic-commercial and quality, related to the perimeter of direct rule and the results of the company as a whole.

8.1.1. The Valauchan share plan

The Valauchan shareholding plan was launched in Italy in 2006 and it represents a milestone in the path of participation and responsibility that the company claims to offer to employees the possibility to share and adhere directly to the project company. Valauchan is a form of widespread shareholder that is not quoted on stock markets, specially designed and exclusively for all its employees, and supported by training and information plan of investment, aimed at creating a culture of participation, even from the economic and financial point of view.

Auchan is the first private Italian firm with capital held by employees for a share in 2010 that reached 2.49% of total with 88% of acceptances. In 2011, on the occasion of the 6th of July, dedicated to the anniversary celebration, 50 years of performance of the Auchan Group, the President Vianney Mulliez, has donated to some 270,000 employees of the Group in the world the chance to receive a number of actions Valauchan equivalent of eight times the personal gross remuneration of the same day. A gesture that Italy has raised the adhesion to the program from 88% to 98% of employees, a figure that makes Auchan one of the first Italian private firms, not listed, for the level of employee participation to the capital.

From a practical standpoint employees buy shares engaging the TFR (Severance Indemnity) in a fashion similar to that implemented by the company Gucci,

representing in Italy a best practice of collective ownership made in 2000 with a company agreement but this is part of a defensive economic strategy aimed at blocking the hostile takeover of a French competitor that would have resulted in moving to overseas the prevalent production activities. The Gucci appealed to workers to agree to transform the treatment of severance pay in the capital of the company matured and made an ESOP (employee stock ownership plan) defense; possible tool to article 104 of the Consolidated Law on Financial Intermediation n. 58/1998 referring to the privacy rules: a technique that allows you to assign a share capital to a “friend subject.” The workers accepted the proposal even if subsequently the Court of Amsterdam has not validated the operation.

The collective agreement provided for participation in economic activities with which an ESOP (employee stock ownership plan), non-transferable for at least three years and with individual ownership, were managed by a collective deposit, addressed to an association of employees in which statute arrangements concerning representation had to be provided. This forecast represents a feature of the agreement: the new role given to the representatives of employees who, as representatives of workers, they should attend the Gucci NV meeting assembly. However, if the financial point of view ²⁶ Gucci’s experience has given interesting results, the same cannot be said for the management aspect of participation and that of industrial relations as no employee has exercised the right to vote while the management of ‘ESOP was then entrusted to the company management.

8.2. Securitization of severance indemnity in italian regulations

However, the experiences of our legal system are not happy, there have been steps forward with the regulation of pension funds and the D. Lgs. No. 299/1999 on securitization of severance pay that has opened up interesting perspectives on institutional forms of collective investment as to have an impact on the financial market, through savings, but the procedure is burdensome and it has proved of little practicality.

Securitisation was meant as a procedure for converting annual flows of severance pay in securities issued by the company for that purpose or business group to which it belongs. This particular mode of use of the resources of the indemnities, acquired by the pension fund, should enhance business efficiency. The decree allows companies to issue titles, instead of severance pay, due to the employee,

NOTE: ²⁶The company, to compensate the workers for the role played in this occasion, decided to give them a prize of cash abroad and shares in Italy equivalent to the amount the shares were in February 1999, when the agreement was reached. For this financial reward the company requested that the shares could not be sold for three years and that the workers join the association being established of employee share holders of Gucci SpA.

they will take the form of stock for listed or non listed bonds. The transaction thus structured allows a business to have the same financial instruments like the annual provision of severance. In this way the company continues to have the money but having a different kind, the worker feeds the formation of a supplementary pension fund and still enjoy the financial returns titles deposited. From an operational standpoint the employee does not have the severance pay securitized, but the due date receives the equivalent directly from the pension fund.

In particular, article 2 of Legislative Decree n. 299/1999 governed the case of the transformation of severance pay into titles and stated that starting from 1999 and for the following three years, as an alternative to payment provisions for severance pay, the pension fund could elect to receive financial instruments of equivalent value. Even if the pension fund had decided to use this opportunity, article 2 did not affect in any other than the preference of the member to the fund.

The standard had, in fact, that the transformation of severance pay into titles could be done only with the approval of the employee.

This committed the sources of institutive pension fund to determine “how and when of the consensus demonstration” that had to be expressed in “writing and specific.” From an operational standpoint the process, not simple feasibility, starts after receiving the approval. The discipline, in fact, regulates distinctly different circumstances of transformation of severance pay into financial instruments.

The three cases are: listed company that issues securities listed on regulated markets, privately held company not listed that issues shares for which it intends to apply for admission to listing; the case of the possible investment provision by severance pay in the financial instruments in ‘interest of the company issued by qualified financial services. Finally, but considered residual, is the case of payment “in cash” allowance severance pay to the pension fund.

As for the features they need to take financial instruments allocated to the fund, the information can be derived from article 1, paragraph 2 of Legislative Decree 24 February 1998, n. 58, these may include tools of participation to risk capital, debt securities, shares in collective investment vehicles²⁷. It seems relevant that the financial instruments are managed by an operator under the terms of Article 3, paragraph 2 of Legislative Decree n. 299/1999 (the use of this provision see the similarities with the ESOP).

NOTE: ²⁷T. DI TANNO, La cartolarizzazione del tfr per alimentare i fondi pensione (The securitization of severance indemnity to supplement pension funds), in GComm, 1999, 451.

The regulatory system is quite complex and perhaps this is one of the reasons for which these instruments were introduced only on a trial basis for three years, and have been slow to take off, for some, difficult to implement because of the mechanism of securitization and, therefore, the practical difficulty of the conversion of the securities. At present, there is no precise statutory provisions and everything is called to collective autonomy.

3.3.4 - 4th topic: income support for workers and businesses

Over the years the EBT has activated a redistribution policy of the financial resources for interventions of solidarity and actions which could influence, even if in a minimal way, the economical situation of workers and the active work policies of enterprises.

On the one hand there has been the attempt to sustain the workers' income providing reimbursement of expenses in cases of:

- birth of a child;
- disability of children;
- hospital treatment for children;
- expenses for orthodontic braces for children;
- nursery schools and holiday camps;
- scholarships for obtaining diplomas, degrees and specialisations;
- assistance for the elderly.

On the other hand, at the same time contributions have been provided for companies that favor hiring and the increase standard safety levels such as:

- stabilising workers with temporary contracts and workers over 40;
- company courses and consultancy for improving safety standards in the workplace;
- material to bring about an improvement in safety standards;
- hiring workers to substitute businesswomen on maternity leave;
- training courses aimed at those in company management;

3.3.5 - 5th topic: workplace safety

In Italy the subject of safeguarding workers' health and safety in all private and public sectors is controlled by the Legislative Decree D. Lgs. 81/2008 which prescribes and establishes, amongst employer obligations, the elaboration of the risk assessment form (DVR), the carrying out of prevention and protection measures, suitable information and training for workers, the appointment of a

person in charge of Safety Prevention and Protection (RSPP).

The aim is to improve the quality of safety at work by means of defining a prevention strategy concentrated on significant, non formal objectives attainable thanks to the role played by social dialogue and bilaterality.

The Decree also requires that, in companies or production units with up to 15 employees, the Workers Representative for Safety (RLS) must be directly elected by the workers themselves or identified by the Territory (RLST).

The Territorial Workers Safety Representative (RLST) is an external figure, from outside the company, specialised in safety in the workplace, who has the job of informing the workers and supporting those in charge in carrying out various tasks in the company; he/she represents the workers and is a point of reference for different problems related to safety.

EBT of Perugia's experience

In carrying out the agreement of the social partners of the 22nd June 2009, the Confcommercio Imprese per l'Italia di Perugia, the Filcams – CGIL, the Fisascat – CISL, the UILTUCS – Uil of Perugia have set up, within the Ente Bilaterale, as required by the Legislative Decree 81/2008 – the Organismo Paritetico Provinciale (The Provincial Joint Organism - OPP) supports the workers and the companies in the matter of regulations, using the RLST to identify solutions aimed at guaranteeing and improving the safeguard of health and safety at work.

The OPP is the most suitable organism for relating with public companies competent in matters of safety; considering the functions attributed to the OPP an agreement protocol has been signed with INAIL (the Italian Government Agency for insurance against work related injuries) for identifying and carrying out the best practices in safety systems for preventing injuries in the restaurant and hotel industries.

3.4 Labour Institute of GSEE (INE/GSEE) - Greece

3.4.1 - 1st topic: employment contracts that facilitate entry into the world of work and provide training to increase the skills of workers

In the field of vocational training, social partners have showed during last years a more systematic collaboration both at national level and in the commerce sector. The most important national collective agreement refers to the bilateral establishment of a “joint special account” for vocational training and employment (LAEK), in 1993. LAEK and its operations have been confirmed by national legislation (Law 2224/94). Employers’ contribute with 0,45% of the wage of each employee to the LAEK account and these contributions finance vocational training programmes. Also, employers and employees contribute another 0,36% to LAEK for projects to support employment programmes such as financing employers to hire employees or to establish their companies. LAEK is directed by a bilateral social partners’ steering committee, presided by the President of the National Employment Organisation (OAED). LAEK is financing employers to organise vocational training with two basic programmes:

- a) programme for training employees in companies that employ more than 25 persons and they can finance autonomously their vocational training programmes;
- b) programme for training of employees in small companies, that employ 1-25 persons (“LAEK 1-25”).

The vocational training is organised and managed exclusively by the employers’ associations. The training is provided by the recognised Vocational Training Centres (KEK). The commerce sector (given the fact that the vast majority of companies are small and very small) is participating with high percentages in the “LAEK 1-25” programme. In this way, it covers an important need as regards the upgrading of knowledge and skills of the employees in the sector. During 2011, the “LAEK 1-25” programme financed training actions, with a budget of 25 million Euros. Commerce employers associations covered almost the 25% of the budget, as well as the 25% of the total number of the training programmes organised during 2011. Main objectives of training has been: sales, store management, information technology, marketing and foreign languages. In addition, the Greek social partners in commerce (OIYE & ESEE) have during last years organised a number of initiatives or projects, with the purpose to promote vocational training in the sector.

The most important initiatives of OIYE and ESEE include:

- ▶ common participation in the FORCE project (1992) for vocational training in commerce;
- ▶ joint “Round Table for promoting Vocational Training in Greek Commerce” (1994). With this initiative the Greek social partners signed and confirmed the then existing European Social Partners’ Agreement on Vocational Training;
- ▶ joint Leonardo da Vinci Project (1995) for establishing the job profile of the “sale person”;
- ▶ signing a national agreement within a common organised social dialogue project on promoting employment in the sector (2000). A part of this agreement refers to actions to support training such as:
 - creation of a common training committee;
 - close cooperation on supporting employees and companies to participate in the “LAEK 1-25” programme.

As regards the bilateral social dialogue and the collective bargaining, both at national and sectoral level, there is a remarkable absence of specific regulations concerning issues like the facilitation of young people to enter in the labour market. The most important agreement refers to the LAEK account, that systematically has financed programmes (additionally to those that organised by the Ministry of Labour) mainly of two kinds:

- a) programme of “Creation of New Jobs” which finances employers’ for a period of 1 or 2 years, when hiring new personnel;
- b) programme of “New Professionals”, which finances persons to start their own small business. Many of these programmes are targeted to young people and young professionals such as lawyers, doctors, pharmacists etc.

Also, the national social partners, with the collaboration of other employers’ and other participant organisations, during last years, have developed joint initiatives and projects in order to support young people and women to enter in the labour market, supported by the EU. Best practices and examples are:

- ▶ youthstart project (1999) which created “Network of information and counseling for young persons”. During this period social partners developed integrated national and local actions of social and economic support for the young people in order to help them to enter in the labour market,

such as: information, counseling, job orientation, vocational training and promoting entrepreneurship;

- now project (1999), which created a “Network of promoting the financial and social integration of women” that also created a similar network for women in order to assist their entry in the labour market.

