WAGE-UP

Minimum Wage & Collective Bargaining in Italy 2026

Italy

Statutory Minimum Wage

Gender pay gap 5.30%

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

Latest update on April 2026

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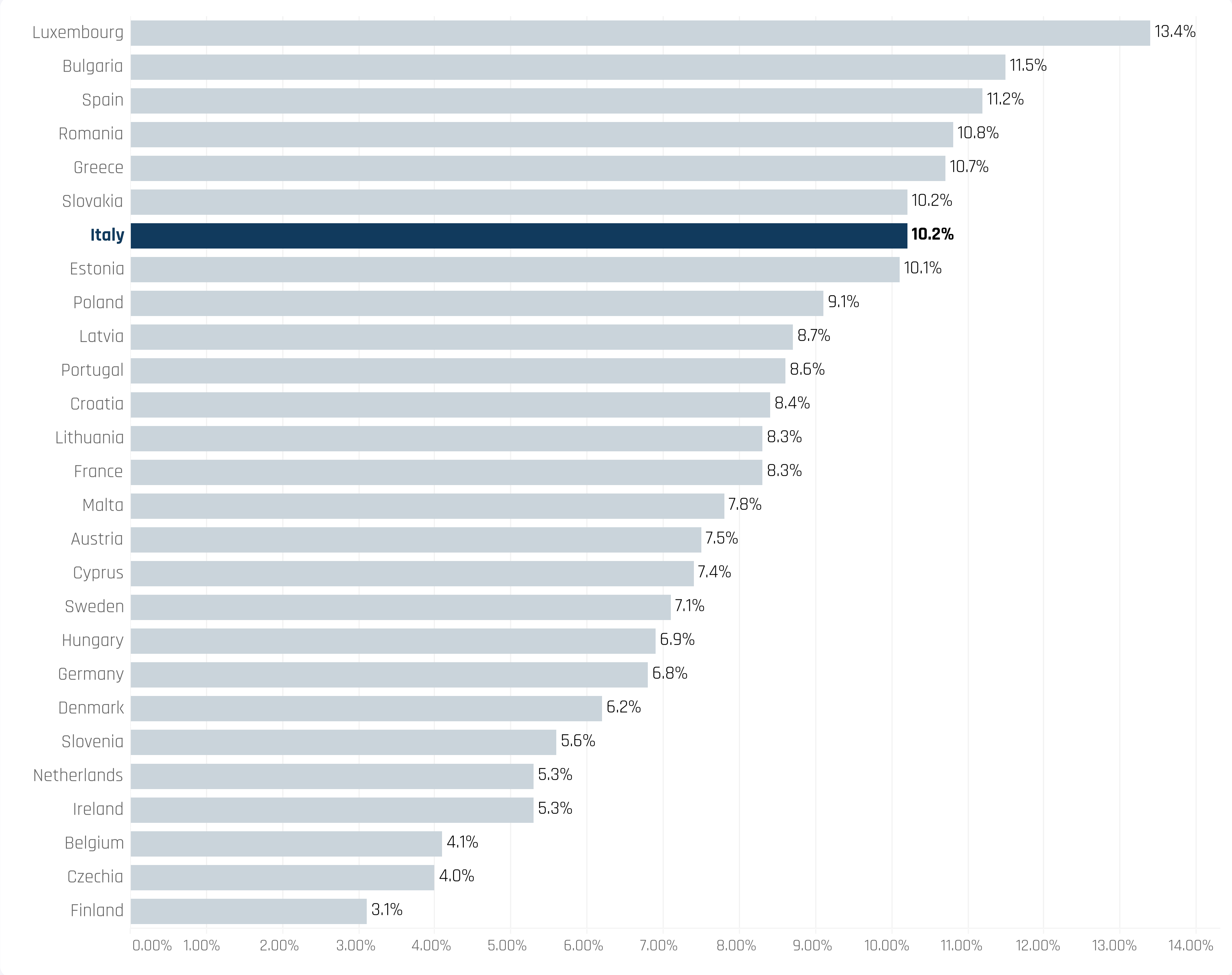
Minimum wage regime in Italy

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 non-profit organisations, explicitly reference the most representative national agreements to establish a clear minimum wage for employers.

