

# Minimum Wage & Collective Bargaining in Italy 2025

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 Italy

Statutory Minimum Wage

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• Gender pay gap

5.60%

100.00%

• Collective bargaining coverage

• Process of transposition:

Assessment of current situation completed by the Government: no further legislative actions required. Transposed!

→ Compare with other countries



# Minimum wage system in Italy

Italy is one of the few EU Member States without a statutory minimum wage. Pay levels are set by national sectoral collective agreements (Contratti Collettivi Nazionali di Lavoro - CCNL), and vary according to a worker’s level of professional qualifications as identified in the sector’s job classification and pay scales. Pay scales usually contain an average of seven steps and the normal ratio between the lowest and the highest minimum wage, within each agreement, is approximately 100/250.

According to Article 36 of [Italy’s Constitution \(1948\)](#) a worker’s compensation must be ‘proportionate’ to the ‘quantity’ and ‘quality’ of the work performed, and in any case ‘sufficient to guarantee workers and their families a free and dignified existence’. In the absence of a statutory minimum wage, the labour courts have interpreted Article 36 to mean that an employee’s wage must be ‘sufficient’. The amount is determined by the national agreement for the relevant sector, signed by the most representative associations of social partners, based on workers’ qualifications. Collective agreements essentially become generally binding based on the individual enforceability of this right, without a separate extension mechanism.

Partial exceptions have been adopted by law for sectors considered at higher risk of social dumping, non-compliance with collectively-agreed wages or in-work poverty. Regulations for specific sectors, including cooperatives, public procurement, food delivery, dockworkers, air transport and nonprofit organisations, explicitly reference the most representative national agreements to establish a clear minimum wage for employers.

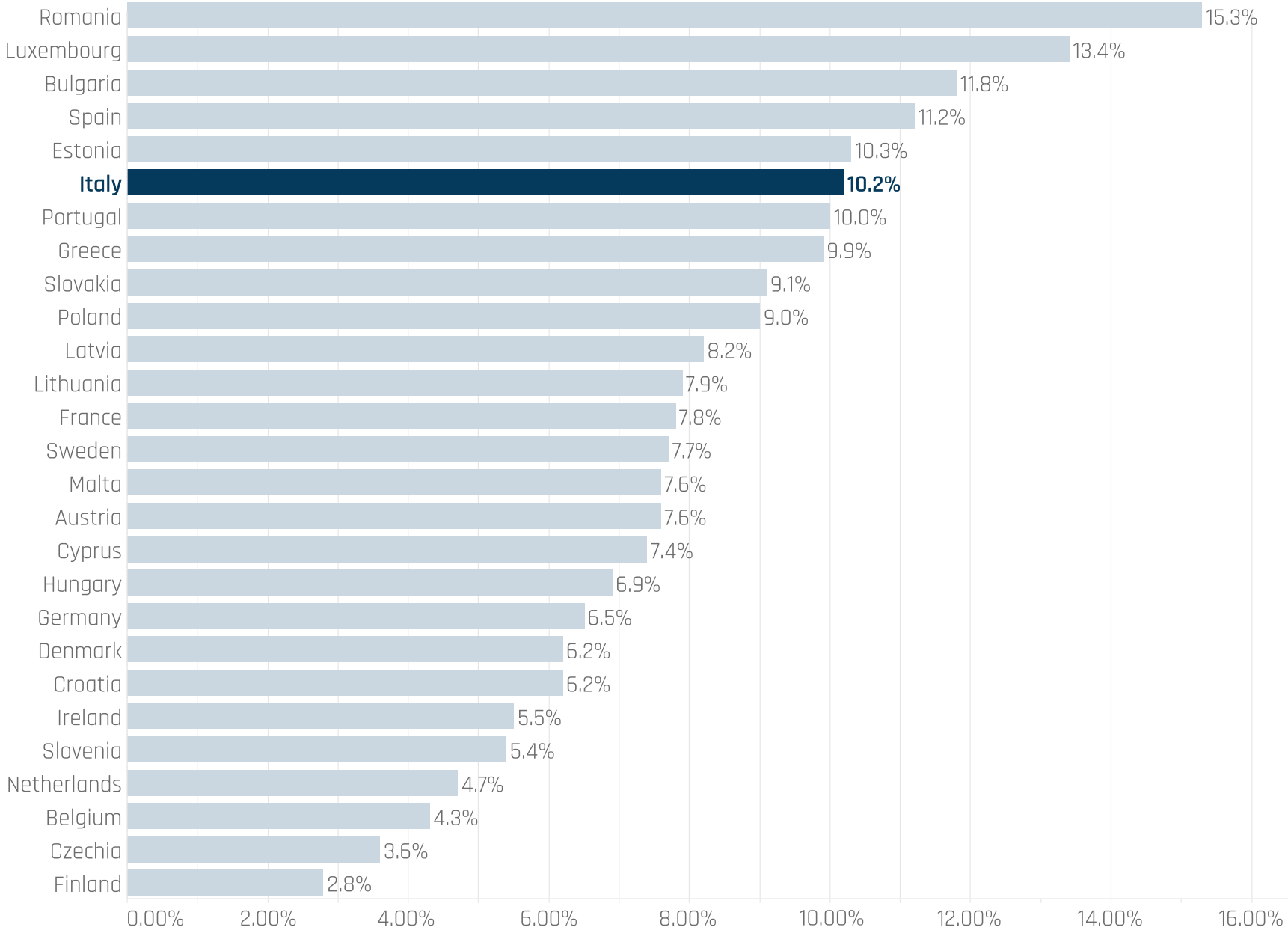
Examples of the variety of the lowest monthly wage levels (gross total) in force, according to sector, include the following: waste collection: 1,201.94 euros (€); local public transport: €1,238.15; HORECA: €1,293.15; metalworking: €1,559.11; construction: €1,696.20; chemicals and pharmaceuticals: €1,697.46; banking: €2,350.10.