In addition, last years INE-GSEE, in collaboration with employers and other organisations, has developed wide partnerships for implementing projects under the EQUAL initiative, in order to support the integration of vulnerable groups and immigrants in the labour market. Best practices and examples are: a) EQUAL Project (2000-2005) Counselling with the title “*Development of a Quality system for, Support and Employment Services*”. During this period, the social partners with other partner organisations developed activities to improve the quality of the services provided to unemployed and vulnerable groups in order to facilitate their entry and the return to the Labor market and b) EQUAL Project (2005-2008) with the title “*Observatory and Structures’ Network for the Strengthening of Economic Immigrants and Refugees in the Job Market*”.

The project aimed at the support of Immigrants and Refugees, in an effort for equal and complete exercising of their labour rights.

Finally, about the certification of skills and competences, the Greek Social partners at national and sectoral levels, have closely cooperated and participated in the certification process of the skills and competencies of the Greek Labour Market. To this purpose the social partners have developed a commonly agreed methodology and the job profiles for a total of 206 professions. The job profiles include the detailed description of a profession and the necessary educational background, knowledge, skills and competences as well as the training needed in order for someone to exercise it. The development of the profiles has been carried out by common working groups, with the participation of social partners’ representatives for each separate profession. In a second phase, the job profiles were approved by the social partners’ representatives and the competent state organisation: the National Centre of Certification of Vocational Training (EKEPIS). The main approved job profiles in the commerce sector are: Sales’ Person (general), Retail Sales’ Person, Commercial Representative, Wholesale Professional, Sales’ Promotion Professional - Merchandiser, Executive of purchases and supplies, Travelling sales’ person, Administrative professional in Small Company, Electronic Commerce Professional. Besides these, a program is underway by the Ministry of Education entitled “Schooling for graduates” which is funded by European and national funds. Furthermore, the program offers an apprenticeship for young graduates of technical education in the last 2 or 3 years (2009, 2010, 2011). The aim is to link education to labour market and work

experience for young people immediately after their graduation through their apprenticeship to private companies in the productive sector.

The apprenticeship lasts 6 hours per day for up to 6 months. Apprentices will receive each month, by the Ministry of Education, a kind of apprenticeship reward (the amount of which has not been determined yet) as well as insurance cover for accident risks. Graduates Apprentices will be recognized as “graduates” through the Ministry of Education. Companies can through this process train and/or choose their future personnel. The program provides funding for 8,475 apprenticeship nationwide.

3.4.2 - 2nd topic: reconciling work and family

On the issue of reconciling work and family the social partners have a decade of experience in social dialogue, which has generated many results later to be incorporated in the General National Collective Agreements.

More specifically, since 2002 the social partners have agreed on the right of late attendance of both parents for child care reasons, one hour per day, for thirty months after maternity leave has expired. Alternatively, the social partners agreed on personal bargaining between the interested parties yielding two hours per day for the first year and one hour for the following 6 months.

Further, it was agreed that 2-days leave with pay would be conceded to employees on the death of a relative up to the second grade; also, an annual 6-days leave for parents who are widowed or who have a child in wedlock and have custody of the child (single family parents). In 2008, social bargaining harvested additional benefits: the social partners agreed on a leave for a few hours extending to the whole day in order to allow both parents to monitor their child’s school performance (up to 4 days annually). Moreover, the leave due to sickness of family members was extended by 2 days without pay for families of three or more children up to a limit of 14 days per annum. Lastly, all agreements ratified by an EGSSE or a ministerial decision were also extended to foster parents.

3.4.3 - 3rd topic: management models that require the participation of workers and retribution systems tied to productivity

In the last General National Collective Agreement (2010-2012) it was agreed that companies of any form and type may decide to distribute any part of the fiscal year annual profits to their manpower.

It should be mentioned that generally speaking in Greece, according to calculations (2002), 1/4 of businesses in the private sector exercise management models that require the participation of workers and retribution systems tied to productivity,

a practice that is expected to expand to the public sector as well. The up to know models of linking pay to productivity refer mainly to issues of increasing the work pace. Trade unions oppose to the unilateral imposition of such models, and for those unions involved the existence of an adequate level of remuneration under the collective agreement is a prerequisite. Additionally, workers' performance should be related to the company's surplus and there should be a common agreement on the rates of productivity growth and its measurement as well as union checking for the implementation of these criteria by the employers' side.

3.4.4 - 4th topic: income support for workers and businesses

In Greece there are no such agreements (company and/ or among social partners) in order to support workers and companies through instruments and/or interventions by social partners themselves.

3.4.5 - 5th topic: workplace safety

Work Stress: in 2008, the social partners agreed to ratify the European agreement on work stress signed on May 27th 2004 by the Coalition of European Syndicates (CES), BUSINESSEUROPE, UEARME and CEEP. This agreement was also incorporated in the EGSSE 2008-2009.

Additionally, formed up by a team of experts from GSEE, SEV, GSEVEE and ESEE the Hellenic Institution for Health and Safety fills a gap in Greece on scientific and technical infrastructures regarding work hazards and the prevention of occupational risks. In this role, ELINYAE has undertaken a range of programmes, both scientific and practical, throughout the country by which it assists to create a consensus between employers and employees. Some of ELINYAE's projects include the creation of a vocation training centre (KEK) on matters of safety and health, a centre of applied research to assist the syndicates with scientific justification on various hazardous work conditions, the centre of Information and Documentation which acts as a dissemination hub on matters of health and safety and lastly a score of regional branches covering the width and length of the country. ELINYAE has also undertaken various national and European projects such as the "Programme for Health Promotion in the Public Sector" and the communal programmes "NOW" and "HELP". Lastly, ELINYAE has also promoted the upholding of sound work practices by awarding companies in their project "Recognition of Good Work Practices – Company Awards".

3.5 Latvian Traders association – Latvia

3.5.1 - 2nd topic: reconciling work and family

In Latvia in national level an impression is created and maintained that a tripartite social dialogue exists between the government, employers and trade unions (their actual role is negligible).

These relationships are regulated by regulation of Cabinet of Ministers National tripartite cooperation board regulation, 30.10.1998, and it defines the members of this board - Cabinet of Ministers, Employers' Confederation of Latvia and Free Trade Confederation of Latvia.

Labor Law grants privileges to families with children and new mothers regarding entrance and termination of labor agreement, working time at the organization, allocation of vacation.

3.5.2 - Good practice in bilateral relationship building of work collective in province

Alba LTD is a retail company working already for almost 20 years. In total it has eight trade places (shops) in Rēzekne and Daugavpils.

Company started its work with sales of photo related products and equipment. Nowadays it sales books, household stuff, office accessories, hobby equipment, furniture and photo related products.

Our clients are both legal and physical entities.

In total the company employs 75 employees.

Small staff turnover indicates that management has positive attitude towards employees. Conclusion that during crisis persons try to stay in their work place does not describe the employees of Alba LTD. Main “+” and positive attitude is due to the good treatment of employees if compared to other companies. Therefore employees are interested to continue working in the company and are not looking for other job options.

In order for employees to prepare and storage food, relaxation room is equipped with cozy furniture, microwave and fridge.

The atmosphere allows the employees in the lunch brake to «switch off» from work, relax, eat and have a short coffee break during the working day.

Very thought-out, but on regular basis, attention is paid to purchasing of working materials and inventory. It applies to furniture, transportation, as well as office equipment and other, smaller things necessary for everyday work.

Of course, employees must explain why a purchase of a certain thing is necessary, but in shorter or longer period of time all products are bought.

Methods and forms of management

The company has clearly defined structure, responsibilities, work duties, therefore there are not many misunderstanding or miscomprehensions. Each year «developing discussions» are held with employees, which allow to the management to understand how much an employee is able to do and what motivates them to work. Overall employees are granted with «freedom».

Namely, employees are not under surveillance of video cameras and they do not have to «collect smiles» or check with chips, when they are leaving for lunch and when they are returning. Employer is oriented towards positive motivation and considers that peaceful, friendly attitude in the collective is more conductive than stress, pressing, punishments. Employees that came from other companies as first of the pluses mention this management method. As they say: “I feel ashamed to be late or to fail finishing something, or to brake the rules in some other way, since it is clear that no one will scream, punish or reduce your salary etc. We wish to do the best. When I remember, how it was... (in the previous working place), I want to work even better here!” Nevertheless it is a complicated and lasting work and it “does not work” on all persons.

The management of company understand that such positive attitude is better than fear and possible repressions even in cases when the law would permit to reproach some violations. Management tries to deal with each case with inquiry, why the situation formed. If an employee decides to quit working at company, the breach of work relationships is managed positively and no mutual claims are raised.

Despite the fact that seasonality is important in retail business, company always respects employees' necessity for summer holidays. They are coordinated with all employees equally, not following a pattern to give summer holidays to persons who have worked longer in company and newcomers must choose an inconvenient time. Company respects the necessity to coordinate summer holidays of family members. Each case is based on person's interests.

Working at the company can be described with freedom and big responsibility, they are the basics. Even the middle rank managers do not control the employees all the time. The work is result oriented. In order to reach good results there are of course aims and requests. There are questions, if the result is not reached, but it always is held in a way of conversation, not threats and never-ending demands. Creativity is highly appraised, management understands that working in company needs creative approach that helps to perform tasks. It ensures stability – how fast employees can adapt or change in accordance with requirements, the devotion is higher. Support to learn is rendered on regular basis – in order to foster employees' development, receipt of new knowledge, visitations to various exhibitions.

In order for employees to find out about any news in retail business, company assigns business trips to exhibitions, for example, in Poland and Germany (Frankfurt). It is proved new impressions positively influence employees, therefore the company invests in business trips.

Health insurance, benefits, gifts

Each employee who has worked in the company for a year receives health insurance. In accordance with requests from employees, other benefits are granted within limits. All employees who have children studying at school from 1st to 12th grade receive gift cards for purchase of necessary goods for school from the company. Each employee receives a gift card in Christmas and Midsummer celebration.

Two main and most important events are Annual Ball (usually in January) and sport games with family members (July-August). During the Annual Ball the best employees are awarded. They are valued in each unit separately. For positive atmosphere all nominations are with a hint of humor, for example, with a title “Čaiņiks”, that in slang means “a rookie”. In this category the work of new employees is evaluated. In similar manner other categories are named, for example, “Skudras” and “Rūķi” (“Ants” and “Dwarfs”).

During the sport games each unit has its own team as well (family members are only as fans or there are separate teams consisting of family members alone). Winners receive material gifts as well. In the day of event working day is shortened in order for all employees to join the games on time. Company has thought for the unit from Daugavpils as well, so they can arrive on time. During this event food and refreshments are for free and paid by the company.

3.5.3 - Code of traders' professional ethics

Trader's responsibility is to foster trade development in the state, to improve traders' position and to strengthen mutual trust between trader and consumer.

General principles of traders professional ethics:

- to sell only legally acquired goods;
- to sell only high quality goods, to inform customer about good's characteristics;
- to kindly serve every customer;
- to consider every customer's complaint efficiently and professionally;
- to take care of workers' conditions of work and well-being;
- to pay in full amount and on time all taxes in accordance with the law;
- to be responsible about development of trade policy in the state.

Code of fair price presentation

1. To publish the total price of goods or services, namely, the amount customer will pay when buying goods or services, including VAT and other taxes and fees. Separate payment can be suited to the packaging;
2. does not request a higher price form a customer than shown in price tag, shop-window, advertisement or web-pages;
3. informs customer about delivery charge. If it is not possible to determine the cost of delivery, trader must at least inform about its calculation.
4. price must be published clearly and legible, it must be easily visible and understandable to customer;
5. in addition to the selling price of products, trader must show a price per unit. Additionally clearly showing that the published price is referable to only limited number of goods (for example, for sizes or colors) or instruction (for example, for limited period of time);
6. if the published price does not refer to goods in a form, which is shown or advertised, it must be brought to the notice of customers. For example, it is possible to buy part of exhibited goods that are in the exhibition or in assembled form (for example, if the price is shown for assembled goods then an information must be added that the furniture is old in pieces). Prices in advertisements must match up with actual prices of goods. If the good in a picture is placed together with other object, which are not included in the price, it must be clearly stated;
7. prices of catering services or other services must be placed in a visible place and preferably at the entrance in order for customer to see the price list before entering in the premises.

