**KEEP GM! AND THE FUTURE OF REPRESENTATION IN EUROPE**

**VITTORIO DE LUCA**

**MANAGING PARTNER - DE LUCA & PARTNERS**

Mr. Hollister’s experience in Lancing involves the interaction of many factors such as Trade-Unions, workers, Universities, local and national institutions and even the church that the Mayor has mobilised in order to keep GM in town.

David Hollister, the distinguished mayor of Lansing, has been able to catalyze all available energies, and to get all parties to focus and cooperate on a long-term strategy. However, this paper merely focuses on the trade-union aspects of the so-called “Keep GM!” case.

In particular, the case rises the following questions:

1. is the Keep GM project still topical in 2016?
2. would the GM experience be applicable in Europe and in Italy?
3. are there specific cases in Italy that are comparable with the GM case?

In order to provide appropriate answers to the above questions, we shall necessarily be making reference to the present legal framework in Europe and in Italy: we shall focus on Member States’ legislation, and specifically to recent trends in France and Germany, and to the Italian legislator’s attitude towards encouraging cooperation among social parties.

Finally, we shall briefly outline certain similarities and differences between the GM case and FIAT’s Fabbrica Italia investment program.

1. Is the Keep GM! project still topical in 2016?

In 1997, David Hollister, the mayor of Lansing, succeeded in keeping all of the town’s social actors united, when he got GM’s management to reconsider its decision to produce in low cost countries, and to decide to maintain production in Lansing. The trade unions and the workers, in turn, agreed to look at their achievements and rights from a different perspective.

As a matter of fact, Mr. Hollister has managed to make the trade unions and the workers understand that a new approach to employment protection was required, based on the protection of employees in the name of the company’s broader collective interest, rather than on the protection of workers’ specific individual interests.

The Keep GM project is definitely still topical in 2016.

Nowadays, globalization, the economic crisis and incoming industry 4.0 and new technologies, oblige employers and unions to establish new ways of protecting the interests of the respective stakeholders.

Trade unions are increasingly being required to abandon their previous ideological stances and to move in daring new directions which do not necessarily mean renouncing those employee entitlements gained over the course of 100 years, as in the case of GM.

In this respect, the General Motors experience is an emblematic example of the above.

The “Keep GM” experience clearly shows us how society can deal with economic crisis and create an environment permitting companies to reconsider the low-cost countries option, to invest rather than disinvest, and to hire personnel.

1. Would the GM experience be applicable in Europe and in Italy?

In order to answer the above questions, we will offer a brief overview of the legal framework encouraging social dialogue in the EU.

Social dialogue, in fact, is a key factor within the EU.

*Lisbon Strategy*, the program adopted in 2000[[1]](#footnote-1) in order to achieve social inclusion and productivity, expressly recalled social dialogue as a fundamental tool of implementation[[2]](#footnote-2).

Furthermore, *Europe 2020*, the ten-year strategy adopted by European institutions, aimed at a “*smart, sustainable, inclusive growth*”[[3]](#footnote-3), lays down the guidelines for the policies Europe wants to improve in order to fight the social blight of unemployment.

In this program, social dialogue is considered to be a fundamental means by which the Commission and the European Council can pursue both growth and employment. Europe 2020 is clear: the European goals of smart, sustainable, inclusive growth cannot be pursued without the cooperation of the parties concerned at company level.

In fact, as the 2014 European Commission Report on industrial relations states, “an industrial relations system based on social dialogue is the cornerstone of the competitive social market economy that inspires the European social model”[[4]](#footnote-4).

In EU “language”, the expression “social dialogue” has several meanings, as expressed in the final draft of Articles 151-155[[5]](#footnote-5) of the Treaty on the Functioning of the European Union (2007, “TFEU”) following the 2007 Lisbon Treaty . The aforesaid articles contain the previous provisions aimed at encouraging social dialogue laid out in the 1986 Single European Act. The provisions of articles 151-155 of the TFEU help us to define the broad meaning of social dialogue in the EU.

Social dialogue can be said to **denote** i) **discussions,** ii) **consultations,** iii) **negotiations and** iv) **joint actions undertaken by the organizations representing, respectively, management and labour at European level**.