In-work poverty rate (%) per Country



Statutory Minimum Wage	In-work poverty rate
No	10.20%

Income inequality (income quintile share Ratio S80/S20)	Gender Pay Gap
5.50	5.30%

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 milestone 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 consumer prices, 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.

- Bargaining coverage Italy is often cited by international sources as having the highest collective bargaining coverage in the EU, with a remarkable 100%. 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% 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%, a few lag behind, such as construction (69%) and 'other services' (28%). Besides the judicial exercise of the constitutional right to an equitable wage, the high union density, which is quite stable at over 30%, plays an important role in achieving such a level of bargaining coverage.

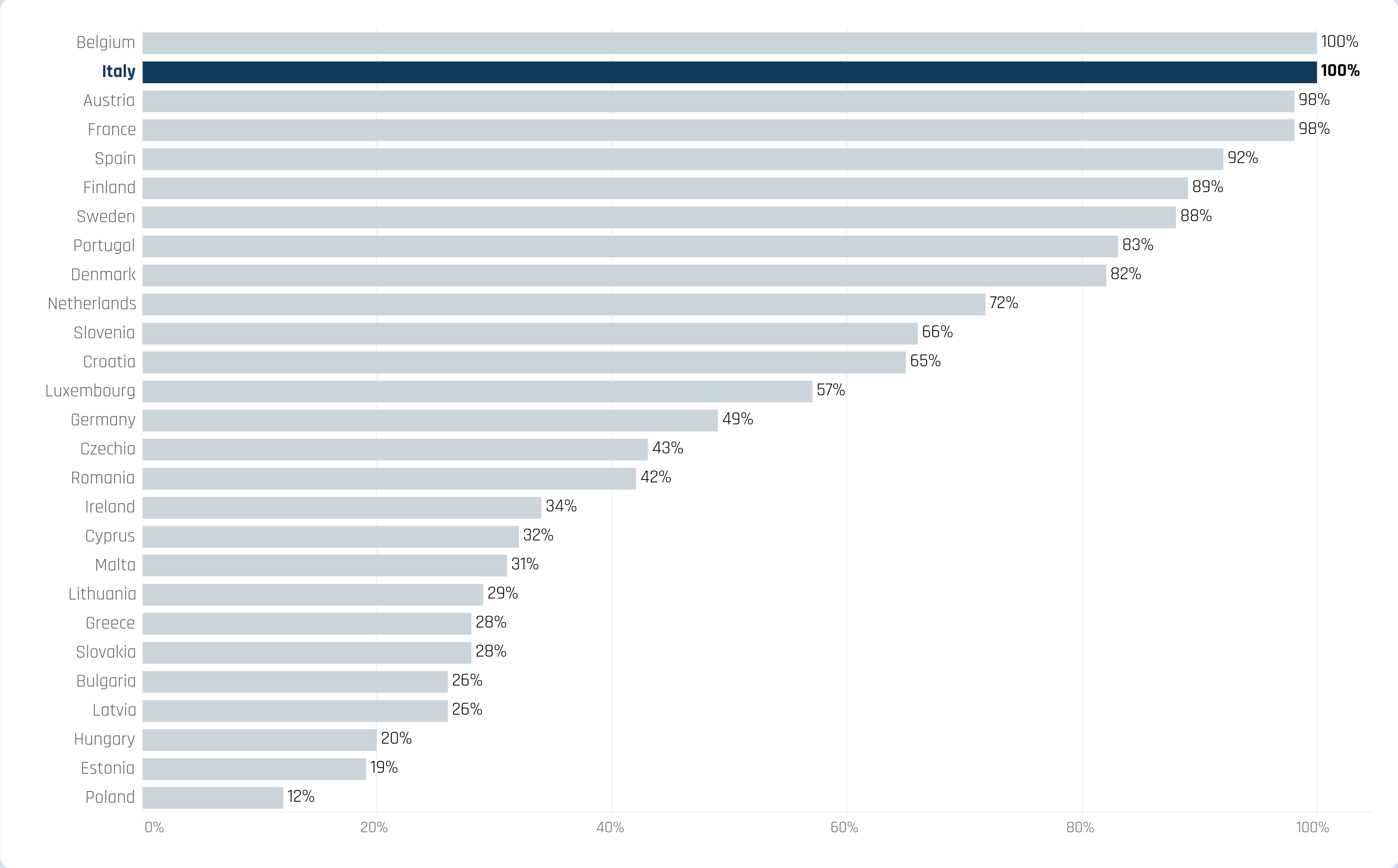
Collective Bargaining Coverage
100.00%

Trade Union Density
30.20%

Financial incentives for union members
No

Valididy of Collective Agreeements after expirations?
Yes

Collective Bargaining Coverage per Country (%)



Collective Bargaining system in Italy

Company-level bargaining covers approximately one-third of wage-earners and the size of the company is a key factor. Surveys show that (INAPP 2024) only 4% of them are covered by two levels of collective agreements.

Data processed by the CNEL Observatory at the end of 2025 revealed a striking imbalance between fragmentation and concentration in national sectoral bargaining. Of the 1,017 agreements filed, 722 cover fewer than 1,000 workers, 663 to fewer than 500 workers and 461 apply to fewer than 100 workers. In practice, many of these agreements function as company-level contracts disguised as sectoral agreements. By contrast, the 200–210 national agreements signed by the three largest and