Code of intellectual property actions

1. To foster protection of intellectual property and to improve employment ratings and competitiveness;
2. to observe the decision 94/800/EC of EP about EU and WTO law on intellectual property rights and trade (TRIPS);
3. to render and receive information from LTA regarding the rights of intellectual property about specific cases, when doubts occur about validity of property rights or origin of goods (producer, distributor, provider, titles of provided traders and coordinates, amount and price of goods or services);
4. to stop the trade of goods and services, if proven information is received about breach of intellectual property rights;
5. to pay a fair remuneration about the use of intellectual property rights.
6. to support subjects of intellectual property rights by defending the rights and fighting piracy and receiving compensations about consequences of such actions;
7. to compensate unconscious or accidental violations of use of intellectual property rights, by paying to owner of rights an amount corresponding to the profit violator received;
8. to involve producers whose goods or services are distributed in the market in fight against forgery and piracy;
9. to take into account confidentiality regarding information received or rendered within code.

Code of fair commerce practice

1. To promote mutually beneficial relationships between provider and trader in the interests of consumer;
2. to determine and publish requests to trader regarding execution of trade offer.
3. after the determined term of provider's requests to give an answer of trade offer;
4. mutually consider motivated suggestions about amendments in delivery agreements;
5. to divide responsibility about good's quality and storage in accordance with stages of possession of the good.

State taxation inspection "white" list

On April 12, 2011 LTA and VID signed a cooperation agreement – the aim is to reduce the avoidance of tax payment of businessmen, thereby reducing the possibilities of unfair trade competition.

Traders' benefits

- monthly warning about fake partners;
- no strategic verification;
- green corridor for VAT payment.

Major achievements of Latvian traders Association

- ▶ Annual state fee of entrepreneurship (“fraudster fee”) reduced from initial 25 lats to 3 lats per employee;
- ▶ enhanced control over issuing of sick-leave certificates, sick pay from employer’s funds reduced to 10 calendar days;
- ▶ affirmed simplified method of calculation of natural resource tax;
- ▶ simplified purchase procedure, since the level of minimal price survey is elevated to 10000 lats;
- ▶ invoices-bill sheets (for excise goods as well) replaced with invoices with numbers assigned by VID, which were canceled from January 1, 2010;
- ▶ report about used invoices must be submitted in VID 1x in quarter and the place of signing the invoices can be different from enterprise’s place of registration;
- ▶ term of usage of aged cash register extended for another three years – until December 31, 2009; receipts and tickets with VID assigned numbers are established; possible to choose payment order in form of service institution’s subscription fee or about separate services; the obligatory agreement, which had to be presented in VID and when registering cash register, with service institution is canceled;
- ▶ in accountancy for calculation of VAT EKA invoices can be used as well.

Special offer for producers

Brands of advancing selling of goods

Nomination
«Product of the year»



Green purchase



Latvian
Quality



Other offer

Medals of Honorary:

- ▶ Best Accountant;
- ▶ Best Trader;
- ▶ Best Producer - Distributor.

Competition "Best Trader"

Regulations of competition «Best Trader of Latvia 2010»

AIM OF COMPETITION:

- to increase the level of customers' and visitors' service culture;
- to increase professionalism of traders and innkeepers;
- to popularize the best trading and catering enterprises and their employees.

ORGANIZERS OF COMPETITION:

Latvian Traders Association, The Latvian Association of Local and Regional Governments.

PARTICIPANTS OF COMPETITION:

any trading, catering or service enterprise in Latvia.

BASIC PRINCIPLES OF COMPETITION'S ORGANIZATION:

Competition is organized as opened, democratic, profitless event, its projections and order of procedures are affirmed by Council of Latvian Traders Association.

Competition "Environment friendly trader"

Competition's «Best Latvian trader 2010» nomination's

«Environment friendly trader 2010» regulations

AIM OF COMPETITION:

- to stimulate traders to consider environment friendly trade, directed to long-term development;
- to foster traders to create environmentally friendly enterprise's management, namely, to create and develop management system that would grant continuous improvements in order to create environmentally friendly enterprise;
- to popularize environmentally friendly trade, catering and service enterprises and their employees.

ORGANIZERS OF COMPETITION:

Latvian Traders Association (hereinafter – LTA), Latvian Traders Chamber (LTK), The Latvian Association of Local and Regional Governments, Green Waist-belt.

PARTICIPANTS OF COMPETITION:

any trading, catering or service enterprise registered in Latvia.

BASIC PRINCIPLES OF COMPETITION'S ORGANIZATION:

competition is organized and nominations are allotted within frameworks of «Best Trader of Latvia».

*Nomination "Product of the Year"***AIM OF NOMINATION**

To acknowledge and popularize the product of the year and its distributor. .

SELECTION OF NOMINEES:

at the end of a year retailers, distributors and trade analytics render LTA information about most popular goods and best distributor.

Commission of experts selects the most popular goods and the best distributor in each category.

*Cashier championship**Aim of championship*

- to increase cashiers' qualification, to foster service culture;
- to raise the prestige of workers in trade sector;
- to popularize the best trade enterprises.

Idea of championship

To show cashier-leader for wider public, who is ashamed to work badly and shows an example for others.

Participants of championship:

- team of 5 members and/or individual participants;
- trade enterprise tradesmen;
- tradesmen;
- cashiers or cashiers.

Greeting

Purchase registration

Contact with customer

Money counting

Knowledge of law

Sport games

Aim and tasks:

- to promote healthy life-style;
- to create friendly and good relationships between salespersons, producers, caterers and service renderers.

KASIERU
C E M P I O N A T S

Sport games

3.6 Open Space Technology (OST)

Istant Report – Workin group 1

Participants of working groups shortly introduced themselves. The group consisted of 2 trade union representative, 5 representatives of Employers' organisations, and 1 from the president of EBT.

- Luc Ardies (BuurtSuper.be)
- Arta Baumann (Latvian Trade Organisation)
- Igors Lucijanovs (Latvian Trade Organisation)
- Valerio Natili (FISASCAT - CISL of Perugia)
- Stefania Cardinali (FILCAMS - CGIL of Perugia)
- Cristina Casaioli (Confcommercio Imprese per l'Italia di Perugia)

Rapporteur: Samanta Ferone

First topic: *employment contract that facilitate entry into the labour market and provide training to increase the workers skills.*

Concerning this topic, participants of the working group 1 focalized their attention to the apprenticeship or internship inside a company. Above all, they underlined the difference between Italy and the other countries. In Italy, apprenticeship is regulated by the law with a specific employment contract that facilitate the entry into the labour market; in Belgium, it is about a six-month contract that allow young people to start working until a maximum age of 21 years old.

The following suggestion came out after the debate: the introduction of a special agreement (combination) between students and enterprises in the period between the end of the school and the entry in the labour market, giving younger the possibility to start working before leaving school.

The group discussed about the duration of the contract to entry into the labour market, the minimum salary guaranteed and tax allowances for employers.

A strong point is on the non- obligation for a company to employ the young people after the conclusion of the contract. Therefore the points on which the group argued are:

- the possible economical advantages for the owner of the company that employs young people;
- a guaranteed minimum salary for the contract to facilitate the entry into the labour market or apprenticeship;
- the non-obligation of employ after the conclusion of the contract.

Different opinions for the duration of this contract identified a best solutions: from a no fixed duration for young people between 16 and 21 years old, up to a lower salary than the ordinary one.

From the discussion, it clearly appeared the different opinion between companies' association and those of Trade unions'. A possible proposal could be a fixed duration of the contract for a maximum age of 24 years old with a guaranteed percentage of employ after the end of the contract. The duration could be lower, however a higher degree of employ should be guaranteed.

The topic is really complex because, on the other side, such contract should also be an economical advantage for the employer, as the young workers have not any working experience yet.

Second topic: *reconciliation work and family.*

The group focused the attention on the subject: *the public childcare services are another key element in strategies for the reconciliation between work and family. How can we improve these services?*

The group expressed concordant opinions on this subject: the importance of the public childcare services as a key element for reconciliation work and family; the private schools are too expensive and did not represent a help for families.

Possible suggestions are:

- the creation of private kindergartens inside the shopping centers;
- the introduction of social funds paid by the employers for childcare services. The system could provide that the owner of the company pay in addition to salary and taxes included in the wage, a minimum percentage (ex.: 0,10%) for social funds in favour of kindergartens. An additional economical contribution from the government could be a good solution.

Third topic: *management models that require the worker participation within company decision process and the retribution system based on productivity level.*

The participation of workers in the companies' decisions process is a very important issue, above all in companies where it is difficult to maintain the management continuity because of a generation gap. It is typical of family firms where there are not any descendents.

The financial participation of workers in the company is the first condition to their contribution at the decision-making process. Only an economical involvement of

the workers in the company allows them to an effective participation; otherwise, it is only about a bonus on the productivity. With reference to this last subject, it is important to maintain a strict connection between the productivity increasing and the increasing of the bonus for workers (in case of additional good profits): in other words the increase of productivity should generate a raise of the bonus for workers proportionally, and vice-versa.

Bonus for workers should involve “all workers”, not only some departments or single persons. A controversial topic is about IF AND HOW eventually considering a reduction of the bonus (variable part of the salary) in case of a decrease of the productivity. The common agree element about employers and workers is on the introduction of a system (management model) that establishes a good ratio between bonus for workers and productivity. The vision varies a lot from a deeper involvement of employees in the enterprise’s strategies up to the workers participation to the decision-making process without any links with productivity bonus. In any case it is important to guarantee a transparency of the balance sheets at the most, even it is not enough for a effective participation in the company’s strategies.

Both companies’ association and trade unions expressed their positive opinion to find management models requiring the worker participation within company decision process and the retribution system based on productivity level. Employers stressed on the profit sharing and the financial participation of workers; trade unions insist on the fact that the economical involvement should be voluntary and without any risk of loss of capital.

At 18.00 the OST workshop sessions were concluded.

Istant Report – Workin group 2

Participants of working groups shortly introduced themselves. The group consisted of 2 trade union representative, 4 representatives of employers’ organisations, and 1 from the Bilateral Entity.

- Maria Emelinda Luchetti (UILTUCS - UIL)
- Bart Persoons (PMO - UNIZO)
- Sebastiano Vincenzo Di Santi (Confcommercio imprese per l’Italia di Perugia)
- Henrick (Latvian Trade Organisation)
- Olga Moraniev (Latvian Trade Organisation)
- Simona Gola (FISASCAT - CISL of Perugia)
- Riccardo Trabalza (EBT)

Rapporteur: Barbara Coccetta

First topic: *employment contract that facilitate entry into the labour market and provide training to increase the workers skills.*

Question: *at the end of the internship, the person must have a certificate that lists the skills acquired and a new professional qualificazione must this certificate be issued by a public body or by company? What is your proposal to improve such contract?*

Obligatory certification of skills should be required. Companies could use the following system based on the on the job training of the individual that could be hired for a training period (ex. 6 months) with the condition of being again hired for the same period once trained and certified. Such system could be convenient for both parties because of the lower labour cost of the worker and the possibility for him to be trained and introduced in the labour market.

Participants agreed to find a system that foresees relevant and needed competencies of companies about internships by means of universal questionnaires.

Some partners agreed that the system could be implemented by social partners and not by legislation. In other words social partners should acquire a stronger role in the definition of individual training projects. This training planning needs to be customized by means of the bilaterality of social partners. The agreement of apprenticeship could be further improved on the basis of the definition of training definitive projects that allow a more precise certification. For example within the big distribution it will be more sure the ability of doing something for any specific mansion /work (the storekeeper, people working in a shop that sells cold meats, the cashier etc.) In some countries like Belgium this is the operative system about internship.

Second topic: *reconciliation work and family*

Question: *the public childcare services are another key element in strategies for reconciling work and family, how can we improve these services (for instance by opening hours, seasonal flexibility, etc)?*

The time flexibility in input and/or exit from work is another important tool for reconciling work and family: how can we improve it in retail sector?

Lack of flessibility: The question is really complex and reveals different habits and cultures about the time and the way spent for working and for having a family. Extending the working time to other days like festivities and on Sunday is not a good solution for the reconciliation between work and family in the retail sector, mainly managed by women.

