

BARSERVICE

Towards smart bargaining in the commerce sector in Italy

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Executive summary

This report reviews key trends and challenges in Italy's commerce sector and explores the current state of collective bargaining.

Key trends

The Italian commerce sector is characterized by a well-established collective bargaining system, with significant coverage across the sector. However, there is a growing concern over the use of contracts signed by yellow unions, which could lead to wage dumping and undermine fair labor practices. The increasing role of decentralized bargaining at the company and territorial levels is also becoming more apparent as a response to the sector's diverse needs.

Collective Bargaining Structure

The collective bargaining system in the commerce sector operates on a multi-level structure. National agreements cover a large part of the workforce, but social partners would like to further implement decentralized bargaining to better respond to the specific needs of individual territories and businesses.

Key Challenges

The sector faces several challenges, including expansion of agreements signed by non-representative unions. These issues contribute to wage dumping and undermine the integrity of collective agreements. Additionally, there is a low unionization rate, which limits the bargaining power of workers and complicates the negotiation process. Another challenge is the slow renewal of collective agreements, which can lead to gaps in workers' protection, especially in times of economic uncertainty.

Path Forward

To address these challenges, several measures are recommended. First, it is crucial to limit the influence of yellow unions and ensure that only representative unions sign collective agreements. Legislative intervention may be necessary to safeguard the integrity of collective bargaining. Second, efforts should be made to strengthen the culture of negotiation, including increasing union presence within companies and promoting the benefits of collective bargaining at all levels. Simplifying bureaucratic processes and improving enforcement of labor laws will also be critical in combating irregular work.

Conclusion

The future of collective bargaining in Italy's commerce sector depends on strengthening



the representativity of social partners, improving bargaining flexibility, and enhancing the overall welfare system. Legislative and organizational reforms are needed to ensure that collective agreements continue to meet the evolving needs of the sector while preserving workers' rights and improving working conditions. By addressing these key challenges, the sector can foster a more equitable and efficient labor market.

I. Methodology

This report has been drafted through the conduction of desk and field research. The desk research was carried out through the consultation of scientific and grey literature on the topic of collective bargaining, together with statistical data concerning employment trends in the Italian commerce sector.

The field research was instead carried out through the conduction of two online interviews – one involving an Italian national-level trade unionist active in the commerce sector¹ [R1], the other involving a national-level representative of the largest employer association in the sector² [R2]. The choice of the interviewees aims to reflect the different points of view of national-level social partners on the topics of the Report.

The interviews have been carried out in Italian, and the translation of the quotes has been freely conducted by the author of this Report.

II. Sector identification and trends

The Commerce sector has the highest number of workers in Italy. The Italian National Statistical Institute (ISTAT), in its classification of economic activities, includes wholesale and retail together with the motor vehicle and motorbike repair sector. According to this classification, 3.476.050 workers are employed in commerce, retail trade, repair of motor vehicles and motorbikes out of 18.644.421 workers in the private sector, excluding domestic workers (ISTAT, 2025b).

This figure has remained relatively stable over the past decade, with 3.381.221 workers reported in 2013 (ISTAT, 2025b). As of 2023, the sector included 1.023.785 companies (ISTAT, 2025a), most of which are very small, averaging just 3.4 workers per company.

In Italy, the commerce sector is distinctly divided into retail and wholesale trade. In 2021, retail trade consisted of 540.816 businesses, with 167.708 operating in the food sector and 373.098 in the non-food sector. These segments employed 748.172 and 1.063.185 workers, respectively, with an average of 4.5 workers per company in the food sector and 2.8 in the non-food sector (ISTAT, 2023). Wholesale trade, by contrast,

¹ The three main trade union federations active in the Italian commerce sector are Filcams-CGIL, Fisascat-CISL, Uiltucs-UIL.

² Confcommercio Imprese per l'Italia.

encompassed 373.289 businesses at the end of 2021, employing a total of 1.166.702 workers (ISTAT, 2023). The sector's total turnover reached €1,218.7 billion in 2022 (ISTAT, 2025c), marking a 4.7 percent increase compared to the same period in 2021 (ISTAT, 2023).

In terms of collective bargaining, national agreements are classified by the National Council for Economics and Labour (CNEL). Currently, the Tertiary, Distribution and Services sector is covered by 242 agreements, a significant increase from just 58 in 2018.

