

BEST PRACTICE GUIDE

"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".

Budget Heading 04.03.03.01

VP/2011/001



This project has been funded with support from the European Commission. This publication reflects the views only of the author and the Commission cannot be held responsible for any use which may be made of the information contained therein.

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INTRODUCTION

The collection of best practices has been created to improve knowledge in the field of industrial relations and promote exchanges of information and experiences among the parties actively involved in industrial relations in tertiary sector in different European countries (companies, workers, governments and research centres) and, at EU level, within the sectoral social dialogue committees.

The project is based on the assumption that the bilateral approach within the Collective bargaining represents an innovative interaction modality among social partners (workers and companies). This approach mainly concerns relations between the social partners and the management of processes providing synergy during work and production phases and aiming at the satisfaction of companies' and workers' needs. The project aims at exchanging and sharing experiences, methods and good practices matured in the tertiary sectors, starting from the bilateral approach identified by the applicant organization. The present Guide has been developed by means of the contribution of all social partners in order to collect good practices with particular attention to topics managed in the collective and territorial company's agreements: successful forms of worker participation, rewarding systems linked to company's productivity, solidarity funds in favour of companies and workers, etc. drafting of joint positions on issues of common interest. It also deals with the identification and collection of the measures, practices and joint recommendations and position at EU level by Social partner in the commerce sector.

As far as the main contents developed in this book, the social partners have presented the good practices developed within their own industrial relations' system, with particular attention to the following areas:

1. **Forms and incentives for the employability of younger** work in the social dialogue, training modules, cooperation with the youth forum
2. **The reconciliation of work and family** (working hours flexibility and childhood services);
3. **The reconciliation of work and family** (working hours flexibility and childhood services);
4. **Health and safety at work** (incentives, funds and other supporting measures) : good practices on third party violence at sectoral and multisectoral level
5. **Health and safety at work** (incentives, funds and other supporting measures) : good practices on third party violence at sectoral and multisectoral level

BELGIUM

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:
 - o good social skills are a plus
 - o (basic) command of Dutch is a must as the training is given entirely in Dutch.
 - o flexibility when it comes to working weekends and, possibly, evenings.
 - o a dynamic personality
 - o 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 workflow.

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 workflow.

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 workflow, 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,...)

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).

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.

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.

Workplace safety

Only actions provisioned by the regulation.

GREEK

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 and 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: a) Common participation in the FORCE project (1992) for vocational training in commerce, b) 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 c) Joint Leonardo da Vinci Project (1995) for establishing the job profile of the "sale person" and d) 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: a) 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, b) 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.

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.

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.

Income support for workers and businesses

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.

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.

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), BUSINESSSEUROPE, 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".

ITALY

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.

In other words, it was not always clear who should do what, or what standard the institute should implement and complete, and how they could coordinate the various levels. 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). 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 bargaining 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 (Confcommercia, Filcams CGIL, Fisascat CISL, UIL UILTuCS) 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 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 200, bilateral agency of Perugia activated the Joint Commission, comprised of the social partners Confcommercia, 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	<p>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.</p> <p>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.</p>
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?	<p>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.</p>
Regional providers Catalog of apprenticeship training	<p>The Region establishes the regional providers' catalog to help meet the demand for apprentice training.</p>
Financing of vocational training in apprenticeships	<p>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.</p> <p>The companies guarantee to provide formal training even in the absence of public funding.</p>
The Individual	<p>The individual training plan is the document attached to the labor contract that</p>

Training Plan	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	Creating a Committee for professional apprenticeship , which includes: 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 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.
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 Center 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
Tutor aziendale	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)
- Università dei Sapori (Confcommercio)
- IAL (Cisl)
- Smile (CGIL)
- Enfap (Uil)

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:

