The impact of German co-determination in the context of Italian industrial relations

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In recent years in Italy there has been a growing attention to the German model of co-determination. On the one hand, this interest was very much linked to the role of co-determination practices in the context of the crisis. On the other hand, due to the growing foreign direct investments of German-based multinational companies in Italy some concrete experiences of co-determination were developed in Italian affiliates of German MNCs.

The most significant cases regard the Italian enterprises belonging to the Volkswagen Group. In these cases a transnational company agreement signed at Volkswagen, the so-called Charter on Labour relations, provides for the implementation and application of a set of co-determination rights originally laid down in the German Works Constitution Act.

The paper will show how these co-determination rights were implemented in the context of the Italian industrial relations systems which is characterised by a low level of institutionalisation. It will be analysed which were the preconditions and the mechanisms provided for by the national industrial relations systems that were necessary for a successful implementation of the rights provided by the TCA.

It will also be shown that a potential obstacle is linked to the cultural differences. In fact, the Charter on Labour Relations envisaging an exchange between co-determination rights and shared responsibility initially entailed mistrust among Italian employee representatives and trade unions. A specific relationship between social partnership and conflict had to be developed guaranteeing in this way the compatibility with national industrial relations practices.

Using this flexibility in the implementation process the introduction of co-determination rights was not the result of the export of the German model, but rather the outcome of a sustainable strategy of disseminating the basic principles of co--determination.