In Italy today there is the liberalization of time opening and closure of shops and about the opening on Sunday.

For somebody the real solution is based on making more flexible the women

working time. In some new EU countries like Latvian this hypothesis is too progressive and is not in line with the changing consumption society; in any case in the majority of EU countries women can't officially plan their working time according their family needs in retail/commerce sector. The EU countries are looking for meeting woman needs and there are acquired rights for maternity but not properly for the following periods about the childhood of their children. For family with children it should be more used the possibility of part-time contracts for the period of childhood and to guarantee childcare services within shopping /commercial centres where the shops are located and to adequate the time of this service to the different working time of the shops.

Third topic: *management models that require the worker participation within company decision process and the teribution system based on productivity level.*

For the retail sector, do you find successful a management model based on the workers' participation?

Not all companies and workers as well believe in the co-management system. The main problem so far is the following: companies and their top management don't share the policy and the market strategy with workers who neither know what the company mission is. In the new EU countries like Latvia there are many international enterprises which don't accept such model.

As far as the SMEs are concerned, the model is strictly linked to genuine and familiar culture of company's administration and management. In other words the management of the company is totally centralised in the chief (owner of the company) or in the owner family.

In such cases the hope is more linked to a generation change of the direction, but in any case the concept of co-management must be clarified and shared within the company. Workers should be involved since the beginning into the company's strategy independently from the interest and benefits they could take from it.

A recommendation could be to introduce within the company board a representation of workers as listeners (that could be ruled by law) to guarantee a direct contacts with the management and to change the culture. It would allow a real transmission of information on strategies and the policy lines that company want to implement.

Also in this case the bilaterality could be an interesting proposition to change and to move towards the management of change and restructuring.

At 18.00 the OST workshop sessions were concluded.

Buurtsuper.be - Belgium

1st topic: employment contracts that facilitate entry into the world of work and provide training to increase the skills of workers

Matrix: Strengths, Weaknesses, Improvements

In sections A, B and C, you should describe the actions taken by the organization partners specifying the strengths/weaknesses/improvements according to the model developed within the thematic area concerned. In sections a, b and c, strengths/weaknesses/improvements refer to the legislation of your country within the thematic area concerned.

	A	a	B	b	C	c
	Strengths of the model developed by the organization partner within the topic	Strengths of the legislation of your country within the topic	Weaknesses of the model developed by the organization partner within the topic	Weaknesses of the legislation of your country within the topic	Improvements to be proposed in the model developed by the organization partner within the topic	Improvement to be proposed in the legislation of your country within the topic
1	Establishment of a professional training institute by the employers organisation (PMO) and some subsidies for SME's who invest in training (Social Fund + Flemish SME support for training).	The increase of the degree of participation in vocational training for the entire sector by 5% annually.	PMO is not an bilateral training institute for the retail sector. For this reason we experience less opportunities to co-operate with governmental organisations. Also many competitors amongst the training institutes, but not always high professional level.	There is no control of the increase of the training participation on company level. Rather an bureaucratic approach: on a sector level the collective agreement has to have the right clause that refers to the obligation (cfr. +5%).	Remain the focus on specific and practical training courses for retail business. Invest on professional training tools. Invest on e-learning.	If government wants to improve the degree of participation, they will have to look for a more efficient way to control this annual improvement, without the red tape.
2	Providing practical and specific courses for retail personnel, often during working hours and on-site.	Support by the Social Fund, which provides subsidies for the participation in vocational training by personnel and by the Flemish government by means of a specific SME support for training investments.	The criteria to get subsidies from the Flemish government changes all the time.	Because PMO is not a bilateral training institute, we often don't get enough support from governmental organisations.	Try to find structural partners who are prepared to work together to promote training and sensitise the importance of motivated staff in the independent retail business.	More support from the Government in sectors where the training mentality is poor. Specific scope on the retail business because of the future competition of e-tailing and the need of an professional strategy for independent retailers.
3	Ideal combination of (limited) access to subsidies & dynamic private approach (competitor!) which stimulates professional approach.	The involvement of employers by paying 0,10% on the gross salary of each employee.	The majority of employers in retail business underestimate the value of motivated and well trained staff. People who work in the retail sector have low education and low salaries. Employers in retail have low margins.	Sometimes a lot of red tape for smes who want to profit subsidies for their investments in training.	Try to find European projects that make it possible to experiment on new training methods and to exchange experiences with other European member states.	

2nd topic: reconciling work and family

	A	a	B	b	C	c
	Strengths of the model developed by the organization partner within the topic	Strengths of the legislation of your country within the topic	Weaknesses of the model developed by the organization partner within the topic	Weaknesses of the legislation of your country within the topic	Improvements to be proposed in the model developed by the organization partner within the topic	Improvement to be proposed in the legislation of your country within the topic
1	The Social Fund provides allowances for employees who contribute partly towards nursery costs.	The approach to promote this kind of subsidies via the Social Fund is good because it gives each sector the opportunity to work out sector specific initiatives.	When staff are using the facilities which the Social Fund provides to promote the work & family balance (i.e. bonus for 1/2 pre pension), the rest of the staff must work harder to fill in the gaps.	Sometimes government work our legislation to promote work & family balance, which is not appropriate to small businesses.	Better understanding between social partners of the practical consequences of certain collective agreements to the businesses.	Better understanding of the practical consequences of new legislation to the businesses.
2	Greatly valued system in the retail sector because employees often need to work family-unfriendly hours.					

Confederación de Comercio de Cataluña, CCC - SPAIN

1st topic: *employment contracts that facilitate entry into the world of work and provide training to increase the skills of workers*

	A	a	B	b	C	c
	Strengths of the model developed by the organization partner within the topic	Strengths of the legislation of your country within the topic	Weaknesses of the model developed by the organization partner within the topic	Weaknesses of the legislation of your country within the topic	Improvements to be proposed in the model developed by the organization partner within the topic	Improvement to be proposed in the legislation of your country within the topic
1	It is trying to develop the german model of training alternating with work.		In general, unions have an attitude contrary to appreciate some unfair competition on wages.		We would advocate the apprentice contract in all business sectors that perform handling and processing of the product.	
2	Contract for learning and training.	Experience contract.		For SMEs, it is somewhat complicated by red tape so as to have very tight templates.	For SMEs, enhance distance learning for this training.	Financing of training activities under the employer's contribution.

2nd topic: reconciling work and family

	A	a	B	b	C	c
	Strengths of the <i>model</i> developed by the organization partner within the topic	Strengths of the legislation of your country within the topic	Weaknesses of the <i>model</i> developed by the organization partner within the topic	Weaknesses of the legislation of your country within the topic	Improvements to be proposed in the <i>model</i> developed by the organization partner within the topic	Improvement to be proposed in the legislation of your country within the topic
1	The I Commerce Framework Agreement of February 2, 2012.	In general, it works without major problems, respecting labor rights, schedules, holidays and maternity leave.				
2			In the trade sector, the major distribution companies easily impose its criteria on Sunday work.	Nationally, the trading hours legislation is solved permisiva. Debe each Autonomous Community level.		

3th topic: management models that require the participation of workers and retribution systems tied to productivity

	A	a	B	b	C	c
	Strengths of the model developed by the organization partner within the topic	Strengths of the legislation of your country within the topic	Weaknesses of the model developed by the organization partner within the topic	Weaknesses of the legislation of your country within the topic	Improvements to be proposed in the model developed by the organization partner within the topic	Improvement to be proposed in the legislation of your country within the topic
1	We have no prospect of a result that could cause the changes introduced by the Second Agreement for Employment and Collective Negotiation. Signed between the COE, UGT and CCOO.			All agreements based on the new legislation can be challenged in court so there is the potential for judicial review.		
2	The strongest point is to link wage increases to GDP growth.				Should result in a more stable job market.	

4th topic: income support for workers and businesses

	A	a	B	b	C	c
	Strengths of the model developed by the organization partner within the topic	Strengths of the legislation of your country within the topic	Weaknesses of the model developed by the organization partner within the topic	Weaknesses of the legislation of your country within the topic	Improvements to be proposed in the model developed by the organization partner within the topic	Improvement to be proposed in the legislation of your country within the topic
1	The Royal Decree Law 3/2012 of 10.02.2012 on urgent measures to reform the labor market is of very recent promulgation and really not enough time to conduct an analysis of its development but more flexible labor market.			The Royal Decree shall be challenges before the Supreme Court and the Constitutional Court which creates a degree of uncertainty.		
2			The slight economic downturn, around 8%, is the main obstacle.			
3					We believe that what we do good or bad será la Royal Decree economic climate. The implementation of the austerity measures and deficit 0 work against.	


5th topic: *workplace safety*

	A	a	B	b	C	c
	Strengths of the model developed by the organization partner within the topic	Strengths of the legislation of your country within the topic	Weaknesses of the model developed by the organization partner within the topic	Weaknesses of the legislation of your country within the topic	Improvements to be proposed in the model developed by the organization partner within the topic	Improvement to be proposed in the legislation of your country within the topic
1	From a business standpoint, the trade sector is those with lower levels of occupational hazards.					
2		It performs a periodic evaluation of occupational hazards in all companies.		For SMEs, the bureaucracy,		

Ente Bilaterale del Terziario: distribuzione e servizi della provincia di Perugia - Italy

1st topic: *employment contracts that facilitate entry into the world of work and provide training to increase the skills of workers*

	A	a	B	b	C	c
	<p>Strengths of the model developed by the organization partner within the topic</p> <p>The social partners have concluded by the end of the transitional period, regulation apprenticeships, leaving no regulatory gaps, making it now possible the employment of apprentices by the companies.</p> <p>The social partners in the framework agreement governed (trade and tourism) that which had been entrusted to them by law.</p>	<p>Strengths of the legislation of your country within the topic</p> <p>Text only makes the regulatory framework more simple, clear and practicable; establishing with precision the tasks assigned to national legislation and the regional and the tasks assigned to regulation by collective bargaining; text-only values the apprenticeship as the main channel of entry of young people into the labor market.</p>	<p>Weaknesses of the model developed by the organization partner within the topic</p> <p>Not seen substantial weaknesses in the actions taken by the social partners.</p>	<p>Weaknesses of the legislation of your country within the topic</p> <p>Attributing to the Ministry of Education and Regions the right role in the improvement of the first and third type of apprenticeship, there is also the implicit risk that this path is not completed and therefore the other two profiles apprenticeship not may be used.</p>	<p>Improvements to be proposed in the model developed by the organization partner within the topic</p> <p>The social partners can further enhance the role of bilateralism, you could pass by the control and monitoring of apprenticeship (modules and forms, stamp of approval), the real assistance to the parties, with the preparation of the training of the apprentice, in so doing, ascribing greater role for social partners, it could be best to calibrate and build a training plan adapted to the characteristics of the apprentice (training, experience, skills...) and the needs of businesses as they could get out of the practice of training plans made stencils (by employment consultants), it would give a different perception of bilateralism, not just that of mere "control" (sometimes lived with discomfort from companies), but the real and active assistance, in other words, an argument for the bilateral, an excuse and a role less for employment experts.</p>	<p>Improvement to be proposed in the legislation of your country within the topic</p> <p>The reform of the labor market, the imminent approval, is improving some aspects of apprenticeships, as an indication of a minimum duration (6 months) and the details relating to "figure craft", confirming the correctness of the things agreed in this respect by the social partners in the framework agreements of trade and tourism.</p>

segue tabella 

<p>2</p>	<p>The social partners have enhanced the understanding on apprenticeships, the role of bilateralism, attributing the role of expressing the opinions of conformity in relation to apprenticeships; the parties reiterated the recognition apprentices of supplementary assistance and supplementary pensions; the parties reiterated the recognition of previous periods of apprenticeship (for the same task).</p>	<p>Text only draws two types of apprenticeship, one for the diploma and one for higher education, which can make closer the relationship between training and the labor market, facilitating the transition from first to second and combating the phenomenon early school leaving.</p>	<p>If anything, one could speak of a certain timidity in perspective with respect to the role of bilateralism: you could provide a role of real assistance of the parties to the contract by the bilateral and assigning, where possible, an active role not only in monitoring but also in the preparation of individual training plan.</p>	<p>The wording on the profiles artisans for which it is possible to lengthen the duration of the apprenticeship (up to 5 years) is a bit confused and messy, and has given rise to controversy among some social partners (see Concommercio, the only association signatory interconfederal that preceded the adoption of the text only).</p>	<p>The reform is introduced under Law a minimum percentage of confirmation (50%), nothing changes in our fields, because the rate of confirmation in the agreements of trade and tourism has long been well above.</p>
<p>3</p>	<p>The parties claimed a high percentage of confirmation of apprentices, aimed at stabilizing the relations of learning and the enhancement of the apprenticeship training, opposing the use of such an institution as a mere reduction of labor costs. The parties have set profiles comparable with those craft apprenticeship, for which it provides for a term greater than 36 months, which allows you to avoid dumping contract, or the "migration" of companies from the trade agreement to contracts crafts to take advantage of a longer period of apprenticeship in the face of similar tasks.</p>	<p>Text only assigns important roles implementation of the rule to the social partners. Text only shortens the overall duration of the apprenticeship, thereby enhancing the profile of apprenticeship training (compared to the previous maximum of 6 years) and allowing the apprentice to get faster to the qualification and the relative salaries.</p>	<p>The reform should increase the percentage of trainees that can be taken in relation to skilled workers, this is certainly less "enthusiasm" on the part of the union.</p>		

