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Abstracts

WHAT BECAME OF PRODUCTIVITY?

Innocenzo Cipolletta

Is productivity the main driver of economic growth or vice versa? The comparison of productivity between countries takes into account mainly the marginal productivity of labour, while it is important to consider also the productivity in absolute terms. A comparison between Italy, Germany, and France shows that the principal driver of economic growth seems to be not high productivity but rather a high employment rate. Marginal labour productivity is affected by changes in the composition of employment, and these are to be considered in order to understand the performance of growth.

THE FAILURE OF THE PHILLIPS CURVE IN THE ITALIAN CASE: DOMESTIC AND INTERNATIONAL FACTORS

Paolo Garonna, Alessandra Marcelletti

The paper discusses the failure of the Phillips curve in the Italian case, comparing the post-crisis normalisation after 2009 with the previous one of the 1980s. The two failures have different explanatory factors and outcomes. Whereas in the 1980s the internal factors of labour market rigidity play the dominant role, in the later episode international factors, e.g. linked to global value chains and migration, are the decisive ones. We proceed then to test econometrically the relationship, adopting a two-stage estimation procedure. We show that, when introducing suitable indicators of domestic and international factors, the Phillips curve, which at first glance looked fully flat, becomes significant. We conclude by pointing out the need for more detailed investigations, and suggesting that the outcome of the ongoing normalisation cannot be taken for granted. The possibility of giving back a credible anchor to short-term stabilisation policies depends on complex processes of international coordination and cooperation.

FIGHTING AGAINST RECESSION.A THREE-LEVEL SOCIAL COMPACT

Leonello Tronti

The Italian recession is for now only technical in nature, but the real one is just around the corner. Indeed, the problems linked to the “poor mercantilist” development model that Italy has been implementing since the Maastricht Treaty – based on the compression of domestic consumption by the real wage cap imposed on wage bargaining, and on the international trade surplus – have eventually emerged. That model of growth, certainly modest and incapable of halting the impoverishment of the country, experienced a crisis in 2018. Exports no longer ensure development. And since national economic policy certainly cannot alter the dynamics of global demand, the Government and companies – thanks also to the request put forward by trade unions – are obliged to promote the development of the domestic market. To this end, the article proposes a three-level Social Compact (between the union and employers’ representatives, between the social partners and the Government, between the Government and the social partners, in a coordinated manner, and EU institutions) aimed at ensuring a new phase of wage-led growth of the economy.

CONFLICT AND PARTICIPATION IN BARGAINING AT COMPANY LEVEL: THE LAMBORGHINI CASE

Margherita Russo, Pasquale Pavone, Armanda Cetrulo

In the last 50 years, the nature and quality of industrial relations in Italy have changed considerably. The national bargaining process has been severely weakened and, in the past decade, the social dialogue between parties has been questioned on several occasions. Based on an original corpus of texts documenting bargaining at company level over 50 years within Lamborghini (which was acquired by the Audi VW group in 1998), in this article we analyse the core issues of the debate between the parties, and the very ways in which the debate takes place. Combining techniques of automatic text analysis and reading of individual documents, we obtain a periodisation of the issues at the heart of corporate bargaining that contribute to a discussion of the key elements characterising the virtuous circle of company development and quality of industrial relations.

FOREIGN OR DOMESTIC FIRMS – WHAT'S BETTER? IMPLICATIONS FOR LOCAL DEVELOPMENT

Raffaele Giardino, Giovanni Solinas

Using an *ad hoc* database, the article analyses the role of foreign-controlled manufacturing multinational enterprises (FMNE) in an industrial area of particular interest: the Bologna-Modena-Reggio Emilia triangle. We focus on four aspects. The first is their weight in the local economy (in terms of employees, turnover, and exports). We then examine the relationships with the product market, the trade flows between the branches of the FMNE, and the relationships with the firms of the local system. A taxonomy is proposed that provides a first reading on the factors determining the location in the area and on the role of the branch in the value chain of the FMNE. This taxonomy shows clear heterogeneity among the incoming companies. We then proceed to examine the performance of FMNE (in terms of productivity) with a sample of homologous domestic companies, using a GLS model and constructing the counterfactual with the propensity score matching method. The results suggest that there are no significant differences in terms of efficiency between domestic companies and foreign-controlled companies. The existence of external economies (spillovers) must be traced primarily to connections, *à la* Hirschman, with the productive systems and local industrial districts, and not to the (presumed) superiority of the technological and organisational assets held by FMNE. This interpretation is reinforced by the fact that, in this area, very few foreign direct investments (FDI) are greenfield, while, on the other hand, cherry picking phenomena are widespread, i.e. the incoming multinationals acquire companies included in local productive systems and in industrial districts, companies that are already efficient and technically competitive. Finally, the behaviour of FMNE and domestic companies is examined over a period of time (2008-2015) that includes the entire cycle of the economic and financial crisis, highlighting the emergence of very different strategies. We conclude by proposing an analytical scheme capable of explaining the results obtained.

DOES INNOVATION PLANNING CONSTITUTE THE NEW FRONTIERS OF TRADE UNION ACTION?

Ilaria Armaroli

In the light of the potential and challenges of recent technological and organisational transformations, the voice of workers' representatives claiming a proactive role in innovation management is increasing, at both national and international level. However, little is known about the measures already implemented in this regard. Devised in Italy and Germany, respectively, the initiatives of FIM-CISL of Brescia and IG Metall of North Rhine-Westphalia represent two preliminary attempts to attain the objective of joint labour-management innovation planning. The comparison between the two experiences not only sheds light on the differences between the two countries, which are ascribable to the varieties of capitalism and industrial relations, but also allows for the identification of common lines of development, among others the emergence of new actors, the demand for planning skills for workers' representatives, and the widening of the space for labour-management interaction beyond the scope of formal negotiation. The deepening of these developmental trends stimulates thinking on the possible contours of a new system of industrial relations that, by moving on from a short-term negotiating style and by integrating a long-term perspective, can contribute to innovation with a suitable degree of dynamism, flexibility, and trust between the parties.

INVESTMENT IN EDUCATION, OBESITY AND HEALTH BEHAVIOURS OF YOUNG ITALIAN ADULTS

Adriana Barone, Annamaria Nese

This study reports new evidence on the association between educational outcomes for a sample of young adults in Italy enrolled in the University of Salerno, and selected health behaviours. The results indicate the following: 1. individuals who perform better academically also show behaviours that improve their own health, such as not smoking, low alcohol consumption, and a normal body weight; this finding confirms the complementarities between investment in education and health (Fuchs, 2004; Becker, 2007); and 2. particularly for women, a positive association is observed between the choice of studying sciences (versus humanities), a normal body weight, and the adoption of certain healthy behaviours (engaging in physical activity, and not smoking).