



BANCA D'ITALIA
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**COLLECTIVE BARGAINING IN ITALY OVER THE PAST 25 YEARS:
EVIDENCE FROM BANCA D'ITALIA'S DATABASE
ON THE MOST REPRESENTATIVE CBAs**

by Giulia Bovini*, Raffaella Nizzi* and Gaetano Basso*

Abstract

This paper describes the institutional framework for national collective bargaining and examines the trends in negotiated wages between 2000 and 2025, using Banca d'Italia's database on the 50 most representative collective bargaining agreements (CBAs) in the non-farm private sector. The bargaining framework allows for substantial flexibility in sector-level negotiations, both in the timing of renewals and in determining wage increases and any adjustments for deviations between expected and actual inflation. Over the past 25 years, negotiated wages increased by 61.2 per cent overall in nominal terms, on average across sectors, but declined by 1.3 per cent in real terms, mainly owing to the high inflation recorded in 2021–23. The loss in the purchasing power of negotiated wages was more pronounced in private services, where delays in CBA renewals were longer. The analysis of the relationship between negotiated and actual wages suggests that second-level bargaining partly compensated workers during these delays.

JEL Classification: J31, J52, E31.

Keywords: collective bargaining, negotiated wages, wage dynamics, inflation.

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1. Introduction¹

The analysis of negotiated wages – released promptly and not subject to employment-composition effects – plays a crucial role in assessing the dynamics of labour costs and, consequently, the wage pressures on inflation, providing essential information for the orientation of monetary policy.² This paper illustrates the structure of national collective bargaining in Italy and describes the dynamics of negotiated wages over the past twenty-five years (2000–2025). The evidence is based on a database compiled by Banca d'Italia which, drawing on a variety of information sources, contains the history of the 50 national collective bargaining agreements (CBA) most representative in employment terms in the private non-agricultural sector since 2000.

Starting from the 1993 agreements between the employers' associations and trade unions, collective bargaining is organised on two levels: a central sector-based level, implemented through the CBAs, responsible for regulating normative aspects and ensuring the purchasing power of wages;³ and a territorial or firm-level dimension, which is intended to promote a distribution between workers and employers of the productivity gains achieved by firms.

The CBAs determine the wage floor for each pay grade, to which are added, for the determination of overall remuneration, the components defined by territorial, firm-level or individual agreements. In the absence of a statutory minimum wage, the CBAs set the wage floors for each sector that apply to almost all employees (given the high coverage rate of collective bargaining).⁴

Section 2 describes the main regulatory aspects governing national collective bargaining. The CBAs apply to firms that are members of the signatory employer associations and to those which, although not affiliated, voluntarily adopt them. The 2009 'interconfederal' agreement set the duration of the economic component of the CBAs at three years – previously two years – and introduced, as the parameter for wage adjustments, the Harmonised Index of Consumer Prices – Net of Imported Energy goods (HICP-NIE) expected for the following three-year period, replacing the previous reference to the planned inflation rate (TIP). The HICP-NIE is less volatile than the HICP and, in the short term, isolates the dynamics of negotiated wages from external shocks arising from the energy component

¹ The authors thank Andrea Brandolini, Fabrizio Colonna, Roberto Torrini and Eliana Viviano for their comments. The views expressed by the authors are personal and do not necessarily reflect those of Banca d'Italia or the Eurosystem.

² Banca d'Italia publishes conjunctural analyses on the trend in contractual wages in the *Bollettino Economico*. The European Central Bank publishes the ECB Wage Tracker, which monitors the evolution of contractual wages (both net of and including one-off payments) at the aggregate level of the euro area, based on the agreements in force at each point in time (see <https://www.ecb.europa.eu/press/blog/date/2024/html/ecb.blog20241218~1b3de009b4.en.html>).

³ For example, the regulatory component may govern, among other matters, aspects relating to any ceilings on the use of fixed-term or part-time contracts, working hours, staff classification, probationary periods, or issues concerning health and safety at work.

⁴ Although adherence to a CBA is not a legal obligation, almost all employers adopt one as a reference, because in the event of litigation case law tends to refer to the prevailing agreement in the sector. Collective bargaining coverage rates for firms with more than 10 employees, published in a 2019 Eurofound analysis, are 98 per cent in Italy, 94 per cent in France, 91 per cent in Spain and 45 per cent in Germany (<https://www.eurofound.europa.eu/en/european-industrial-relations-dictionary/collective-bargaining-coverage>).

of prices. Compared with the use of a historical index, the reference to a forward-looking index – in force since 1993 following the abolition of wage indexation – prevents the automatic linking of wages to realised price changes, thereby reducing the risk of triggering inflationary spirals.

Despite these general provisions, there nevertheless remain wide margins of flexibility in the renewal of individual collective agreements, with the result that very different wage dynamics may emerge across sectors from national bargaining. The ‘interconfederal’ agreement does not set strict deadlines by which expired CBAs must be renewed; they generally remain valid until the subsequent agreement and are therefore often signed with significant delays, which vary greatly from one sector to another.

Furthermore, the employers’ associations and trade unions may agree on durations other than the three-year term, freely negotiate the number and structure of the instalments through which to pay the agreed overall wage increases, and may take as a reference a price index other than the HICP-NIE; in the event of deviations between the expected and realised reference index, individual agreements may or may not include ex-post adjustment clauses or, as occurs in most cases, define any wage recoveries through negotiation. When renewing the contracts, the employers’ associations and trade unions may also establish the payment of one-off compensations, which raise wages only in the month in which they are paid, without altering the structural remuneration.

To further harmonize certain key features of collective bargaining and limit the proliferation of collective bargaining agreements, Decree-Law No. 62/2026 (“Primo Maggio”) introduced provisions aimed at strengthening the central role of collective bargaining agreements concluded by the comparatively most representative organizations at the national level.

Section 3 illustrates the content of Banca d’Italia’s database on collective bargaining. For each CBA, information was collected on renewal agreements – including signing, expiry and effective dates, the structure of the instalments, and any one-off payments – as well as on adjustments to minimum negotiated wages⁵. Based on the linkage between the CBA database and a large representative sample of UNIEMENS declarations that employers send monthly to INPS (the BI-UNIEMENS sample), it is estimated that in 2024 – the last year for which UNIEMENS reports are available – the CBAs included in the database apply to almost three quarters of blue-collar and white-collar workers in the private non-agricultural sector. The database coverage rate is higher among employees in private services than in industry (80 per cent versus 64 per cent in 2024), reflecting the widespread use in manufacturing of CBAs applying to medium-small or artisanal firms that are not included in the database. Workers covered by the CBAs included in the database have on average higher wages than those excluded and are employed in larger and longer-established firms.

Section 4 draws on the information contained in the database to describe developments in negotiated wages over the past twenty-five years (for a longer-term analysis, see Fanfani, 2025). Over the period 2000–2025, averaged across sectors, monthly negotiated wages increased by 61.2 percent overall in nominal terms. In real terms, however, using the national consumer price index for the entire population (NIC), they declined by an average of 1.3 percent, mainly as a result of the inflationary

⁵ In a contemporaneous study, Cova (2026) constructs a database of collective bargaining agreements filed with CNEL from the post-war period to the present and analyzes their texts to trace the evolution over time of the various areas covered by national collective bargaining.

episode of 2021–2023, when price growth substantially outpaced increases in negotiated wages.⁶ At the same time, a moderate increase in the dispersion of wage floors across collective agreements has been observed; pay differentials between job pay grades within individual agreements have also widened. In Italy, however, income dispersion among full-time employees – which reflects both the evolution of minimum negotiated wages set by the CBAs and additional pay components defined at the decentralised level – remains limited compared with the main euro-area countries (Bovini et al., 2023).

The frequency of negotiated wage adjustments has declined over the past twenty-five years: in 2020–2025, minimum rates were updated on average every 16 months, compared with 11 months in 2000–2004. This decline reflects almost entirely the increase in delays in CBA renewals, since minimum negotiated wages generally remain unchanged during periods in which CBAs have expired (“vacanza contrattuale”). The share of agreements renewed with at least three months of delay has risen from 61 per cent in 2000–2004 to 86 per cent in 2020–2025. The extension of the duration of agreements – from an average of around 27 months in 2000 to 35 in 2009, due to the new bargaining framework introduced by the ‘interconfederal’ agreement signed that year, and to more than 39 in 2025 – has contributed only marginally to the lengthening of the intervals between wage adjustments. Indeed, the spacing between the instalments agreed at renewal has increased only slightly, as the longer duration has been accompanied by an increase in the number of instalments.

Between 2000 and 2025 most renewals envisaged instalments with a decreasing profile, meaning that the first payment was higher than the last. However, the prevalence of this payment structure – which, for a given overall amount, results in a higher average monthly wage for the worker over the life of the agreement – has declined over time: in 2020–2025 it was adopted in around six out of ten renewals, compared with 73 per cent in 2000–2004. Over the past twenty-five years, the use of non-structural compensations (one-off payments) has been frequent, affecting more than half of renewal agreements; the likelihood of paying a one-off amount is significantly influenced by the length of the delay, increasing by about one percentage point for each additional month.

The dynamics of negotiated wages display pronounced sectoral heterogeneity. The reduction in purchasing power has been sharper in private services (–5.9 per cent); in industry, wages have increased on average by 4.3 per cent in real terms. CBAs in private services have been renewed with longer and, on average, more substantial delays (22 months versus 6). As partial compensation, in this sector one-off payments have been more frequent and of a higher average amount.

Section 5 concludes by presenting an analysis of the dynamics of effective (“actual”) wages in relation to those of the wage floors defined by the CBAs. Effective wages at the CBA level are estimated by combining information on sectoral effective wages from the National Accounts with the weight of sectors within each CBA, calculated using the BI-UNIEMENS sample. In contrast with the existing literature, which analyses these dynamics at an aggregate level (Yellen, 2015; Nickel et al., 2019) or

⁶ Since 2009, the benchmark used for the renewal of CBAs has been the harmonised index of consumer prices excluding imported energy products (HICP-NIE; Section 2.1). Although inflation measured using the HICP-NIE may in principle differ from that based on the NIC (page 10 and Figure A1 in the Appendix, panel a), the change in real negotiated wages, averaged across sectors, between 2009 and 2025—the period for which both series are available—is virtually identical when calculated using the two indices (around –3.5 percent).

focuses on estimating the elasticity between actual and negotiated wages at the firm level (Fanfani, 2023; Devicienti and Fanfani, 2025), the analysis at the level of CBAs makes it possible to highlight determinants of actual wages that are specifically linked to the characteristics of collective bargaining – determinants that cannot be studied effectively by looking at the economy as a whole or in the absence of detailed information on renewal agreements.

For the period 2000–2024, for which full information is available on agreements and wages disaggregated by sector, it is shown that the economic determinants of each sector (productivity, hours worked), the composition of the workforce in demographic and negotiated terms (gender, country of birth, prevalence of part-time and temporary contracts), and the characteristics of the CBAs (chiefly the length of renewal delays) independently contribute to the dynamics of actual wages. Overall, the regression model is able to explain up to 45 per cent of the variability in the dynamics of the *drift*, that is, the rate of growth of actual wages not attributable to increases in minimum negotiated wages. The positive correlation between the length of delays and the growth differential between actual and negotiated wages suggests that second-level bargaining plays a role in partially offsetting foregone increases in minimum wages.

2. Collective bargaining in Italy

The current system of collective bargaining in Italy derives from the provisions laid out in the ‘interconfederal’ agreement of April 2009, signed by Confindustria – the main organisation representing manufacturing and service-sector firms – and by CISL and UIL, two of the three main trade unions.⁷ In March 2018 a new ‘interconfederal’ agreement, the so-called “Patto per la fabbrica”, was signed, this time also by CGIL, which essentially reaffirmed the structure of industrial relations defined in 2009.

2.1. The main characteristics

The levels of collective bargaining – The 2009 ‘interconfederal’ agreement confirmed the two-tier structure of collective bargaining already outlined in the previous 1993 agreement:⁸ a national, sectoral level, which defines the content of the CBAs; and a decentralised level, either territorial – where provided for in certain specific sectors – or firm-level. In accordance with the principle of multiple bargaining levels, decentralised bargaining is hierarchically subordinate to, and always dependent on, national bargaining. It may – but only with a mandate from the CBA – modify certain aspects of work organisation, establish the payment of wage components additional to the minimum levels set by the national agreement, but it may not reduce those minimum levels or amend wage scales.

The scope of application of the CBAs – In Italy, CBAs apply to employees of firms that are members of the signatory employer associations, as well as to employees of non-affiliated companies that

⁷ The ‘interconfederal’ agreements establish general rules that apply to all workers, regardless of the productive sector to which they belong. Although CGIL took part in the negotiations, it did not sign the agreement in April 2009. The same union, however, subsequently signed the CBAs, in accordance with the procedures laid out in the agreement itself.

⁸ Protocol of 23 July 1993 between the Government and the social partners - Incomes and employment policy, bargaining arrangements, labour-market policies and support for the productive system.

voluntarily adopt them as their regulatory and negotiated reference.⁹ CBAs therefore do not have erga omnes effect, meaning they do not automatically apply to all workers in a given sector. Nevertheless, despite the absence of a statutory measure of union representativeness, case law and administrative practice often rely on the most representative collective agreements in a sector as a benchmark for determining minimum levels of economic treatment, even in cases where the employer is not formally bound. It is therefore common practice for firms to apply a sectoral agreement even when they are not affiliated with employer organisations. Moreover, within the same sector, multiple agreements may coexist, signed by different employer associations (for example, in the retail trade sector both the Confcommercio and the Confesercenti agreements are in force).¹⁰ In addition, some agreements are also adopted by firms operating outside the sector for which they were originally designed (e.g., 2 out of 10 workers covered by the metalworkers' agreement do not work in manufacturing).

The duration of the CBAs – Between 1993 and 2009, the duration of collective agreements was four years for the regulatory component and two years for the economic component, the latter being extendable by defining a first and a second two-year economic period (Sestito, 2002). Since 2009, the duration has been set at three years for both the economic and non-economic components; however, the employers' associations and trade unions may sign agreements with longer durations. Upon expiry of the CBA, moreover, the Italian system of industrial relations does not impose an obligation on the employers' associations and trade unions to conclude a renewal within predefined time limits. The principle of continued validity (so-called “survival clause”) applies: the expired CBA remains valid in both its regulatory and economic aspects. During this period, negotiated wages are not updated, and purchasing power is eroded to a greater extent the higher the level of inflation. Over the past twenty-five years, the share of agreements renewed with delay has been very high, and the average delay has increased over time (see Section 4.1). According to Istat data, between 2015 and 2025 the percentage of private-sector employees covered by expired CBAs never fell, on an annual average basis, below 20 per cent (in 2020, the peak year, it reached 76 per cent).¹¹

The structure of negotiated wage components – Negotiated wages are broken down into numerous items that vary across CBAs. The components linked to the work performed by the employee and paid at regular intervals (generally monthly) determine direct remuneration. Other components, such as the thirteenth and fourteenth monthly payments, are provided on an annual or supra-monthly basis and contribute to determining indirect remuneration. Finally, there are items that are set aside by the employer and paid to the worker at a later stage, constituting deferred remuneration. They include the Italian severance payment scheme (TFR), which is paid to the employee when the employment relationship ends. Appendix B provides the detailed definition of each of these components.

