



Italian Social Cooperatives and Trade Unions in the crisis era.

**Point of view from the actors involved and viable amelioration in
their relationship.**

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1. Methodology and Introduction

This paper describes the relationship between Trade Unions and Social Cooperatives in Italy in the scenario of growing needs for social services among the population and the shift of the risk of providing these services from the public to the social private sector.

Through qualitative interviews to three cooperatives, to a Cooperative Union Officer and to a Trade Union Officer, the paper aims at pointing out the threats which occur in the relationship among these actors.

The analysis of the data is used to support the practical cases which are reported from the interviewees which aim to be the central point of this work. In fact, although this work does not aim at representing or describing the political view on the subject from the actors involved, for the role which the interviewed cover, they are an important representation of the stakeholders' attitude and vision. This work is an obliged starting point to assess and evaluate the first elements of the relationship between Trade Unions and Social Cooperatives which will be then useful to draw the main features of deeper research and analysis.

Furthermore, this paper is enriched by the analysis and research done by Legacoop and Fondazione Ivano Barberini on the theme of participation of members in cooperatives (in particular Dell'Arringa, Ricciardi 2012).

The three interviewees who represent the cooperatives are: Elena Bertolini, President and HR responsible at *Solidarietà 90* social cooperative, based in Reggio Emilia; Catia Allegretti HR Director at *Gulliver*, social cooperative based in Modena; Rosanna Francia, HR Director at *CAD* social cooperative based in Forlì. The three social cooperatives interviewed are type "A" (see chapter 3) and are worker cooperatives.

The cooperatives were selected in order to represent differences in terms of dimension and location in Emilia-Romagna Region.

The interviewee representing the Cooperative Union is Alberto Alberani, President of *Legacoop Sociali Emilia-Romagna*, the umbrella organization which gathers and represents all social cooperatives in Emilia-Romagna Region associated with Legacoop. The interviewee representing the Trade Union is Enrico Liverani, the Regional Secretary of *Funzione Pubblica (FP) CGIL*, the largest Italian workers' union. FP represents workers employed both in the public health and care sector and workers in social cooperatives.

The interviews were supported by a semi-structured questionnaire with a qualitative approach.

Most of the data and all of the interviews are geographically based in Emilia-Romagna Region, which is one of the most relevant in Italy for the presence and tradition of cooperative enterprises and culture.

The authors themselves are three members of *Generazioni Legacoop Emilia-Romagna*, the young cooperative entrepreneurs network of the regional office of Legacoop. In addition, two of the authors are directly involved in the subject, being part of the Research Center of ANCPL (National Association of Worker Cooperatives of Legacoop, Francesca Zarri) and being responsible for trade union and cooperative negotiation for Legacoop in Reggio Emilia province (Chiara Migliorin). Roberto Cardinale takes care of international relations for the

network of Young Cooperatives Entrepreneurs Generazioni Legacoop Emilia-Romagna.

2. Collective bargaining in Social Cooperatives: an introduction to the Italian case

The first assessment in the field of collective bargaining in social co-operatives in Italy, must be made on the environment in which this relationship takes place.

The history and vision of the three main confederate trade unions, as most of the representative Institutions in Italy, rely on a specific political tradition.

The three main confederal unions are, historically, the expression of the left wing Communist area (*CGIL - Confederazione Generale Italiana del Lavoro*), of the Catholic area (*CISL - Confederazione Italiana Sindacati Lavoratori*) and of the Socialist area (*UIL - Unione Italiana del Lavoro*). Both CISL and UIL were born from the separation of the catholic and of the laic area in 1950 from the single Union (Bruno, 2011).

The theme is particularly delicate and actual since in Italy nowadays there is a debate on the issue of social services provision and at the same time, these institutions are living a redefinition of their nature of representative organism and the way in which they are traditionally linked with a political vision.

This Italian phenomena of division of interests among the different political views recurs in many sectors of civil society. For what concerns the cooperative sector, the peculiar Italian case shows five national associations, these as well separated through history from different political views. The three main associations are Legacoop (*Lega Nazionale delle Cooperative e Mutue*) linked in its origins to the left wing, Confcooperative (*Confederazione Cooperative Italiane*) linked to the catholic area and A.G.C.I. (*Associazione Generale delle Cooperative Italiane*) linked to the Republican area.

