

Ph.D. dissertation title:

LABOUR REGULATION AND BUSINESS INNOVATION
Industrial relations within Italian Factory Outlet Centres

LONG ABSTRACT:

Trilateral regulation, based on relations among trade unions, employers (or their associations) and governments, is one of the main mechanisms of socio-economic regulation in Western countries since decades, as well as a cornerstone of the so-called European social model. Notwithstanding, work regulation without trade unions' involvement is an increasingly widespread reality, especially within innovative workplaces. This outcome gives credit to the "race to the bottom" and "globalization theories", which predict a general convergence towards a neo-liberal institutional setting, where there is no space for labour and work regulation is unilaterally set by firms.

To examine what underlies trade unions' inclusion or exclusion from regulatory processes, this research focuses on an innovative business like the Factory Outlet Centre, a huge retailing complex with almost one thousand workers, mostly shop assistants. Actually, from an Industrial Relations perspective, it might not be the appropriate unit of analysis to test trilateral regulation's survival, given that its features, like being a greenfield and a multi-employers workplace full of several micro-firms, are usually associated to labour's under-representation. But the context matters too, and here Italy is the setting of analysis, which is a particularly fitted context, because it shows an "organized" system of industrial relations, where labour representation is traditionally rooted. Moreover, Italian legal framework on commerce has been recently reformed, moving several competencies to regional and local administrations. Within this frame, field-work covers the whole population of the twenty Factory Outlet Centres present in Italy since their first arrival in 2000, then it deepens the dynamics surrounding eight Factory Outlet Centres evenly spread in four regions (Toscana, Emilia Romagna, Lombardia and Veneto), allowing the emergence of regional varieties, as the ones related to political sub-cultures.

The working hypothesis is that innovative businesses rely on new ways to coordinate socio-economic activities that, challenging the old features of regulation, allow the first-mover to act as a rent-seeker, unless involved entrepreneurs, politicians and trade unionists reach a new compromise. So there are only two kinds of actors, "first-movers" and "subordinates", and three kinds of actions, unilateral, negotiated and cooperative. As far as our case-studies are concerned, first-movers are entrepreneurs, who promote and develop retailing complexes such as Factory Outlet Centres, but also local governments, which hold the legal authority to give planning permissions and retailing licenses to make them operate. Instead, subordinate actors are trade unions, firstly worried about the way to reply to others' strategies.

Thanks to an extended review of policy documents, court rulings, local newspapers and twenty-two interviews, this research explains precisely (until December 2011) why in few

cases trade unions have been involved in the work regulation, while in the others such a triangulation has not been feasible, letting employers and local politicians set the rules. Indeed, a clear finding emerges from the empirical analysis. Whenever work regulation is decentralized at local level, employers and local administrators join together to exclude, unilaterally, trade unions from the deal, exchanging mutual favours and acting as perfect rent-seekers. On the contrary, insofar as a more centralized public actor actively intervenes, such as regional policy-makers or judges, the regulatory process accepts trilateral solutions, based both on negotiation or cooperation. In these cases, trade unions' involvement along with employers and local administrators leads to positive repercussions on workers' well-being without undermining companies' profitability.

A straightforward demonstration of this sort of 'dark side' of decentralization comes from the Sunday openings issue. On one hand, Sunday openings and the related extension of working time have been allowed by local government and then imposed to workforce by management through a peculiar instrument: the entitlement of "touristic cities" and its special legislation on retailing. On the other, whenever a regional control is still effective, the issue has been solved through an innovative form of industrial relations: collective bargaining at the "site" level, where the workers' counterpart is not their employer, usually a shop-keeper, but it is their workplace's manager, that is the Factory Outlet Centre's director. Here the deal is stroke because trade unions accept a flexible working time arrangement in return for compensations, like wage increases and a space for unions' local section.

The ways unions approached these innovative workplaces illustrate an Italian version of "trade unions' revitalization", which encompasses a mix of both organizing and servicing strategies. Indeed, site-bargaining does renovate unions' actions preserving their ability to mobilize workers, but at the same time its fragility clearly stands out, due to the need of an increasingly rare supportive state. Once said so, the spread of bilateral agencies, despite often judged as a unions' failure and a betrayal to their collective mission, might be the best results currently achievable, at least to keep some power to influence counterparts and institutions. It goes without saying that such a line of reasoning assumes that these two efforts, organizing and servicing, are not seen as mutual exclusive but, adequately set, self-reinforcing.

While this research zooms a narrow phenomena like Factory Outlet Centres, it also aims at contributing to the huge academic debate regarding institutional change, here interpreted in relation to regional models of industrial relations. Among the four regions under the spotlight, what observed in Toscana and Veneto proves a coherence with their institutional paths, respectively a neo-corporatist and a conservative one. Vice versa, evidence traced in Lombardia and in Emilia Romagna discloses an institutional change: a bit more labour-friendly in the former, given its pluralist point of departure, and a much less labour-friendly the latter, a counter-intuitive outcome considering its progressive tradition and its actual approach inspired to social dialogue.

The results open to further researches, specially on different workplaces within the context already considered, Italy, in order to confirm or to controvert such trends; as well as on different contexts but within the same workplace, Factory Outlet Centre, in order to find out similar or different outcomes. As demonstrated in this work, business innovation has strong implications for the future of trilateral work regulation, whose directions are not predictable, depending both on actors' strategies and institutional settings. Obviously, any further deepening of such mechanisms is welcomed.