⁹ Based on the INAPP RIL survey, Fanfani et al. (2023) show that the rate of firms' affiliation with employer associations declined between 2005 and 2015. The affiliation rate is higher among larger firms, those that have been operating on the market for a longer time, those located in wealthier regions, more oriented towards exports and innovation, and more inclined to offer training.

¹⁰ Within the same sector, CBAs for managers, for the craft sector or for cooperatives may coexist and be applied simultaneously within the same firm to different groups of workers.

¹¹ Renewals of public-administration CBAs, which are outside the scope of this study, also took place with substantial delays, at least until the bargaining cycle completed in 2025.

The “Patto della Fabbrica” defined a different way of grouping wage components, which, however, did not entail a substantive simplification of the complexity of the wage structure and has not yet been adopted by all CBAs. The minimum economic treatment (TEM) comprises the negotiated wage floors; the overall economic treatment (TEC) consists of the TEM plus all wage components that the CBA classifies as “common to workers in the sector”.¹²

Increases in the negotiated wage floor rates set at renewal are divided and paid in the form of *tranches*.¹³ The tranche—an amount parameterised according to the professional pay grades set out in the CBA—constitutes a structural and permanent increase in direct remuneration and also affects indirect components, such as the thirteenth and fourteenth monthly payments and the TFR accrual. Agreements may also provide for a one-off payment, a lump sum usually identical for all employees, paid in a single instalment on the payslip, typically following a negotiated hiatus or as a bonus linked to particularly favourable performance in the sector. The one-off payment therefore produces a temporary increase in direct remuneration only in the month in which it is paid and has no impact on other wage components. Over the past 25 years, confirming the increasing length of bargaining processes, more than half of renewal agreements have provided for the payment of a one-off sum (see Section 4.3).

Negotiated wage rates also increase on the basis of increments that accrue automatically according to the worker’s length of service with the same company. Each CBA autonomously defines their number, frequency and amount, and these may change over time. The increase in wage components other than the minimum rates, which since 2018 contribute to determining the TEC, is negotiated by the employers’ associations and trade unions during the bargaining process for contract renewal.

Mechanisms for adjusting negotiated wage rates to prices – Until 2009, the reference index for contract renewals was the programmed inflation rate (TIP) published by the Treasury Department. Already with the introduction of the single currency, the TIP – at the time functioning more as a tool to anchor inflation expectations than as a genuine forecast (Brandolini et al., 2007) – had been questioned as an inadequate benchmark for collective bargaining (Boeri and Bertola, 2002).

The current model of collective bargaining, established by the 2009 Agreement, links increases in wage floors (or in the TEM, according to the classification introduced in 2018) to a forward-looking index of consumer price dynamics that excludes imported energy goods (HICP-NIE), harmonised at the European level so as to enable comparisons across countries in the area. The index is calculated by Istat, which in June of each year publishes the forecast for the current year and the subsequent three-year period, as well as the series of deviations between realised and expected inflation in the previous year.

¹² These include, for example, any welfare schemes, the accruals of the thirteenth and fourteenth monthly payments, the TFR, the share owed to bilateral bodies and other contractually established institutions, as well as paid leave and holidays.

¹³ There is no minimum or maximum number of tranches that may be paid: they are freely negotiated without any constraint regarding their amount, number or timing of payment. Section 4.2.2 illustrates the structure of the tranches provided for in renewal agreements concluded over the past 25 years.

Between 2000 and 2008, the TIP averaged 1.8 per cent. Between 2009 and 2019, the HICP-NIE stood at substantially lower levels, averaging 1.2 per cent, especially during the low-inflation years from 2013 onwards. Over this decade, the HICP-NIE followed a similar pattern to both the harmonised index of consumer prices (HICP) and the NIC, which provide more accurate measures of the purchasing power of wages (Figure A1 in the Appendix, panel a). In subsequent years, the gap widened: the HICP-NIE was significantly lower in 2021–22, when exceptional increases in energy prices outpaced those of other goods and services; it was instead higher in 2023 due to the greater persistence of inflation in non-energy goods and services.¹⁴ Until 2021, the realised HICP-NIE was almost always lower than projected three years earlier (Appendix Figure A1, panel b), whereas from 2022 onwards it was higher. The gap was particularly pronounced in 2022–23: in 2023, for instance, the realised HICP-NIE inflation stood at 6.9 per cent, compared with the 1.1 per cent projected three years earlier. This gap reflects the sudden and unexpected surge in inflation that began in mid-2021.

Only a few CBAs include automatic ex-post indexation clauses aimed at restoring purchasing power when the realised HICP-NIE exceeds the level anticipated at the time of bargaining. Among these—covering roughly one in five employees in the non-agricultural private sector according to Istat’s survey of negotiated wages—is the metalworking agreement, the most widespread in the industrial sector.¹⁵ More generally, during both the drafting of the platform of union demands and the negotiation leading to the signing of a new agreement, the employers’ associations and trade unions take into account the gap between expected and realised inflation, as well as several economic variables that measure the “state of the sector” (realised profits, value added, productivity trends, authorised short-time work hours, etc.).

For collective bargaining agreements that are not renewed within nine months of their expiry date, and in the absence of alternative contractual provisions, Decree-Law No. 62/2026, converted into law by Law No. 112/2026, introduced an automatic adjustment of wages—as an advance payment—equal to 50 per cent of the change in the HICP-NIE.

The number of collective bargaining agreements — At the end of 2025, 1,015 collective bargaining agreements for private-sector employees were registered in the CNEL National Archive (CNEL, 2026). Despite the large number of agreements registered, bargaining coverage is highly concentrated. According to CNEL estimates, only around 160 collective bargaining agreements cover at least 5 per cent of employees in their reference sector.¹⁶ Overall, these agreements apply to almost

¹⁴ In 2024 and 2025, the gap narrowed again.

¹⁵ The current metalworking CBA provides for an annual verification mechanism of the inflation differential between the HICP-NIE realised in the previous year and the wage dynamics envisaged at the time of renewal: this results in the automatic adjustment of minimum wage rates in June of the following year. This mechanism was agreed upon by the employers’ associations and trade unions with the 2016 renewal in order to restore workers’ purchasing power. The CBA for the wood and furniture industry carries out the verification at the beginning of the year, using as a benchmark the general HICP, which also includes the prices of imported energy goods. Other CBAs that contain an explicit automatic verification clause (to be applied annually or at the end of the agreement’s validity) include those in the chemical sector, electrical industry, cement sector, and the energy minerals and oil extraction sector.

¹⁶ The reference sector is identified on the basis of the Ateco division. For collective agreements associated with more than one Ateco division, the CNEL applies a coverage threshold of 3 per cent of employees in at least one of

97 per cent of private-sector employees for whom information on the applicable collective bargaining agreement is available. Agreements with marginal coverage mainly reflect the conclusion of new contracts by employers' associations with limited membership or established for this specific purpose (D'Amuri and Giorgiantonio, 2015; D'Amuri et al., 2022).

2.2 Recent developments in collective bargaining

Decree-Law No. 62/2026 (“Primo Maggio”) provided a regulatory framework for the principle of a “fair wage”, identifying as a benchmark the TEC defined by collective bargaining agreements concluded by the comparatively most representative social partners at the national level (with reference to the sector of activity, firm size and the legal nature of the enterprise). The law also provides that firms applying other collective bargaining agreements, or operating in sectors not covered by collective bargaining, must guarantee workers a TEC no lower than this benchmark.¹⁷

The full implementation of the provision—which is intended to reaffirm the central role of collective bargaining and could help discourage the proliferation of agreements concluded by social partners with limited representativeness¹⁸—requires that a number of concepts that still lack a clear-cut definition be made operational. First, measuring the representativeness of employers' and trade union organizations on the basis of certified and commonly agreed indicators is necessary to identify the comparatively most representative organizations. To this end, in June 2026 CGIL, CISL and UIL defined a “single platform” for negotiating a new ‘interconfederal’ agreement addressing, among other issues, the criteria for measuring representativeness¹⁹. In July 2026, the main employers' associations signed an agreement aimed at defining shared qualitative and quantitative criteria for measuring their representativeness; thresholds, data collection procedures and verification mechanisms remain to be fully defined.

To make the new regulatory framework operational, it is also necessary to identify the TEC of each collective bargaining agreement in a consistent manner. The law specifies its components and assigns CNEL the task of extracting the TEC from the collective bargaining agreements filed in its archive. As discussed in the previous section, however, although the concept of TEC was introduced in 2018 with the Patto della Fabbrica, it is not yet explicitly defined in many collective bargaining agreements: the social partners should therefore identify the TEC and its individual components precisely in each agreement.

The collective bargaining model is characterised by a unitary framework but includes several elements of flexibility. These include the absence of strict deadlines for renewing CBAs—which has translated into a growing tendency among the employers' associations and trade unions to delay

the relevant divisions. In recent months, the CNEL has updated the Archive to include only those CBAs with coverage of at least 5 or 3 per cent, as applicable.

¹⁷ In the absence of *ex ante* controls, to discourage the use of collective bargaining agreements with a TEC below the “fair wage”, firms may access the employment incentives introduced by the Decree-Law only if they pay a TEC at least equal to the relevant benchmark. The rule also provides for monitoring by CNEL, INPS, ISTAT, INAPP, INAIL and other competent bodies to track the adequacy of wages and the coverage provided by collective bargaining.

¹⁸ The provision could make judicial assessments of the adequacy of wages more predictable in the event of litigation.

¹⁹ https://www.uil.it/documents/proposteaccordoquadro_cgilcisluil.pdf

renewals—the diversity in the payment profiles of the tranches through which wage increases are granted, and the free negotiation between the employers’ associations and trade unions of wage recoveries in the event of discrepancies between the forecast and realised HICP-NIE. Moreover, the use of the HICP-NIE rather than the general HICP neutralises, in the short term, the direct impact of energy-price shocks—more volatile than those of other goods and services—thus protecting firms from shocks in the terms of trade. These features of the Italian industrial-relations model have greatly contained the risks of a wage-price spiral during the recent inflationary episode; on the other hand, however, they have limited the recovery of the purchasing power of negotiated wage rates (see Section 4.2 for an analysis of the dynamics of nominal and real negotiated wages).²⁰ Appendix C describes the features of collective bargaining models in the main euro-area countries.

3. Banca d’Italia’s database on collective bargaining

By integrating multiple information sources, Banca d’Italia has built a database containing the history of 50 CBAs starting from the year 2000. These represent almost all of the 58 agreements in the non-agricultural private sector currently monitored by Istat as part of the survey *Collective Agreements and Negotiated Wages*, which serves as the basis for the production of official statistics on negotiated wages. The agreements included in the survey are those most representative in terms of employment coverage. The Banca d’Italia database contains 22 of the 24 industrial agreements and 28 of the 34 agreements in private services.²¹

Section 3.1 illustrates the contents of the database. Section 3.2 provides an estimate of the database’s coverage rate – which in 2024 stood at around 75 per cent among white-collar and blue-collar workers in the non-agricultural sector – and compares the characteristics of covered and non-covered workers.

3.1. Contents of the database

The Banca d’Italia database on collective bargaining is divided into two parts: the dataset of negotiated minimum rates and that of renewal agreements.

Dataset of negotiated wage floors – It records all adjustments to negotiated wage floors that occurred between 2000 and 2025.²² Specifically, it reports: (i) the date of the adjustment; (ii) the negotiated wage floor; (iii) the cost-of-living allowance, the EDR, and the functional allowance, for agreements that do not incorporate these wage components into the negotiated floor; (iv) the total remuneration. Panel (a) of Figure A2 in the Appendix shows the number of CBAs included in the database in each

²⁰ It should also be noted that the dynamics of real disposable income—now close to its 2019 level—have been less negative thanks also to the increase in employment over the same period (Dachille et al., 2025).

²¹ The breakdown of agreements between industry and private services follows the classification adopted by Istat for its survey. The two industry-sector CBAs not included in the database are those relating to private and municipal waste-management services. The six private-services agreements not included in the database are: air transport – carriers; air transport – airport ground services; railway activities – subcontracting services; officials and employees of the central bank; employees of the national public broadcasting company (RAI); and private healthcare facilities (non-medical staff). However, these agreements have a limited scope of application, covering just over 2 per cent of employees in the non-agricultural private sector.

²² The source of the data is Wolters Kluwer’s OneLavoro database. The collective agreement for the FCA-Stellantis group is the only one for which it was not possible to reconstruct the contractual minimum wage rates, as it is not included in the database.

year.²³ The vast majority of agreements (42 out of 50; 20 out of 22 in industry and 22 out of 28 in private services) have been present in the database since 2000. The other eight agreements were created later or it was not possible to retrieve information on negotiated minima for earlier years. Panel (b) of Figure A2 in the Appendix shows the number of adjustments per year: adjustments were more numerous up to the Great Recession (61 increases in 2009) and before the extension of the economic agreements from two to three years, markedly fewer during the 2010–2021 period, and gradually recovering in the subsequent period.

Dataset of renewal agreements – It records all renewals of the 50 CBAs signed between 2000 and 2025 for which the text of the agreement was retrieved. In particular, based on the analysis of the signed texts, the database reports: (i) the signing date, the effective date, and the expiry date of the agreement; (ii) the date and amount of the tranches and any one-off payments for an employee with an intermediate pay grade. Panel (a) of Figure A3 in the Appendix shows the frequency distribution of agreements by first renewal year in the reference period: for 46 out of 50 agreements, the first year of appearance in the database falls between 2000 and 2003. Panel (b) shows the number of renewal agreements per year. The year 2008 recorded the highest number of renewals, while 2018 had the lowest.

3.2. The database's coverage rate and the characteristics of covered workers

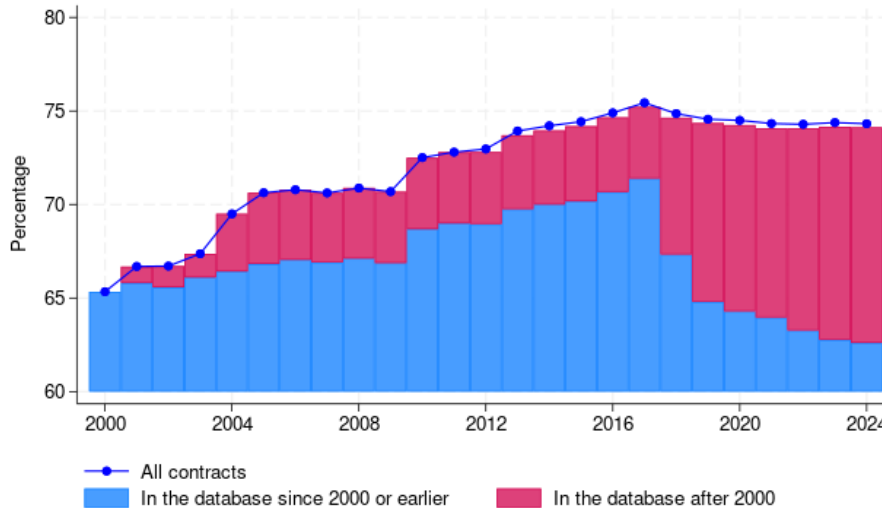
To estimate the number of employees covered by the CBAs included in Banca d'Italia's database, we use the BI-UNIAMENS database, a large representative sample of the UNIAMENS reports that employers are required to submit monthly to INPS. The UNIAMENS flows contain, for each employee, pay data and other information necessary for calculating social-security contributions and for administering wage-supplementation schemes and benefits during the employment relationship or at its conclusion—such as sickness, maternity leave, short-time work benefits, and unemployment benefits. Among the available variables is also the code of the CBA applied to the worker. Since 2022, the contract code follows CNEL's official nomenclature, whereas in previous years it followed an internal INPS coding. To estimate the coverage rate of the contracts included in the database for years prior to 2022, it was therefore necessary to match contract codes from the CNEL source to those from the INPS source. The matching procedure—based on combining multiple pieces of information contained in CNEL's database of private-sector contracts—required several assumptions, which are described in detail in Appendix D. For each contract, the coverage rate is calculated starting from the first year in which the contract appears in the database of wage floors.²⁴

²³ Each CBA appears in the database from the first year in which information was retrieved on whether the agreement adjusted contractual minimum wage rates during the year. For agreements established before 2000, the first year in which they appear in the database may therefore precede the first year in which an actual adjustment of the minimum rates is observed.