most historic trade union confederations (CGIL, CISL and UIL) cover 97% of workers. In September 2025, according to ISTAT, 46 national collective agreements in force covered 56.9% of employees – approximately 7.5 million workers – while 29 agreements were awaiting renewal, covering 43% of the total workforce (5.6 million employees). At the end of November 2025, the important national agreement for the metalworking sector was signed, which covers around 1.5 million workers. According to the Bank of Italy's latest Economic Bulletin, the number of workers awaiting contract renewal has plummeted by around 13% in the first months of 2026.

Based on available statistics, there are no signals of a quantitative decline of bargaining coverage. Conversely, employee reporting showed an increase from 2018 to 2023. 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%. 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 to 30 years. Compared with 2019, before the Covid-19 pandemic, real wages had dropped by 8% by 2025. The causes vary. One is the presence of so-called ‘pirate agreements’ signed by non-representative unions and employers' associations and their wage dumping. Additional factors include 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 long and frequent delays in the renewal of collective agreements that have expired, but remain in force under the principle of so-called ‘ultra-activity’ for an average of 24 months.

The issue of wages and the recovery of purchasing power lost in recent years was by far the most pressing concern during the negotiations leading up to the 2024– 2025 renewals. Average wages increased by 3.3% compared with September 2024. This exceeded inflation, but was still insufficient to fully recover purchasing power lost during the previous years.

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 industry-wide 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