Following the change in Italian politics from the first to the second republic (1990s) and the bi-polarization of politics which occurred from 2009, identity of representative Institutions are changing and so is the way in which they provide representation. Furthermore, Italy is living a moment of change in which enterprise associations of the same sector are gathering in larger unions, in order to become more relevant and to collect growing influence on the political and economic arena. This phenomena occurred mainly in the SME's association² and in cooperatives' ones. The three main cooperative unions (Legacoop, Confcooperative, A.G.C.I.), in fact, gave birth to *Alleanza delle Cooperative Italiane*.

Both trade unions and cooperative unions have a very important role in the life of social cooperatives, since they are the two parties which participate in the collective national bargaining.

Collective bargaining in Italy is structured in a vertical way with three different levels: national, territorial and enterprise. The bargain occurs between the different actors which stipulate the agreements: trade unions and enterprise unions.

The base of the bargain is the national collective contract, which is the first level negotiation. The negotiated

2 Giving birth to the association named *Rete Imprese Italia*

contracts are different for each sector and some are peculiar to the cooperative movement³.

The second level negotiation is based at local level between the trade unions and entrepreneurial associations of the province. According to the national contract, as an alternative, this level can compete to the representation of workers in the firm (RSU) and can be applied not only to a single or a group of enterprises but a specific working plant or sector of it.

Collective bargaining in Italy lived a continuous shift from centralization to devolution, thus phases in which the national bargain was the most relevant level in terms of competences and other phases in which the local and enterprise bargain had the priority.

In an historical view, we could assess that industrial relations in Italy have firstly been characterized by an absence of a scheme of rules fully recognized by each actor. From the '90s, due to the difficult economical situation and the necessity to stick to the parameters of the European monetary system, the Governments decided for a negotiation involving all the different actors creating a base of rules which were meant to prevent inflation⁴.

From the June 28th 2011 inter-confederal agreements, the bargain at the enterprise level has acquired more importance, with the possibility that agreements at this level may modify relevant features of the national contract⁵.

Cooperatives and Trade Unions have experienced mutual collaboration from the end of WW2. Some cooperatives were actually created from the initiatives of Trade Unions. Of course the growth of cooperatives in terms of dimension has changed the relationship between the two parties, transforming it in a more traditional relationship.

Levels of collective bargain in Italy⁶

| Level of bargain | Contracting bodies | Terms of negotiation | Application level | |
|-------------------------------|--|--|---|--|
| | | | Actors | Territory |
| Interconfederal Agreements | - Trade Unions - Enterprise unions - Government | - Inter sectoral issues and rules on negotiation | Specific sectors | National |
| National Collective Contracts | - Trade Unions - Enterprise unions | - Working conditions - Wage - Relationship among the actors involved | Sectors and categories | National |
| Local contracts | - Regional enterprise unions - Regional trade unions | - Destination of profits - Relationship among the actors involved | Sectors, categories and divisions | Regional and province |
| Enterprise contracts | - Employer assisted by province enterprise union - Representation of workers (RSU) assisted by the province trade | - Destination of profits - Working conditions - Industrial relations | Workers of the enterprise, of the group, of the plant or the division | Enterprise, group of enterprises, plant or division. |

3 We remember hereafter some of the most relevant national collective contracts of the cooperative sector in terms of *employees involved: building cooperative, social cooperative, cooperative food stores employees.*

4 Inter-confederal agreements of July 31st 1992 (Protocollo Amato) which abolished the so called *scala mobile*, and of July 23rd 1993 (Protocollo Ciampi) which defined the wage policy.

5 Accordo interconfederale del 28 giugno 2011 tra Confindustria, CGIL, CISL e UIL:
http://www.cgil.it/Archivio/PRIMOPIANO/materiali/Accordo28giugno_21set11.pdf

6 Author's elaboration.

3. Social assistance and social cooperatives in Italy. How the shift of risk from public to private is affecting the market

On the scenario of growing needs of social services and of change of the large families social-care model, from the 1970s a new phenomena occurred in Italy: the birth of Social Cooperatives. This particular type of mutual enterprises had their recognition with the 381 Law in 1991 which described the framework in which these particular types of social enterprises could be implemented⁷.