Labour Institute of GSEE (INE/GSEE) - Greece

1st topic: *employment contracts that facilitate entry into the world of work and provide training to increase the skills of workers*

	A	a	B	b	C	c
	<p>Strengths of the <i>model</i> developed by the organization partner within the topic</p> <p>The integration of the workers' training in collective employment agreements between workers and employers as well as the provision of funding of training through relevant contributions from workers and employers. These elements contribute in carrying out training actions on a permanent basis.</p>	<p>Strengths of the legislation of your country within the topic</p> <p>The launching of skills certification procedures through the development of job profiles by national training organizations and in cooperation with the social partners, which contributes to the strengthening of specialties / professions, to the improvement of the efficiency and organization of work and, finally, to the effective connection of work supply and demand ...</p>	<p>Weaknesses of the <i>model</i> developed by the organization partner within the topic</p> <p>The non-institutionalized aggregation of training either in terms of the payroll status of the workers participating in the training or in terms of seniority rank / allocation of positions of responsibility.</p>	<p>Weaknesses of the legislation of your country within the topic</p> <p>A lag in the establishment of procedures for the certification of skill and knowledge-related qualifications of workers, which will be provided through training and education.</p>	<p>Improvements to be proposed in the <i>model</i> developed by the organization partner within the topic</p> <p>Providing for procedures regarding the exploitation and assessment of the qualifications provided by the informal training of workers (training, educations, practical experiences).</p>	<p>Improvement to be proposed in the legislation of your country within the topic</p> <p>The acceleration of procedures for qualification certification and for the configuration of the related programs leading to the certification of knowledge.</p>
1						
2	<p>Other individual strong points of the aforesaid system include:</p> <ul style="list-style-type: none"> a) the reciprocating nature of the contributions from workers and employers and the cost of training actions; b) the enterprises' ability to choose the objects of training without any restrictions, depending on their needs; c) the ability of small and large enterprises to organize seminars; d) the online support of the system's implementation by the national employment organization (OAED), etc. 		<p>The absence, to date, of certification procedures regarding the informal education of workers.</p>	<p>The absence of related certified training programs (apart from formal education), which could lead to the certification of specialties, other than certain information technology or foreign languages programs, etc.</p> <p>Not meeting the training needs of workers, which exceed the number of the programs offered.</p>	<p>Strengthening of the workers's training possibilities .</p>	<p>Increase of the training and access possibilities by a greater number of workers at a suitable time and place, taking into account the training limitations facing adult persons (combination with work, family, etc.)</p>

2nd topic: *reconciling work and family*

	A Strengths of the <i>model</i> developed by the organization partner within the topic	a Strengths of the legislation of your country within the topic	B Weaknesses of the <i>model</i> developed by the organization partner within the topic	b Weaknesses of the legislation of your country within the topic	C Improvements to be proposed in the <i>model</i> developed by the organization partner within the topic	c Improvement to be proposed in the legislation of your country within the topic
1	Collective employment agreements provide especially for the granting of leaves of absence and for a parent's possibility to be employed part-time for a certain period after childbirth. At the same time, the parent is protected against layoff. Moreover, CEAs provide for childcare benefits that increase the minimum wage.	The related legislation in the country refers primarily to the public sector (in the private sector the related regulations are set forth primarily by CEAs) and regards the granting of a leave of absence to parents and the early retirement for mothers with minor children.	This is mainly a matter of transposal of community directives.	The policy in this area consists mainly in the granting of leaves of absence and not in the granting of a family allowance and the creation of social structures (adequate and free day nurseries) so as to facilitate working parents.	Strengthening and protection of the institution of all-day schools and day nurseries. Social policy in favour of the family. Institutional framework that supports the allocation of the responsibility for the family equally among the working father and the working mother.	As in C.

3th topic: management models that require the participation of workers and retribution systems tied to productivity

	A	a	B	b	C	c
	<p>Strengths of the model developed by the organization partner within the topic</p> <p>The related regulation introduced by the 2010-2012 National General Collective Employment Agreement moves towards the direction of a more flexible function of wages, which could be an incentive for the increase of productivity.</p>	<p>Strengths of the legislation of your country within the topic</p> <p>There is not any related legislation. To date the fluctuation of wages in Greece is performed –both in the public sector, where the related provisions are introduced by laws, and in the private sector, where the related provisions are contained in CEAs– as follows: a basic wage is specified in the first place, and then this wage is increased by various allowances, e.g. allowance for previous service, allowance for position of responsibility, dangers and contingencies allowance, qualifications allowance, per diem allowance, etc. So, in Greece, pay is not usually linked to productivity, although there are certain business-level collective employment agreements that contain relevant provisions. However, that model is neither usual nor developed.</p>	<p>Weaknesses of the model developed by the organization partner within the topic</p> <p>The regulation introduced by the NGCEA is too general and needs further specification to be implemented in practice. No provision is made for a complete and functional system linking pay to productivity; therefore, the related regulation introduced by the NGCEA runs the risk of remaining inoperative.</p>	<p>Weaknesses of the legislation of your country within the topic</p> <p>See (b).</p>	<p>Improvements to be proposed in the model developed by the organization partner within the topic</p> <p>The regulation introduced by the NGCEA needs to be specified. Such specification would be meaningful if performed firstly at national, not at sectoral level, given that, at national level, the social partners possess the related experience and know-how in order for a complete model to be developed.</p>	<p>Improvement to be proposed in the legislation of your country within the topic</p> <p>In order for a system linking pay to productivity to be efficiently implemented, the related culture should be fostered in the labour market, but that is not the case yet. In that direction, there could be, for instance, adequate consultation between employer organizations and workers to promote a complete model that would benefit both sides, further the social dialogue and foster trust between employers and employees. In that direction, the exchange of experiences and practices with other European countries that are already efficiently implementing similar systems would be meaningful. The workers' representatives set the safeguarding of an adequate and satisfactory basic wage as a prerequisite.</p>
1						

5th topic: *workplace safety*

A Strengths of the model developed by the organization partner within the topic	a Strengths of the legislation of your country within the topic	B Weaknesses of the model developed by the organization partner within the topic	b Weaknesses of the legislation of your country within the topic	C Improvements to be proposed in the model developed by the organization partner within the topic	c Improvement to be proposed in the legislation of your country within the topic
<p>The establishment and operation of EAINYAE (Hellenic Institute of Occupational Safety and Health) is provided for by the NGCEA. Therefore, ELINYAE is the result of a social agreement. The board of ELINYAE is formed by representatives of the social partners, i.e. of GSEE (trade union), SEV, GSEVEE and ESEE (employers organisations). So, ELINYAE is an organization in which both the employers' organizations and the workers' organizations are represented and converse.</p>	<p>This is not a statutory regulation but a regulation provided for by a CEA.</p>	<p>ELINYAE is a research and consultation entity. Its role could be strengthened perhaps through its interconnection and cooperation with state agencies that are active in the field of occupational health and safety, namely the Labour Inspectorate.</p>	<p>This is not a statutory regulation but a regulation provided for by a CEA.</p>	<p>The role of ELINYAE should be strengthened by the social partners that established it, through the integration of its recommendations and proposals in collective regulations.</p>	<p>The role of ELINYAE could be strengthened by providing for its institutional intervention in various sectors with respect to issues of occupational health and safety.</p>

Latvian Traders association – Latvia

1st topic: *employment contracts that facilitate entry into the world of work and provide training to increase the skills of workers*

	A	a	B	b	C	c
	Strengths of the model developed by the organization partner within the topic	Strengths of the legislation of your country within the topic	Weaknesses of the model developed by the organization partner within the topic	Weaknesses of the legislation of your country within the topic	Improvements to be proposed in the model developed by the organization partner within the topic	Improvement to be proposed in the legislation of your country within the topic
1	Organisation shall comply with all the rules provided for by the Law.	Support for Social Security.	Insufficiencies law.	Lack of funding for training.	Training provides direct benefit to work.	More practical skills.
2	Regular staff training.	Social insurance system.	Lack of funding for training.	Insufficiencies law.	More practical skills.	Free education.
3	Provide proposals for the Development of employment law.	Support for socially vulnerable groups of the population.	Business person's and employer's passivity and inactivity.	Missing a teachers' employee training.	More practical skills, less theory.	Practice as possible and appropriate the place of work.

2nd topic: reconciling work and family

	A	a	B	b	C	c
	Strengths of the model developed by the organization partner within the topic	Strengths of the legislation of your country within the topic	Weaknesses of the model developed by the organization partner within the topic	Weaknesses of the legislation of your country within the topic	Improvements to be proposed in the model developed by the organization partner within the topic	Improvement to be proposed in the legislation of your country within the topic
1	Measures with the participation of the family.	Discount large family.	Insufficient funding.	Too large work load.	To assign more holidays.	To assign more support.
2	Corporate measures.	Corporate measures.	Red tape.	Insufficient funding.	To assign more funding.	Regional Mobility measure Work in Latvia ¹ .
3	Vacation with the family, apart from holidays.	Social support.		A problem of people with disabilities.	Social support.	Social support.

3th topic: management models that require the participation of workers and retribution systems tied to productivity

	A	a	B	b	C	c
	Strengths of the <i>model</i> developed by the organization partner within the topic	Strengths of the legislation of your country within the topic	Weaknesses of the <i>model</i> developed by the organization partner within the topic	Weaknesses of the legislation of your country within the topic	Improvements to be proposed in the <i>model</i> developed by the organization partner within the topic	Improvement to be proposed in the legislation of your country within the topic
1	Loyal and constructive.	Democratic.	Staff turnover.	Different political views.	Clearly define the work tasks.	Clearly define the work tasks.
2	Democratic.	To the development of targeted.		Race for power.		Not to accept premature decisions.
3	To the development of targeted.	Constructive.				To listen and accept the society opinion.

4th topic: *income support for workers and businesses*

	A	a	B	b	C	c
	Strengths of the model developed by the organization partner within the topic	Strengths of the legislation of your country within the topic	Weaknesses of the model developed by the organization partner within the topic	Weaknesses of the legislation of your country within the topic	Improvements to be proposed in the model developed by the organization partner within the topic	Improvement to be proposed in the legislation of your country within the topic
1	Compensation of employees and Social Guarantees.	Nationally important projects implementation.	Losses resultings if you convert the currency.			
2	Significant and important projects.	Support for local businesses.				
3	Society awareness and new partners join.	International cooperation.			We believe that what we do good or bad serala Royal Decree economic climate. The implementation of the austerity measures and deficit 0 work against.	

