

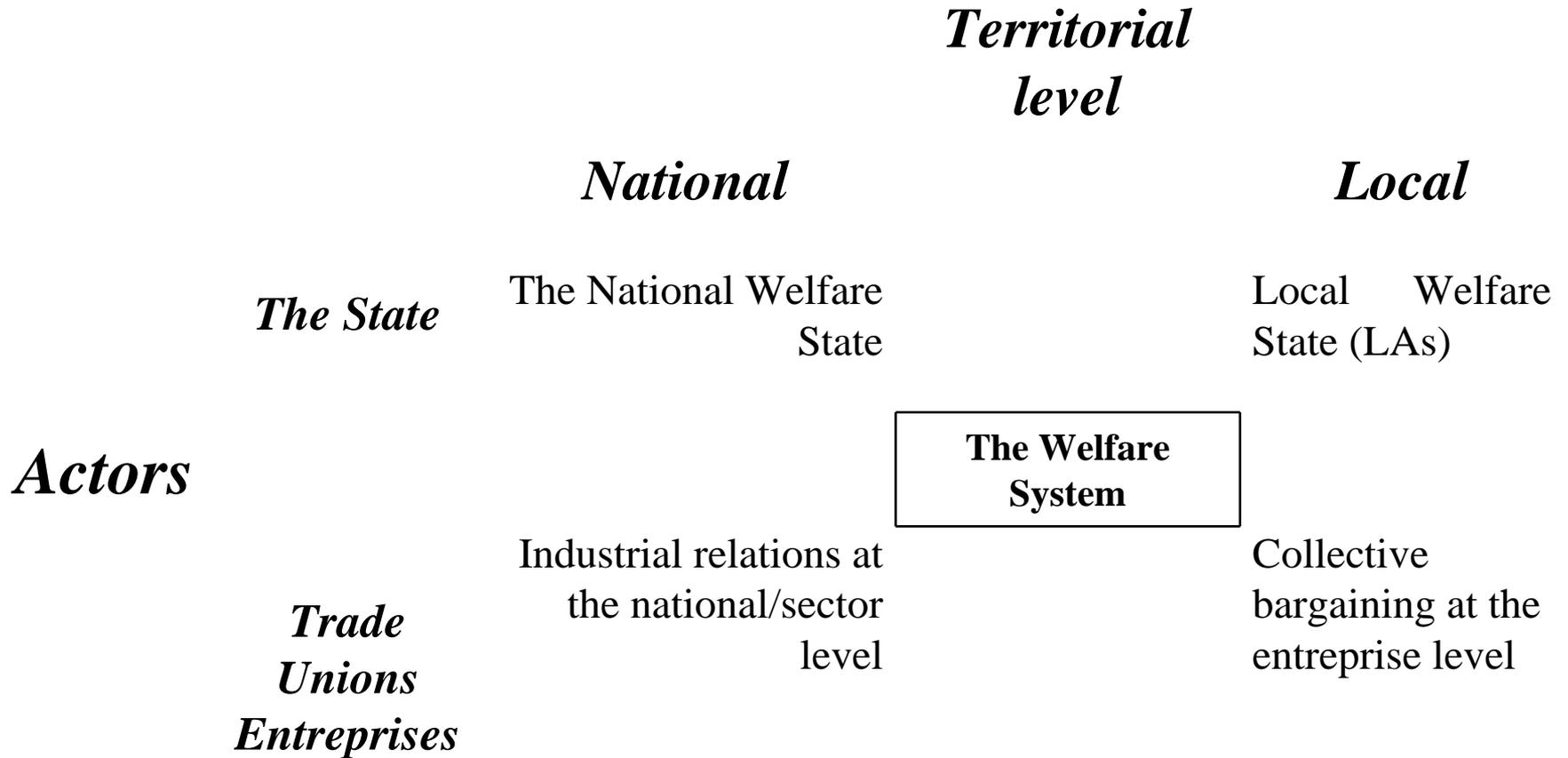
**WHAT FOLLOWS THE
PENSION CUTBACKS? THE
CHANGING ROLE OF SOCIAL
PARTNERS. LESSONS FROM
THE ITALIAN CASE**

Prof. Emmanuele Pavolini

The National Welfare State and the (new) role of the social partners

1. The main trends after austerity
2. The Italian case and the research project
3. First results and promising research strategies for the future

The Welfare System: actors, levels



The National Welfare State: a Changing World

1. In Italy, but also in other EU countries, the National Welfare State is weakening
2. Austerity (but not only) brings in expenditure cuts: starting from pensions, following with labour market reforms, etc.
3. There is a “restructuring” strategy following a “cut and paste logic” – cuts in pensions, paste in social care, active labour market policies... but these strategies were not fully implemented and what it was “cut” was quite more than what was then “pasted”

The Local Welfare State: holding, but for how long?