The above is consistent with the conclusions of Maryanne Thyssen contained in the 2014 Report on Industrial Relations: “countries with strong social dialogue institutions are among the EU’s best performing and most com­petitive economies, with a better and more resilient social situation. Social partners can identify balanced and tai­lor made policy solutions in response to complex socio-economic developments”.[[6]](#footnote-6)

According to the provisions of the EU’s treaties, social dialogue can play two different roles in the adoption of the EU’s policies:

1. Social parties can play an **advisory role, taking a proactive part in the legislative process concerning economic and social issues**. In fact, article 154 of the TFEU (Treaty on the Functioning of the European Union - 2007) states that “*the Commission shall have the task of promoting the consultation of management and labour at Union level and shall take any relevant measure to facilitate their dialogue by ensuring balanced support for the parties. To this end, before submitting proposals in the social policy field, the Commission shall consult management and labour on the possible direction of Union action”.*
2. Social dialogue also refers to the **voluntary, independent means by which the social parties offer European legislators their views, leading to the stipulation of “autonomous agreements” in certain sectors.**

For example, social parties at EU level have stipulated:

* the framework agreement on teleworking of 16 July 2002 (implemented in Italy in the form of the “*Accordo Interconfederale*” of June 9, 2004)[[7]](#footnote-7) and
* the voluntary agreement on work-related stress of 2004 (implemented in Italy in the form of the “*Accordo Interconfederale*” of June 9, 2008).[[8]](#footnote-8)

Both such agreements are examples of autonomous social dialogue, since they have been stipulated autonomously by social parties, without the intervention of European institutions. (art. 155 TFEU).[[9]](#footnote-9)

Moreover, many of the directives adopted by the EU Commission over the last twenty years have encouraged social dialogue:

* Directive 2009/38/CE on European Works Councils[[10]](#footnote-10) sets a general rule regarding Community-scale undertakings and groups of undertakings: all decisions concerning workers should be adopted together, on the basis of the dialogue between the employer and the trade unions in the European Works Councils. In particular, articles 4 and 5 of the directive establish that “*the central management shall be responsible for creating the conditions and means necessary for the setting-up of a European Works Council or an information and consultation in a Community-scale undertaking and a Community-scale group of undertakings. The central management shall initiate negotiations for the establishment of a European Works Council or an information and consultation procedure on its own initiative or at the written request of at least 100 employees or their representatives in at least two undertakings or establishments in at least two different Member States*.”

**At present the Work Councils are proceeding in the right direction, by involving the social partners in a process of communication, cooperation and interlocution.**

* According to Directive no. 2001/23/EC on the **transfer of undertakings directive**, before the process is completed the social partners concerned are obliged to meet and cooperate together in order to find a compromise solution to the crisis. For this reason, directive 2001/23/EC has introduced **information and consultation procedures in order to encourage trade unions and employers to sit together and communicate about all potential situations that may emerge regarding the life of the company**. According to article 7 of the directive “*the transferor and transferee shall be required to inform the representatives of their respective employees affected by the transfer of the following: the date or proposed date of the transfer, the reasons for the transfer, the legal, economic and social implications of the transfer for the employees, any measures envisaged in relation to the employees*”. Moreover “*where the transferor or the transferee envisages measures in relation to his employees, he shall consult the representatives of this employees in good time on such measures with a view to reaching an agreement*.”
* In the occasion of a collective redundancy, article 2 of directive 98/59/EC states that “*where an employer is contemplating collective redundancies, he shall begin consultations with the workers' representatives in good time with a view to reaching an agreement*”.

**All these examples confirm that EU legislators believe that the dialogue between trade unions and employers must be promoted and encouraged.**

As an initial conclusion, **the EU can be said to offer social partners all the instruments they need to facilitate their dialogue towards cooperation, especially in a crisis situation**.

This is not all, however.

“In recent decades, collective bargaining in the EU has been characterised by a continuing shift towards decentralised forms, with the company level gaining prominence vis-à-vis the sector and cross-industry level.“[[11]](#footnote-11)

In fact, the European Union has encouraged the decentralization of collective bargaining agreements and has promoted second-level agreements as the correct ones for cooperation among social partners.

At EU level, a policy-making trend has in fact merged whereby labour policies are no longer to be carried out at a national and sector-based level. According to this new direction, decentralized bargaining - rather than national and centralized level bargaining - should be the route taken for the purpose of labour policy implementation.

The evolution of employees’ skills, and the diverse nature of individual productive units, have increasingly highlighted the limits of the national collective agreements widely used throughout Europe, which increasingly reveal limitations with regard to enabling corporations to compete and excel.