5th topic: workplace safety

	A	a	B	b	C	c
	Strengths of the <i>model</i> developed by the organization partner within the topic	Strengths of the legislation of your country within the topic	Weaknesses of the <i>model</i> developed by the organization partner within the topic	Weaknesses of the legislation of your country within the topic	Improvements to be proposed in the <i>model</i> developed by the organization partner within the topic	Improvement to be proposed in the legislation of your country within the topic
1	All employees are aware of the safety equipment.	Available information on work safety news.	A lack of air conditioning.	Lack of a specialist.		To organise seminars for employers on safety at work.
2	Association members are held seminars for safety.	Specialist training.		Missing fireases.		More control and verify the place of work.
3	Specialised the log includes information on the latest developments in occupational safety.	Courses and seminars for workers.		Insufficiencies law.		Be fitted jobs with the first ambulance Minimum Equipment.





CHAPTER 4.

EuroCommerce

4.1 The European Sectoral Committee: the EuroCommerce's guidelines and practices

4.1.1 The Industrial Relations in the commerce sector EU social dialogue: health and safety at workplace

An essential issue in the WP for SSDC

- ▶ EuroCommerce and UNI Europa for commerce have a specific issue «Health, safety and well-being at workplace».
- ▶ In this context they deal mainly with the following sub items:
 - tackling work-related violence and harassment;
 - ergonomics, and more in particular musculo skeletal disorders (they intend to present a project for funding to gather good practices), possibly in cooperation with the OSHA (EU agent for H & S);
 - stress at work;
 - the new EU strategy for H & S.

Work-related third-party violence

- ▶ It has been estimated that more than 3 million employees in the sector faced third-party violence (EU statistics);
- ▶ Social partners in the commerce sector have started to cooperate on this issue even before the official implementation of social dialogue;
- ▶ first joint statement signed in 1995, another one in 2006;
- ▶ Uni Europa commerce and EuroCommerce continued to discuss the issue in their SD, focussing on analysis of good practices and research of common solutions;
- ▶ they have also addressed this important issue at multi - sectoral level by signing multisectoral guidelines.

The work at sectoral level (1)

- ▶ In 2008, Uni Europa Commerce and EuroCommerce have decided to launch a common project focussed on the elaboration of a joint toolkit aimed to:
 - develop a specific sectoral approach to prevent 3rd party violence

and protect employees on the basis of successfully implemented best practices;

- raise awareness among public authorities of the importance to adopt a preventive approach;
- provide a support tool to both shop owners and employees at EU level aimed to support them in improving safety at work through social partnership.

The work at sectoral level (2)

- ▶ The good practices play a leading role in the toolkit, each chapter is illustrated by one or more examples which were successfully implemented;
- ▶ the toolkit comprises the following parts:
 - introduction, with a definition of third-party violence;
 - chapter on risk assessment;
 - chapter on prevention of incidents;
 - chapter on conflict management;
 - chapter on partnership and cooperation;
 - chapter on where to learn more;
 - the toolkit is available here: <http://www.eurocommerce.be/content.aspx?PageId=41650>.

The work at sectoral level (3)

- ▶ With this toolkit, the social partners wished to elaborate a practical and flexible tool with a special focus on SMEs, a wide dissemination is the main element of the success of our initiative!
- ▶ Further visibility will be given to the initiative through translation and further dissemination in link with the multisectoral guidelines;
- ▶ social partners encourage similar initiatives (e. adaptation of the material, press events, etc.) at national and local level.

The work at multi-sectoral level (1)

- ▶ Social partners from commerce, health, private security, local government and then education involved;
- ▶ the social partners organised 2 major conferences in 2008 and 2009 with the support of the European Commission where research results into third-party violence and good practices were presented;

- ▶ further to the joint initiatives, the multi-sectoral social partners agreed to start negotiations with the aim to achieve a joint outcome.

The work at multi-sectoral level (2)

- ▶ The social partners are increasingly concerned by the negative impact of third-party violence:
 - on employees' health and dignity;
 - on absences from the workplace, workplace morale and staff turnover;
 - on the work environment it can create - unsafe for the public and service users.
- ▶ After several meetings between January and June 2010 and the consent of the national members of the European Social Partners, the agreement was reached and the Guidelines were signed in September 2011.

The work at multisectoral level (3)

- ▶ For a good implementation and dissemination of the guidelines, an EU funded project has been implemented:
 - organisation of 3 regional workshops and of a final conference;
 - translation of the guidelines in all the EU languages;
 - website aimed to disseminate all the outcomes of the project (translation, progress reports, other materials, good practices), see <http://www.eurocommerce.be/content.aspx?PageId=41864>;
 - reporting on the implementation of the guidelines in the framework of the SD and multi-sectoral meeting.

4.1.2 The Industrial Relations in the commerce sector EU social dialogue: education, training and skill needs

An essential issue in the WP for SSDC

- ▶ Likewise health and safety, the issue of education, training and skill needs is also part of the work programme of social partners for commerce;
- ▶ in this context they have achieved recently some joint outcomes dealing with this question:

- joint opinion on the social aspects of the retail Market monitoring (2010);
- joint opinion on the own initiative report of MEP Bastos on the « Agenda for new skills and jobs » in 2011;
- joint contribution to the «european retail action plan » in April 2012.

The first activities of the social partners in this field

- EuroCommerce and Uni europa commerce followed up this issue since the beginning of their informal social dialogue;
- in November 2006, they signed a letter of intent to support further dissemination of the so-called european commerce competence training modules;
- it is about innovative training modules aimed to provide various target people (young people, unemployed...) with basic skills for the commerce sector;
- it allows to pass a certification allowing to work in the commerce sector throughout Europe;
- it can be used as a self-learning tools or by schools: exists in EN, DE, will be translated in TR, RO, PL.

Anticipation of skill needs (phase 1)

1. The mapping exercise: establishing a european network for anticipating skill needs in the commerce sector (VS/2009/0532 – PROGRESS).

General context of the project:

- ILO Global Forum on skills for commerce employees, publication of the communication «New skills for new jobs» end 2008 and of the study «Sectoral analysis of emerging competences in the EU for the trade and distribution sector» in 2009;
- since the begining of 2009, social partners work together on future skill needs resulting from the developments of the sector;
- project implemented with the financial support of the Commission: December 2009 –December 2010;
- presented by EuroCommerce in partnership with UNI Europa and three other partners (educational bodies);
- regional workshops and a final conference, data collection and analysis.
- main contents analysed:

- the evolution of companies and worker needs;
 - the evolution of skills and jobs;
 - the assessment of practices, tools and methodologies of anticipation and management of skills;
 - gathering and exchange of good practices.
- ▶ Outcomes and materials of the project;
- a report on questionnaires on:
- past and future trend of VET in the sector;
 - future challenges of VET.
- ▶ the role of EU and national bodies and institutions to address the skills mismatch.

A report with main conclusions and next steps:

- different situations according to the countries: importance of an efficient cooperation between all the stakeholders;
- best practices can be found in those countries where the multi-stakeholder approach is well-established (DK, NL, A, DE...).

Anticipation of skill needs (phase 2)

- ▶ A European Skills Council for commerce is important to raise awareness on the importance of a good VET: it has been proven by the collection of good practices along the project;
- ▶ The social partners of the commerce sector have therefore agreed to continue their cooperation on skills anticipation through a so-called phase 2 project with the following objectives:
 - identifying and monitoring training needs;
 - identifying employment opportunities and trends;
 - anticipate skills needs and competencies;
 - matching the supply and demand between workers and companies.
- ▶ **Creation and formal launch of the European Sector Skills Council:**
 - a detailed analysis of the existing and emerging observatories on employment and skills;
 - a network linking all existing and emerging observatories.

- ▶ **Implementation of ICT infrastructure and tools**
 - Facilitate the exchange and best practices and competencies via the ICT infrastructure;
 - linking existing and emerging observatories on employment and training;
 - improving the functioning of the European Sector Council.

Identifying possible end users and beneficiaries (business organisations, job seekers, students, training providers etc.)

- ▶ Some example of observatories:
 - Ente Bilaterale - Italy;
 - Fundacion Tripartita - Spain;
 - Kennishandel Centrum - the Netherlands;
 - CECOIA - Portugal;
 - Skillsmart - UK.
- ▶ Next steps:
 - steering committee with members, study performed by 2 external experts coordinates the project;
 - interviews in the observatories;
 - web based platform;
 - organisation of two workshops and of a conference.
- ▶ Expected outcomes:
 - proposals for sector qualification and competences standards at EU level;
 - develop strategies in education and training;
 - setting up web services (i.e. e-learning);
 - increase attractiveness of the sector especially for young people;
 - improve transparency, advice and access to learning (formal and informal) and career developments.

4.1.3 The Industrial Relations in the commerce sector SSD for commerce 2012-2013: expected results & future developments

SSDC in commerce: short reminder

- ▶ Existing informally since the 80s;
- ▶ formalised in 1998 (EC Decision establishing SSD Committees);
- ▶ EuroCommerce and UNI Europa commerce work on the basis of a two year work programme;
- ▶ priorities 2012-2013:

- adaptation to change, VET and skill needs;
- EU employment strategy and the commerce sector;
- joint follow - up of EU policies with a social impact on commerce;
- health, safety and well - being at work;
- improving the effectiveness of social dialogue.

Recent and current activities of the SP (1)

- ▶ In the framework of the follow - up of EU policies, the SP have achieved a common position on the social aspects of the European Retail Action Plan (consensual aspects);
- ▶ a first report regarding the follow - up of the multisectoral guidelines against TPV for the commerce sector has been drafted;
- ▶ ongoing project on the establishment of a EU skills council in the commerce sector (see details).

Recent and current activities of the SP (2)

- ▶ Last issues discussed during our meetings:
 - outcome of the Eurofound study on working conditions in commerce+ joint press release: see <http://www.eurofound.europa.eu/ewco/studies/tn1109058s/tn1109058s.htm>;
 - project activities;
 - the use of EU funding for the implementation of projects (on social dialogue mainly);
 - education and training;
 - improvement of the cooperation with SP of NMS + candidate countries.

Example: the project on skills council for commerce (1)

- ▶ 2 projects:
 - phase 1 (2010, leader EuroCommerce): mapping exercise;
 - phase 2 (2012) presented by Uni Europa Commerce;
 - common interest issue: address the skills mismatch in the sector;
 - implemented with the financial support of the European Commission;
 - project will end in December, a new project has been introduced for the 1st year of activities.

Skills councils for commerce (2)

- ▶ achieved results:
 - skills councils interviewed in a certain number of countries (BE, DE, DK, FR, CY, NL, IRL);
 - most of them expressed the willingness to become part of the EU skills councils;
 - experts are currently preparing a report on quantitative and qualitative data;
 - some new observatories identified (e. g. for wholesale in France);
 - the conference to launch the skills councils will take place the 5 December in Brussels;
 - Wen platform for the dissemination of information.

Future activities of the SP for commerce:

- ▶ projects:
 - currently awaiting news from the commission for 2 new projects:
 - one on capacity building activities for EuroCommerce and UNI Europa members in new member states and candidate countries, with common and separate activities for employers and trade unions;
 - the «phase 3» project on the 1st functioning of the skills council for the commerce sector: also aimed to encourage new bodies to be part of it.
- ▶ Joint partnership in the project on active ageing;

Issues to be further discussed in the SD:

- ▶ education and training, skills, see new Communication to be issued;
- ▶ active ageing, demographic change (included pensions);
- ▶ exchange of views on a study on part-time/fixed term employment;
- ▶ European Retail Action Plan: continue the discussions on consensual issues, awaiting Communication;
- ▶ see further developments on musculo-skeletal disorders (joint project?);
- ▶ employment strategy (Commission's agenda);
- ▶ other EU initiatives with an impact on the sector.

As a conclusion...

- ▶ social dialogue in commerce is well-established and well functioning;
- ▶ the cooperation on the issues addressed in the work programme is good;
- ▶ also important to take into account the trust between the social partners;
- ▶ SD is also useful to promote the sector vis-à-vis the EU institutions;
- ▶ sometimes different perception of issues to be dealt with at EU or national level;
- ▶ different relations with the cross-industry level.

Conclusions

The study revealed that all of the countries – Belgium, Greece, Italy, Latvia and Spain, have a Collective Labour Agreement that regulates labour relations with a similar specificity.

