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Recent developments concerning worker participation in Italy

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The most significant development in Italian legislation and industrial relations over the past year has undoubtedly been the adoption of Law No. 76 of 15 May 2025, entitled “Provisions on worker participation in the management, capital and profits of enterprises”.

For a gathering of trade union research institutes such as this TURI network meeting, I believe the law is interesting both for its substance and for the process through which it came about.

Substance

Its substance is significant because, after 77 years, it gives effect to a distinctive principle enshrined in Article 46 of the Italian Constitution, which recognises, and I quote, “the right of workers to collaborate in the management of enterprises, in harmony with the requirements of production, in the ways and within the limits established by law”. Yet for almost eight decades, no legislation on this matter was adopted. Participation therefore developed exclusively through collective bargaining at company level, without a national legislative framework capable of recognising, promoting and supporting these experiences.

Process

As for the process, it is equally interesting to note that this legislation did not originate as a government initiative. It began as a citizens’ legislative proposal promoted in the summer of 2023 by CISL, the Italian trade union confederation rooted in the Catholic tradition. During the summer months of 2023, through a broad national mobilisation, CISL collected around 400,000 signatures and submitted its proposal to Parliament at the end of November that year.

The parliamentary process lasted a year and a half and was accompanied by intense debate in politics and among the social partners, including between the trade unions themselves.

These divisions have gradually narrowed. Indeed, a very recent joint document by Italy’s three main trade union confederations identifies participation as one of the most important issues for company-level collective bargaining in the coming years.

The content of the law

The original text was amended during its examination by the committees of the Chamber of Deputies. The law is certainly less far-reaching than CISL's proposal, but it has retained the same basic approach, characterised by:

• A central role for national and company-level collective bargaining in establishing participation practices within enterprises. Participation is therefore not a compulsory mechanism, but the outcome of an agreement between the parties, encouraged by a range of financial incentives whose value increased in 2026.

• A legislative approach that could be described as "soft" or "promotional", rather than based on sanctions or mandatory requirements, as legislation in Italy usually is.

• The definition, for the first time in Italian law, of four distinct forms of participation.

The forms of participation

The forms of participation governed by the law are as follows:

• Participation in corporate governance: the involvement of worker representatives in companies' governing bodies, such as boards of directors or supervisory boards. This is an important development for Italy, where worker representation on corporate bodies is not a general feature of the governance system, unlike in other European countries, notably Germany.

• The second dimension is economic and financial participation. Through financial incentives, the law promotes opportunities for workers to share in company profits and participate in company capital, primarily through employee share ownership plans.

• Organisational participation takes place when worker representatives are involved in the practical organisation of work, innovation in production processes and improvements in company efficiency. The law recognises the possibility of establishing joint committees through which workers and employers can contribute together to improving work organisation. This is the most widespread form of participation developed through collective bargaining in Italy.

• The fourth dimension is prior consultation. Its purpose is to establish a structured dialogue before decisions are taken, allowing trade unions to learn about the company's plans and put forward observations and proposals before decisions affecting the quality and quantity of employment within that company are adopted.

Good practices documented by CNEL

Alongside these four dimensions, the law also addresses the training of worker representatives.

It also establishes a National Permanent Commission for Worker Participation within CNEL, the National Council for Economics and Labour. The Commission monitors the implementation of the law and identifies good participation practices arising from it, which receive a publicly awarded label. To date, 65 companies have applied for this label and 37 have received it. They appear in a public list that briefly describes their

participation practices so that these can be replicated in other settings.

Challenges

The law certainly also has shortcomings that will need to be addressed in the years ahead. Let me briefly summarise the main challenges:

• Opposition from employers' associations and large companies to worker participation in corporate governance.

• The absence, unlike in CISL's original proposal, of direct financial incentives to encourage participation in corporate governance and organisational participation.

• The absence, unlike in CISL's original proposal, of specific measures for participation in public administration.

Conclusion

Participation should be regarded as more than a means of improving workplace relations or competitiveness. It can also help address some of the main challenges facing the Italian economy:

• Weak productivity growth.

• Wage stagnation.

• Technological change.

• The need to make work more attractive and more skilled.

This outcome is not automatic. A law can create opportunities, but it cannot, on its own, generate a culture of participation. That depends on the maturity of industrial relations. Law No. 76 of 2025 does not introduce a system of compulsory codetermination in Italy comparable to the German model. It neither seeks nor is able to eliminate conflict, and it does not replace the role of collective bargaining. It does, however, introduce an important change: it recognises participation as a value, rediscovering the original insight of our Constitution.

The real test will now be whether companies and trade unions can turn this legislative opportunity into concrete practices.