Social Cooperatives are divided into two types. The "A" Social Cooperatives are mutual enterprises which offer services in the social care sector. The "B" Social Cooperatives are mutual enterprises which carry out economic activities with the aim of facilitating the access to work for people with disabilities or with social difficulties⁸.

The majority of social cooperatives are work controlled, which means that the members are workers. This paper, will refer in particular to the "A" type of cooperatives, since it's the type of enterprises among the two for which relations with Trade Unions are more intense.

Social Cooperatives in Italy are involved in the provision of mainly six types of services: age and disability care, health services integrated to the ones provided from National Healthcare system, mental disability care, services linked to child care, services in the field of immigration and poverty, care for youth under legal age⁹.

Most of these services were actually created from scratch with the birth of social cooperatives starting from the early '70s.

From the approval of Law 381, different models of collaboration were implemented between public-private in the provision of social care services. There are, in fact, different models according to the strategy implemented in the Italian Regions, which are case models giving a rich expression of how this collaboration can be implemented. In the case of Lombardia Region, the system is based on a plurality of private providers of social services and the centralization of the public authority in the decision making of the market rules; the family decides its provider of services and pays it through vouchers. In the case of Emilia-Romagna region the system is based on the accreditation of the private providers of social services by the public authorities and on the collaboration of public authorities and the other parties involved in the definition of the main features of the

7 Main references to social cooperative legal framework: Law 8 november 1991 n. 381 "Disciplina delle Cooperative Sociali"; D.lgs. 24 march 2006 n. 155 "Disciplina dell'impresa sociale". Main references to general cooperative legal framework: Codice Civile, Titolo VI "Delle imprese cooperative", Capo I – Articoli 2511-2545; Law 3 april 2001 n. 142 "Revisione della legislazione in materia cooperativistica, con particolare riferimento alla posizione del socio lavoratore"

8 The Italian Agency for the Third Sector (Agenzia Italiana per il Terzo Settore) has published some guidelines and interpretation of the Italian law concerning the concept of public utility and disadvantaged people. Here are the main references: *Atto di Indirizzo n. 4 in relazione alla nozione di "fini di pubblica utilità" (2006)*; Agenzia per il Terzo Settore, 2006. *Linee interpretative sulla nozione di soggetto svantaggiato*.

9 For further informations on the sectors in which social cooperatives are active in Italy: <http://www.legacoopsociali.it/#nogo>

market.

This collaborative experience between public (the authorities which have the duty to provide social service) and social private¹⁰ which is an added value to the provision of such services to the clients, in terms of flexibility of work, of professional skills of workers and capacity to better adapt the offer of services to the demand preferences, has been the way in which an important part of the welfare state in Italy has developed. Social cooperatives were borne and have developed in a clear complementary strategy to enrich the public offer of welfare services.

In the era of financial and economical crisis, though, this phenomena is forced to move at a faster pace and the shift of the provision of social services from public direct offer to private one is more and more often, creating several externalities on the negotiation tables between social cooperatives and Trade Unions. In addition, the development of social private economy is simultaneous to the phenomena of devolution of social services provision and control from a central definition to a local autonomy, aiming at an increasing flexibility and adaptation to the actual needs of these types of services.

What could happen next in the provision of welfare services is not easily predictable and is a matter of political view and decisions.

The financial market unpredictability causes harm in people and produces direct effects on the welfare system in terms of budget constraints, precariousness in corporate decisions and in work, growing social services demand, need for sure investments, instability within the providers of services and many other effects. The previous Italian government, lead by Berlusconi, defined the strategies for a new welfare in a tight relationship between public and the so called Third sector, of which social cooperatives are one of the main actors (The White Book on welfare, 2009). In this perspective, the third sector, for its flexibility and for its experience is the devoted actor to fulfill the shortcomings of the public and to collaborate in order to rebuild a community spirit¹¹. At this stage, with the last political happenings in Italy (the so called "Technical Government" and the last political elections¹²) and with the problem of growth and of constraints of financial public resources, it is possible that this shift from public to private can occur at a faster pace.