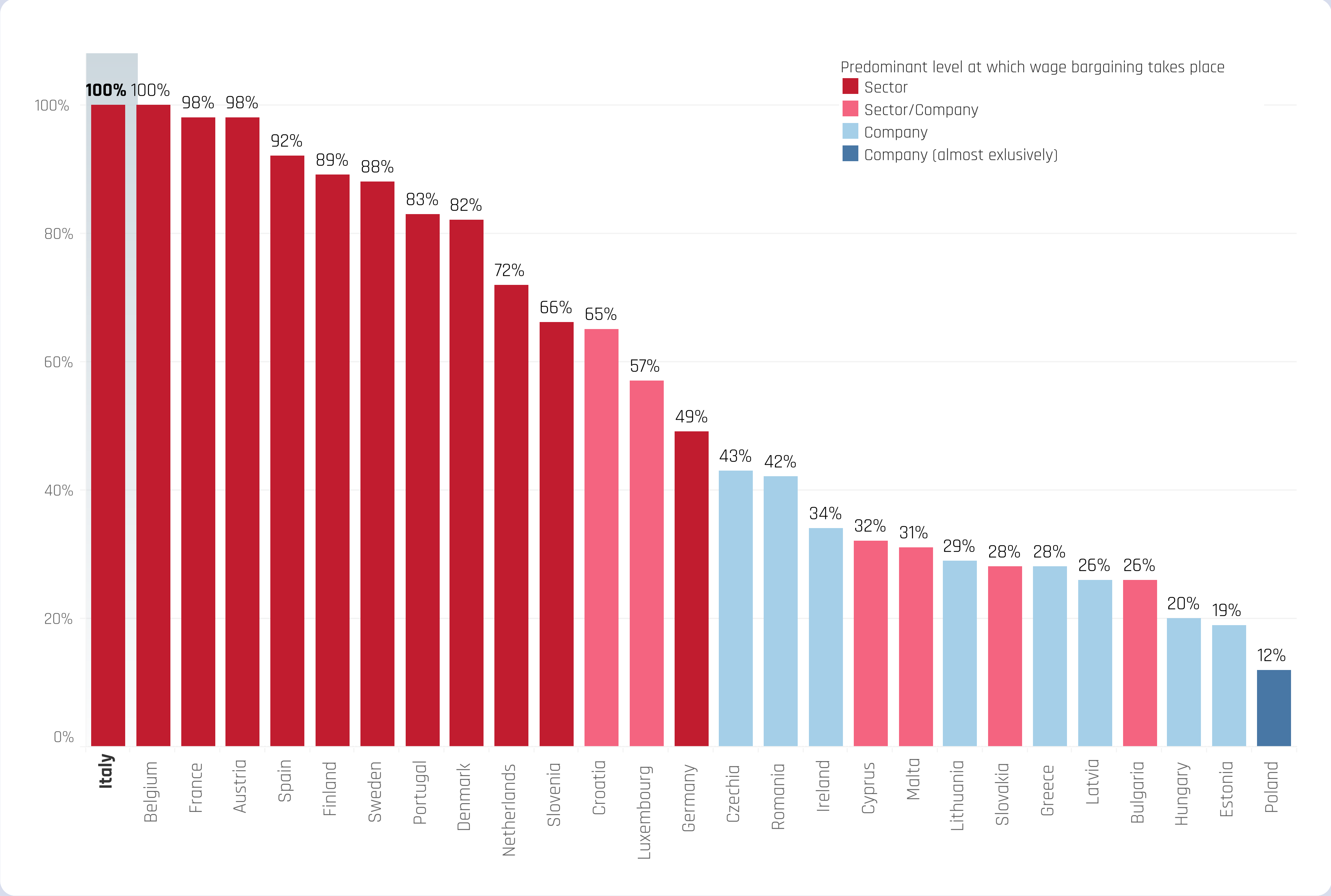
Italian law mandates that contracting companies participating in public procurement must adhere to national collective agreements established by the most representative associations. The guidelines for bargaining are found in the Code of Public Procurement, which has been amended several times, most 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).

It is worth mentioning the initiatives undertaken by some local administrations to establish a minimum hourly wage – set at €9 gross – for all public procurement contracts. Noteworthy examples include the municipalities of Florence, Naples, Milan, Livorno and, since last July, Genoa, although the most significant and controversial case to date has been that of the Puglia region, the first Italian region to adopt an hourly minimum wage in specific cases.