Some differences were found in reference to Latvia, most likely influenced by its recent political, economic and social history, with a level of dialogue that is still in its infancy. In fact, the regulation of the Collective Agreement provisioned by labour law exists; However, as of today, it has never been signed by the social partners in the commercial sector. General cooperation agreements do exist between the representatives of employers and those of the trade unions.

In all cases, the trade unions and employers' organizations most representative on a national level adhere to the agreement, which regulates the work conditions, relations between the contracting parties, wage conditions, work hours, reconciliation procedures, the parties' obligations, etc.

The legislative framework within which the agreement operates and its validity are quite similar in the various countries. In reference to the first point, the principles were established by the Constitution, by national law, the Civil Code as in the case of Italy, Spain, Greece and Latvia, while in Belgium the regulatory sources are national ones, while no references can be found in the constitutional charter.

Compared to the validity in Italy, as in Greece, the duration is three years, in Belgium and in Spain it is two, while in Latvia the research revealed an agreement defined as “on - off” with an undefined duration.

With reference to territorial jurisdiction, it should be noted that in all cases the Collective Agreement is valid throughout the national territory, except for the one signed by the CCC organisation that is only valid in Catalonia since it is an autonomous region.

In all countries the level one agreement delegates well-defined powers to territorial cooperation.

In terms of the bilaterality and skills that the Collective Agreement and the national regulations delegate to such joint committees, the research has shown that, in other countries, there are no bilateral agencies similar to the one in Perugia. As with the rest of Italy, there have been other experiences with bilateral and trilateral commissions involving a public body at a national or local level –

for holding discussions or implementing projects of common interest on issues related to training, labour settlements, workplace safety and social security.

However, in these commissions the social parties operate with conflicting interests and not like the experience of Italian bilaterality with common goals, provisioned by the statute, which are jointly achieved while respecting the role and identity of each party.

The following findings emerged from the analysis of the best practices, developed by the social partners for the themes examined in the project.

Theme 1. Employment contracts that facilitate entry into the world of work and provide training to increase the skills of workers

In terms of this theme it clearly emerged that no partner country other than Italy had a mixed apprenticeship contract that pairs work and training, financed by the public and private sector, reserved for workers with specific age requirements, with contribution and economic benefits for the company with an extremely long duration (equal to 36-48 months).

In Belgium, continuing education plays a very important role, also with innovative and particularly participatory systems, at least in the methods used by PMO – the body that provides training for the organisation BuurtSuper.

One of the methods for accessing training is through the Social Fund, the expense of which is sustained by both employers and workers. An experience that appears to be quite similar to the Italian Inter-professional Funds (FOR.TE.). Another piece of national legislation in Belgium allows companies to take advantage of economic benefits when hiring workers, with a duration of 6 months for workers below a certain age. No specific subsidies are provisioned for training, such as the apprenticeship programme in Italy.

Also important is the experience of Greece. L.A.E.K. (Account for Employment and Vocational Training), is a bilateral (employers and employees) of a “joint special account” established in 1993.

Employers contribute 0,45% of the wage of each employee to the LAEK account to finance vocational training programmes. Also, employers and employees contribute an additional 0,36% to LAEK to support employment programmes offering financial support to employers for hiring employees or to establish their

companies. LAEK is directed by a bilateral social partners' steering committee, presided by the president of the Manpower Employment Organisation (OAED).

The issue of training to facilitate the entry of young people into the labour market is important in Spain as well, as demonstrated by the actions pursued by the social partners.

Specifically, the Second Agreement for Employment and Collective Bargaining, signed 25 January 2012 between representatives, at the national level, of businesses (CEOE-CEPYME) and workers (UGT-CCOO), establishes important objectives to promote employment, facilitate contracts and training.

In the light of Spain's current recession, a new labour reform promoted by the government (Royal Legal Decree 3/2012 of 10 February) was also approved which introduces changes in order to create a more flexible labour market and to encourage the creation of jobs.

The requirements for the recruitment and unfortunately for dismissal, become more flexible with the intention of encouraging new business ventures and to promote the recruitment of currently unemployed young people.

This initiative includes incentives for hiring employees on a permanent basis. However, education opportunities combined with employment contracts did not emerge in this country either.

In Latvia, no contracts appear to exist that encourage young people to enter the world of work, employment contracts that provide training financed by public or joint actions of the social partners aimed at promoting, proposing and financing training.

Theme 2. Reconciling work and family

In reference to the reconciliation of work and family, contractual lines are very similar in all countries, both for the measures taken and the methods.

National law is followed within the social bargaining dialogue that has focused ample attention on certain important issues such as parental leave and additional permits for those with children in their teens.

In Latvia, however, the Labour Act offers reduced working hours and leave bene-

fits to new mothers and to workers with children in general.

Theme 3. Management models that require the participation of workers and retribution systems tied to productivity

No particular experiences related to worker participation in productivity were recorded in any country. The EBT of Perugia presented, thanks to the contribution of an expert of ADAPT, a case study on Auchan and Merloni which evidences the participation of workers in the management, results and profits of the companies.

From the focus study it emerged that the participation of workers in the management, results and profits of the companies is a theme that, over the years, has acquired new life in Europe, and a big boost from national legislation, since the spread of participatory schemes is considered to be a tool for facilitating the development of an advanced model of industrial relations in a logic of loyalty-building and promotion.

However, what also emerged are obstacles to accessing this new method and company philosophy, both for the employers and workers and now it seems that participation is primarily linked to a participation/contribution of the company's financial resources and not to the decision-making and strategic decisions that remain completely in the hands of owners.

Theme 4. Income support for workers and businesses

Research has shown that the social partners have not taken any direct actions relating to income support.

In Belgium, the Social Fund is subsidising some of the expenses sustained by workers such as childcare.

A similar case can be seen with the EBT that - like other national institutions - has activated a policy for redistributing financial resources for solidarity programmes and actions that could affect, although to a limited extent, the improvement of active labour market policies. On the one hand, an attempt has been made to support the income of workers, while on the other contributions were provided to companies to help improve business management and the level of safety standards in the workplace.

Legislation in Italy also allows the bilateral organisms to contribute to the

unemployment benefits paid by INPS (Istituto Nazionale Previdenza Sociale) in the event of the suspension of a worker due to the company's economic difficulties or in the event of dismissal for a maximum period of 90 days during the entire term of the apprenticeship contract.

Theme 5. Workplace safety

With regard to the issue of safety, national regulations involve very similar contractual models. The partners of *Old Europe* seem to slavishly follow the thread of European indications, while on the regulatory level we have common experiences.

The EBT has activated, in accordance with the relevant national and inter-confederation agreements, the Workers' Representative for Territorial Safety. Through a memorandum of understanding with INAIL (National Institute for Insurance against Accidents at Work) a project was activated that is aimed at evaluating the average safety standards in companies in the sector and at identifying the main problems to be overcome. The ultimate goal is to define a system of best practices to be adopted to improve company's safety in order to reduce and prevent injuries at work.

Annex 1

Industry- trade relations in Italy: the four evolutionary stages.

(Prof. Luca Ferrucci - Faculty of Economics and Business, University of Perugia)

Italy represents a rather interesting country as regards the evolution of industry-trade relations on a European level. This is as a result of having different specificity factors compared to other countries such as:

- the structural existence of a national specificity - and often regional - for purchasing plans for both food and non food products;
- the existence of national legal regulations characterised by powerfully protective aspects particularly in the earlier historical stages;
- the existence of family capitalism within commerce presenting barriers to the dimensional growth of enterprises and characterised by a strong bond with the local territory and limitations in managerial skills in running commercial enterprises.

In this structural context, four different historical evolutionary stages can be outlined, each characterised by its own specificity which has contributed to modelling the distributive shape of the nation.

The seventies: the dominion of industry and protectionism of small scale business

In the seventies the “Made in Italy” industry (operating in the clothing, footwear, goldsmith, food and furniture sectors) reached important levels of competitiveness. The Italian industrial areas are intensely export orientated in western markets, in particular in Germany, France and the USA.

Industrial enterprises gain important market shares in these sectors, with their own significant business reputation and important brand images. In this context, in the domestic market, the “Made in Italy” industry - with its own successful brands – dominates relations for small businesses on an economic front. Small shoe or clothes shops, for example, are fundamental in a condition of subordination in terms of market power, having to be subject to contract conditions and prices that brand industries impose. Industrial enterprises such as Barilla (in the food sector), Giorgio Armani (in the clothes sector) or Ferragamo (in the footwear sector) are capable of profoundly conditioning assortment choices and price logics which retail trade – fragmented and of small dimensions – has to make and carry out.

This asymmetry in market power between industry and business generates obvious problems in managing traditional and small scale commercial enterprises. National legal regulations in the retail trade sector, authorised in 1971, determines important principles and rules so as to ensure limitations in competition between traders by means of protective logics to be applied at an individual town level. With this legislation, for example, individual towns limit the opening of new shops and establish the maximum number of shops within a commercial category and prevent the arrival of modern mass retailers.

This means small retailers, both in the food sector and non food sector, manage to reach significant levels of profitability due to limited intra-sector competition while, they suffer however in relations with business. Therefore, during the seventies, while Italian industry reaches important levels of competitiveness, retail trade remains at a family level having just one small shop in the historical centres of towns.

The eighties: the arrival of modern formats for retail trade

Specific dynamics aimed at radically changing the structural shape of retail trade in both food and non food sectors have been put into action since the eighties. Consumers begin to tolerate less and less the favourable position held by small scale trade due to competition limitations as a result of national regulations.

Often mass media highlight the fact that during these years high levels of inflation, as regards prices of mass market goods and services, are a result of the low level of competition between retail enterprises. Policy makers in city administration believe a new political consensus will emerge if artificial shopping centres, comprising large supermarkets or hypermarkets, open on the outskirts of cities. The need for “modernity” in trade based on overcoming the small scale and on greater levels of competition, capable of limiting price levels, is a new priority for consumers, for policy makers in the towns and for mass media.

In this context national legal regulations for the sector of commerce undergo significant modifications releasing the restraints on opening new modern distribution formats (based on sales in large areas, on self service techniques and on the belonging to important national names etc.): numerous artificial shopping centres open on the outskirts of many Italian cities where land rent is lower (compared to the historical centres), where there is important road infrastructure, meaning the shops can be more easily reached, and where significant investments can be made in terms of the agglomeration of various shops, car parks and other highly attractive services for the consumer.

These new distribution chains operate in the food sector as well as the non food sector with important National names and with hundreds of their own shops thanks to which they can obtain new contractual and price conditions in relations with industry. Industry – commerce relations therefore tend to become more balanced: mass marketing means a competitiveness of price is regained due not only to new sales techniques (for example self service or greater staff productivity) but also because it has important buying centres, which by concentrating such purchases manage to obtain significant savings for industry.

But how are these big national retail chains formed? How can the small family business become a big commercial enterprise? It is well known that structurally the pursuit of a dimensional growth of an enterprise creates two types of needs: on the one hand the need to have organisational and managerial skills of a specialist type which usually means the recruitment of managers and on the other the need for substantial financial resources to finance the development stages by means of creating a plurality of shops.

These two very evident needs limit the growth possibilities of typical small enterprises of family capitalism. Therefore in the Italian business sector what strategic behaviour has been adopted to be able to have important national retail chains?

Essentially, in Italy three different business “genetics” can be identified:

- a. the investment in retail trade of important non-commercial enterprises,
- b. the aggregation, by means of co-operatives, of a plurality of small commercial enterprises;
- c. the formation and development pursued by co-operatives amongst consumers.

The first path was followed by various large non commercial enterprises like the car company FIAT which is the owner of an important chain called “La Rinascente” or the television company Mediaset, owner of a chain called “Standa”.

The second started “from below” by means of the aggregation of many small traders under a sole trade name. During the eighties numerous inter-company aggregations were planned and carried out often at a consortium level and based on territorial or sectorial segmentation capable of improving the efficiency and competitiveness of individual associated companies.

Technically, the voluntary unions are forms of vertical integration between

wholesalers and retailers which, as well as preserving their own individual legal autonomy, organise some purchases and some services (sales promotion etc...) together.