Wage inequality (inter-decile Ratio P90/P10)  
**2.90**

Gender Pay Gap  
**5.60%**

In-work poverty rate  
**10.20%**

In-work poverty rate (%) per Country





# Collective Bargaining system in Italy

Collective bargaining is an essential expression of the constitutional principle of trade union freedom and pluralism (Article 39.1). Nevertheless, all the other original provisions concerning the conditions under which unions may stipulate erga omnes binding industry-wide agreements, such as registration and the majority principle (Article 39, para 2, 3 and 4), have never been implemented by law.

Collective bargaining has developed into a voluntarist system in which the law tends not to interfere, based on collective autonomy, governed by civil law, through the free and mutual recognition of the most representative social partners, the sectoral trade unions and employers’ associations. The signatory parties independently define the scope of the sectoral bargaining unit, specifically listing all the types of industries and jobs covered by the national agreement.

Several framework and cross-sectoral agreements have played a key role in the absence of laws. These include the miliar Tripartite Protocol of 23 July 1993, which has been repeatedly amended (2009 and 2018) and adapted in some other sectors (banks, SMEs, commerce).

In this context, the main social partner confederations have established fundamental rules about issues such as: incomes policy; cost-of-living adjustments for wages; the levels, timing and functions of collective bargaining; coordination and degree of centralisation of bargaining; and employees’ representation at the workplace.

In Italy, the collective bargaining system is two-tier: national industry-wide and decentralised, at company or alternatively territorial level. The two levels are centrally coordinated, according to specialisation and with no duplicating principles. Since 2011, exit or derogation clauses are usually admitted but delimited by national industry agreements.

The National Sectoral Agreement is usually a collection of more or less 100 articles and numerous annexes, and is updated every three to four years. Complementary to the law, it regulates both the individual employment relationship (hiring, classification, working time, pay scale and amounts, occupational welfare, in all their essential components), as well as the collective rights and duties of the signatory parties with regard to industrial relations (bargaining levels, coordination and procedures, information and consultation rights, peace and cool down clauses, bilateral bodies).

Since 2009, the safeguarding of wages’ purchasing power, through the National Sectoral Agreement, has been based on the harmonised index of the cost of living (IPCA), as annually calculated by the National Institute of Statistics (ISTAT), with the relevant exclusion of imported energy costs.

Decentralised bargaining is carried out mostly at company or at territorial level. The latter is widespread in sectors in which SMEs and/or discontinuous jobs prevail and workplace representatives absent (building, craft, HORECA, agriculture). The most important topic of decentralised bargaining is usually the ‘variable’, which may be productivity or profit-related pay, but the range of subjects covered is wide. Issues include: working time and shifts; workers’ participation; work organisation; conciliation; well-being and social benefits; restructuring initiatives; and shock absorbers.