Here, regional laws (Nos 19, 39 and 30 of 2024) established and reaffirmed minimum wage protection in contracts of the Puglia region and all local authorities within it, including local health authorities. In procurement or concession contracts involving services, supplies or the execution of labour-intensive works or projects, contracting companies are required to comply with certain quality-based criteria. These include the application of the current national collective agreement, signed by the associations of the most representative parties at national level, as well as – as a new development – the application of a minimum hourly wage of no less than €9 gross.

The inclusion of these social clauses forms part of the objective of ensuring quality and safety in the workplace and combating contractual and wage dumping, whereby companies that respect workers’ rights and dignity risk being undercut in tenders by those that pay less and treat their workers less favourably.

CB Predominant level at which wage bargaining takes place per Country



Collective Bargaining system in Italy

In January 2025, the Council of Ministers challenged the Puglia regional law, alleging that it violated the principles of autonomy of collective bargaining, as enshrined in Articles 36.1 and 39.4 of the Constitution, as well as the exclusive authority that the Constitution itself (Article 117) grants to state legislation and civil law on all matters relating to employment relationships. The Constitutional Court rejected both objections with Ruling No. 188 of 16 December 2025.

The first objection was rejected on the grounds that it was based on the absence of legislative reservations regarding collective bargaining in wage matters, and that it was unclear how a law establishing a minimum gross hourly wage of €9 could conflict with the principle of proportionate and sufficient remuneration, as set out in Article 36.1. As for the alleged violation of Article 117, this was also rejected, because the regional law does not seek to establish a minimum hourly wage for all workers in the region, but only for those employed by local public bodies, in line with a policy already favoured by both national and European procurement regulations. The ruling explicitly cites Directive 2022/2041 in several passages, recognising the fundamental role of public procurement in the effective implementation of minimum wage protection, whether provided for by law or collective bargaining (Recital 31 and Article 9, entitled 'Public Procurement'). Following the example set by the centre-left Puglia region, similar initiatives are being considered in other regions, for instance in Piedmont.

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. 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 medium-sized 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. This system is more or less the same as in the major private sectors, but on the basis of less binding bipartite framework agreements. The major social partner associations, along with many experts in union law, are pushing for this model — relating to the crucial question of the link between representativeness and the effectiveness of collective agreements — to be adopted and extended by law to the private sector.