The purchasing groups are, however, associations between retailers, each of which preserves its own legal autonomy but at the same time work together in purchasing and creating other sales services. In this way the individual associated commercial companies have been able to grow within a network, acquiring negotiating power in relations with industry and support services (creating a line of brand name products, professional training, logistics, shop layout, advertising etc.) as regards their competitiveness needs. Some of the more competitive names in the food sector are Conad and SISA and some other European co-operative experiences are the French Leclerc, the Belgian Colruyt, the Swiss Coop and the German Rewe.

Finally the third is in relation to the reinforcement, in particular in the food sector, of co-operatives between consumers.

Their mutualistic aim is to bring together individual consumers to create a commercial retail activity with the intention of improving retail sales quality and the price of food products and not in their favour. Essentially the partner-consumers carry out work and professional activity outside the co-operative which is merely instrumental to obtaining economical advantages. In Italy, since the second half of the 19th century numerous co-operatives between consumers have been formed at a local level. Basically they were companies with a sole outlet of small dimensions which guaranteed greater competitiveness on a local scale, as opposed to the pseudo-monopolies in the local area, due to the presence of few traditional capitalistic retailers.

During the eighties the co-operatives between consumers understood the importance of pursuing - to prevent their implosion due to the arrival of other competitors - modern distributive retail formats characterised by larger sales areas, by the fact they attract customers from not only local areas and by high quality services in terms of assortment and layout. Consequently two important institutional innovations were pursued:

- a. the transformation from the so called closed co-operatives to the so called open ones;
- b. the fusion of the small co-operatives to lay the path for the large co-operatives between consumers, in local areas essentially multi-regional.

The transformation from a closed co-operative, whose activity is limited and in only in favour of the partners, to an open co-operative, whose services can also be used by those who are not partners, has made it possible to raise the overall turnover and improve some productivity indicators and company profitability.

The nineties: the liberalisation of retail trade of small dimensions and the arrival of foreign companies

It is evident that mass retail arrived during the nineties, with shops on the outskirts of cities and small dimension trade needing to be revived for the historical centres to be able to regain competitiveness.

In this context some new national regulations attribute new regulating powers of intervention to the individual Regions. In such a way Italy heads towards region based regulations in the commerce sector which brings about differentiation but also new opportunities to lay out suitable legal regulations for the territory characterised by different morphology and landscape, as well as extremely different road infrastructure and urban concentrations. Faced with these new aspects a substantial liberalisation for opening new shops of small dimensions is introduced: there is the obvious need to renew many small shops, in terms of both merchandise and also businesses, and the policy makers believe it is fundamental to encourage the new younger generation with new business ideas and skills as regards business activity within the retail trade sector.

Therefore a new generation of businessmen arrive in this sector contributing to the renewal of the business offer, the services offered, the distributive formats and the layouts thus “breaking down” the old consolidated schemes and helping to give new life to some urban centres.

The main change, however, to retail trade in Italy comes with the arrival of large foreign enterprises which often buy national chains in the food and non food sector. In particular the non commercial companies (like FIAT or Mediaset mentioned above) which had invested in commercial distribution find themselves having to pursue handover strategies to these new foreign operators.

In fact there are at least three different strategic weaknesses which are caused by a commercial company being owned by a manufacturing group. First of all, this conglomerate diversification does not work on a competitive front (for example managing a car company and a food business in the same group). In other words there is no clear and definite economic synergy between the commercial activity and that already present: the first business does not positively influence either the takings or the overall costs of the manufacturing activity.

Secondly, on occasions, the commercial enterprise becomes a sort of “treasury” for the lead manufacturing enterprise.

In fact the increased cash flow in the short term – as a result of the net commercial credit mechanism – can be used to face financial needs in some manufacturing enterprises within the group.

In this way, however, the economic and financial management of the commercial enterprise are negatively influenced along with its possibilities of growth and competitiveness.

Finally the manufacturing lead group often places its own managers as leaders of the commercial enterprise, managers, who, coming from an industrial background lack the specialised management skills required of a commercial enterprise.

For all these reasons handing over the commercial enterprise is a necessary strategic decision for the group when there are considerable financial requirements or specific industrial reorganizational requirements.

In Italy, therefore, during the nineties, takeover processes can be witnessed, carried out mainly by large foreign multinationals specialised in the commercial distribution sector with the aim of rapidly penetrating our National market.

Three national examples can be shown.

Rinascente, an important and historical non food Italian chain, owned by FIAT is handed over to the French Auchan in 1997. FIAT, in fact, needs reorganisation and to find extra financial resources to invest in its core business, the car company, therefore selling out this commercial enterprise is obviously necessary.

The television company Mediaset decides to sell out its commercial brand name Standa in 1998. The non food part is handed over to Coin and the food part is bought by Conad and Rewe, a huge German company already present in Italy with the discount store Penny and the Billa supermarkets.

In 1994 the public industrial conglomerate IRI sells out GS and Autogrill to a consortium which depends on Edizioni Holding (present in the clothing industry with the brand name Benetton) and Leonardo Del Vecchio (present in the eyewear sector with the company Luxottica). In 1997 these businessmen allow the French Promodès to enter the share capital of GS. In 1999 Carrefour buys Promodès (and therefore the shares in GS).

Finally in 2000 Carrefour (which held 36%) buys out GS completely from the other two Italian businessmen.

The 2000s: new transformations in retail trade

During the 2000s two new drivers of transformation in retail trade appear in our country: the arrival of the European directive for services and a new generation of distribution formats.

The European directive for services generates a new wave of liberalisation in regulations making it easier for mass retail to enter the market. In fact, in our country the barriers for opening new big structures can no longer exist if not justified by reasons of public interest, such as urban safety, citizen health and urban or landscape reasons.

Different regions in Italy, which had tried in the past to limit mass retail found themselves having to modify their regulatory organisation. However this new wave of regulation inspired by liberalisation criteria does not create a great amount of instability in the consolidated balance in Italian commercial distribution.

This is due to the fact that the huge distribution formats no longer attract consumers: the economic crisis in families, which started to set in in 2008, structurally reduced the power to purchase goods and services and, therefore, companies freeze their investment in this trade. This is not the only reason, over the last twenty years, even in Italy, the market quotes held by mass retailers in both the food and non food sectors has reached significant levels and so it seems possible, in a number of cases, to talk about “almost saturated” markets: according to the latest report by the Economic Development Minister one only needs to remember that, in the food sector, mass retailers hold more than 64% of the entire retail market.

On the other hand a new generation of distribution formats is taking hold even in Italy and it is no longer based on the traditional layout of large dimensions and numerous shops concentrated within artificial shopping centres.

One only needs to think about the arrival of outlet villages in the non food sector, entire buildings which try to reproduce an urban and commercial “heart” for the citizens which fits in with the surrounding area and is able to attract many one brand shops.

Challenges for the future

The transformations in retail trade throughout history, illustrated in the previous paragraphs, have led to a marginalization of historical centres in respect to the

outskirts and urban centres. Some particularly significant socio-economical transformations have had considerable impact on the competitive conditions of trade in the historical centre. Five dynamics are particularly evident.

First of all, the opening of artificial shopping centres (outlet villages, multi screen cinemas, hypermarkets and so on, full of many other small shops), on the outskirts of towns or near important national road infrastructures, has generated a competitive crowding out compared to natural shopping centres (or rather those in the historical centres). It is without doubt that this modernisation of trade has fuelled a greater level of competition and of services (car parks, accessibility, value for money, pleasant way to spend free time, etc.) in the consumer's favour, but has contributed to creating a gap in the offer and commercial and artisan attractiveness to the disadvantage of the historical centres of our Italian cities.

Secondly, rents registered a significant growth causing further economic problems for both the residents and the shop workers and owners in the historical centres compared to the outskirts. Maintenance costs for the historical buildings along with high rents have penalised the economy of the historical centres compared to that of the outskirts or the minor urban centres.

Thirdly, the historical centres have suffered an infrastructure gap as regards accessibility and logistics for the shop owners and workers (one only needs to think about the logistical problems of delivering the goods to be sold) and consumers. This has reinforced in turn the competitiveness of the artificial shopping centres situated on the outskirts.

Fourthly, the social and commercial identity of some parts of the historical centres have been changed as a result of the influx of many immigrants, often from non EEC countries.

This influx has created an ethnic variety in terms of new residents with some integration problems at a social level and in some cases has contributed to accentuating the degradation of urban quality as regards how residents perceive safety. It is, however, important to note that this influx of immigrants has also provided an important economic resource, not only for carrying out socially desirable work (for example carers) but also for creating new consumption requirements with different cultures and buying habits from our own traditions.

As a result new business and artisan activities have often opened in the historical centres. It constitutes an important phenomenon which should be carefully

monitored for the possibility that the arrival of these new commercial enterprises is not only an expression of dynamics of the demand (demand pull logic based on specific ethnic needs) but also of money laundering, using financial resources maybe obtained in circumstances that are not local and possibly not legally.

Then, the repositioning (and in some cases the closing down) of many public structures (schools, courts, hospitals, public administration offices, military barracks, etc.) from the historical centres to the outskirts has meant less daily commuting of workers or users of public services to the centres which in turn has reduced the demand for business and artisan activities in the historical centre.

Finally, on a national regulation level, the liberalisation dynamics, in existence for a number of years, on the one hand have created the opportunity for new commercial enterprises and services but on the other have contributed to weakening the planning capacity of the local authorities as regards trade.

For example, as a result of the regulations imposed by a recent European directive, the local authorities' capacity to limit the diffusion of commercial forms, which are not connected to the historical and cultural identity of the city (for example, an excessive amount of kebab parlours and the likes), was greatly reduced.

All these structural factors, considered together, have had a great impact on the economic balance of these cities, a balance obtained throughout the years as regards commercial and artisan services, on the quality of life for residents and the attractiveness of the historical centres for non residents.

Along with these structural factors the economic and financial crisis, which set in in 2008, has significantly lowered families' and individuals' capacity to consume goods and services. Less purchasing power – due to job loss or overall income reduction – penalised many traders in particular shop keepers and artisans who are directly dependant on the local demand for goods and services, as opposed to export orientated manufacturing enterprises.

With all these dynamics under way the historical centres could potentially be intensely transformed, morphologically, in particular those with a real historical character and a significant cultural, architectural and social identity. Above all, considering the lack of an overall public and private governance plan and a strategic and rapid interventions plan, there is the risk that at least three lines of change could be activated, dominated by this “free power” of the social and economic market:

- a. the risk of social and urban degradation of historical centres, creating problems at a level of social integration and problems of how residents perceive safety;
- b. the risk of creating a rarefaction of both residents and commercial activity. As regards residents, it is becoming more and more frequent that flats are rented out and not always fiscally declared which creates conditions of private profit but deters honest mechanisms of investment in improving and redeveloping urban buildings with such flats being rented to a socially marginal sectors of the population (such as clandestine immigrants and university students). As regards commercial activity and services there is a change in the offer coherent with the social metamorphosis of the residents in the historical centre. Rarefaction of residents and those traditional commercial activities brings about a reduced overall quality in the public areas, in terms of social control of individual behaviour and the touristic attractiveness for purchasing;
- c. risk that, alongside these commercial and artisan activities, often economically marginal and run by non EEC residents, commercial activity run by international franchising operators will spread with chains that lack local identity but are able to afford the high rents of the top locations of the historical centres of the cities. In other words, there is the possibility that in the historical centres a bi-polar model will be created, similar to that in anglo-saxon countries, where alongside marginal shops, run by immigrants (which are often open 24 hours a day), there are a number of international franchising companies lacking in historical identity and roots as regards the city centre.

In short, the historical centres of many Italian cities risk entering into a “no win” situation, where there is a reduction in the number of residents and, in some cases, their substitution with individuals of lower purchasing capacity, causing the subsequent reduction in the number of shop keepers and artisans which in turn creates a situation of many buildings remaining empty (funds aimed at commercial activity, etc.) or, on the one hand, those less desirable locations being rented to new non EEC workers or on the other hand the best locations being rented to the banks, insurance companies or international franchising companies.

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