The first direct effect of the economical crisis which we can consider on social cooperatives is the reduction and the delay of agreed payments from their main client, the public.

This constraint risks to modify the cooperative's budget and financial previsions and this has a direct implication on production and work, especially in social cooperatives which are intense labour enterprises.

10 What is meant in Italy for Social Private or Third Sector can be linked to the definitions of Non-profit. Even though internationally in this area sometimes cooperatives are not included, in Italy Non Profit includes cooperatives. For international comparisons see "Nonprofit organizations – Theory, management, policy", Helmut K.Anheier, 2005.

11 The other types of entities which can be collocate in the Third Sector in Italy are voluntary associations ex. Law 266/91, social promotion associations ex. Law 383/2000, ONLUS ex. Law 460/97, social enterprises ex. D.Lgs. 155/06

12 The "Monti Government" started on November 11th 2011 and finished on April 28th 2013. The last political elections took place on February 24th and 25th 2013.

The direct risk on work and what actually happened in case of loss of tenders or changes in the terms of contract is that employees would work less in terms of hours or the cooperative would have to dismiss some workers (Dell'Arringa, Ricciardi 2012). Of course these are issues which the cooperative faces with the Trade Union.

Within the governance of the cooperative, many issues regarding as well the decisions in matter of economical budget constraints and application of national contracts can be made among members and in informal tables with workers.

For what concerns upcoming needs, as for elder care services, there is a risk of market distortion if these services do not develop in a clear and defined legal framework. The consequences can be unfair competition and illegal employment (Zarri, 2013). For what concerns the Italian case, the most relevant issue is characterized by the black market of caretakers for non-autonomous elders (Alberani, 2009).

Of course, the definition of the market framework creates new types of industrial relations.

Finally, in this scenario, the demand for welfare services is growing. The population is getting older, the growing number of immigrant citizens need a better integration system, families need to rely on two incomes and therefore need for childcare and eldercare services and so on.

In the scenario of these constraints, we can refer to the theory of Quasi-Market. A Quasi-Market (QM) is a public sector institutional structure that is designed to reap the supposed efficiency gains of free markets without losing the equity_benefits of traditional systems of public administration and financing (Bartlett and Le Grand 1993). In fact, the private actors which provide the social services which are externalized by the public authorities, are competitors, but the environment in which these actors operate is different from traditional and competitive markets as the fact that there can be a complex mix of private and public property, the final consumer is not fully informed on the provision of the service, mechanism of prices works in a driven way (Ecchia, 2009).

The concept of QM helps to understand better the market constraints in social services provision, but in the same time gives an idea of the rigidity of the market. The decision power is in the hand of the public, which gives the rules and the constraints to the bargaining between Trade Unions and Social Cooperatives.

It is therefore on the hand of the political level and a matter of vision whether to decide to fully externalize because it costs less and it's less risky or to do that in a framework of horizontal collaboration with the private, in this case cooperatives, in order to create that viable social value chain which is a possible way for economical sustainability and provision of high quality services (Fiorentini, 2011).

Another important reference should be made on the fact that social services and their provision are treated as a common good. Whether these services are provided directly by the public authorities or they are financed with different models of private provisions, these services must have that character of universality, of fair access and of safeguard of fair working conditions.

4. Trade Union and working co-operatives in the crisis era: from the cooperative point of view.

Hereafter are reported the most relevant issues which were identified by the interview to the cooperatives on the theme of industrial relations.

Member workers vs non member workers

Covering up to 80% of the cooperative budget, labour is the strategic asset and the most important variable when it gets to the definition of enterprise policies.

The first assumption that can be made is that there is not a lot of difference among members and non members when it comes to the relation with the Trade Union. The only variable which is put on the negotiation table is the application of the national contract (The last one applied was signed in late 2011¹³). The national contract has to be applied to any worker in the cooperative, even if the worker is not unionized.

Cooperative governance anticipating industrial relation problems

The strength of being a worker cooperative is that many issues are addressed in the formal and non formal tables of the cooperative and sometimes do not enter as arguments in the relationship between the Cooperative and the Trade Union.

