

offered to obtain the consent of the three trade union federations: the CGIL (communists and socialists), the CISL (Catholics) and the UIL (social-democrats, socialists and republicans).

The agreement of January 1983 was criticised because of its neo-corporative tripartite nature: it was achieved at the top and did not involve the rank and file. Others saw in the agreement an authentic social contract. The Italian Communist Party (PCI) was distinctly cool. In its view the revision of the *scala mobile* should have occurred only in a different political context: namely radical reforms and an overall change in economic development, rather than deflationary policies and the growth of anti-communism. The PCI's reluctance was also due to the fact that a tripartite agreement leaves the opposition out in the cold because it by-passes Parliament and creates another major centre of decision-making. In a system, such as the British one, in which the opposition sooner or later gets to be the government, tripartitism has fewer defects than in Italy where, for historical reasons, the PCI has been excluded from government.

The CGIL could not have accepted this year's reduction in the degree of protection offered by the *scala mobile* without obtaining some very tangible benefits: a tax reform, price control in the public sector and a boost in employment. The UIL had a different attitude: its members tend to be the better-off workers. A reduction in the *scala mobile* would increase differentials and therefore benefit their members. Thus the UIL accepted Craxi's unilateral decision. The CISL, to everyone's surprise, accepted it too. The CGIL's opposition meant that the unanimity required for an agreement could not be reached, hence Craxi's unilateral action which was soon accepted not only by the CISL and the UIL but also by the socialist minority in the CGIL. Thus the communists, both as a party and as trade unionists, seemed isolated. Trade union unity was over.

Why did the CISL accept Craxi's *dictat*? Unencumbered by political affiliation, it had no need to support the socialist leader (as had been the case for both UIL and the CGIL socialists). Since the 1960s the CISL had been vociferously 'egalitarian'. Its leader, Pierre Carniti, had based his entire reputation on a militant line bent at reducing differentials (unlike Lama of the CGIL who thought that differentials had

<sup>1</sup>See *Times Educational Supplement*, 24 Feb 1984.  
<sup>2</sup>See GLC, TB 96, 2 12 83 Comments on the MSC Corporate Plan, 1983-87.

### ITALIAN UNIONS

The first socialist prime minister in Italian history, Bettino Craxi, has achieved a remarkable feat: in February, by issuing a decree revising unilaterally the *scala mobile*, thereby reducing the amount of protection it offered against price rises by between 10—20%, he precipitated the *de facto* dissolution of the pact of unity which had held together Italy's three trade union federations. The *scala mobile* was a long-standing arrangement dating from 1946 indexing wages to prices. By 1975 the *scala mobile* had acquired its modern, progressive form: each percentage increase in prices would result in a flat rate increase for all workers. The quantitative consequences of this are that the higher the rate of inflation, the greater will be the reduction in the differentials between workers.

This egalitarian system had been under challenge for a long time. The employers' association, which was party to the agreement, blamed Italy's poor economic performance on the inflationary effects of the *scala mobile*. In January 1983, after lengthy negotiations, the degree of protection offered by indexation was reduced. Sufficient tax and family benefits were

been sufficiently eroded). From an economic point of view there was no reason for the CISL to go along with Craxi: its members will be worse off at the end of the year, even if the 10% inflation target is reached, and the chances are that inflation will not be below 13%. So the reasons for the CISL's *volte face* must be political. By breaking with the CGIL in a period when trade unions are weak and under attack, the CISL can appear a reasonable and realistic trade union with which the government can negotiate. The government does not have many resources for a deal, but it can give the CISL that legitimacy which all trade unions find more and more difficult to obtain on the shopfloor. With the CGIL 'out in the cold' and the UIL too small the CISL hopes to become the main protagonist of future negotiations with the government.

The CGIL could not have accepted Craxi's proposals without a major *quid pro quo*. Its rank and file, mainly communists, would not have accepted an agreement which decreases their purchasing power and excludes their own political party.

That the CGIL was in no position to alienate itself from its rank and file is evident from the prompt response from the base. The main initiative has not come

from the trade unions but from the factory councils. These shopfloor organisations include all workers irrespective of union affiliation. Thus among the factory council militants who organised the strikes of February and March one finds members of CISL, UIL and CGIL.

The reaction from the base has not only been due to the Craxi decree. It has also been an expression of the frustration felt by many militants at the near-total lack of consultation which has been a feature of the period of negotiations with the government. The exclusion of the base has been the most evident symptom of the increased bureaucratisation and centralism that tripartitism entails.

It is unlikely that the widespread strikes will do much to alter the government's decision. This will be seriously challenged by other factors. In the first place many workers will try to obtain through free collective bargaining what they have lost through the reduction of the *scala mobile*. This is something which helps to explain the second thoughts expressed by the employers' associations. Secondly, the decree has got to be accepted by the Italian Parliament and the PCI has promised that it will give battle. It will be able, moreover, to take advantage of the divisions existing

within the Christian Democratic Party (DC).

Thirdly, the DC itself will certainly try to amend the government decree by ensuring that, should inflation be higher than 10%, the workers get something back. The DC is in fact seriously worried about its dwindling popular base. The Socialist Party, whose own working class base is getting rather thin and tends to be made up of older and better-off workers, is determined to become the party of the centre (shades of our own SDP ...), the representative of Italy's growing middle classes. The DC, in practice Italy's second largest working class party, has no wish to let Craxi dominate Italian politics. It has remained rather passive during the period of negotiations over the *scala mobile* and was clearly not overjoyed by Craxi's *dictat*. Now it will try to show that it can change the decree in Parliament, something the PCI cannot really do. On the other hand, the divisions which are plaguing the government coalition and the DC as well as the reaction from the rank and file shows that the PCI is not as isolated as it seemed at first. But all this makes the PCI's strategy of a left-wing alternative to the DC less and less credible.

Donald Sassoon

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