The two interviewees highlighted several notable aspects of work in the commerce sector, such as a strong female presence, limited opportunities for career advancement, and an increasing reliance on part-time and fixed-term contracts to meet the flexibility demanded by both sales outlets and consumers. Artificial intelligence systems are also being used to schedule working hours. Over time, the organization of work has undergone significant changes. The rise of online sales has challenged traditional retail, prompting even small businesses to establish online sales channels (e-commerce).

III. Current state of collective bargaining

The Italian collective bargaining framework operates as a multi-level system, involving negotiations at both sectoral and territorial/company levels, while maintaining a centralized structure (Leonardi and Pedersini, 2018). In alignment with this model, the Italian commerce sector is governed by various sectoral-level collective agreements.

The structure of the commerce sector traces back to the Interconfederal Agreement between Confindustria and the trade unions CGIL, CISL, and UIL on November 24, 2016. This agreement established a dual level bargaining system, encompassing both national and decentralized negotiations, the latter of which can take place at either the territorial or company level.

“National collective agreements have a central role and guarantee universal protections for all companies, large and small. However, we also have the possibility of developing second-level, company or territorial bargaining to manage local specificities, such as seasonality in the tourism sector.” [R2]

The coverage of national collective bargaining is very high. According to interviewee R2, it encompasses 93% of workers and 85% of companies. However, company-level bargaining is present in only 5% of firms. In contrast, interviewee R1 estimates the prevalence of decentralized bargaining (both company and territorial) at 40%.

There is also a significant difference between large commercial groups and small retailers: in the former, company-level bargaining often complements national and



multi-employer agreements, whereas in the latter, territorial bargaining is more common but exhibits strong disparities between northern and southern Italy.

Currently, 242 national collective agreements are in force in the commerce sector, but only 22 apply to more than 10.000 workers. The most widely applied contract in the sector, the National Collective Agreement for the Tertiary, Distribution, and Services Sector (CCNL Terziario, Distribuzione e Servizi), covered 2.428.348 workers in 2023. The second most applied contract, the National Collective Agreement for Public Establishments and Catering (CCNL Pubblici Esercizi, Ristorazione), and the third, the National Collective Agreement for Tourism (CCNL Turismo), were applied to 670.428 and 578.488 workers, respectively, in 2023.

“The national collective agreements signed by the comparatively most representative national trade union associations maintain broad contractual coverage; however, contractual dumping phenomena are increasingly occurring, especially in specific geographical areas of the country (Puglia, Campania and Sicily).” [R1]

Generally speaking, the actors involved in bargaining have been the same for years and the power relations have not changed in structure.

“The employers' associations negotiate through ad hoc committees, with the task of facilitating negotiations, proposing new solutions on production and economic issues. The delegations of trade union organizations, on the other hand, consist of the national secretariat and statutory bodies such as the national executive committee, consisting of all the regional secretaries.” [R1]

New organizations, both union and employer associations, are emerging; however, their level of representativeness remains unclear. These organizations have never called for strikes and have not provided transparency about their bargaining activities prior to signing agreements. Their contracts often include economic and regulatory provisions significantly inferior to those of the leading agreements in the sector.

“We see an increasing spread of minority contracts, which offer lower conditions, especially in southern Italian regions, where these contracts can cut costs by up to 30% compared to national ones. This unfair competition represents a significant challenge for collective bargaining. To address this issue, it is crucial to strengthen the agreements reached between social partners, potentially through supportive legislation to ensure their enforceability and effectiveness.” [R2]

A key strength of collective bargaining in the commerce sector lies in the development of contractual welfare provisions, including supplementary pensions, integrated

healthcare, and training programs. This is complemented by the strong presence of well-established bilateral bodies, which play a vital role in supporting and enhancing contractual welfare by offering additional services and benefits. These include training initiatives aimed at promoting greater job stability and measures related to health and safety (ADAPT, 2022).