These tables can be the Representation of workers (RSA and RSU¹⁴), the governance institutions and the operational offices (Dell'Arringa, Ricciardi 2012). As Carlo Borzaga explained, there are some subtle and emotional stimulus for which workers in the cooperative share the mission and this can be of help to resolve practical problems in the provision of services (Borzaga, 2009). We could add that this occurs as well for what concerns industrial relations.

Application of terms of contracts from public administrations

The main problems with the Trade Union derive from the application of the terms of contracts of tenders and of the accreditation process.

A growing number of tenders have important variables in terms of contracts applied to the workers. In some cases, the tenders ask the provider to apply a working contract different from the national contract for social cooperatives. This gets to the point that the cooperative will include in its labour force workers who have the same position but with different treatments and contracts applied.

13 To download the National Contract of Social Cooperatives: <http://www.fpcgil.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/737>

14 RSA and RSU are two worker representation in public and private firms. RSU ("Rappresentanza Sindacale Unitaria" - Unitarian Union Representation) is a representation body elected by all workers independently from their trade union. RSA ("Rappresentanza Sindacale Aziendale" - Enterprise Union Representation) is elected by the workers which are members of a particular trade union. Therefore, RSU represent all workers and participate to the collective bargain, while RSA defend the interests of the member of a particular trade union.

Sometimes, the new call of the same tender, will decrease the number of hours per service. The cooperative which was the provider of services during the previous period had planned its work with a higher number of workers than the ones which the last tender can support. This creates several difficulties in the relocation of the workers in other services.

Extraordinary cases not foreseen by contracts which refer to tenders

Another important variable, is the one of the unexpected terms of contracts which can occur in extraordinary cases. The most relevant examples are the extraordinary snowfall in February 2012 and the earthquake in May 2012, both taking place in Emilia between Ferrara and Reggio Emilia. These two happenings, impossible to predict, were not described in the terms of contract or the call for tender. Many services could not be provided and the public entities, which had terrible budget consequences for both happenings taking place in the same geographical area and in a short distance of time.

Another exceptional case can be the temporary closure of the service for maintenance. In particular cases, clients of the services if they are resident, will be moved. This causes organizational constraints concerning the unexpected transportation of workers which then come to the final budget.

Reallocation of workers

Reallocation of workers is one of the most relevant and difficult issues in industrial relations for social cooperatives.

If we take the above mentioned phenomena of diminishing hours of workers in the same tender, the cooperative will receive a diminishing economical payment from the public. The rigidity of the contracts is a constraint which creates difficulties in some cases, as the above mentioned.

It is impossible for the cooperative not to accept the new parameters given by the public tender, because that would mean not participating to the call and therefore loose the whole activity. The workers previously employed on the basis of that tender would have to be assigned to another activity with even more organizational difficulties.

The fact is that the public asks for flexibility in the provision of the service because of budget constraints. The Trade Union does not open to this flexibility and this is the main problem in the bargain.

Risk of management turnover

With the last national contracts concerning workers in social cooperatives we will have an additional cost of 1 million euros in 2013. This comes to a difficult point when we talk about remuneration according to merit. Persons who have big responsibilities (directors or cadres) have maximum two times as much as the minimum wage, and this is a risk for managers turnover.

Strikes and grievances

For what concerns trade union's activities as strikes or grievances, the cooperatives interviewed have asked the workers about their intentions to participate or not, in order to organize the services. The Union obliged not to ask this as it would have risked the right to strike for the workers. This remains a problem for the provision of services (not for the most important, which are assured) and an aspect of conflict that has occurred.

Small cases of tension risking bigger issues

The positive aspect, recognized by the cooperatives, is that disputes do not interfere with the normal relationship activity. But in the same time there is a perception from the cooperative point of view that for less important cases there is a loss of vision to resolve the most important ones which comprehend all workers.

Frequent relationship between trade unions and cooperatives

Another positive aspect is that relations between Trade Unions and cooperatives are very frequent. Once a week or once every two weeks there are meetings discussing the cases. Although, many of these meetings are obliged and do not always resolve problems. In a research conducted by *Istituto Cattaneo* and *Ivano Barberini Foundation*, the answers from the questionnaires showed that many of these meetings do not influence the cooperative decisions and strategies, representing only a formal institution (Dell'Arringa, Ricciardi 2012).