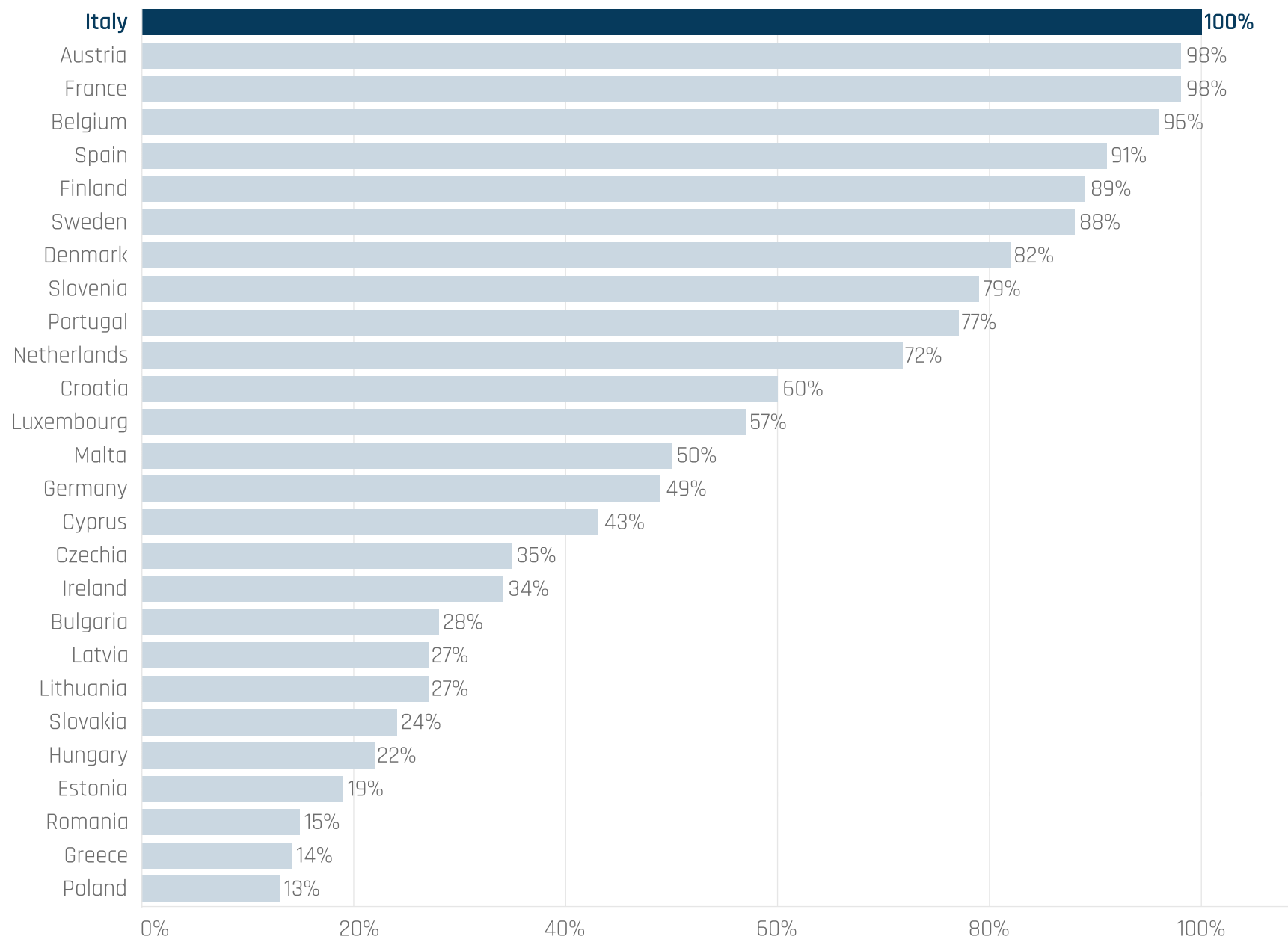
Collective Bargaining Coverage  
100.00%