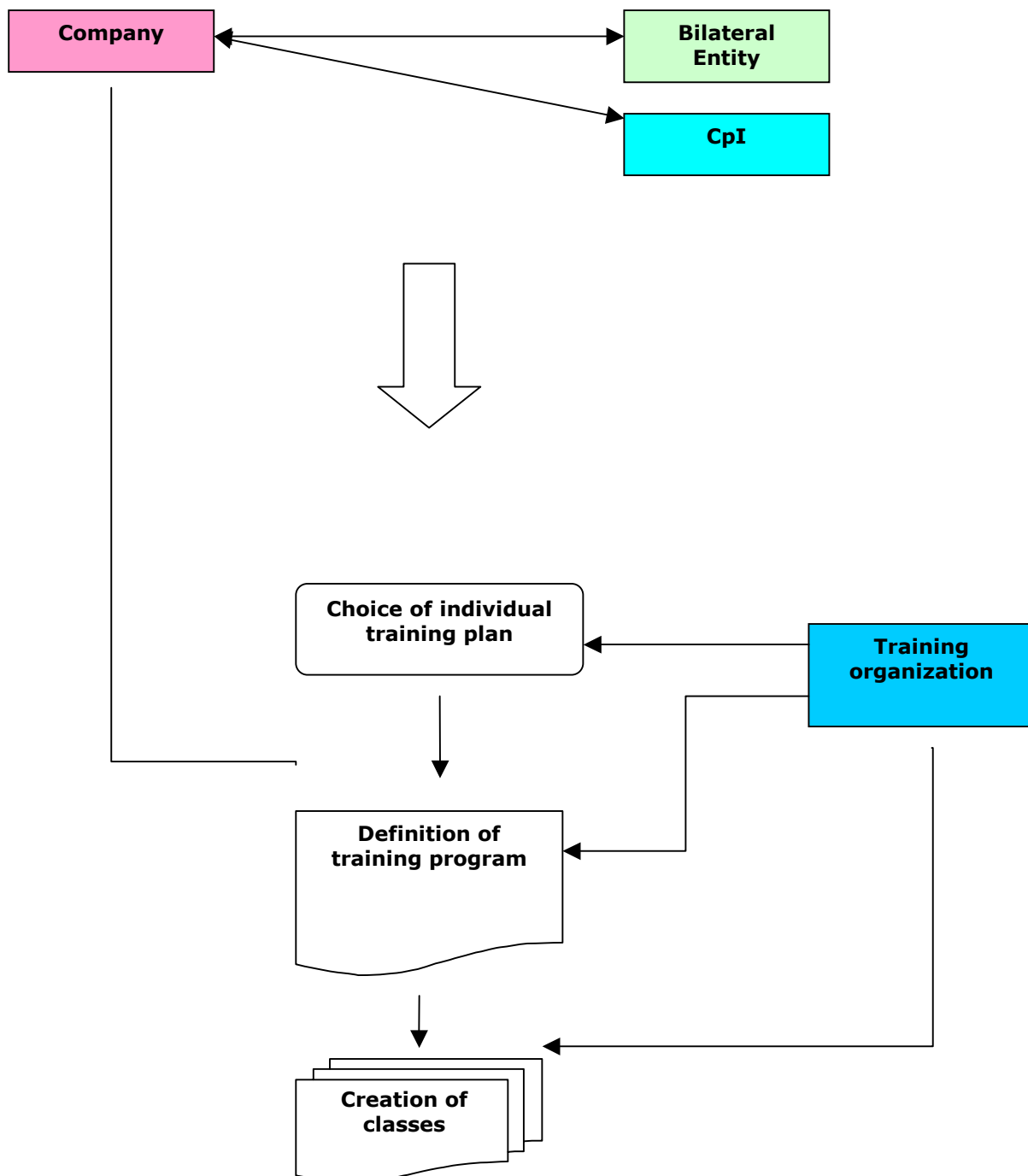
- guiding and preparing for job placement
- developing and / or reinforcing basic and cross-training skills
- developing and / or consolidating technical – professional skills
- reviewing experiences carried out according to the personal and professional project of the individual trainee

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	X		
Training Program Z		X	X			x	

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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,

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.

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.

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. 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 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 integrative (2). 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.

Integrative participation,(3) 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 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 followed (4) 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 theory (5), 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 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.

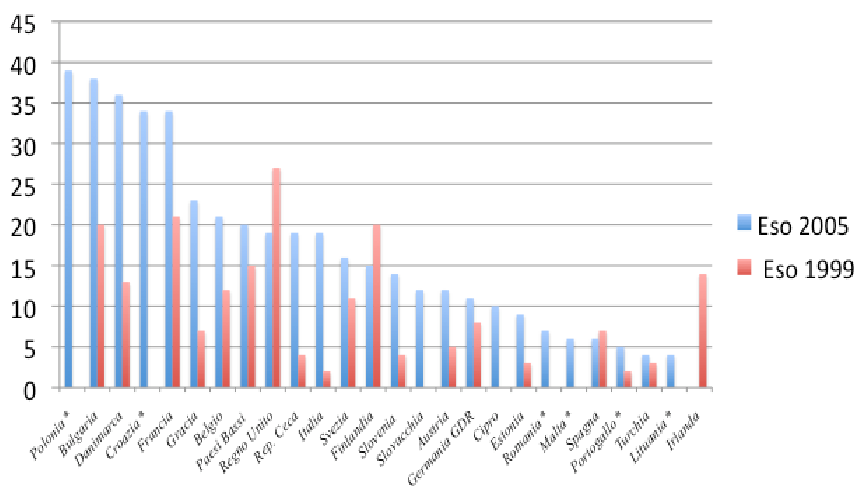
The Working Paper was supported during the 2002 European Parliament resolution on the Communication of the Commission to the Council, the European Parliament, the Economic and Social Committee of the Regions on management for the promotion of financial participation of employees with whom they urged 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 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 IV (7), 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.