²⁴ For the FCA-Stellantis agreement, which is not included in the contractual-minimum-wage database because it is absent from OneLavoro, the coverage rate is calculated from the first year in which the agreement appears in the BI-UNIAMENS sample. The agreement for Poste Italiane is included in the database of contractual minimum rates starting in 1994; however, the coverage rate is calculated only from 2010 onwards because the BI-UNIAMENS sample contains only partial information on Poste Italiane employees before that year.

Figure 1 shows the coverage rate of Banca d'Italia's database among blue-collar, white-collar and middle-management employees in the non-agricultural private sector²⁵ aged between 15 and 74. The coverage rate increased from around 65 per cent in 2000 to 74 per cent in 2024, the latest year for which the BI-UNIEMENS sample is available.²⁶

Figure 1. Coverage rate of the CBAs in the database



Source: our calculations based on the BI-UNIEMENS sample and on the Banca d'Italia database on collective bargaining.

Notes: the figure reports the share of blue-collar workers, white-collar workers and middle managers in the non-agricultural private sector included in the BI-UNIEMENS sample who are covered by the CBAs included in the Banca d'Italia database on collective bargaining. The bars do not sum to the total coverage rate of the database because they do not include the FCA-Stellantis agreement, which is present in the database of renewal agreements but not in that of the negotiated minima.

The increase in the coverage rate over time may depend on two factors: (i) the greater diffusion of the agreements included in the database from the very first year; and (ii) the expansion in the number of contracts present in the database owing to the inclusion of agreements established in subsequent years. The first factor provided the most significant contribution to the rise in the coverage rate up to 2017; from the following year onwards, the diffusion of the contracts included in the database since

²⁵ To restrict the analysis to the non-agricultural private sector, we exclude the sectors with Ateco 2007 codes from 1 to 3 (agriculture, forestry and fishing), 84 (public administration and defence; compulsory social security) and from 97 to 99 (domestic work; extraterritorial organisations and bodies). For Ateco sectors 85 to 88—which refer to education and health—we exclude firms with a statistical contribution code identifying central government administrations or public entities. Temporary-work agencies (Ateco 78) are also excluded, since for employees in this sector the relevant CBA is that of the firm for which the work is supplied. For each year, we retain one single observation per worker. In the presence of multiple employment relationships within the year, we first consolidate all relationships between a worker and a firm applying the same collective agreement, summing taxable earnings and paid days. We then retain the first record after ordering them in descending order according to: (i) total remuneration the worker received from the firm; (ii) remuneration of the individual relationship; and (iii) the total number of paid days.

²⁶ In the methodological note of the survey *Collective Agreements and Negotiated Wages*, published on the occasion of the update of contract weights to 2021, Istat reports that the coverage rate of the contracts monitored by the survey is around 90 per cent. This higher coverage rate, however, is calculated by extending the coverage of the contracts included in the survey also to workers covered by other agreements within the same sector.

2000 began to decline, while the positive contribution of more recently established agreements increased markedly. This mainly reflects the introduction of the agreement for the large-scale retail trade sector, which in some firms replaced the commerce agreement (Dustmann et al., 2025), and the agreement for the public-catering sector, which in some firms replaced the hotels agreement.

Panel (a) of Figure 2 reports the six most widespread agreements in 2024, expressed as a percentage of the total number of blue-collar, white-collar and middle-management employees in the non-agricultural private sector. The two main CBAs – the commerce agreement and the metalworking agreement – applied to 16 per cent and 11 per cent of workers, respectively. They were followed by the two agreements in the tourism sector – the hotels agreement and the public-catering agreement – which together accounted for around 12 per cent. The fifth and sixth most widespread agreements – the agreement covering road haulage and warehousing services and the construction agreement – covered approximately 5 per cent and 4 per cent of workers, respectively.²⁷

Overall, in 2024, 80 per cent of employees in private-services firms were covered by a CBA included in the database, compared with 64 per cent of employees in industrial firms (Figure 2, panel b). This difference reflects the widespread use, in the industrial sector, of CBAs applying to small and medium-sized enterprises and to artisanal firms, which are not included in Banca d'Italia's database of CBAs.²⁸ Appendix Figure A4 further breaks down firms' industries into six categories. In recent years, more than 80 per cent of employees in the commerce, transport and tourism sectors, as well as in financial, real-estate, ICT and professional services, were covered by a CBA included in the database. By contrast, the share of workers covered was only slightly above 50 per cent in the construction sector.

Table 1 compares workers covered by the agreements included in Banca d'Italia's database with other workers, separately for industry and private services. In both sectors, in 2024 employees covered by these agreements had, on average, higher taxable earnings and a greater number of paid days. For full-time work, daily taxable earnings were more than 25 per cent higher among covered workers in industry (123 versus 97 euros), while the differential was narrower in private services (around 15 per cent; 111 euros versus 96). Appendix Figure A5 shows that, in both sectors, pay differentials between covered and non-covered workers tend to widen in the higher percentiles of the distribution.

In industry, covered workers are significantly more likely to hold full-time (92 per cent versus 81 per cent in 2024) and open-ended contracts (85 per cent versus 78 per cent), whereas no significant differences are observed in private services. Demographic differences are generally limited, except for a higher incidence of foreign-born workers in industry. Covered workers are employed in firms that are, on average, larger, more productive, and longer established on the market—particularly in

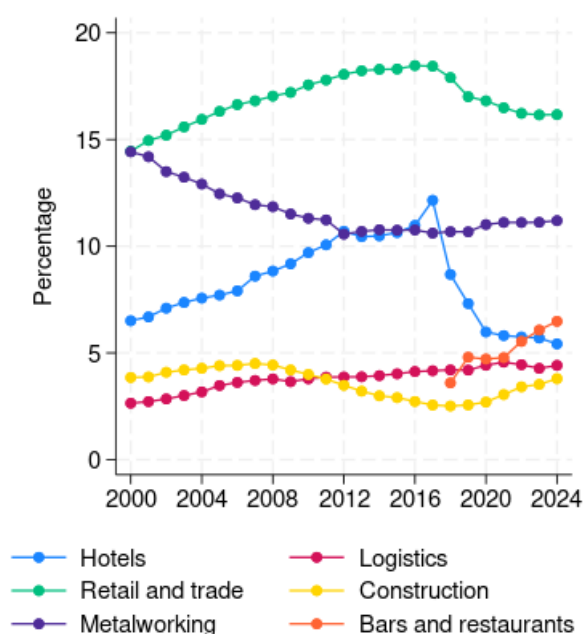
²⁷ Already in 2000, the initial year of the series, the commerce and metalworking agreements were the two most widespread. The public-catering agreement had not yet been separated from the hotels agreement. The credit-sector agreement, which applied to a little more than 3 per cent of blue-collar and white-collar employees in the non-agricultural private sector, was the fifth most widespread agreement.

²⁸ In 2024, the CBAs for artisanal metalworking firms and for medium-sized and small metalworking firms were the third and fourth most widespread among industrial employees in the BI-UNIEMENS sample. In fifth place was the agreement for artisanal or medium-sized and small construction firms. By contrast, all ten of the most widespread CBAs among private-services employees were included in Banca d'Italia's database.

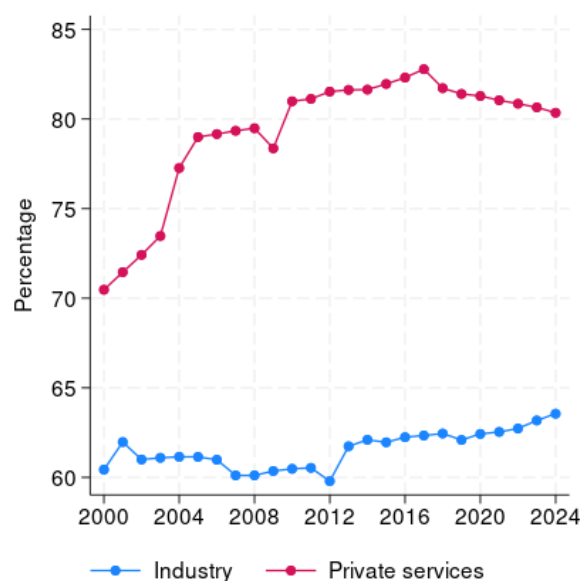
industry. In both sectors, they are also more concentrated in the Centre-North compared with non-covered workers. Finally, it is noteworthy that—at the individual level—being covered or not by an agreement included in the database is a highly persistent condition over time: for a worker covered in 2024, the probability of also being covered five years earlier (2019) is around 90 per cent in both sectors, whereas it is significantly lower among employees not covered in 2024 (24 per cent in industry and 35 per cent in private services).

Figure 2. Incidence of the six most widespread CBAs in the database and coverage rate of the database by sector

(a) Incidence of the six most widespread CBAs in 2024



(b) Coverage rate of the database by sector



Source: our calculations based on the BI-UNIEMENS sample and on the Banca d'Italia database on collective bargaining. *Notes:* panel (a) of the Figure reports the incidence of the six most widespread contracts in the Banca d'Italia database in 2024, calculated over the total number of blue-collar workers, white-collar workers and middle managers in the non-agricultural private sector included in the BI-UNIEMENS sample. Panel (b) reports the coverage rate of the Banca d'Italia database separately for employees in industry and in private services; the classification of employees between industry and private services is based on the sector to which the employer belongs (Ateco 2007 classification).

Linking the BI-UNIEMENS sample with the collective-bargaining database also makes it possible to examine how agreements are distributed across sectors. For each of the ten most widespread CBAs in 2024, Appendix Figure A6 reports the share of employees covered by the CBA who work in the sector where it is predominantly applied (for example, manufacturing for the metalworking CBA, and professional activities for the CBA covering professional-services firms). Appendix Figure A7 shows all agreements and their sectoral distribution at the Ateco-section level. Most CBAs tend to be highly concentrated in a single sector: for instance, 96 per cent of workers covered by the credit-sector agreement are employed in financial-and-insurance activities, and 96 per cent of those covered by the

construction agreement work in the construction sector. However, some of the most representative agreements are spread across several sectors: more than three out of ten workers covered by the commerce agreement are employed in sectors other than commerce, transport and tourism; two out of ten employees covered by the metalworking agreement work in non-manufacturing firms.

Table 1. Comparison between workers covered and not covered by the CBAs in the database, by sector

	Industry		Private services	
	Not covered	Covered	Not covered	Covered
<i>A. Contract characteristics</i>				
Annual taxable earnings	21,054.69	30,883.19	17,616.03	20,692.67
Daily taxable earnings	88.82	118.03	76.35	87.46
Daily taxable earnings (full-time workers only)	97.03	122.63	96.03	111.09
Paid days	237.21	260.36	225.78	229.57
Blue-collar worker	0.84	0.68	0.61	0.57
White-collar worker	0.16	0.32	0.39	0.43
Full-time contract	0.81	0.92	0.58	0.59
Open-ended contract	0.78	0.85	0.68	0.70
<i>B. Worker characteristics</i>				
Female	0.21	0.21	0.52	0.48
Age	43.56	44.63	42.01	41.85
Born in Italy	0.65	0.74	0.77	0.76
<i>C. Firm characteristics</i>				
Value added per employee	68.26	101.49	47.54	57.40
1-10 employees	0.45	0.13	0.36	0.30
11-50 employees	0.36	0.27	0.24	0.24
51-500 employees	0.15	0.41	0.25	0.23
More than 500 employees	0.05	0.19	0.16	0.24
Firm age	17.61	24.93	17.75	18.84
Central-Northern Italy	0.74	0.81	0.70	0.75
Southern Italy	0.26	0.19	0.30	0.25
<i>D. Persistence of database coverage</i>				
t-1: agreement included in database	0.09	0.96	0.13	0.96
t-5: agreement included in database	0.24	0.87	0.35	0.91

Source: our calculations based on the BI-UNIEMENS sample and on the Banca d'Italia database on collective bargaining.

Notes: the table compares the characteristics of workers covered and not covered by the CBAs included in the Banca d'Italia database on collective bargaining. The classification of workers between industry and private services is based on the sector to which the employer belongs (Ateco 2007 classification). The taxable wage base is winsorised at the first and 99th percentile. The values refer to the year 2024.

4. The evolution of collective bargaining since 2000

This section illustrates the evolution of collective bargaining over the period from 2000 to 2025, drawing on the information contained in Banca d'Italia's database. Section 4.1 focuses on the duration of renewal agreements and on renewal delays. Sections 4.2 and 4.3 describe, respectively, the dynamics of negotiated wage rates and of one-off disbursements. Section 4.4 analyses the relationship between the delay in signing the new agreement and the other characteristics of the renewal agreement.

4.1. The duration of renewal agreements and renewal delays

The duration of an agreement is calculated as the interval between the effective date and the expiry date of the economic component of the agreement. On average over the period 2000–2025, the distribution of agreement duration shows two peaks at 24 and 36 months, especially in industry; in private services, agreements lasting more than three years are also more frequent, with a peak at four years (Appendix Figure A8, panel a). Overall, however, the difference in average duration across sectors is small (31 months in industry; 33 months in private services).