Trade Union Density  
32.50%

Extension Mechanism  
No Extension Mechanism

Valididy of Collective Agreements after expirations?  
Yes

Collective Bargaining Coverage per Country (%)







# Collective Bargaining system in Italy

## Bargaining coverage

Italy is often cited by [international sources](#) as having the highest collective bargaining coverage in the EU, with a remarkable 100 per cent. This flattering figure does not take into consideration the high levels of non-compliance, however, especially in sectors and territories with a lot of informal work, paid below the collectively agreed minimum wage. However, also according to official and domestic sources ([CNEL](#); [INAPP](#)), no less than 94 per cent of employees in Italy are covered by a collective agreement. This information is derived from the monthly reports submitted by employers to the National Institute of Social Protection (INPS), which covers all private employment sectors, with the notable exception of agricultural and domestic workers. Despite the very high national average, with all sectors well above the EU Directive’s objective of 80 per cent, a few lag behind, such as construction (69 per cent) and ‘other services’ (28 per cent).

Besides the judicial exercise of the constitutional right to an equitable wage, the high union density, which is quite stable at over 30 per cent, plays an important role in achieving such a level of bargaining coverage. The CNEL has archived around a thousand collective agreements. Less than one-third of these agreements were signed by sectoral federations of the largest trade unions (CGIL, CISL, UIL).

These agreements signed by major unions cover 96 per cent of all employees, and so they are called ‘leader’ agreements. In contrast with the so-called ‘pirate’ agreements signed by smaller or ‘yellow unions’ they represent more than two-thirds of the total archived agreements but cover a mere 3–4 per cent of employees.

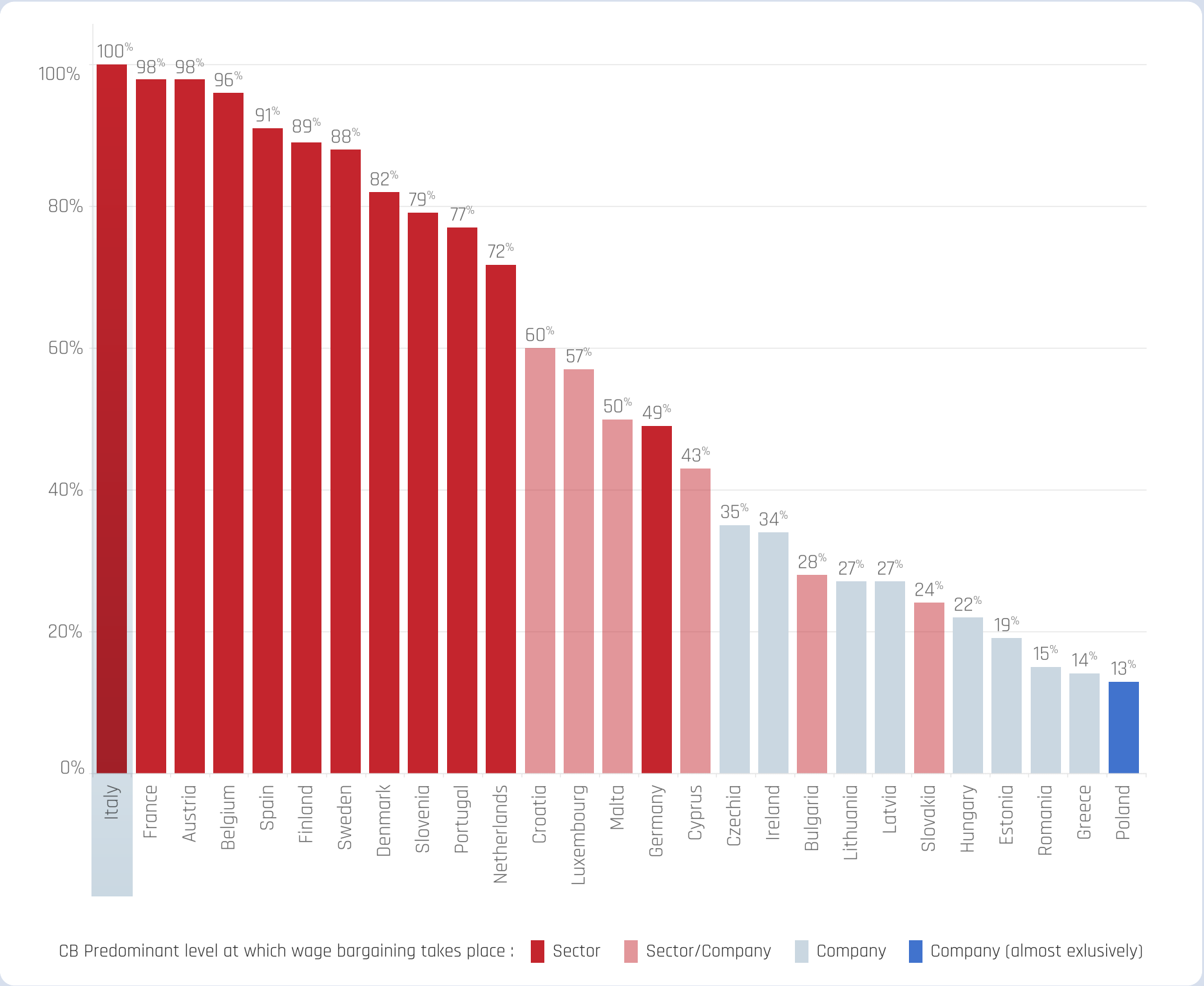
Size of company is a key factor in determining the use of decentralised bargaining, which can boost productivity. [A survey of 26,643 companies](#) with two or more employees found that only 4 per cent of companies used two levels of collective bargaining, but these companies employed 29 per cent of the workforce.