1. Increased decentralization of powers and of welfare state services
2. This shift has brought more social innovation but, often, increasing territorial inequalities in the access to welfare provision
3. Moreover, with the Austerity we have been witnessing in the last years “blame avoidance” strategies by National Governments towards Local Governments

The National Welfare State and the (new) role of the social partners



The Project

The Welfare System and the (NEW) Role of Social Partners: the methodology followed

Different research tools have been used:

- a. Documents analysis
- b. Statistics elaboration and quantitative analysis
- c. Qualitative in-depth interviews and case studies

The Welfare System and the (NEW) Role of Social Partners: the types of research done

- a. Policy analysis in the fields of complementary pensions and integrative health care funds (also with interviews with trade unions representatives in these funds and pensions schemes)
- b. 15 case studies of enterprises (public and private ones, in manufacturing and services, etc.) in order to understand what types of welfare provision they have introduced, why they have done it, the impacts and the role of trade unions

The Welfare System and the (NEW) Role of Social Partners: the types of research done

- c. An in-depth analysis of sectoral agreements (around 30) in order to analyse what type of welfare provision was included
- d. A national survey on big enterprises (more than 500 employees) in order to understand what types of welfare provision they offer, their possible determinants (sector, enterprise size, trade unions' role, qualification of type of workers, etc.)

The National Welfare State and the (new) role of the social partners

The case of Pensions

The Welfare System and the (NEW) Role of Social Partners: the case of pensions

	Pension Funds			Members			Resources		
	1999	2005	2009	1999	2005	2009	1999	2005	2009
Second Pillar	739	587	506	1,492,057	2.227.751	3,507,361	-	43,010	63,991
Third Pillar	-	-	75	-	811.199	1,547,923	-	3,338	8,966
Totale	739	-	581	1,492,057	3.038.950	5,055,284	-	46,348	72,957

Source, COVIP 2011

The Welfare System and the (NEW) Role of Social Partners: the case of pensions

INCREASED FRAGMENTATION, key cleavages		
First Cleavage	Public Sector 139,000 members	Private Sector 3,7 million members
Second cleavage	Self-employers 1,2 million members	Dependent workers 3.8 million members
Third cleavage	Men 66% of members (they are 63% of the working force)	Women 44% of members (47%)
Fourth cleavage	SME <50 (50% of workers) 14% of pension funds members	LE >1,000(15% of wokers) 36% of funds' members
Fifth cleavage	North regions 60%	South regions 20%
Sixth cleavage	Young (<35) 21% of members 32% of total workers	Mature (35-54) 66% of members 54% of workers

The Welfare System and the (NEW) Role of Social Partners: atypical workers and pension funds

- 3 risks for these categories
 - - fragmented careers
 - - lower salaries
 - - lack of additional resources, severance pay schemes
- but, FONTEMP, pension fund FOR FLEXIBLE WORKERS (lavoratori in somministrazione) set up in 2011 by bilateral bodies (PARITARISME), Ebitemp and Formatemp
 - - Potential of 480,000 members

The Welfare System and the (NEW) Role of Social Partners

Increasing role of trade unions and enterprises in the provision of welfare benefits and services in integration (but POTENTIALLY ALSO IN SUBSTITUTION) of the traditional Welfare State provision

It is NOT simply the traditional neo-corporatist approach to Welfare State Provision (with a possible strong role of social partners in shaping and running Welfare State institutions)

It is the results of collective bargaining (at the national and local level) and of enterprises' choices without (or *in absence of*) any strong role of the *State*

The Welfare System and the (NEW) Role of Social Partners: some examples

- a. Via Collective agreements (banking, commerce, agriculture, different manufacturing branches, etc.) welfare provision of various kinds (integrative health care funds, complementary pensions funds, Long-term care funds, income schemes, etc.)
 - b. In the last years enterprises, often together with trade unions, decide to introduce or to strengthen welfare provision at the single enterprise level (integrative health care funds, kindergardens or similar facilities, working time arrangements for employees with caring tasks, housing, etc.)
- => In most cases the public sector is almost absent in all these agreements dynamics

The Welfare System and the (NEW) Role of Social Partners: the reasons

- a. (Some) Entreprises see this type of welfare provision as a selective benefit for their workers in order to keep them and to make them more attached to the company
 - b. Trade Unions see this type of welfare provision as an opportunity to offer workers services and social transfers otherwise declining (or missing) in the national and local Welfare State
- => collective bargaining on welfare provision is becoming more and more a “functional substitute” for relevant salary increases*