Thus, company-level bargaining appears to be the most appropriate means of achieving the objectives pursued by both employees and employers.

For this reason, in recent years the European Union, together with many EU countries, has encouraged company agreements as a means to improving social cohesion.

The need to encourage social partners to cooperate closely has also been underlined in several European Commission communications, for example COM (2013) 362[[12]](#footnote-12), COM (2015) 272[[13]](#footnote-13), and so on.

The general trend towards decentralization, encouraged by Europe, can be seen both in the German and French context.

* France was traditionally characterized by a centralized industrial relations system. However, following EU recommendations there has clearly been a recent trend towards decentralization. Since 2008, when a law regarding representation of trade unions was implemented, works councils have been empowered to negotiate and sign collective agreements. Furthermore, company agreements in France can now depart from law and from national agreements in regard to specific matters concerning the organization of work.
* Germany has always been characterized by the massive presence of collective bargaining agreements at Lander level. However, at company level it is possible to stipulate collective company agreements regarding pay and other conditions of employment. **Under the German legal system, social partners are encouraged to cooperate at company level in order to better respond to the productive demands of the undertaking concerned**.[[14]](#footnote-14)

What about Italy?

Nation wide-sector bargaining remains the most widespread form of negotiation in industrial relations in Italy[[15]](#footnote-15). According to 2015 OECD data, the coverage of collective bargaining is about 80%, which is in line with statistics in countries with similar unionization rates (Denmark, Sweden, Norway) and those which, despite lower rates (France, Spain)35, feature extension of the legal effects of agreements.

However, as a rule second-level collective agreements have been entered into in order to regulate specific situations at company level.

Up to January 2009, the relationship between national collective agreements and company collective agreements, was essentially based on the impossibility of corporate rules establishing pejorative clauses.

The Interconfederal Agreement of January 2009 saw the start of a change in the relationship between the two levels of collective bargaining.

Under the Interconfederal Agreement of January 2009, in fact, the parties concerned aimed to make company collective labour agreements more effective and more important by enabling corporate agreements to modify, even “*in peius*”, those provisions established at a national level.

However, the scope of the aforesaid agreement was quite narrow, and in any case the rules were applicable only to those players who were party to the Interconfederal agreement itself.

Another step towards the decentralization of collective bargaining was taken with the Interconfederal agreement entered into by all national trade-union confederations on June 2011.

So, in recent years the trend has been one of the increasing importance of decentralization in Italy as well. In the light of the above, the purpose of recent Italian labour policies are understandable.

The tendency towards decentralization, in fact, has been encouraged by Italian legislators through the implementation of two important provisions: Decree Law no. 138/2011 (converted into Law no. 148/2011) and, more recently, Law no. 183/2014 (the so-called, “Jobs Act”).

**Article 8 of Decree Law no. 138/2011 (converted into Law no. 148/2011).**

Article 8 of Decree Law no. 138/2011, entitled “*Sostegno alla contrattazione collettiva di prossimità*”, concerns “support to proximity bargaining”.

The provision provides that through company-level trade union agreements, employers and works councils may agree on provisions which are less favorable for the employees concerned than those provided for by the NCBA or even by law.

The above is conditional on the employer “pursuing the aims of increasing jobs, furthering the quality of labour contracts, adopting schemes for workers’ participation in the business, encouraging the detection of undeclared working, increasing competitiveness and wages, dealing with corporate and employment crises, and pursuing investments and the start-up of new activities”.

Thanks to this provision, decentralized bargaining is no longer purely supplementary to national collective agreements, and in fact has acquired an unprecedented centrality and power.

**Legislative Decree no. 81/2015, implementing Law no. 183/2014,**

The 2015 radical reform of Italian Employment law, known as the Jobs Act, has introduced, among other things, a new relationship between the law and collective bargaining, and between national collective agreements and company agreements.

Article 51 of Decree 81/15 does not link the reference to company agreements to occupational goals or other specific objectives, as was the case under article 8 of the previous Decree Law. Conversely, article 51 of the Jobs Act is a general provision legitimating the status of company agreements without subordinating their use to the pursuit of specific purposes.

Therefore, the Jobs Act, through this reference to collective agreements in general, officially grants collective national bargaining agreements and company agreements the same level of authority, which is a real revolution since until it was implemented, the general principle was that company agreements could never be less favorable for employees than the corresponding National Collective agreements.