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

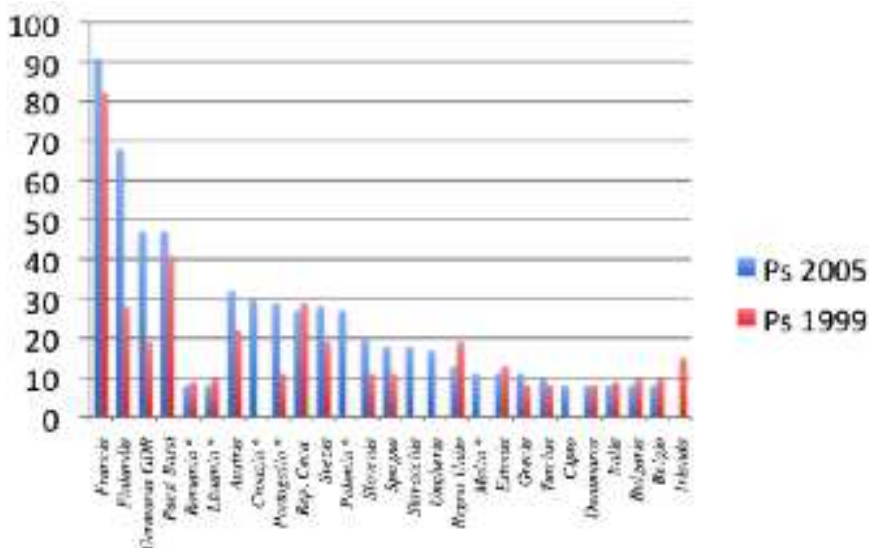


* Croazia, Lituania, Malta, Polonia, Portogallo, Romania sono Paesi entrati nell'UE nel 2007 e i dati sono riferiti a questo anno

Legenda abbreviazioni: ESO = Employee Share Ownership

Fonte: elaborazione da rapporto 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



* Croazia, Lituania, Malta, Polonia, Portogallo, Romania sono Paesi entrati nell'UE nel 2007 e i dati sono riferiti a questo anno

Legenda abbreviazioni: Ps = Profit-sharing

Fonte: elaborazione da rapporto Pepper IV, *Benchmarking of Employee Participation in Profits and Enterprise Results in the Member and Candidate Countries of the European Union*

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 firm (8).

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 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 contracting () 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 () on the introduction of measures to encourage improvements in safety and health at work to indicate something more than consultation, provided in the same standard, that is institutionalized involvement through elected representatives or appointed by the union ().

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 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, 2441 (), 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 pay '().

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 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 generosity (). 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" 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'".

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 Acerbi () and the Court of Milan () which called 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 instrument (). 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 employees.

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" () 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 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 employees.

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 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 () 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, 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 vehicles (). 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).

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.

Income support for workers and businesses

INTERVENTIONS OF SOLIDARITY IN FAVOUR OF WORKERS AND ENTERPRISES: THE BILATERAL AGENCY'S EXPERIENCE IN THE TERTIARY SECTOR IN PERUGIA

Interventions of solidarity in favour of workers and enterprises: the Ente Bilaterale del Terzario of Perugia's experience

Over the years the Bilateral Agency 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 favour hiring and 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;

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 inter-confederal agreement of the social partners of the 22nd June 2009, the Confcommercio Imprese per l'Italia, the Filcams – CGIL, the Fisascat – CISL, the UilTuCS – Uil of Perugia have set up, within the Ente Bilaterale, as required by the Legislative Decree D. Lgs. 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.

SPAGNA

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.

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.

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.

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).

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.

Lettonia

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 apprised, 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.

ØTwo 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 valuated 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 rooky”. 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.

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:

1. To sell only legally acquired goods.
2. To sell only high quality goods, to inform customer about good's characteristics.
3. To kindly serve every customer
4. To consider every customer's complaint efficiently and professionally.
5. To take care of workers' conditions of work and well-being.
6. To pay in full amount and on time all taxes in accordance with the law.
7. 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

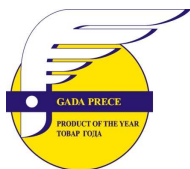
Brands of advancing selling of goods

Nomination «Product of the year»

Green purchase

Latvian

Quality



Other offer

Medals of Honorary

v**Best Accountant**

vv**Best Trader**

vv**Best Producer-Distributor**

Competition "Best Trader"

Regulations of competition «Best Trader of Latvia 2010»

AIM OF COMPETITION:

1. To increase the level of customers' and visitors' service culture.
2. To increase professionalism of traders and innkeepers.
 2. 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.

I COMITATI DI SETTORE EUROPEI: LE LINEE DI INDIRIZZO DI EUROCOMMERCE

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 harrassment;
 - 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
 - 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 (ea 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

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 beginning 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

ANNEX 1

Industry- trade relations in Italy: the four evolutionary stages.

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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.