New opportunities form the private market

At the moment, in Emilia-Romagna social cooperatives' turnover is generated approximately by 90% from the public (Alberani, 2009). The vision is to propose services in the private market, but at the moment it is not a matter of negotiation with the Trade Union.

The main problem for a cooperative to enter in a private market is the investment capacity, in which cooperatives are disadvantaged.

Cooperatives perceive that private market is going to be more and more relevant and that this will have to be an issue to discuss with the Trade Union.

The coming externalization of services will put elements of negotiation which will be more and more difficult. Wage for sure will be the center point.

5. Trade Unions and Cooperative associations.

5.1 The Cooperative Union point of view: Alberto Alberani

This paragraph summarizes the main issues brought to the attention by Alberto Alberani, who represents social cooperatives associated to Legacoop in Emilia-Romagna Region.

The market

Social cooperatives were borne to promote new services and from their birth did not compete with the public sector, but integrated with new services.

Competition started after 1991 and not between public and cooperatives, but among cooperatives themselves. Other type of enterprises did not enter the competition because there are no profitable reasons to participate in this market. The only exception that can be marked are the other entities which we can recall to the third sector (associations, social enterprises different from cooperatives), but cooperatives have the biggest role in the sector.

From 1990s the public is the actor which gives rules and prices. These latter go lower and lower and at the same time the public demands higher quality of service.

Costs of social assistance services are lower because they are served by social cooperatives. These enterprises became very efficient in the way they provide services and we can easily prove that the same service provided by the public would have higher costs.

The positive role of Observatories

A very important role is played by the Observatories created within the "Direzioni Provinciali del Lavoro", the offices which are under the direction of the ministry of Work, to verify the behavior of the contractor and the executor in the social cooperative sector. These actors are important institutions which can verify and handle the market.

Internalization of workers

The perception from a Cooperative Union point of view is that the Unions want to internalize the workers in the public. This is an option which is preferable sometimes both for for the Union and for the worker. The wage and terms of contract are objectively more convenient for employees in the public sector rather than cooperatives. Unfortunately it is not possible for the public to internalize workers, so this option is not viable.

Positive influence of cooperative's governance

The main aspect to consider when we talk about social cooperatives and relations with the trade union, is the

fact that when the governance in cooperatives is well distributed and used, the problems are resolved within the cooperative.

And there is an inverse connection between the dimension of the cooperative and the presence of the Union in cooperatives. The smaller the cooperative is, the less needs to resolve working issues with the help of trade unions. Of course there is anyhow an external influence because the trade and the cooperative union are the two parties signing the national contract which has to be applied to the workers even in small cooperatives.

Bargaining skills of cooperative union functionaries

The main reason for the existence of the cooperative union are two: inspection and working contract bargaining. In fact, as an enterprise association, Legacoop participates in the negotiation.

A critic that can be assessed to the cooperative union is that the functionaries are not always prepared with negotiation skills. There is a growing need to train them at local level in order to ameliorate the bargaining expertise. This would be a matter of amelioration even in the relationship with the Union.

The challenge in the eldercare sector

When we talk of vision and future in this sector, one consideration is important to assess. 120.000 caretakers work in the region, producing 2,5 billions of euros, mostly in the illegal market. Social cooperatives in Emilia-Romagna produce 1 billion euros, 25.000 elders are supported by 15.000 workers. This is the challenge. And the question is: "Who is providing welfare in the region? Who takes care of these workers in Emilia-Romagna?". Both Cooperative and Trade Unions should collaborate in order to find a viable solution for this.

5.2 The Trade Union Point of view: Enrico Liverani

This paragraph gathers the issues pointed out on the subject by Enrico Liverani, responsible of "Funzione Pubblica" CGIL Emilia-Romagna, the Regional section of the largest Italian Trade Union. "Funzione Pubblica" within CGIL takes care of workers in social cooperatives and workers in the public healthcare system.

The weakness of political vision and interference on the subject

The situation of budget constraints which we face in the social services sector is political. The politicians decided to externalize services and designed the environment in which the actors will have to compete.