Furthermore, the aforementioned Decree 81/15 provides for a number of cases – such as part-time working - where the applicable rules are established by those trade-union agreements signed, and only if no such agreement applies, shall the provisions of law apply.

Examples of the above include the direct establishment of the rules governing part-time work, trial periods, on-call jobs and temporary employment contracts, etc.

Thus the current trend towards decentralization is very strong in Italy as well as in other European countries. This trend results in an experience of social dialogue designed to pursue the best possible outcome for both company and society.

1. Are there specific cases in Italy that are comparable with the GM case?

A significant and meaningful case somehow comparable to the GM case witnessed in Lancing in 1997 is the recent unions negotiation that Fiat Chrysler Automobiles faced in Italy in 2010.

Like GM in the 1990s, the company was facing the threat of globalization and the 2008 world crisis, and needed to increase productivity levels.

In April 2010, Fiat officially presented the project “Fabbrica Italia” to the Italian press and trade unions.

The name of the project itself reveals FIAT-Chrysler’s aim of maintaining production in Italy.

Fabbrica Italia was clearly inspired by the following strategy: FIAT would not delocalize the production and close the plants in Italy subject to a substantial increase in the productivity of the Italian establishments at Mirafiori and Pomigliano. FIAT set out this project in the following terms: the company would invest 20 million euro over 5 years and double the number of cars produced in the concerned plants, in return for the expected necessary increase of actual productivity and efficiency.

In order to achieve the targets set, FIAT needed some flexibility not allowed by the National Collective Bargaining Agreement (NCBA) and to enter a new company unions agreement providing for and increase of work responsibility of the employees, as required by the new production and organization method that were about to be implemented in the concerned plants.

For FCA, the NCBA was an obstacle either to the realization of such objectives - since it created a levelling in the labour conditions applicable to any manufacturing company - either to the implementation of the World Class Manufacturing model in the Group’s plants worldwide.

When faced with the choice between delocalization and reconsidering historically consolidated rights, the trade unions – or at least some of them - decided in the end to carry on a fair negotiation and to enter into the aforementioned company agreements, in line with the needs of FIAT and at the same time defending the employee’s rights.

The company agreement at Pomigliano, signed in 2010, has brought about a revolution in the regulation of working hours: at Pomigliano, production is non-stop 24 hours a day, 6 days a week. This revolution has involved the reorganization of work, and overtime is now compulsory. A new rostering methodology and a new regulation of night shifts have been introduced; workers must take part in a process of life-long learning. The company is entitled to prevent absenteeism, and unions’ rights are now regulated by collective bargaining.

The cooperation of the unions has been encouraged by the decision of the company to increase productivity through the offer of substantial new investment.

In the end, and despite the ideological contrapositions, the parties signed a company agreement designed to guarantee occupational goals and to maintain production in Italy and - as in the case of GM in the 90’s - to set up the conditions to allow new chances for the future of the plants in Italy.

Though the Fiat case is very recent, as already mentioned, since then, a wide reform has been implemented and Italian labour law has become even more flexible, introducing new provisions allowing the social parties to agree on specific rules to be applicable to a single plant or company.

The law framework has then become even more flexible and appropriate for unions negotiation, in full compliance to Article 154 TFEU and with the Lisbon Strategy set out in 2000 which articulated the new strategic goal for the EU: ‘to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion’.

The only outstanding key point remains the availability of the social parties to comprehend each other and to hardly operate in the direction of possible solutions allowing the companies to become competitive and the employees rights preserver.

1. The Lisbon Strategy, also known as the *Lisbon Agenda* or *Lisbon Process*, is an action and development plan for the European Union. It was originally set out by the Lisbon European Council of 23-24 March 2000 which articulated a new strategic goal for the EU: ‘*to become* ***the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion****’*. The Lisbon Strategy aimed to deal with the low productivity and stagnation of economic growth in the EU, through the formulation of various policy initiatives to be taken by all EU Member States. [↑](#footnote-ref-1)
2. Articles 154 of the Treaty on the Functioning of the European Union: “**The Commission shall have the task of promoting the consultation of management and labour at Union level and shall take any relevant measure to facilitate their dialogue by ensuring balanced support for the parties**. **To this end, before submitting proposals in the social policy field, the Commission shall consult management and labour on the possible direction of Union action. […]”.** [↑](#footnote-ref-2)
3. In the midst of the economic crisis, Parliament has reiterated the fact that social dialogue is vital in order to achieve the employment targets set out in the EU 2020 Strategy (2009/2220(INI)). In January 2012, it stressed that, in focusing on fiscal consolidation, the Annual Growth Survey’s recommendations would hamper not only job creation and social welfare, but also social dialogue as such. Furthermore, in its resolutions on the 2014 European Semester cycle, Parliament once again stressed the importance of social dialogue and called for a reinforcement of the role of social partners in the new economic governance process. Regarding the economic adjustment programs in the countries most affected by the crisis, Parliament, in its resolution of 13 March 2014 on employment and social aspects of the role and operations of the Troika (ECB, the Commission, IMF) with regard to euro area program countries, stressed that the social partners at national level should have been consulted or involved in the initial design of programs. [↑](#footnote-ref-3)
4. Industrial Relations in Europe, 2014, Report of the European Commission. [↑](#footnote-ref-4)
5. TFEU**Article 151 (ex Article 136 TEC)**