The Welfare System and the (NEW) Role of Social Partners: advantages and disadvantages

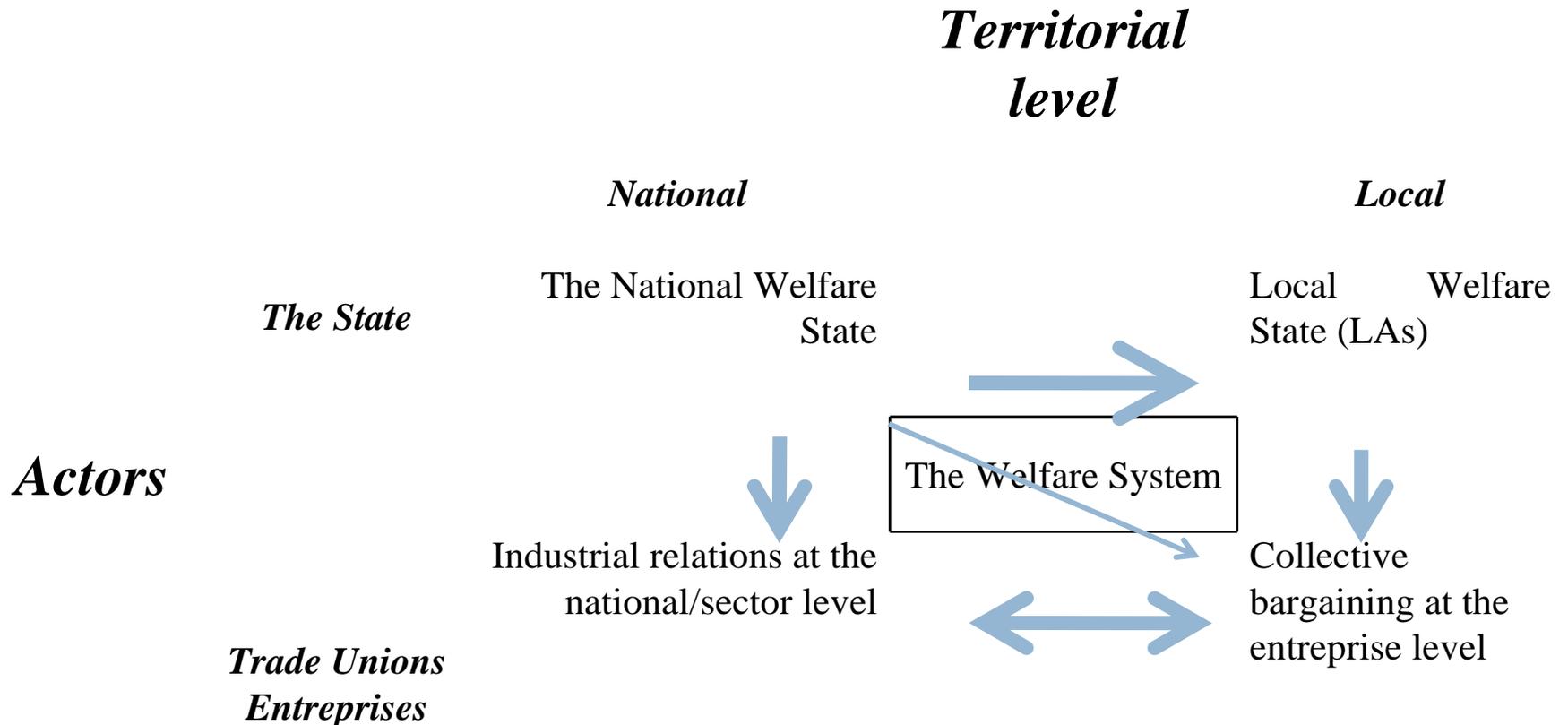
a. Advantages for the workers:

- *Better coverage of welfare needs for many workers*
- *when it is difficult to obtain salary increases, at least workers get some valuable goods and services*

b. Disadvantages:

- *Fragmentation and the attack to universalism: (e.g. in Italy there are more than 280 integrative health care funds)*
- *Rising inequalities: there is a strong differentiation in terms of generosity of this welfare provision*
- *A possible hidden attack to the Welfare State in general: cuts in Public Welfare State provision might be less perceived*

The National Welfare System: the trends



The Welfare System and the (NEW) Role of Social Partners: promises of future analysis

- *Need to better understand the role of supplementary schemes ('second welfare')*
- *Need to analyse the role of social partners in relation with two policy areas: welfare and wage setting*
- *Look at the role of collective bargaining and of the employers (company welfare provisions)*
- *Compare different pension systems (welfare regimes) looking at latecomers (e.g. southern European countries) and early birds (Scandinavia, etc.)*