Even the recent "Patto di stabilità" (stability act), which denies the possibility to hire new workers in the public sector, derives from politics. Nothing is obliged. In Emilia-Romagna region we see an equilibrium which is the viable way which the Trade Union promotes. The private sector can integrate what the private offers. The idea

is to collaborate in a circular way in order to create professional services with a public guarantee, as for what was and is meant for the accreditation process.

The recent history showed that the limits of the public in the provision of services were fulfilled by the private sector, which managed to create job opportunities and practical solutions to social problems and needs.

Efficiency and role of the public

For the Union the idea that the public is a heavy machine that cannot be efficient is not realistic. The responsibility must be that of the public, but in a vertical and horizontal collaboration with the private social enterprise. Each has its duty. The public must guarantee, the cooperative must provide services and voluntary must integrate the professional services. None is in substitution of the other.

Gathering public and cooperative workers under the one umbrella of "Funzione Pubblica"

Both cooperative and public are doing a public function and they have to be related. The resources from the public to provide these services, whether health, assistance or related services are the same. Welfare is one. This is the reason why the Union decided to adopt only one section to take care of the interests of workers both in public and in social cooperatives.

Wage constraints in social cooperatives

For what concerns the wage in social cooperatives, for what the work is and the added values which this work creates at social level, it will never be sufficient.

The cooperative national contract is a rather young one. The differences with the public one, in the same sector of activity, are getting thinner and thinner.

Our objective is to arrive to the point in which there will be no differences and the vision is to create a social welfare contract, which can be applied to public workers and social cooperative ones.

The problem in this scenario is that the social cooperative contract is getting closer to the public one, because the latter stopped its negotiations, while the first is being renewed continuously.

The meaning of the accreditation phenomena is to get high level services and to arrive to a professional and correctly remunerated work.

The intrusion of other type of enterprises in the market

Any other private type of enterprise can be a threat for this market, the fact that cooperatives do not perceive profit is the most important thing and is a guarantee that there is not going to be a profit oriented attitude. The first duty of a worker cooperative is not profit, but creating working opportunity for its members.

Positive aspects and threats of being a cooperative in the market

Cooperatives are resilient to economical crisis, and this is confirmed by the *Censis* analysis which counted in 8% the growth of work in the years of crisis (Censis, 2012). Cooperatives have more flexibility and it is easier to bargain because there is a cause-related aspect of attachment to the coop from the members.

Cooperatives have proved that they are the best type of enterprise when it comes to maintaining jobs.

In order to ameliorate the relationship with cooperatives, it is important for the trade union to promote a good second level bargain.

The Trade Union believes that the cooperative model is well known by the union's functionaries. There are the same origins and principles. But when the cooperative decides its strategy on the base of profit, that is when the cooperative is at risk, because it considers labour as a number and not as a resource. The trade union's duty is to remind the cooperative of its origins.

It is therefore important to consider the different roles. Trade unions have a different role from cooperative unions. And cooperatives are not unions.

It is important to share objectives. Since 80% of cooperatives' costs are labour, if labour is happy, everything works out. So it's important not to stop on a single case, but to share the goal.

It is important that public maintains its role of supervisor. Social private services are not viable as politics is trying to make us believe.

6. Conclusions

The relationship between trade union and cooperatives are very frequent. This is not always perceived as a way in which problems can be resolved. In fact, the cooperatives interviewed have underlined that the meetings with trade unions are often on particular and limited issues and do not drive to a resolution.

The most relevant issue that we can assess is that there are many constraints given by the fact that the public authorities give the rules but do not interfere effectively in the collective bargaining when it gets to problems such as the consequences given by budget reduction, or extraordinary cases not foreseen by tenders.

The trade union, believing that the issue of providing social services is political as a matter of deciding whether externalize or internalize in the public, does not accept the flexibility that the market (or QM) asks for. Of course this is a guarantee for the worker represented, but involves a difficulty and rigidity which characterizes long negotiations. Moreover, the cooperative unions and enterprises have to face budget constraints and extraordinary cases preventing overall budget threats for the cooperative itself, and therefore all of the workers.

From the interviews, all the actors seem to agree on the fact that being a cooperative can be an advantage. Although, the Trade Union worries about the possibility that cooperatives, especially when they grow in dimension, can take decisions based more on profit rather than cooperative principles.