Duration increased from the second half of the 2000s onwards, rising from an average of 27 months for agreements signed in 2000 to 39 months in 2025. This mainly reflects the gradual shift from a model in which agreements had a four-year duration for the regulatory component and a two-year duration for the economic component to a model in which both components have a three-year duration (Appendix Figure A8, panel b).²⁹

The renewal delay of an agreement is calculated as the time between the signing date of a new contract and the expiry date of the previous one.³⁰ In the period 2000–2025, 74 per cent of agreements were renewed with a delay of at least three months (Figure 3).³¹ The share of renewals occurring with a delay has increased sharply over time, rising from 61 per cent in the five-year period 2000–2004 to 86 per cent in 2020–2025. The dispersion of delays among renewals signed over the last twenty-five years has been considerable (Figure 4, panel a): the average delay exceeded 13 months, almost twice the median value of 7 months, indicating the presence of agreements that accumulated exceptionally long delays. These dynamics reflect pronounced sectoral heterogeneity: both the share of CBAs renewed with a delay and the magnitude of the average delay are significantly higher in private services than in industry. Between 2000 and 2025, the average delay was 6 months in industry and increased only marginally over time. In private services, the average delay was around 22 months and has risen over the last fifteen years, from 18 months in the 2010–2014 period to more than 35 months in 2020–2025 (Figure 4, panel b). Among the most widespread agreements, the latest renewals of the commerce and hotels CBAs—both concluded in 2024—took place with considerable delays, exceeding

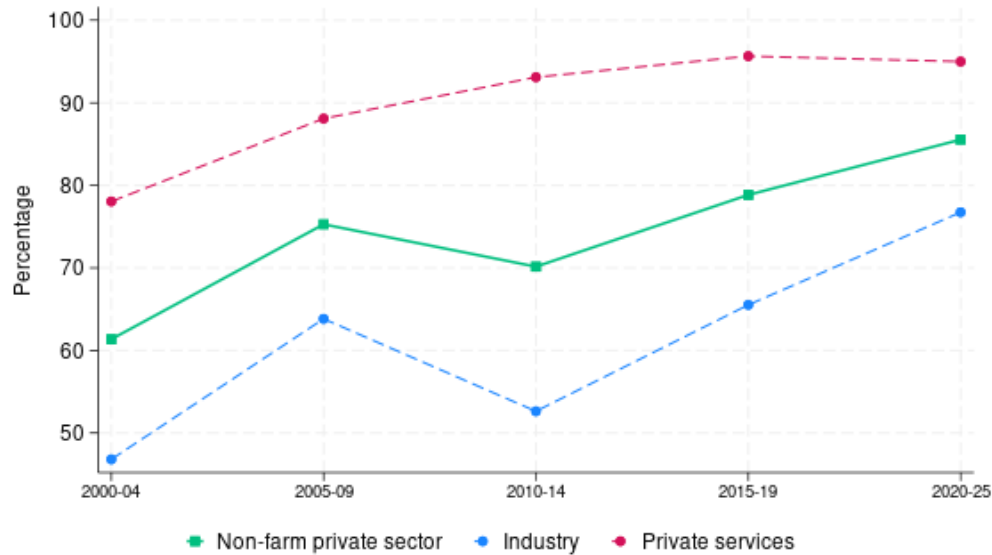
²⁹ As illustrated in Section 1, in practice the employers' associations and trade unions may also sign agreements with a duration exceeding three years. Among the most widespread CBAs, all renewals in the hotels sector, and all those in the commerce sector except the first, have durations exceeding three years. The duration of the metalworking agreements has increased over time, exceeding three years in the three most recent renewals.

³⁰ At the time the agreement is signed, the employers' associations and trade unions may also agree on a retroactive effective date.

³¹ For agreements introduced after 2000, it is not possible to calculate the delay for the first renewal. Information on the delay is therefore missing for 3.6 per cent of the renewals included in the database.

4 and 5 years respectively. Renewals of the metalworking agreement occurred with significantly smaller delays, but for the latest renewal in 2025 the delay of one and a half years was the largest recorded in the last 25 years.

Figure 3. Renewal agreements of the CBAs in the database signed with a delay of at least three months, by sector and signing period



Source: our calculations based on the Banca d'Italia database on collective bargaining.

Notes: the figure shows the proportion of renewal agreements concluded between 2000 and 2025 that were renewed with at least three months of delay. The classification of contracts between industry and private services follows the categorisation adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

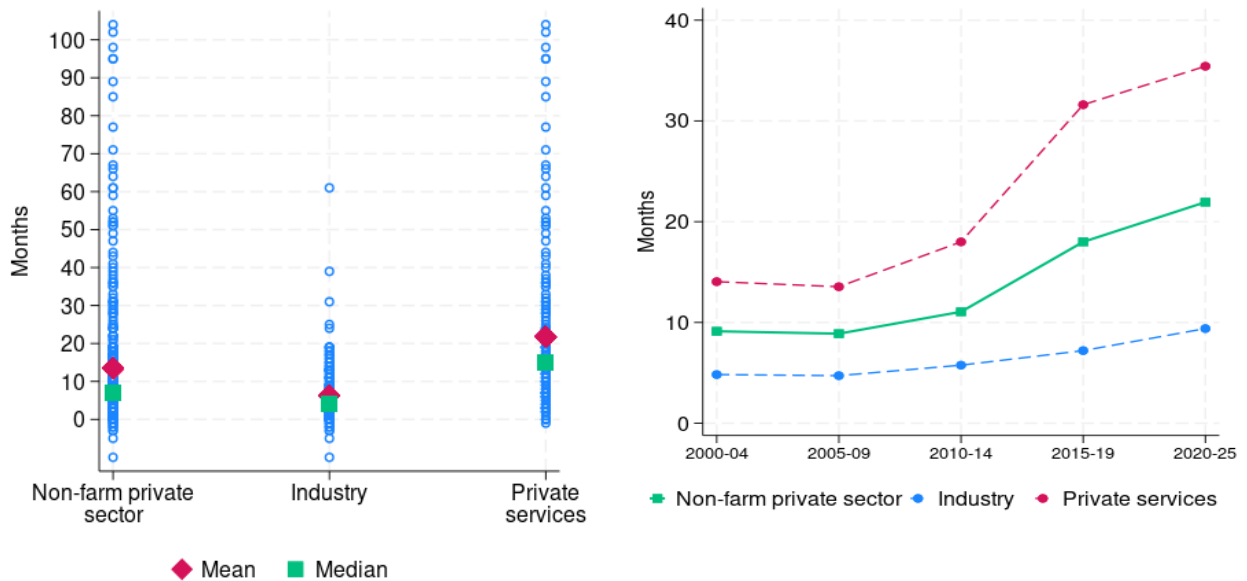
Because negotiated wage rates are not adjusted during periods of negotiated hiatus, the increasing length of renewal delays results in a lower frequency of wage adjustments: the months elapsed between one adjustment and the previous one—nearly 13 on average over the whole period—rose from 11 in 2000–2004 to 16 in 2020–2025 (Appendix Figure A9).³² The increase is driven mainly by developments in private-services agreements. The next section examines in detail the dynamics of negotiated wages.

³² We consider the tranches paid between 2000 and 2025 under the renewal agreements concluded over the same period.

Figure 4. Delay in the renewal agreements of the CBAs in the database, by sector

a) Distribution in the period 2000-2025

(b) Mean, by signing period



Source: our calculations based on the Banca d'Italia database on collective bargaining.

Notes: the figure shows the distribution, the mean and the median of the delay in renewal agreements concluded between 2000 and 2025. In panel (a), negative values on the vertical axis correspond to agreements that were renewed before expiry. The classification of contracts between industry and private services follows the categorisation adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

4.2. The dynamics of negotiated wage rates

Average trend and dispersion of wage floors – As described in Section 2, the negotiated wage rates set by collective agreements comprise multiple pay components. Among these, the most important in quantitative terms is the wage floor, which indicates – for each pay grade defined in the agreement – the minimum remuneration a worker must receive. Figure 5 shows, for the lowest pay grade, the percentage ratio between the negotiated wage floor (the so-called “minimum of the minima”) and the total negotiated remuneration received by the worker, for the agreements included in the dataset of wage floors. This ratio is close to 100 per cent for the majority of agreements and never falls below 90 per cent.³³ The “minimum of the minima” therefore represents almost the entirety of the remuneration for the lowest pay grade level and the threshold below which firms applying the CBA may not pay a worker, regardless of contractual classification.

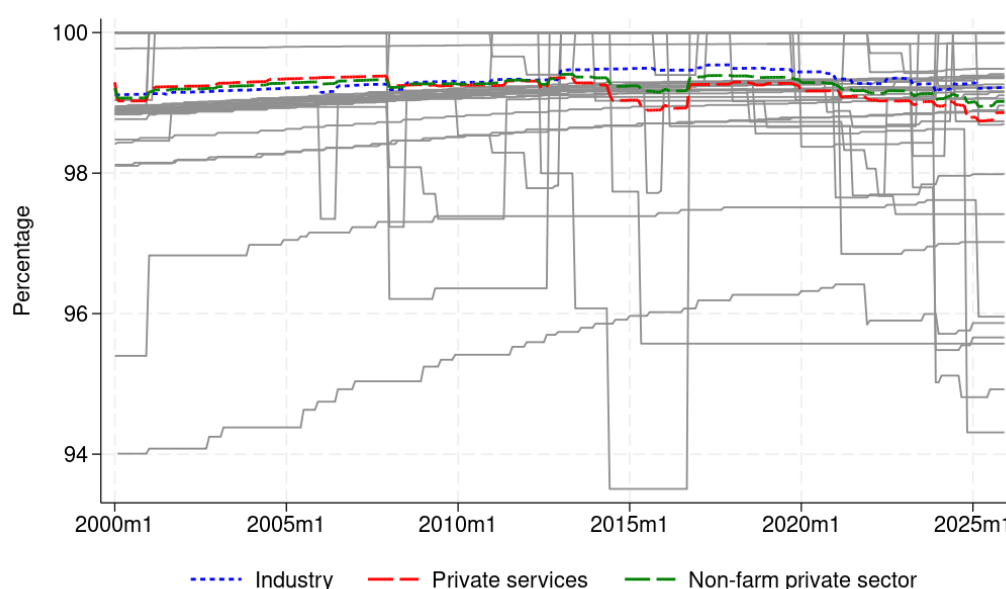
Panel (a) of Figure 6 shows the evolution, in nominal terms, of the “minimum of the minima” for the CBAs included in the database between 2000 and 2025. Over the past twenty-five years, these minima have increased—on average across sectors and considering only the agreements present in the database since 2000—by 61.2 per cent overall. In the early 2000s, the level of the wage floor was, on average, higher in private services than in industry, mainly reflecting the comparatively high minima of the

³³ The ratio is not necessarily equal to 100 because, in addition to the minimum wage rates, there are other fixed pay components that differ across agreements (see Appendix B).

CBAs for the credit sector, insurance, and publishing. The difference progressively narrowed and then reversed from 2015 onwards. The subdued dynamics of private-services agreements over the last decade were influenced by the increasing length of renewal delays, which also affected the most widespread agreements (those in commerce and in the tourism sectors).

Figure 7 – which compares annual growth rates of minimum negotiated wages with inflation – shows that increases in negotiated wages were close to, or slightly above, inflation up to 2013 and in 2017-2018, while they exceeded inflation substantially in the years when inflation was close to zero (2014-2016). Overall, in real terms – relative to the general consumer-price index – negotiated wages rose only slightly between 2000 and 2020 (Figure 6, panel b).

Figure 5. Percentage ratio between the negotiated wage floor and total negotiated remuneration of the CBAs in the database



Source: our calculations based on the Banca d'Italia database on collective bargaining.

Notes: for each CBA, the figure shows, for the lowest pay grade, the ratio between the negotiated wage floor (the so-called “minimum of the minima”) and total negotiated remuneration. The classification of contracts between industry and private services follows the categorisation adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

Since 2021, the purchasing power of negotiated wages has declined markedly in almost all sectors owing to an incomplete recovery relative to inflation; in the peak year, 2022, inflation surpassed 8 per cent. The only partial adjustment of wages to prices reflects the structure of the collective-bargaining system. First, CBAs renewed before the surge in prices had parameterised negotiated increases to the forecast dynamics of the HICP-NIE, which turned out to be substantially lower than realised inflation; moreover, agreements renewed after the inflationary shock, by taking the HICP-NIE as the benchmark, recorded increases that were lower than the dynamics of the general consumer-price index, given the exclusion of imported energy, whose price increases were exceptional. Second, the growing delay in the renewal of expired agreements further reduced the alignment between wage developments and inflation in recent years. In 2025, contractual wages in real terms were, on average, 1.3 per cent lower than in 2000. This pattern is similar to that of Istat's

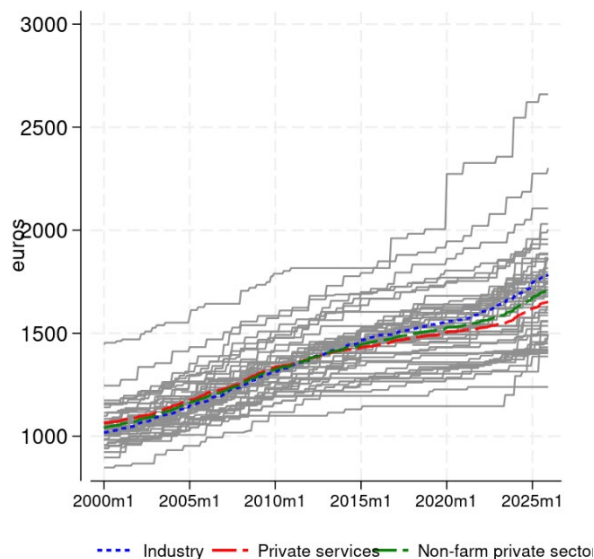
index of negotiated wages, confirming the representativeness of the agreements included in Banca d'Italia's database.

The decline in the purchasing power of wages since 2021 has, however, been heterogeneous across sectors, being less pronounced in industry, where CBAs are, on average, renewed with shorter delays and where ex-post indexation clauses are more common. Over the 2000–2025 period as a whole, negotiated wages had increased by 4.3 per cent in real terms in industry, while they had decreased by 5.9 per cent in private services.

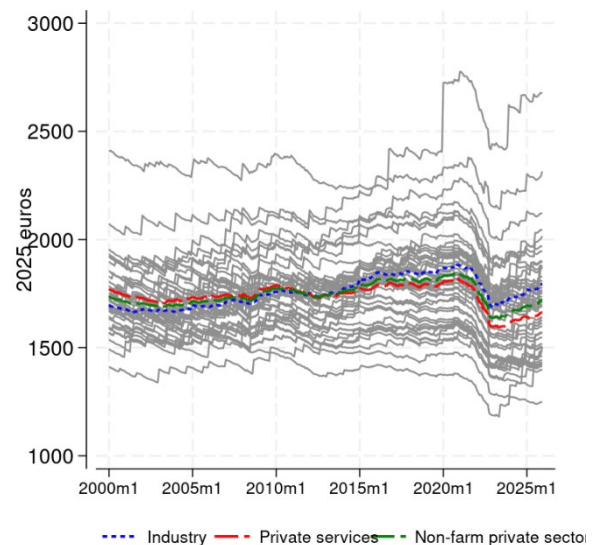
The average trends mask wide variability across CBAs, which has increased over time: the ratio between the 90th and the 10th percentile of the “minimum of the minima” rose from 1.22 to 1.38. In real terms (in 2025 euros), the 10th percentile of the distribution of the “minimum of the minima” declined from euro 1,560 per month in 2000 to euro 1,421 in 2025; the median was substantially unchanged from euro 1,700 to euro 1,706 over the same period. By contrast, again in real terms, the minima of the highest-paying agreements have increased: the 90th percentile moved from euro 1,902 in 2000 to euro 1,955 in 2025.