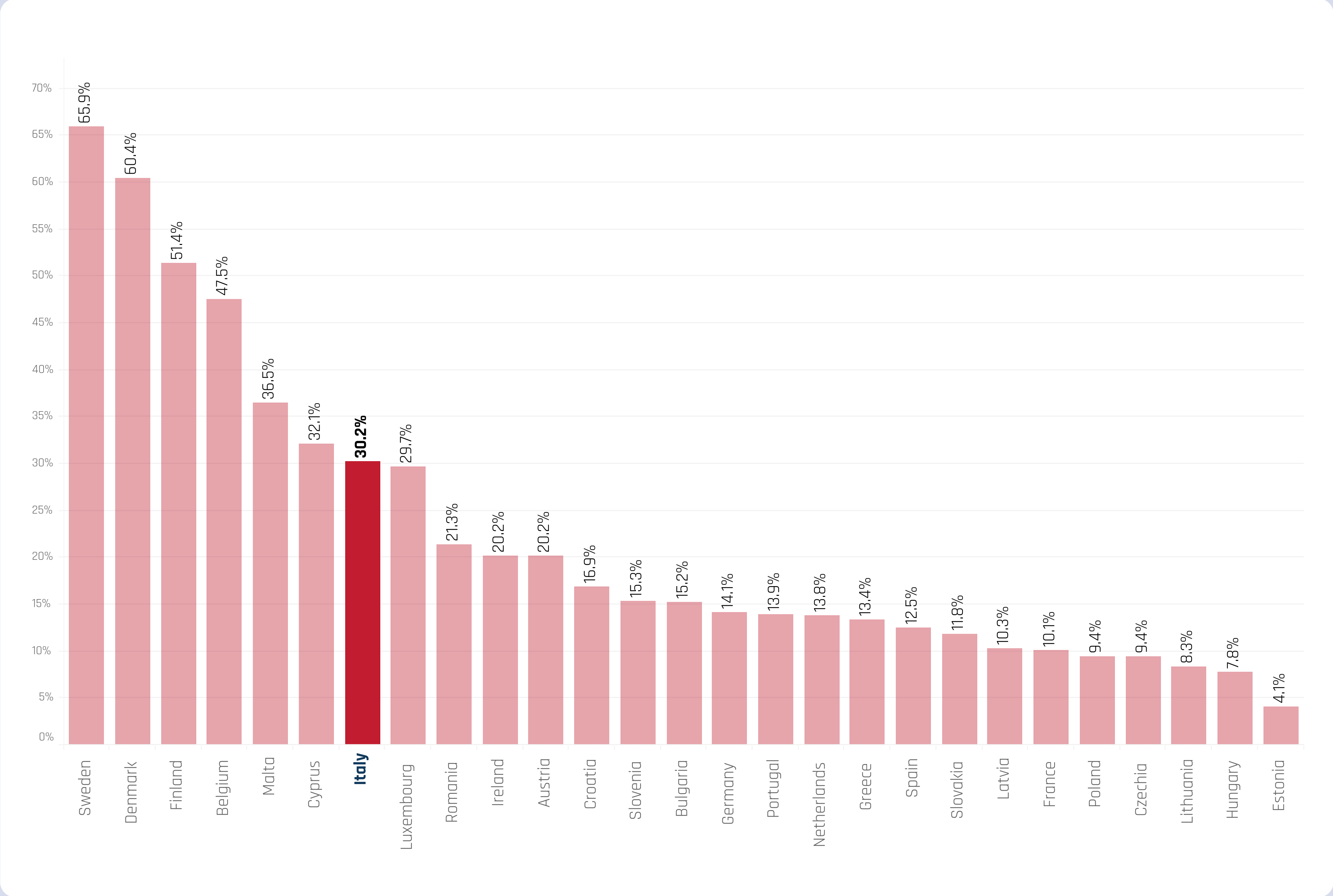
Protection of workers and trade union representatives against dismissal/discrimination

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.

CB Trade Union Density (%) for each Country



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 needs 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% 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%), which is above the Directive's reference value of 60% 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'.

On 23 September 2025, the Italian Senate passed Delegating Law No. 144, which, by substantially amending the centre-left opposition's original proposal regarding the introduction of a statutory minimum wage, mandates the Government to issue one or more legislative decrees, within six months, on wages, collective bargaining, and control and information procedures.

This streamlined text, divided into just four articles, is based on the formulation of a series of objectives, which the Government is then expected to transpose into more detailed technical regulations.

These principles include ensuring that workers receive 'fair and just' remuneration, combating underpaid work, encouraging the renewal of national collective agreements within established timeframes, and combating contractual dumping resulting from the proliferation of contractual systems aimed at reducing labour costs and weakening worker protection.

In order to achieve these objectives, the Government will – among other things – define, for each sector, the 'most widely applied' national industry-wide agreements, based on the number of companies and employees, in order to establish that the 'minimum economic treatment constitutes, pursuant to Article 36 of the Constitution, the minimum economic condition to be guaranteed to workers belonging to the same sector'. This includes workers not covered by collective bargaining, or whose contracts have expired, through intervention by the Ministry of Labour. Public sector workers are excluded.

Tools will be provided to encourage the development of second-level bargaining, with 'adaptive purposes', also to address the 'diversified needs arising from territorial differences in the cost of living'. Other measures expressly mentioned in the law include support for the renewal of expired agreements, through incentives aimed at compensating for the reduction in purchasing power; stricter oversight of the genuinely mutualistic nature of cooperatives; and the introduction of models for participation in company management and profit-sharing.

On 15 May 2025, a law (No. 76) was approved on the subject of workers' participation in enterprise. The second largest confederation, the CISL, had pressed for this very strongly.