The government has used tax concessions to encourage company-level bargaining since 2016. These tax reductions apply to wage increases, when related to collective agreements aiming to promote productivity, participation and welfare programmes. In [November 2024, the Ministry of Labour collected and published](#) 103,721 agreements, covering 5,027,970 employees.

Based on available statistics, there are no signals of a quantitative decline of bargaining coverage. Conversely, employee reporting showed an increase from 89 per cent in 2018 to 94 per cent in 2022.

The same source ([INAPP, 2025](#)) indicates that when the entire workforce is considered, including autonomous collaborators, the percentage decreases by five points over the same period, from 83 to 78 per cent. Of more concern is the possible decline from a qualitative perspective. All sources agree that Italian wages have recorded some of the [worst wage dynamics among the OECD and EU Countries](#) over the past 15 or 30 years. Compared with 2019, before the Covid-19 pandemic, real wages dropped by 6.9 per cent by 2024. The causes vary, but one is the aforementioned presence of ‘pirate agreements’ and their wage dumping. Additional factors are: the high number of workers in low skilled and low added-value sectors and jobs; the massive use of part-time and fixed-term contracts; the enormous delays in the renewal of collective agreements, expired, but continuing to operate under the principle of so-called ‘ultra-activity’ for an average of 24 months. All these factors exercise a particular influence on low-pay sectors.

CB Predominant level at which wage bargaining takes place per Country







# Collective Bargaining system in Italy

## Exclusion of certain groups of employees from bargaining

In Italy, the scope of collective bargaining is large and inclusive. Not only are all private sector employees covered, but also the whole public sector (excluding public servant groups such as the armed forces, diplomats, the judiciary and academics). Even domestic workers have their own national collective agreement. The issue is, as in other sectors with a high risk of irregularities and lack of controls, widespread non-compliance with the rights and wages established in the industrywide agreement. It is worth noting that collective agreements that cover economically dependent self-employed workers are rare, with a few exceptions in food delivery, personal shopping and NGOs.

## Collective clauses in public procurement

Italian law mandates that contracting companies participating in public procurement must adhere to national collective agreements established by the most representative associations. The guidelines for bargaining are found in the Code of Public Procurement, which has been amended several times, most recently in 2023. Legislative Decree No. 36/2023 establishes that ‘to the staff employed in the works, services and supplies subject to public contracts and concessions, the national and territorial collective agreement is applied that is in force for the sector and for the area in which work services are carried out, stipulated by the employers’ associations and comparatively more representative employees at the national level and whose scope of application is strictly connected with the activity covered by the contract or concession carried out by the company also in a prevalent manner’ (Article 11.1).