Figure 6. Minima of the minima of the CBAs in the database from January 2000 (or from first introduction)

(a) Nominal amounts

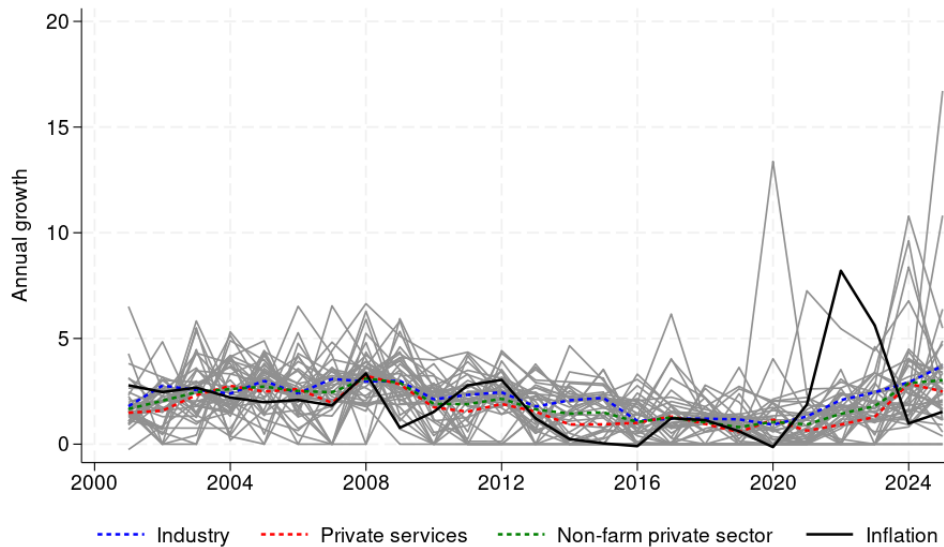


(b) Real amounts (in 2025 euros)



Source: our calculations based on the Banca d'Italia database on collective bargaining and, for panel (b), on Istat data.
Notes: panel (a) shows the evolution of the “minima of the minima” of the CBAs included in the Banca d'Italia database, in nominal terms. Panel (b) shows the evolution of the “minima of the minima” in real terms, using the general consumer price index published by Istat. The classification of contracts between industry and private services follows the categorisation adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

Figure 7. Annual growth of consumer prices and of the “minima of the minima” in the wage tables of the CBAs in the database



Source: our calculations based on the Banca d’Italia database on collective bargaining and on Istat data.

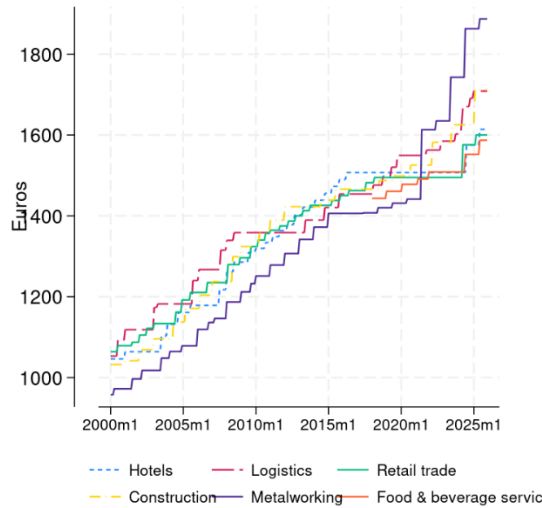
Notes: the figure shows the annual growth rate of consumer prices and of the “minimum of the minima” for all the CBAs present since 2000 in the Banca d’Italia database. The classification of contracts between industry and private services follows the categorisation adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

Figure 8 reports the same information for the six most representative CBAs in 2024 (see Section 3.2): commerce, metalworking, hotels, public catering, construction and road haulage and warehousing services (logistics). Examining these CBAs makes the divergent dynamics between the industrial sector—where the metalworking agreement is the most widespread—and private services even clearer. The main CBAs in private services kept their minima essentially unchanged for a very long period, until the renewals concluded in 2024. As a result, the purchasing power of negotiated wage rates was significantly eroded by the high inflation that began at the end of 2021, and the recent agreements have not fully compensated for the losses accumulated over the past years. For the metalworking agreement, the ex-post indexation clause helped limit real losses: at the end of 2025, the level of the “minimum of the minima” was close to the peak reached in June 2021.

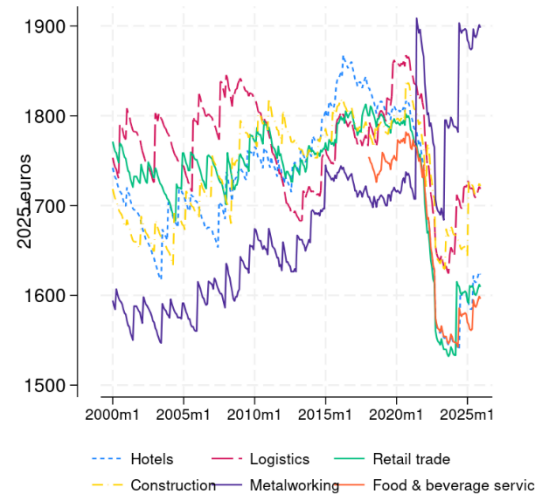
Over the past twenty-five years, the percentage difference between the maximum of the minima (i.e. the minimum wage for the highest pay grade) and the minimum of the minima has also increased: for the CBAs included in the database since 2000, it rose, on average, from almost 63 per cent in 2000 to 77 per cent in 2025 (Figure 9). The increase in dispersion concerned almost all agreements and was more pronounced among the CBAs that expanded the number of pay grades over the last twenty-five years.

Figure 8. “Minima of the minima” of the most representative CBAs in the database, from January 2000 (or from first introduction)

(a) Nominal amounts

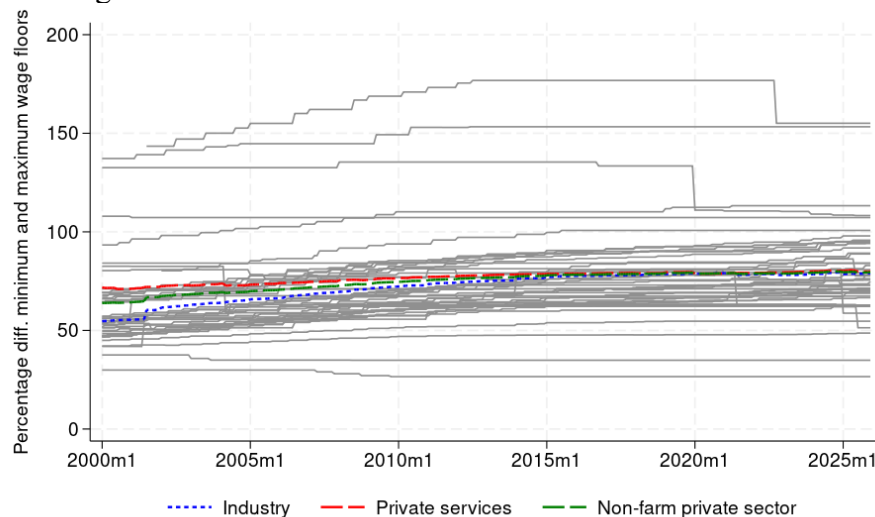


(b) Real amounts (in 2025 euros)



Source: our calculations based on the Banca d'Italia database on collective bargaining and, for panel (b), on Istat data.
Notes: panel (a) shows the evolution of the “minima of the minima” of the most representative CBAs included in the Banca d'Italia database, in nominal terms. Panel (b) shows the evolution of the “minima of the minima” in real terms, using the general consumer price index published by Istat. The most representative CBAs are those which in 2024 covered the largest number of employees in the BI-UNIEMENS sample.

Figure 9. Percentage difference between the maximum of the minima and the minimum of the minima provided for by the wage tables of each CBA in the database



Source: our calculations based on the Banca d'Italia database on collective bargaining.
Notes: the figure reports the percentage difference between the maximum of the minima and the minimum of the minima established by the wage tables of the CBAs included in the Banca d'Italia database on collective bargaining. The classification of contracts between industry and private services follows the categorisation adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

Structure of the tranches – Linking the wage-floor dataset with the renewal-agreements dataset, we are able to associate each adjustment in the floor rates with the specific agreement that established it, thereby describing the full structure of the wage increases. The rise in negotiated wage floors agreed when a new contract is signed may be paid either in a single instalment or through gradual increases (tranches). For a given overall increase in the wage floors and a given agreement duration, the number of tranches and their amounts affect the average monthly wage actually received by workers over the period of validity. Two agreements that envisage the same duration and the same total increase but differ in the way the increase is distributed over time, will result in different increases in monthly negotiated remuneration: for example, an agreement that sets increasing tranches—smaller amounts in the early stages and larger ones closer to expiry—will produce a lower average monthly wage increase than an agreement with larger tranches at the beginning and progressively smaller ones.

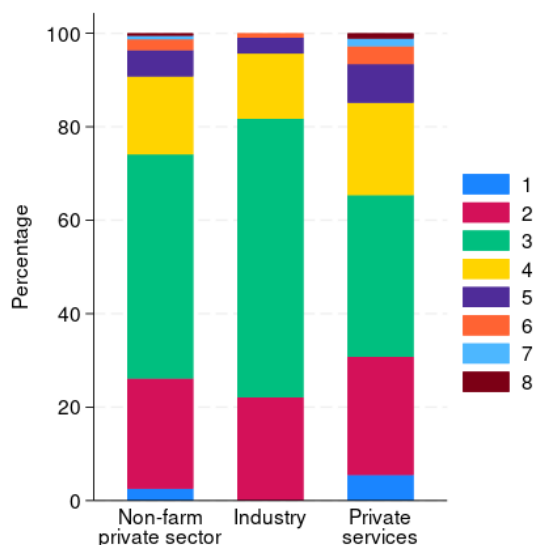
Figure 10 shows the distribution of the number of tranches defined in agreements signed between 2000 and 2025. Very few agreements pay the increase in a single tranche (less than 3 per cent; panel a). The modal number of tranches is three (48 per cent of renewals); compared with industry, private services have a higher incidence both of agreements paying at most two instalments and of those providing at least four. The average number of tranches has increased over time, rising from 2.5 in 2000–2004 to 3.6 in 2020–2025 (panel b), in line with the extension of agreement duration following the 2009 ‘interconfederal’ agreement. Among the most widespread agreements, the renewal agreements in the commerce and hotels sectors pay, on average, a greater number of tranches than those in metalworking, in line with the generally longer duration of these agreements. The spacing between tranches within the same renewal has increased only slightly, from roughly 9 months in the period 2000–2004 to roughly 10 months in the period 2020–2025.

Focusing on renewal agreements that paid at least two tranches, the majority of these – around six out of ten – follow a decreasing profile, meaning that the amount of the first tranche is larger than that of the last. The prevalence of the declining profile, which is slightly more widespread in industry than in private services, has nevertheless decreased over time: from 73 per cent in 2000–2004 to a low of below 40 per cent in 2010–2014, before rising again to just over 60 per cent in 2020–2025 (Appendix Figure A10, panel a). Agreements with a decreasing profile pay, on average, 44 per cent of the total increase at full implementation with the first tranche and 26 per cent with the last tranche. Agreements with an increasing profile, by contrast, pay, on average, 31 per cent of the full-implementation increase with the first tranche and 39 per cent with the last (Appendix Figure A10, panel b).³⁴ For both types of profile, the shares paid in the first and in the last tranche have declined over time, consistent with the increase in the number of tranches, with no significant sectoral differences (Appendix Figure A11).

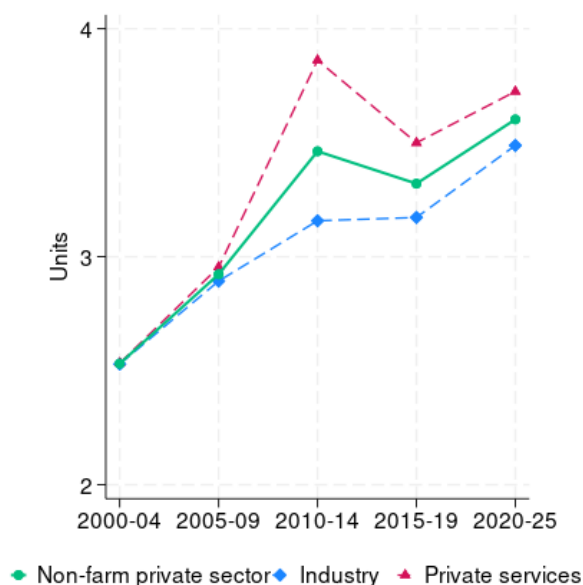
Figure 10. Number of tranches in the renewal agreements of the CBAs in the database, by sector

³⁴ The amounts of the tranches drawn from the database of renewal agreements refers to the intermediate pay grade.

(a) Distribution, in the period 2000-2025



(b) Mean, by signing period



Source: our calculations based on the Banca d'Italia database on collective bargaining.

Notes: the figure reports the distribution of the number of tranches in the renewal agreements concluded between 2000 and 2025. The classification of contracts between industry and private services follows the categorisation adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

Over the last twenty-five years, the share of agreements paying the first instalment within three months of signature also declined, from more than 90 per cent in 2000-2004 to 76 per cent in the latest six-year period. On average, the last tranche is paid five and a half months before the agreement's expiry; full phasing-in of the negotiated increases occurs slightly earlier in industry (6.1 months before expiry) than in private services (4.2 months). Agreements with a decreasing profile pay the last tranche later, on average, than those with an increasing profile (4.6 months before expiry compared with 6.2).

4.3. The dynamics of one-off payments

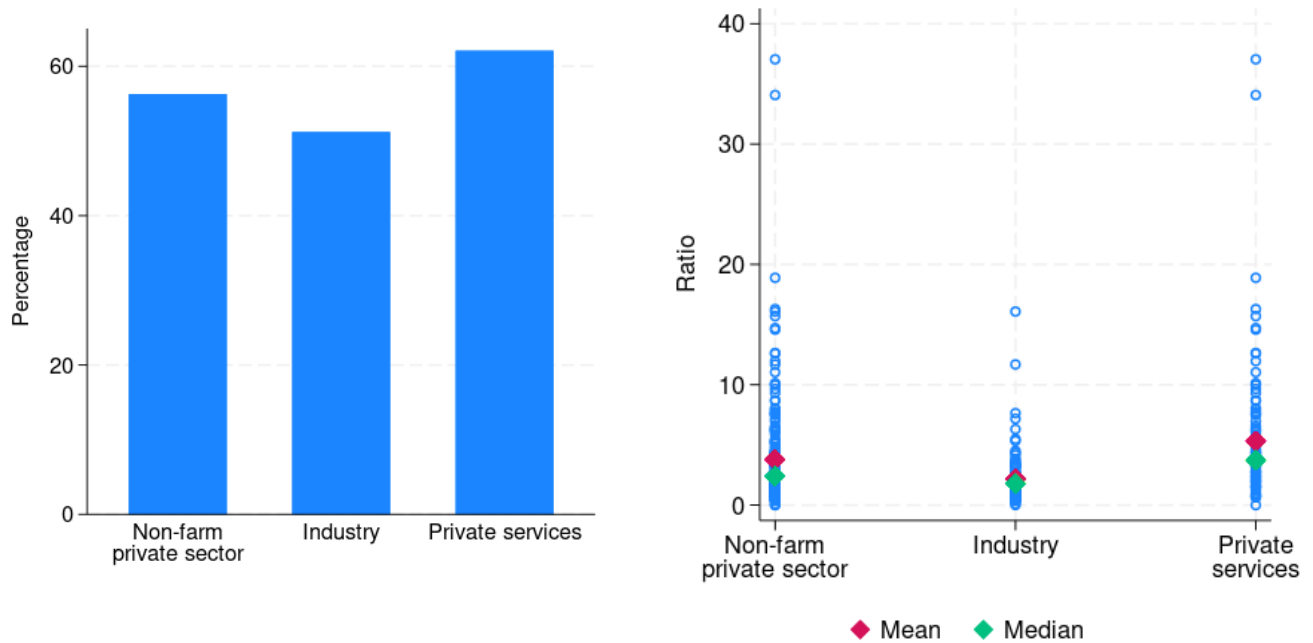
Whereas the payment of tranches results in a structural and permanent increase in negotiated wage rates, a one-off payment is a lump-sum disbursement that increases remuneration only temporarily, in the month in which it is paid. Over the period 2000–2025, 56 per cent of agreements paid a one-off (Figure 11, panel a); the percentage is higher in private services (six agreements out of ten, compared with one out of two in industry), where it is also more stable over time (Appendix Figure A12, panel a).