   The Union and the Member States… shall have as their objectives the **promotion of employment**, **improved living and working conditions**, so as to make possible their harmonization while the improvement is being maintained, proper social protection, **dialogue between management and labour**, **the development of human resources with a view to lasting high employment and the combating of exclusion**.

   To this end the Union and the Member States shall implement measures which take account of the diverse forms of national practices, in particular in the field of contractual relations, and the need to maintain the competitiveness of the Union economy.

   They believe that such a development will ensue not only from the functioning of the internal market, which will favour the harmonisation of social systems, but also from the procedures provided for in the Treaties and from the approximation of provisions laid down by law, regulation or administrative action.

   **Article 152**

   The **Union recognises and promotes the role of the social partners at its level**, taking into account the diversity of national systems. **It shall facilitate dialogue between the social partners**, respecting their autonomy.

   The Tripartite Social Summit for Growth and Employment shall contribute to social dialogue.   
   **Article 153 (ex Article 137 TEC)**

   1. With a view to achieving the objectives of Article 151, the Union shall support and complement the activities of the Member States in the following fields:

   (a) improvement in particular of the working environment to protect workers' health and safety;

   (b) working conditions;

   (c) social security and social protection of workers;

   (d) protection of workers where their employment contract is terminated;

   (e) the information and consultation of workers;

   (f) representation and collective defence of the interests of workers and employers, including

   co-determination, subject to paragraph 5;

   (g) conditions of employment for third-country nationals legally residing in Union territory;

   (h) the integration of persons excluded from the labour market, without prejudice to Article 166;

   (i) equality between men and women with regard to labour market opportunities and treatment at work;

   (j) the combating of social exclusion;

   (k) the modernisation of social protection systems without prejudice to point (c).

   2. To this end, the European Parliament and the Council:

   (a) may adopt measures designed to encourage cooperation between Member States through initiatives aimed at improving knowledge, developing exchanges of information and best practices, promoting innovative approaches and evaluating experiences, excluding any harmonization of the laws and regulations of the Member States;

   (b) may adopt, in the fields referred to in paragraph 1(a) to (i), by means of directives, minimum requirements for gradual implementation, having regard to the conditions and technical rules obtaining in each of the Member States. Such directives shall avoid imposing administrative, financial and legal constraints in a way which would hold back the creation and development of small and medium-sized undertakings.

   The European Parliament and the Council shall act in accordance with the ordinary legislative procedure after consulting the Economic and Social Committee and the Committee of the Regions.

   In the fields referred to in paragraph 1(c), (d), (f) and (g), the Council shall act unanimously, in accordance with a special legislative procedure, after consulting the European Parliament and the said Committees.

   The Council, acting unanimously on a proposal from the Commission, after consulting the European Parliament, may decide to render the ordinary legislative procedure applicable to paragraph 1(d), (f) and (g).

   3. A Member State may entrust management and labour, at their joint request, with the implementation of directives adopted pursuant to paragraph 2, or, where appropriate, with the implementation of a Council decision adopted in accordance with Article 155.

   In this case, it shall ensure that, no later than the date on which a directive or a decision must be transposed or implemented, management and labour have introduced the necessary measures by agreement, the Member State concerned being required to take any necessary measure enabling it at any time to be in a position to guarantee the results imposed by that directive or that decision.

   4. The provisions adopted pursuant to this Article:

   — shall not affect the right of Member States to define the fundamental principles of their social security systems and must not significantly affect the financial equilibrium thereof,

   — shall not prevent any Member State from maintaining or introducing more stringent protective measures compatible with the Treaties.