Of course, this threat can be overcome with the instrument of membership training for working members which gives full comprehension of the enterprise financial and economic situation. A better training in this sense, in fact, helps to improve the relationship between trade unions and social cooperatives, as is described in the analysis carried on by Dell'Arringa and Ricciardi.

The upcoming challenge will be the one of facing private market. In order to be more independent from the public constraints, social cooperatives more and more will have to offer services to the private. The particular case of elder caretakers ("Badanti" in Italian) shows that there is a relevant need in terms of social service which is covered by the black market. Trade Unions, Cooperative Unions and cooperatives are obliged to find a viable way of organizing the service, along with the public which authorities and decision makers has the role of defining a sustainable environment and legal framework. In this sight, the cooperatives interviewed stressed the need for a common work and a clear strategy that has to be shared among cooperative sector and the trade union. The risk is that non.fair actors enter the competition in the provision of social services, giving possibility to unfair working conditions and depletion of quality of services. The public authorities at local and national level must enhance the role of controller of this market (or QM), giving more power to the observatories.

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National Contract of Social Cooperatives

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Attachment 1: Cooperative Questionnaire

1. Cooperative Data
 - N. of workers
 - N. of members
 - Turnover
 - Percentage of turnover deriving from public tenders
 - N. of tenders assigned and turnover
 - N. of activities run with the accreditation process
 - N. of workers which are members of a trade union
 - Difference among the highest and the lowest wage in the cooperative
2. You think there is a difference between the perception of members and non members on the bargain of contracts?
3. Do you think that the fact that a worker cooperative is controlled by the work force give some influence on the bargaining?
4. Which are the difficulties in the bargaining with the trade union?
5. Are there any disputes at the moment? Do they interfere with the contract bargaining process?
6. Do you believe that trade union represents effectively the worker?
7. Are the relations with the trade union frequent? Which are the issues more frequent which are discussed?
8. Do the workers participate to the trade union's activities such as greivances or stikes? Which is the cooperative attitude towards these events?
9. Does the cooperative promotes or wants to pormote social services to the priate sector? If yes,which are the activities?
10. Which are the effects of the rigidity of the cost of labour, given that this is the most relevant cost in hte social cooperative's budget?
11. Possible scenarios on the theme of industrial relations in the panorama of social services.

Attachment 2: Trade Union Interviewee Questionnaire

1. Number of *Funzione Pubblica* trade union members and trend of membership in the last ten years.
2. The shift from direct public provision of social services to the social private sector will occur at a faster pace. Do you agree with this assumption?
3. There is one section of the trade union which represents both workers employed by the public authorities and by the social private sector in the field of social services. Do you think that this can create a lack in the representation of different interests among the two different actors?
4. Do you think that being a cooperative has a positive externality on the conditions of workers in this special market, or any type enterprise could safeguard fair working conditions?
5. Do you think that wages of workers in social cooperatives are fair?
6. Growing needs in terms of social services and lack of financial public resources can give space to illegal work and unfair competition. Which is the vision of the trade union in this scenario?
7. Do you think that the cooperative model is well known by the trade union officers?
8. Which are the possible improvements in the relationship among trade union and social cooperatives?

Attachment 3: Cooperative Union Interviewee Questionnaire

1. Which are the threats of having illegal work in the provision of social services? What do you think the trade union is doing to avoid this?
2. Data on social cooperatives prove that in time of crisis, social cooperatives in Italy (Zevi 2012) are the only type of cooperatives which are growing their turnover, despite the delay of payments from the public authorities, the profit's crunch and the uncertainty of the market. How can you explain this phenomena?
3. Why is the cooperative model suitable with the provision of social services? Is there a model in which clients and workers can join in the same type of social cooperative? If they exist, which are the externalities in the relationship among trade unions and social cooperatives?
4. Which is the role of Legacoop in the relationship among trade union and social cooperative?
5. Which are the difficulties which occur in the relationship among Legacoop and the trade unions?
6. Budget constraints of social cooperatives and wage constraints cause difficulties in the relationship among social cooperatives and the trade unions?
7. Possible future scenarios in the provision of social services in Italy in times of financial and economical crisis.
8. Which are the possible improvements in the relationship among trade union and social cooperatives?