One-off payments in private services, in addition to being more widespread than in industry, are also larger in relation to the total value of the tranches (on average, the ratio is 5.3 compared with just over 2.2 in industry; at the median, the ratio is 3.8 compared with 1.8; Figure 11, panel b). Among industrial renewals that pay a one-off, the size of these payments relative to the tranches has declined slightly over time; in private services, their amount rose sharply in the 2014–2019 period, before stabilising

in the subsequent period at levels similar to those recorded in 2000–2004 (Appendix Figure A12, panel b).

Figure 11. One-off payments in the renewal agreements of the CBAs in the database

- (a) Percentage of agreements that disbursed a one-off, in the period 2000-2025
- (b) Ratio between the amount of one-offs and the amount of the tranches (for agreements that disbursed a one-off), in the period 2000-2025



Source: our calculations based on the Banca d'Italia database on collective bargaining.

Notes: panel (a) reports the share of renewal agreements concluded between 2000 and 2025 that provided for the payment of a one-off. Panel (b) shows, for renewal agreements that disbursed at least one one-off, the distribution, the mean and the median of the ratio between the amount of one-offs and the amount of the tranches. The classification of contracts between industry and private services follows the categorisation adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

4.4. The relationship between the delay in renewal agreements and the characteristics of the agreement

The length of the delay affects the main characteristics of the contracts concluded between 2000 and 2025. Table 2 reports the results of a series of regressions in which the variables capturing the main outcomes of renewal agreements are regressed on the length of the delay (in months), net of contract and signing-year fixed effects that capture the structural differences between contracts and between the different periods to which they refer.

Overall, the results point to a role for one-off payments as a means of compensating workers for delays in contract renewal negotiations. For each additional month of delay, the probability that a renewal agreement provides for a one-off payment increases by about 0.9 percentage points (column 4). Among renewals providing for a one-off payment, its amount increases by around €18 for each

additional month of delay, corresponding to about 3.6 per cent of the average amount (column 5).³⁵ The association with the amount of the negotiated wage increase is also positive and statistically significant, but much more limited in magnitude: for each month of delay, the increase amounts to about 0.3 per cent of the average value (column 1).³⁶

Table 2. Relationship between delay and other characteristics of renewal agreements

	Amount of wage increase	1 = declining profile	Ratio 1st instalment/total	1 = one-off payment	Amount of one-off payment	Ratio one- off payment / wage increase
	(1)	(2)	(3)	(4)	(5)	(6)
<i>A. All contracts</i>						
Delay	0,447* (0,203)	0,00465* (0,00215)	0,000108 (0,000819)	0,00935** (0,00195)	18,70** (4,369)	0,0956* (0,0403)
Mean dep. var.	144.3	0.605	0.397	0.560	526.4	3.699
Observations	373	365	373	373	207	207
R ²	0,625	0,371	0,421	0,411	0,675	0,567
<i>B. Industry</i>						
Delay	-0,708 (0,618)	0,00277 (0,00403)	0,00197 (0,00141)	0,0252** (0,00453)	31,81** (9,130)	0,242** (0,0650)
Mean dep. var.	141.5	0.616	0.380	0.507	305.7	2.193
Observations	203	203	203	203	102	102
R ²	0,737	0,386	0,551	0,453	0,754	0,783
<i>C. Private services</i>						
Delay	0,789** (0,241)	0,00686* (0,00297)	0,000182 (0,00121)	0,00307 (0,00224)	22,23** (4,831)	0,102+ (0,0536)
Mean dep. var.	147.7	0.590	0.417	0.627	740.9	5.176
Observations	168	160	168	168	103	103
R ²	0,623	0,476	0,430	0,553	0,666	0,526

Source: calculations based on the Banca d'Italia database on collective bargaining.

Notes: figures in parentheses are coefficient standard errors. Negotiated wage increases and one-off payments are expressed in real terms. Amounts not yet paid are deflated using a monthly inflation profile obtained by assuming an annual inflation rate of 2 per cent. In column (2), the dependent variable equals 1 if the first instalment is larger than the last ("declining profile"), and the regression is estimated only on renewal agreements providing for at least two instalments. In columns (5) and (6), the regressions are estimated only on agreements providing for a lump-sum payment. All regressions include contract and year fixed effects. The classification of contracts into industry and private services follows that adopted by Istat in the survey *Collective Agreements and Negotiated Wages*. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$.

Panels B and C, which report regressions estimated separately for industry and private services, show sectoral heterogeneity. As illustrated in Section 4.3, in private services – where delays are more frequent – one-off payments are on average more common and larger. However, the relationship between the use of one-off payments and the duration of the delay is considerably stronger in industry:

³⁵ As the delay increases, the ratio of the one-off payment to the permanent negotiated wage increase also rises (column 6).

³⁶ The association between the duration of the delay and the probability that wage increases have a declining profile is positive and statistically significant, although small relative to the mean (column 2). By contrast, there is no statistically significant association between the delay and the share of the negotiated wage increase paid in the first instalment (column 3).

for each additional month of delay, the probability of a lump-sum payment increases by about 2.5 percentage points in industry, while no statistically significant relationship emerges in private services. Among renewals providing for a lump-sum payment, each additional month of delay is also associated with an increase in its amount equal to about 10 per cent of the average amount in industry, compared with 3 per cent in private services.

5. The relationship between negotiated wages and actual wages

According to national accounts data, in the period 2000-2025 in the non-agricultural private sector, actual gross wages per employee – the main component of labour costs – increased by almost 60 per cent, a rate substantially identical to that of the minimum negotiated wages of the CBAs in the database.³⁷ They too therefore declined in real terms, by 2.5 per cent.

Monthly actual wages per employee differ from the wage scales set by collective agreements due to three main factors: (i) the number of hours actually paid, which may be lower than negotiated hours in the case of part-time work or absences not fully remunerated (for example, parental leave or long-term sickness), or higher in the case of overtime work; (ii) additional pay components provided by second-level bargaining at territorial or firm level or by individual agreements; (iii) the worker's actual pay grade compared with the lowest level usually examined in relation to negotiated wages. Moreover, the sociodemographic composition of workers, for example in terms of age and accumulated experience or gender and country of origin, also affects both the levels and the dynamics of average actual wages, as these factors influence, among other things, individual bargaining power and sorting across firms.

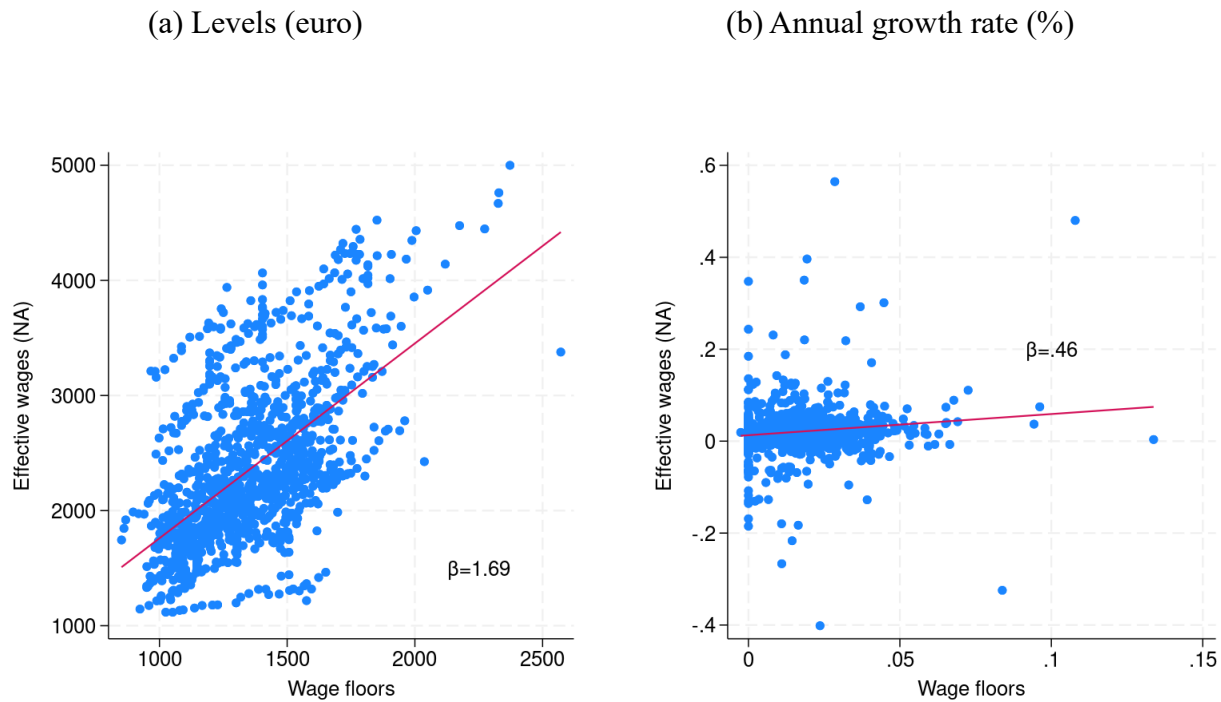
This section compares the wage floors of the CBAs in the database with the average monthly actual wage of employees covered by those agreements. Actual wages by contract are estimated by combining two data sources: (i) the annual National Accounts (CN), which provide information on average monthly actual wages, disaggregated by sector of activity (Ateco classification); (ii) the BI-UNIEMENS sample, which reports for each employment relationship both the applied CBA and the relevant Ateco sector. This latter source makes it possible to estimate the sectoral composition of each collective agreement. Average actual wages at contract level are therefore calculated as a weighted average of the sectoral wages from the National Accounts, using weights derived from the BI-UNIEMENS database.

Panel (a) of Figure 12 compares the values of average monthly actual wages and negotiated wage scales for the lowest occupational level, by contract and year. The two variables are highly correlated: over the period of analysis, on average, an increase of 100 euro in the negotiated minimum is associated with an increase of 169 euro in actual wages. However, heterogeneity is wide, and all the factors listed above influence the comparison between the two types of wages; nevertheless, because the national accounts data are aggregated, it is not possible to determine the contribution of each factor. Panel (b) shows the annual growth rates of actual and negotiated wages: the average correlation is much weaker, and there are frequent cases in which an increase in the negotiated wage floor is

³⁷ Actual wages per employee reported in the national accounts data are gross of social security contributions paid by employees and direct taxes. The developments examined in this section therefore do not reflect the changes in the taxation of labour income that have occurred over the past twenty-five years. For an analysis of changes in the disposable income of Italian households between 2021 and 2025, see Curci and Tomasi (2026).

associated with a reduction in actual wages for a given contract in the same year. This may be due to adjustments in other wage components, in hours worked, or to changes in the sociodemographic composition of the workers covered by the contract. By contrast, the composition of employees by pay grade level should have limited influence on the comparison of growth rates, since negotiated minima are, in most cases, adjusted by similar percentages across the different pay grades of a collective agreement.

Figure 12. Comparison between actual wages and negotiated wage floor for the CBAs



Source: our calculations based on the BI-UNIEMENS sample, on the Banca d'Italia database on collective bargaining and on Istat annual National Accounts (CN).

Note: the figure shows, for each CBA contained in the Banca d'Italia database on collective bargaining, the comparison over the period 2000-2024 between the monthly negotiated wage floor for the lowest pay grade provided for by the CBA ("minimum of the minima") and the monthly average actual wage of employees covered by the CBA, estimated using the annual National Accounts. Panel (a) reports the levels, panel (b) the annual growth rates. The red lines represent the fit of a linear univariate regression model.

The analysis of the relationship between actual and negotiated wages is useful for forecasting the dynamics of wage pressures on inflation, since the index of negotiated wages is released monthly, at a higher frequency than the quarterly national accounts data on actual wages. This analysis typically examines differences in growth rates, referred to as *drift*. The literature has identified a set of macroeconomic variables that influence *drift* at the aggregate level or by sector (Yellen, 2015; Nickel et al. 2019), including: the dynamics of value added, the extensive margin of labour input (i.e., the availability of non-employed labour force) and the intensive margin (i.e., hours worked) when the analysis is not at the hourly level.

The dataset that combines the CBAs' wage floors with the actual wages of the employees covered by those agreements, estimated as described above, makes it possible to examine the relationship

between actual wages and negotiated minima also at the much more disaggregated level of individual contracts. At this level of disaggregation, it is possible to examine the role of CBA characteristics. The analysis considers three elements: i) the phase of the contract life cycle (in force or expired), in order to assess whether during contract gaps – when the negotiated minima remain fixed – firm-level or individual bargaining contributes to sustaining the purchasing power of wages; ii) the payment of one-off amounts, which increase actual wages without modifying minimum levels; iii) the growth rate of the dispersion between the lowest of the minima and the highest of the minima in the wage scales, which may influence the growth rate of actual wages if adjustments for higher levels are not proportional to those of the lowest level. It is also possible to take into account the composition of the workforce to which the contract applies. The decomposition of *drift* is presented here in the form of a linear regression on the panel of the 50 contracts covered in the database. The panel covers the period 2000-2024, since wage data in the National Accounts are not available for all sectors in the subsequent years at the time of writing.

The regression is as follows:

$$y_{a,c} = X'_{a,c}\beta + Z'_{a,c}\gamma + T'_{a,c}\delta + \varphi_a + \vartheta_c + \varepsilon_{a,c} \quad (1)$$

where y represents *drift* at the level of year a and contract c . The controls are:

- $\mathbf{X}$ is a vector of controls capturing the cyclical characteristics of the sectors in which the collective agreement is applied:³⁸ it therefore includes the growth of hourly productivity, the growth of the sector's value-added deflator at basic prices, and the deviation of hours worked per employee from the average over the whole period;
- $\mathbf{Z}$ is a vector of characteristics of the collective agreement: it includes the indicator for the payment of one-off amounts in the year, the dispersion between minima across the different pay grades, the prevailing status of the contract in the year (in force, in force but close to expiry, expired for less than one year, expired for more than one year);
- $\mathbf{T}$ is a vector of characteristics of the workforce covered by each collective agreement in the year, as measured in the BI-UNIEMENS sample data: it includes the share of women, migrants, part-time workers, fixed-term workers, manual workers, and workers aged over 50.