## Trade union rights of access to workplaces

Since the Workers' Statute of 1970, Italian workers in both in the private and public sectors have had the right to elect their own representatives in companies with over 15 employees. The same statute recognises rights for trade unions to access and be active in the workplace, in terms of organising and the right to a representative’s room; to call meetings and ballots; and to obtain permission for union activities, paid or unpaid. Unions are financed by the workers’ dues and the statute authorises the unions to deduct union dues from employees’ wages (check-off). Some key framework agreements, starting from the 1993 Tripartite Protocol, have further defined the methods for electing workers' representatives in the workplace. For instance, the number of elected representatives shall be linked to the total number of employees. Collective agreements regulate the election and duration of office of workers’ representatives. Unitary union representatives (Rappresentanze Sindacali Unitarie – RSU) are a ‘single channel’, elected on the basis of competing lists by both union and non-union members, and have the right to firm-level bargaining, strike action, information and consultation. There are no reliable and updated statistics on RSU distribution, however estimates show that the density is unsatisfactory, in small but also in mediumsized enterprises.

This is especially observed in the less unionised sectors and in the south of Italy. For public employees, rights and prerogatives are stronger than in the private sector, as they are legally mandatory and enforceable (Legislative Decree no. 165/2001). Elections are regular in all public branches and duly certified by a public agency (ARAN), which manages both votes and members of all the different unions. The weighted averages of votes and members are used to select the representative organisations permitted to negotiate national agreements (>5%), and binding when and if backed by a majority of 50+1% of the union delegation.

## Protection of workers and trade union representatives against dismissal/discrimination

But the Workers’ Statute provides workplace trade union leaders with special protection from relocation (Article 22). Judicial scrutiny is applied to employer actions that violate Article 28 of the statute, which protects employees from anti-union discrimination. From recent case law, a number of employers’ actions have been deemed to be anti-union, and are therefore prohibited. Anti-union behaviour includes: dismissal or hiring of third parties to replace workers on strike; retaliation against workers that undertake strike action; failure to inform/consult the unions on issues regulated by collective agreements; infringement of union rights fixed by law; interfering with union organising; and more. An employer who does not comply with an order to cease anti-union behaviour shall be liable to penalties under Section 650 of the Penal Code

## Obligation for employers to engage in collective bargaining

There is no such obligation in Italian law.



# Transposition of the European Directive on Adequate Minimum Wages in the EU

Italy had taken only minimal steps to implement the directive on adequate minimum wage by the 15 October 2024 deadline. This amounted to a declaration that the system is already in line with the Directive's aims and that no further action need to be taken. Although political, social and academic groups widely supported adopting a statutory minimum wage of €9.00/hour, the current right-wing government claims that it is unnecessary and that the system can already meet the objectives of the Directive. This includes not only bargaining coverage, which is certainly above the 80 per cent threshold, but also in relation to the Kaitz index, the ratio between the average of the collectively agreed minima and the national median (estimated at over 70 per cent), which is above the Directive's reference value of 60 per cent for countries with a statutory minimum wage.

After consulting the CNEL on 7 December 2023, the right-wing majority rejected the opposition's proposal of a statutory minimum wage, giving a mandate to the government to legislate by decree, within six months, on the subject. Since then, nothing has really happened. After the deadline for transposition, two of the three main trade unions, CGIL and UIL (not CISL), sent a letter to the European Commission, in which they complained about the inaction of the Italian government regarding the implementation of the directive. A particularly serious aspect, as they put it in the letter, is the 'lack of involvement of trade unions in the decision-making process in question. This exclusion conflicts not only with the fundamental principles of the Directive, but also with the consultation obligations established by Community law.

We believe that not involving the social partners in a discussion of such importance constitutes a serious breach of European obligations and a denial of the value of social dialogue, which is one of the pillars on which the construction of the European Union is based.'

Widespread and continued dissatisfaction remains. Inflation has eroded wages, which have stagnated and statistical data on bargaining coverage is not always entirely reliable. Too many workers, affected by short part-time and fixed-term contracts, are at risk of poverty. Collective bargaining is threatened by unrepresentative actors and pirate agreements. Italian industrial relations, typically characterised by voluntarism, will face significant challenges without targeted legislation to support genuine participants and practices, also with regard to wage setting mechanisms.



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**WAGE-UP is the ETUC Monitoring Tool** presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

[www.wage-up.etuc.org/](http://www.wage-up.etuc.org/)



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