With this delegating law, the right-wing majority definitively abandons the adoption of a statutory minimum wage, as called for by the opposition, and opts instead to support and consolidate the traditional primacy of collective bargaining within the Italian industrial relations system.

The law already received considerable criticism during the parliamentary debate and hearings with trade unions. Among these, the largest Italian trade union, CGIL, highlighted procedural shortcomings, which include the failure to ensure genuine involvement of the social partners, as required by the European Directive (Article 4.1), in the implementation of the measures.

On the merits, two aspects of the text appear to be most controversial: (i) the concept of 'most widely applied' national collective agreements, rather than the standard 'comparatively most representative' ones; and (ii) the reference to decentralised bargaining for adaptive purposes, related to territorial differences in the cost of living. In the first case, the risk is that, in the absence of a law defining representativeness criteria, companies will choose the most advantageous national agreement, thereby contradicting the very objectives formally proclaimed in the law. In the second case, the risk is that minimum wages will vary according to different territorial contexts, potentially reverting to the old system of gabbie salariali ('wage cages'), fought and defeated in the union struggles of the late 1960s.

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

The Government has deemed it necessary to provide legislative support for collective bargaining not only through the already cited Law No. 144/2025, but also through specific measures, such as those contained in the 2026 Budget Law. These measures provide that salary increases paid to private sector employees in 2026, resulting from renewed agreements signed in 2025 and 2026, are subject - unless the employee expressly waives this in writing – to a substitute tax rate of 5%, replacing personal income tax and additional regional and municipal taxes, for employees with annual incomes not exceeding €28,000. This measure is intended to incentivise and accelerate the conclusion and renewal of sectoral agreements. It is expected to affect approximately 3.3 million employees with an average benefit of approximately €143 per worker. Overall, the measure has been positively assessed by the major social partner organisations. On 30 April 2026, the government has passed the Decree-Law No. 62 (Decreto Primo Maggio) adopting and amending the mandates of Law 144, which expired on 18 April. Among other things, the decree includes some very important measures regarding "fair wages", support for comparatively more representative national collective agreements, incentives for timely agreement renewal, and national wage monitoring (Articles 7-11).

More specifically the Decree includes the following measures:

Pursuant to Article 36 of the Constitution, collective bargaining determines a fair wage and ensures that workers receive overall economic treatment that is appropriate to the quantity and quality of their work.

A fair wage is defined as the overall economic treatment defined by national agreements concluded by the comparatively most representative national employers' and workers' organisations.

The overall compensation provided for in other national agreements must not be lower than that set out in the most representative agreements.

For sectors not covered by collective bargaining, the overall compensation will be that with most closely related scope of application to the activity performed in that sector.

If contracts are not renewed within the first 12 months after they expire, wages will be adjusted by 30% of the HICP variation as anticipation on the forthcoming renewal.

To ensure monitoring, transparency, and information, major public bodies responsible for labour matters shall collaborate to collect and share reliable data, develop statistical indicators and conduct regular analyses. The CNEL will compile an annual national Report on wage levels, bargaining coverage and evaluations about the efficacy of the measures adopted to support collective bargaining.

Overall, the decree has been welcomed by the largest employers' associations and the CISL and UIL, who consider it a victory for the union movement. The detrimental phenomenon of pirate agreements should henceforth be drastically reduced, thanks to the primacy recognised for the agreements signed by the most representative associations. These agreements set higher compensation standards, which are always above the minimum floor, and, therefore, will be an important tool for labour judges. However, the CGIL union remains critical, since it remains unclear what should be included in the overall economic compensation.

There is, furthermore, no minimum threshold and the flat-rate adjustment of 30% 12 months after the expiry date, is not considered a sufficient deterrent.

The decree will have to be converted into law after being passed through Parliament. It remains to be seen what will be retained or changed of the "Primo Maggio" decree, and in which direction.

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WAGE-UP

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/

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