“Bilateral bodies, both national and regional/provincial, play a crucial role in providing support and services to workers in the commerce sector. The Confcommercio system has allocated significant resources, amounting to approximately one million euros, to organize territorial meetings and provide support to companies purchasing personal protective equipment and other products needed to address the pandemic emergency.” [R1]

IV. Challenges to collective bargaining

When the interviewees were asked about the main challenges facing the sector, they gave two different responses. The employer representative [R2] identified the spread of minority contracts as the primary challenge, while the union representative [R1] pointed to the low unionization rate and the limited bargaining power of unions as the key issues. However, both interviewees agreed that it is necessary to strengthen collective bargaining at the company and territorial levels. This would allow for more flexible solutions tailored to the needs of local retailers and help combat the phenomenon of contractual dumping. Company-level bargaining also offers the opportunity to enhance the productivity of individual businesses and provide favorable economic treatment for workers in those companies. To promote decentralized bargaining, the employer representative suggests reducing the costs associated with productivity.

With the recent labor law reforms, collective bargaining has been able to negotiate the conditions for using fixed-term contracts, introducing specific reasons for their use, some of which can also be negotiated at the company level.

Working hours can also be subject to company-level bargaining, allowing for greater flexibility in scheduling. On one hand, this benefits employers, as they can use labor without resorting to overtime or supplementary hours, which are more costly. On the other hand, it requires careful attention from the unions. The workers' representative, for instance, views positively the recent change in the minimum part-time hours, increasing it from 18 to 20 hours with the latest contract renewal. The fact that the law has granted collective bargaining more flexibility in regulating certain matters (such as working hours and fixed-term contracts) is seen positively:

“The law should allow more freedom for collective bargaining to find specific solutions within different sectors.” [R2]



A significant weakness, however, is the delay in renewing collective agreements. The delays in renewals have been persistent and chronic. Throughout 2024, many of the collective agreements in the commerce sector were renewed. The most widely applied agreement was signed after it had expired in 2019 (Altilio and Dalla Sega, 2024), as was the one for large-scale organized distribution (Chirico, 2024). In these cases, the social partners attempt to mitigate the loss of purchasing power by introducing a "contractual vacation allowance" clause, which is a salary increase based on consumer price indices.

"In the latest contract, we introduced a provision that imposes a burden on companies if negotiations extend beyond what is reasonable or bearable. This could help facilitate reaching an agreement, as companies would be compelled to pay, as an advance on future contractual increases, a portion of the inflation measured by the rise in imported energy prices." [R1]

Other challenges include irregular work, which is widespread in Italy in general and in the commerce sector, given its size and the strong presence of small businesses. However, there are signs of optimism:

"The data from the Labor Inspectorate show an improvement in trends. A positive factor is that younger generations are more aware of the importance of having a regular employment relationship. To further improve the situation, it would be helpful to simplify bureaucracy and make the hiring requirements more understandable. Inspections should focus on actual violations, rather than on unnecessary formalities." [R2]

On potential solutions, R1 emphasizes the role of the union:

"Rather than calling for more labor inspectors, it would be necessary to bring more union representatives into companies." [R1]

V. Towards Smart Bargaining

Considering the sector's issues and challenges, smart bargaining in the commerce sector is that which is signed by social partners who genuinely reflect the interests of all parties involved, meeting their expectations and, most importantly, improving working conditions. To achieve this, the timing of negotiations must be at the forefront of the discussion, ensuring that bargaining is timely, responsive to current needs, and provides wages that are adequate for the cost of living.

"Looking back, the pandemic, inflation, and the war in Europe have had a significant impact on the timing of negotiations. Under normal conditions, the regularity of renewals is crucial."

[R2]

For collective bargaining to be intelligent, the union representative states that it is necessary to understand the internal procedures of the trade unions. There is no need to create new unions:

“The existing trade unions are the most scalable organizations in Italy. [...] A worker who wants to contribute to renewing the union needs to do one thing: join the union and be active within it. As long as those who want to renew the union stay outside of it, they will never succeed, because their opinions and views will have no influence. [...] These organizations exist, and anyone with new ideas, anyone who is a proponent of change, even radical change, needs to do just one thing: participate. Those who want to change the unions, rather than destroy them, would do well to mobilize and contribute their efforts.” [R1]

Regarding the relationship between law and collective bargaining, the principle is upheld that collective bargaining cannot derogate in a negative way from legal provisions, meaning it cannot reduce protections. However, recently, the Italian legislature has introduced an exception to this rule. Article 8 of Decree-Law No. 138/2011, as converted into Law No. 148/2011 and titled "Support for decentralized collective bargaining," legitimizes, based on both objective and subjective criteria and requirements, company and territorial collective agreements to deviate “in pejus” from both national bargaining and legal provisions in compliance with the fundamental constitutional, European, and international principles and norms.