Table 3 shows the results of the regression. Controlling for the aggregate business cycle and for the time-invariant characteristics of the contracts through year and CBA fixed effects, the three models including, in turn, only sectoral variables, negotiated variables or workforce-composition variables explain a large share of the variation in *drift*. Sectoral variables are positively correlated with *drift*, but their marginal effect is small: *ceteris paribus*, a 1 per cent increase in productivity and in the growth of the sectoral value-added deflator is associated, respectively, with an increase in *drift* of around 0.02 and 0.03 per cent (the latter being not statistically significant; column 1). An exception is represented by the number of hours worked per employee, which turns out to be an important determinant of wage dynamics (Lo Bello and Viviano, 2024; Lombardi et al., 2023): a 1 per cent

³⁸ Sectoral variables are aggregated to agreement level using weights estimated from the BI-UNIEMENS sample.

increase in hours per capita relative to the average of the period is associated with an increase in *drift* of 0.5 per cent.

The characteristics of the CBA in the year have less explanatory power when considered separately from other variables (column 2). However, one-off payments and the presence of an expired agreement are positively and significantly correlated with the *drift*. The latter association suggests that decentralized bargaining and autonomous employer initiatives tend to provide wage increases aimed at compensating workers, albeit only partially, for the lack of contractual wage adjustments during prolonged periods without a renewed agreement. Finally, the sociodemographic composition and the distribution of employment by type of job position also affect – although to a limited extent – the dynamics of actual wages compared with those of the negotiated minima. Larger shares of women and blue-collar workers are statistically significantly associated with a reduction in *drift* (column 3).

The explanatory power of the model increases up to 45 per cent when all determinants are combined, as they are correlated with each other. All the effects discussed above remain robust to the inclusion of the other controls or are strengthened (as in the case of the phase of the contract life cycle; column 4).

The estimation conducted on our dataset provides indications on how to enrich forecasting models of *drift* at the aggregate or sectoral level. The inclusion of the characteristics of the CBAs (for example, the share of collective agreements that have expired in a given period) and the composition of the workforce in the model can improve the estimates of the *drift*.

6. Conclusions

Despite a unified framework, the structure of collective bargaining in Italy leaves the employers' associations and trade unions ample room for negotiating flexibility. CBAs may adopt negotiated durations or reference indices for adjusting negotiated wages different from those established by the 2009 'interconfederal' agreement. Moreover, there are no strict deadlines for the renewal of expired contracts, which retain their normative and economic validity until the subsequent renewal (survival clause), nor are there any prescriptions regarding the number and structure of the instalments through which wage increases are paid, or on the possible recovery of deviations between expected and actual inflation.

The flexibility of the bargaining system limits the risk of wage-price spirals but has inevitable consequences in terms of heterogeneity in growth rates and in the dispersion of negotiated wages. Between 2000 and 2025 the share of CBAs renewed with delay increased significantly, as did the length of the delay. Over the same period, negotiated wages declined in real terms – due to the strong inflation in 2021-2023 – and dispersion increased both across contracts and within contracts. Wage components paid at decentralised level, which contribute to determining actual wages, had a partial compensatory effect, stronger in the presence of expired CBAs and of better productivity performance in the relevant sector.

Table 3. Determinants of *drift* at the level of collective agreement and year

	(1)	(2)	(3)	(4)
$\Delta\%$ productivity	0.024** (0.007)			0.028** (0.008)
$\Delta\%$ sectoral VA deflator	0.032 (0.028)			0.037 (0.030)
Δ hours relative to the trend	0.498** (0.103)			0.443** (0.112)
$\Delta\%$ max-min of the negotiated minima		0.086 (0.101)		0.079 (0.107)
1 = one-off		0.008* (0.004)		0.011** (0.004)
1 = contract in force but close to expiry		0.002 (0.006)		0.005 (0.005)
1 = contract expired for less than one year		0.004 (0.006)		0.005 (0.004)
1 = contract expired for one year or more		0.015* (0.007)		0.021** (0.006)
% women			-0.101** (0.034)	-0.198** (0.067)
% immigrants			0.286+ (0.152)	0.366* (0.162)
% part-time work			-0.019 (0.034)	-0.056 (0.078)
% fixed-term contract			0.025 (0.041)	-0.010 (0.054)
% blue-collar workers			-0.094** (0.033)	-0.133+ (0.079)
% age ≥ 50			-0.024 (0.048)	0.245 (0.162)
Contract fixed effects	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes
Observations	1067	1051	983	927
Adj. R2	0.410	0.191	0.223	0.447

Source: our calculations based on the BI-UNIMENS sample, on the Banca d'Italia database on collective bargaining and on Istat annual National Accounts (CN).

Notes: the regression includes contract and year fixed effects, as well as a lag variable for each of those reported (with the exception of contract status); the coefficients for the lagged variables are not reported. The omitted category for contract status is whether the contract is in force and far from expiry. Standard errors, in parentheses, are robust to heteroskedasticity. + $p < 0.1$, * $p < 0.05$, ** $p < 0.01$.

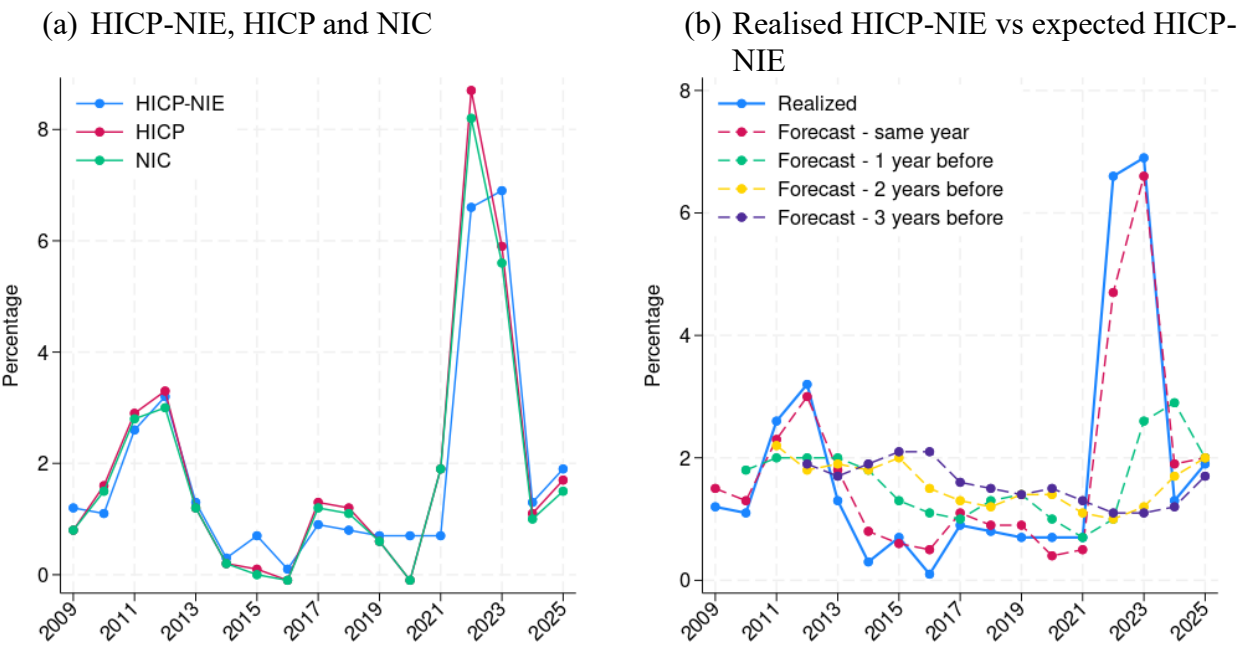
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Appendix A. Additional figures and tables

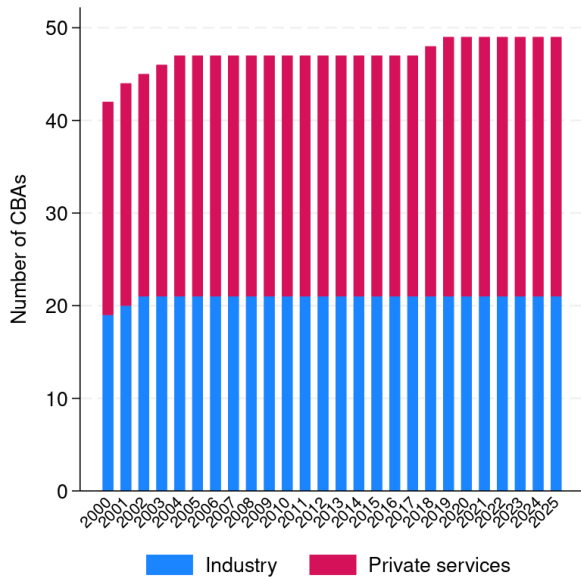
Figure A1. HICP, NIC, expected HICP-NIE and realised HICP-NIE



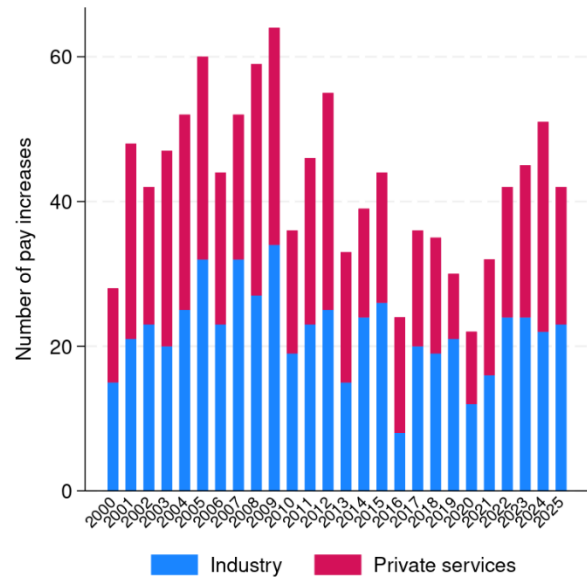
Source: our calculations based on Istat data.

Figure A2. Database of negotiated wage floors

(a) Agreements by year and sector



(b) Number of wage increases by year and sector

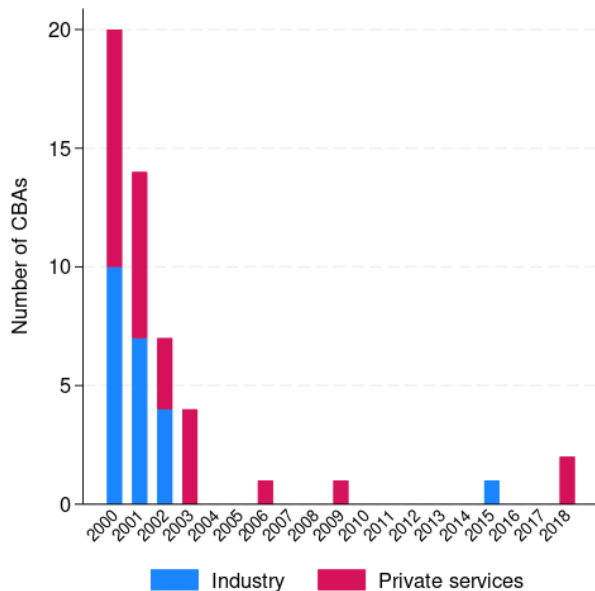


Source: our calculations based on the Banca d'Italia collective bargaining database.

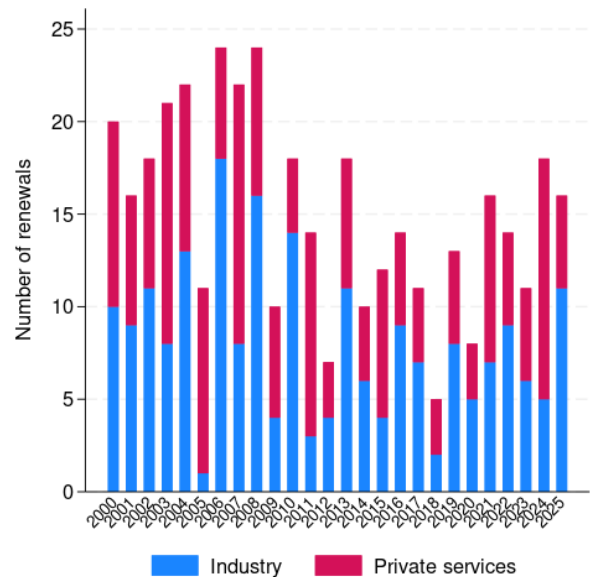
Notes: panel (a) reports, for each year between 2000 and 2025, the number of CBAs included in the database; panel (b) reports the number of increases in negotiated wage floors that took place in the year. The breakdown between industry and private services follows the classification adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

Figure A3. Database of renewal agreements

(a) Agreements by first renewal year and sector



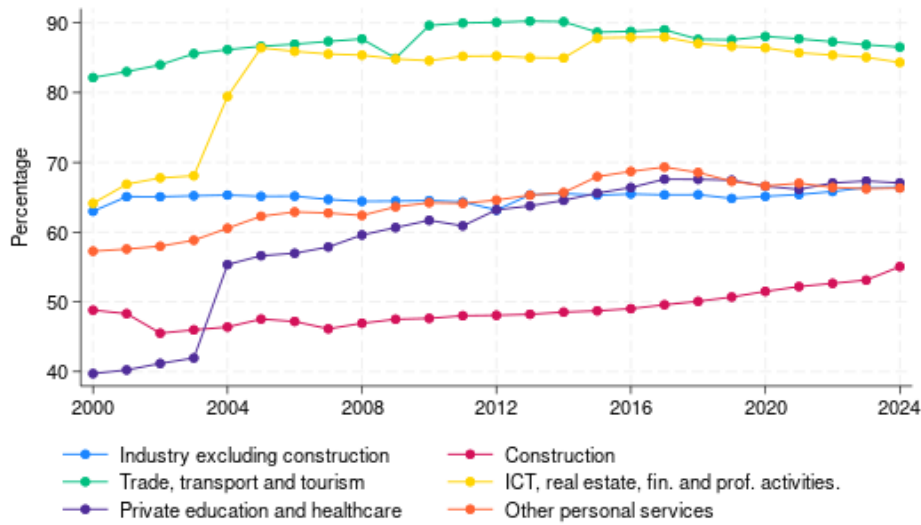
(b) Number of renewals by year and sector



Source: our calculations based on the Banca d'Italia collective bargaining database.