   5. The provisions of this Article shall not apply to pay, the right of association, the right to strike or the right to impose lock-outs.

   **Article 154 (ex Article 138 TEC)**

   1. **The Commission shall have the task of promoting the consultation of management and labour at Union level and shall take any relevant measure to facilitate their dialogue by ensuring balanced support for the parties**.

   2. **To this end, before submitting proposals in the social policy field, the Commission shall consult management and labour on the possible direction of Union action.**

   3. If, after such consultation, the **Commission considers Union action advisable**, it shall consult management and labour on the content of the envisaged proposal. Management and labour shall forward to the Commission an opinion or, where appropriate, a recommendation.

   4. On the occasion of the consultation referred to in paragraphs 2 and 3, management and labour may inform the Commission of their wish to initiate the process provided for in Article 155. The duration of this process shall not exceed nine months, unless the management and labour concerned and the Commission decide jointly to extend it.

   **Article 155 (ex Article 139 TEC)**

   1. Should management and labour so desire, the dialogue between them at Union level may lead to contractual relations, including agreements.

   2. Agreements concluded at Union level shall be implemented either in accordance with the procedures and practices specific to management and labour and the Member States or, in matters covered by Article 153, at the joint request of the signatory parties, by a Council decision on a proposal from the Commission. The European Parliament shall be informed.

   The Council shall act unanimously where the agreement in question contains one or more provisions relating to one of the areas for which unanimity is required pursuant to Article 153(2). [↑](#footnote-ref-5)
6. Marianne Thyssen, Commissioner Employment, Social Affairs, Skills and Labour Mobility, Industrial Relations in Europe, 2014, Report of the European Commission. [↑](#footnote-ref-6)
7. On 16 July 2002 the European social partners ETUC (and the liaison committee Eurocadres-CEC), UNICE, UEAPME and CEEP signed a framework agreement on telework. This agreement was innovative in many regards, and opened up new perspectives for the European social dialogue as practised for the previous twenty years. The European social partners chose for the first time to implement their European framework agreement using their own means, under the procedures and practices specific to social partners and Member States, as provided for in article 139 paragraph 2 of the EC Treaty. [↑](#footnote-ref-7)
8. Framework Agreement on Work-related Stress, which the European cross-industry social partners concluded as an autonomous agreement in October 2004 under art 154-155 of the TFEU. [↑](#footnote-ref-8)
9. **Article 155 (ex Article 139 TEC)**, *ivi,* see note no. 5. [↑](#footnote-ref-9)
10. Council Directive 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees. [↑](#footnote-ref-10)
11. Industrial Relations in Europe, 2014, Report of the European Commission., p. 30. [↑](#footnote-ref-11)
12. [↑](#footnote-ref-12)
13. [↑](#footnote-ref-13)
14. Betriebsverfassungsgesetz (BetrVG)Section 77, Execution of joint decisions, works agreements

    (1) Agreements between the works council and the employer including those based on an award of the conciliation committee shall be executed by the employer save where otherwise agreed in particular cases. The works council shall not interfere with the management of the establishment by any unilateral action;

    (2) Works agreements shall be negotiated by the works council and the employer and recorded in writing. They shall be signed by both sides, except where they are based on an award of the conciliation committee. The employer shall display the works agreements in a suitable place in the establishment.

    (3) **Works agreements shall not deal with remuneration and other conditions of employment that have been fixed or are normally fixed by collective agreement. The foregoing shall not apply where a collective agreement expressly authorises the making of supplementary works agreements.**

    (4) Works agreements shall be mandatory and directly applicable. Any rights granted to employees under a works agreement cannot be waived except with the agreement of the works council. Such rights cannot be forfeited. Any time limits for invoking these rights shall be valid only in so far as they are laid down by collective or works agreement; the same shall apply to any reduction of the periods provided for the lapsing of rights.

    (5) Unless otherwise agreed, works agreements may be terminated at three months’ notice.

    (6) After the expiry of a works agreement its provisions shall continue to apply until a fresh agreement is made in respect of all matters in which an award of the conciliation committee may take the place of an agreement between the employer and the works council. [↑](#footnote-ref-14)
15. Bruno Caruso – Loredana Zappalà - The Evolving Structure of Collective Bargaining in Italy (1990-2004) [↑](#footnote-ref-15)