According to the interviewee R2, it is also necessary for the union to take on greater responsibility and engage in negotiations that deviate from the law when needed. The interviewee believes that this is where the union can show more courage:

“Bargaining is demanding and requires responsibility, but sometimes we see ideological resistance that prevents us from addressing certain issues courageously.” [R2]

Both interviewees agree that the law must recognize spaces of autonomy for collective bargaining. However, given the low unionization rate in recent years and the fact that the interests of the social partners are in conflict, the union representative argues that it is also necessary to develop and strengthen the culture of negotiation in society and raise awareness about the benefits of collective bargaining. This is especially important as there are no differences in collective bargaining coverage between unionized and non-unionized workers in Italy.

Regarding the coverage of collective bargaining, although it is not at 100%, it remains very high. However, for bargaining to be intelligent, it must be representative. On this matter, both Italian social partners (employers and workers) are currently strongly calling for legislative intervention to reform representation and prevent unions that are

not genuinely representative from signing collective agreements (Mascini).

VI. European Perspectives

When the interviewees were asked how the European Union could contribute to intelligent bargaining, the suggestion from interviewee R1 was to rely on European trade union associations to conduct informational campaigns in local areas to better explain the benefits of collective bargaining. Additionally, while there can be cooperation at the supranational level, the specific economic and productive characteristics of each country must be taken into account.

Given the broad coverage of collective bargaining in Italy, particularly in the commerce sector, the Directive on Adequate Minimum Wages has not yet had any impact on the Italian commerce sector. Furthermore, Italy does not have a statutory minimum wage, meaning several provisions of the Directive cannot be applied in the country. Currently, two of the three largest Italian trade unions (CGIL and UIL) support the introduction of a legal minimum wage, while CISL opposes its introduction, instead advocating for a dominant role for collective bargaining.

VII. Conclusions

In conclusion, the interviews reveal that industrial relations in the commerce sector are holding up well and enjoy strong collective bargaining coverage. A key concern, however, is the need to avoid the excessive use of contracts signed by yellow unions, which can lead to unfair wage dumping. To address this issue, the social partners agree on the need for legislative intervention to ensure that only genuinely representative unions sign collective agreements, thus preventing a race to the bottom in labor standards. In this context, collective bargaining must be "smart," meaning it must adapt quickly to changing circumstances, ensuring that wages and working conditions are aligned with the cost of living while balancing the needs of both workers and employers. The interviewees also emphasize the importance of strengthening the culture of negotiation: company-level bargaining, for instance, can be a key mechanism for creating more flexible, targeted solutions that meet the specific needs of retailers and workers in various territories. One of the main opportunities identified is the development of contractual welfare, which is a strength for the sector, including elements like supplementary pensions, integrated health care, and training programs. These elements not only improve job stability but also strengthen social cohesion within the sector.

However, challenges remain. Informal work and the widespread use of collective agreements signed by non-representative unions pose a serious threat to the cohesion

of the collective bargaining system. These practices undermine the effectiveness of collective agreements and erode trust in industrial relations. In this sense, more transparency and better enforcement of regulations are needed.

Finally, collective bargaining should also be supported at the supranational level. European trade unions could play an important role in informing and raising awareness in local areas about the benefits of collective bargaining, though they must also take into account the economic and productive specifics of each country. While the EU's Directive on Adequate Minimum Wages has not had a direct impact on Italy's commerce sector, it is clear that stronger cooperation at the European level could provide a regulatory framework that enhances the bargaining power of social partners, while still preserving the autonomy and specificity of national and territorial agreements.

In summary, the future of collective bargaining in the Italian commerce sector depends on the ability of social partners to address challenges with an innovative and responsible approach. Legislative measures to support union representativity, the promotion of decentralized bargaining, efforts against informal work, and the strengthening of contractual welfare are key elements to ensure that collective bargaining remains an effective tool for improving working conditions and strengthening the sector as a whole.

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