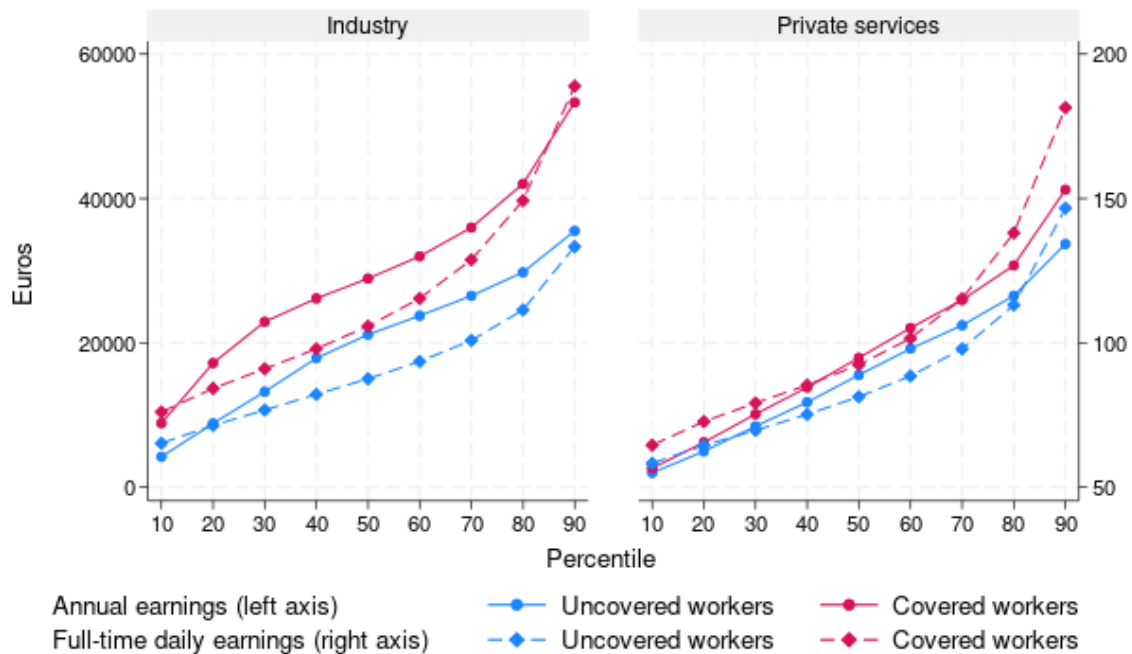
Notes: panel (a) reports the year of the first renewal, in the period between 2000 and 2025, of the CBAs included in the database. Panel (b) reports the number of renewals per year. The breakdown between industry and private services follows the classification adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

Figure A4. Coverage rate of the CBAs in the database, by the firm's economic activity sector



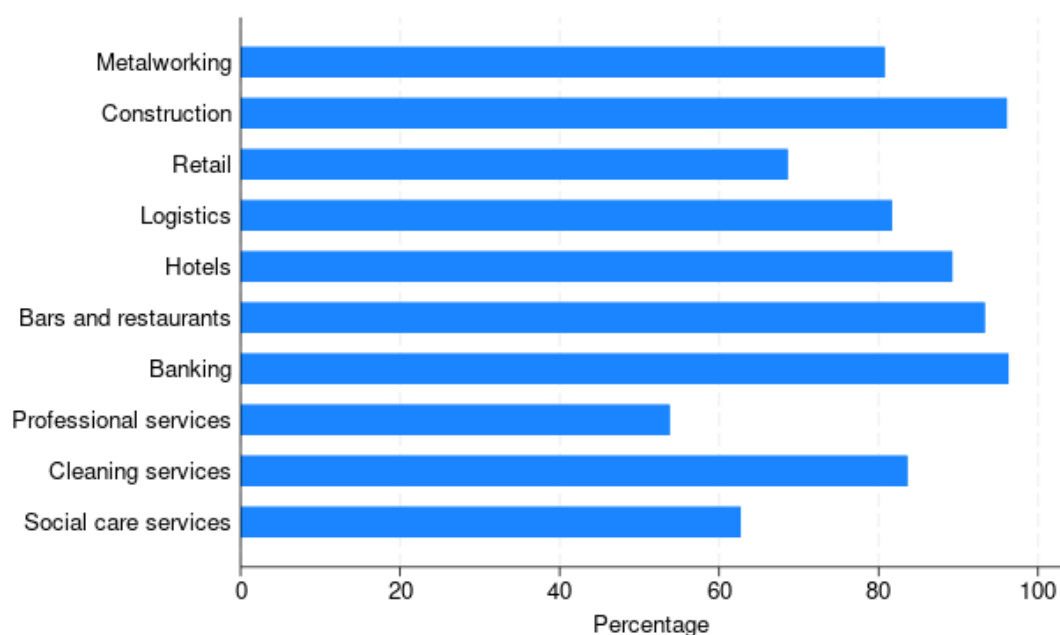
Source: our calculations based on the BI-UNIEMENS sample and on the Banca d'Italia collective bargaining database.
Notes: the figure reports the share of employees in the BI-UNIEMENS sample who are covered by the CBAs included in the database, by macro-sector. The breakdown of employees across sectors is based on the firm's economic activity sector (Ateco 2007 classification).

Figure A5. Annual taxable income and full-time daily taxable income of employees covered by the CBAs in the database and of employees not covered, by sector



Source: our calculations based on the BI-UNIEMENS sample and on the Banca d'Italia collective bargaining database.
Notes: the figure reports selected percentiles of the distribution of annual taxable income for all employees, and of daily taxable income for full-time employees only, in 2024. The breakdown between industry and private services is based on the sector to which the employer belongs (Ateco 2007 classification). Employees are divided into two groups: those covered by the CBAs included in the database and those who are covered by other CBAs.

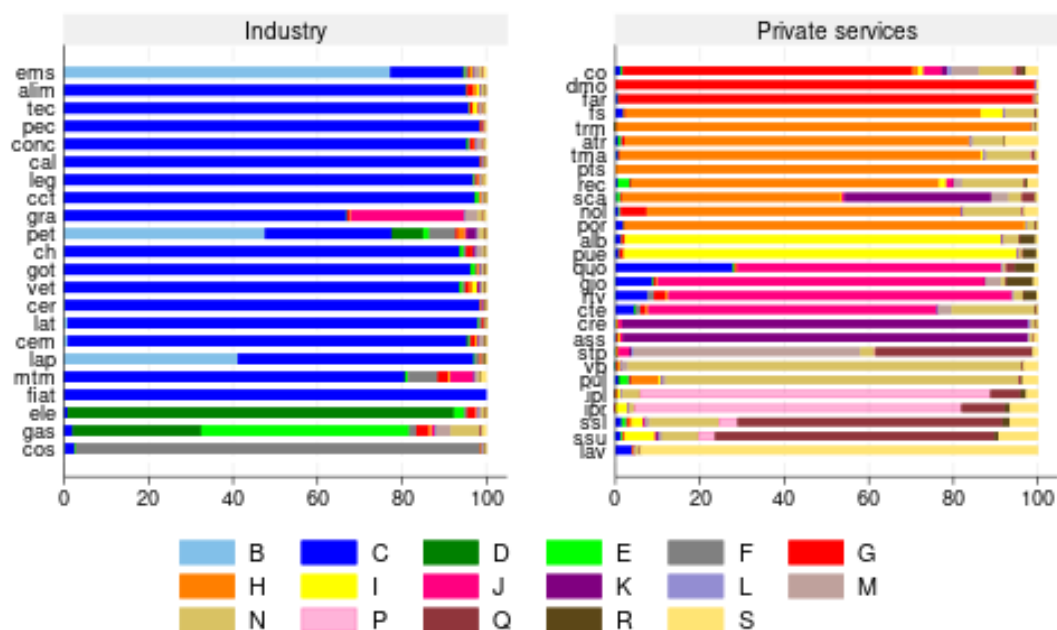
Figure A6. Sectoral distribution of employees covered by the 10 main CBAs in the database: share in the predominant sector



Source: our calculations based on the BI-UNIEMENS sample and on the Banca d'Italia collective bargaining database.

Notes: the figure reports, for each of the 10 most widespread CBAs in the database in 2024, the share of employees employed in the predominant sector (for example, the manufacturing sector for the metalworking agreement). The shares are calculated as the average over the period 2000–2024.

Figure A7. Sectoral distribution of employees covered by the CBAs in the database



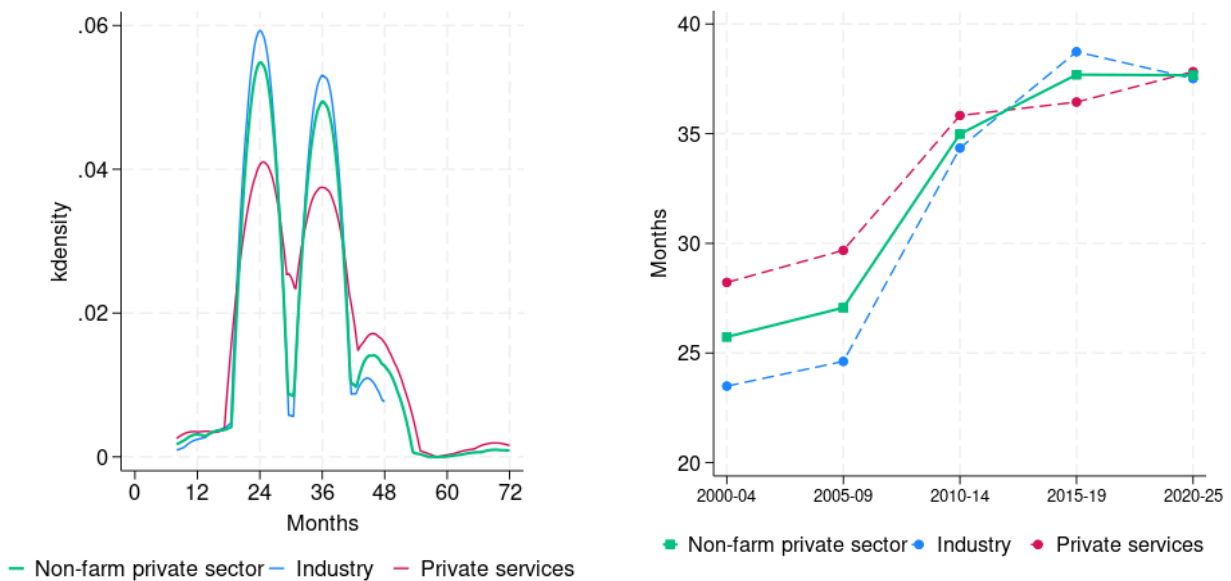
Source: our calculations based on the BI-UNIEMENS sample and on the Banca d'Italia collective bargaining database.

Notes: the figure reports the sectoral distribution (by Ateco section) of employees covered by the CBAs included in the database, on average in the period 2000–2024. The CBAs are divided between industry and private services on the basis of the classification adopted by Istat in the survey *Collective Agreements and Negotiated Wages*. In the legend, B = mining and quarrying; C = manufacturing; D = electricity, gas, steam and air-conditioning supply; E = water supply; sewerage, waste management and remediation activities; F = construction; G = wholesale and retail trade; repair of motor vehicles and motorcycles; H = transportation and storage; I = accommodation and food service activities; J = information and communication services; K = financial and insurance activities; L = real-estate activities; M = professional, scientific and technical activities; N = administrative and support service activities; P = education; Q = human health and social work activities; R = arts, entertainment and recreation; S = other service activities.

Figure A8. Duration of the renewal agreements of the CBAs in the database, by sector

(a) Distribution in the period 2000–2025

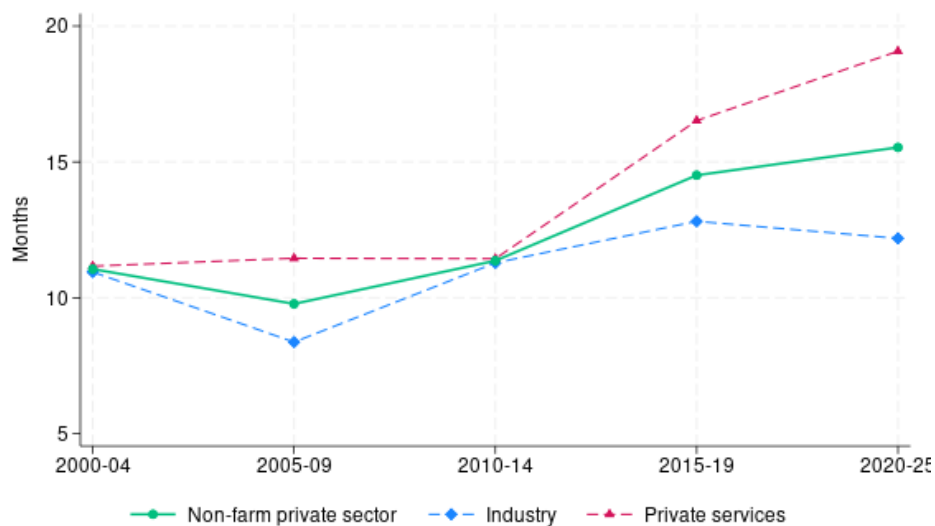
(b) Mean, by signing period



Source: our calculations based on the Banca d'Italia collective bargaining database.

Notes: panel (a) shows the distribution of the duration of renewal agreements concluded between 2000 and 2025. Panel (b) shows the evolution of the average duration of renewal agreements by signing period. The breakdown between industry and private services follows the classification adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

Figure A9. Mean distance between two successive adjustments of the negotiated wage scales of the CBAs in the database, by sector

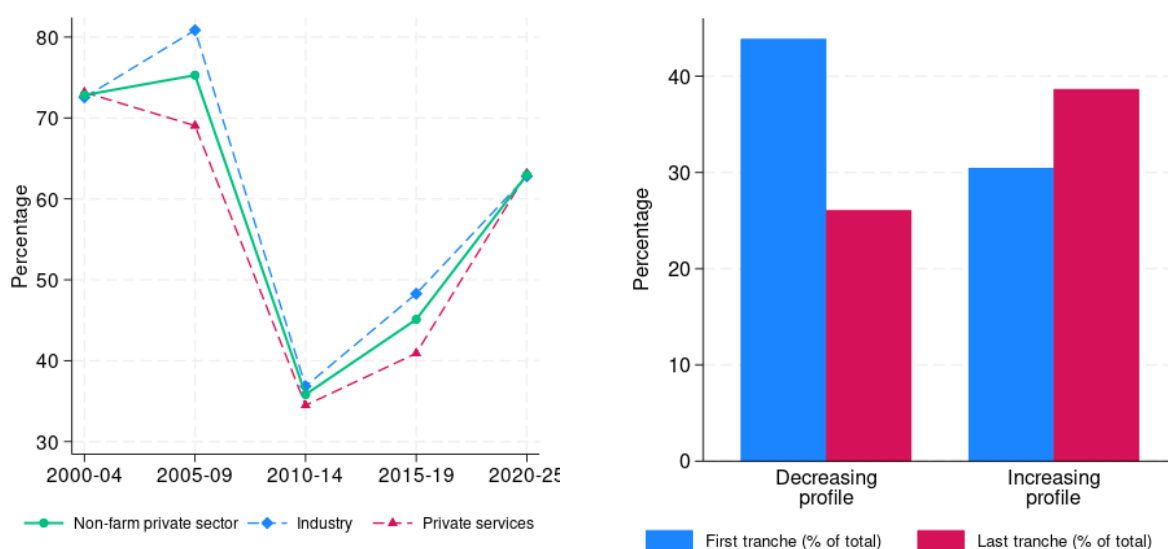


Source: our calculations based on the Banca d'Italia collective bargaining database.

Notes: the figure shows the mean distance between two successive adjustments of negotiated wages established by renewal agreements concluded between 2000 and 2025. Only instalments paid between 2000 and 2025 are considered. The breakdown between industry and private services follows the classification adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

Figure A10. Structure of the instalments of the CBAs in the database (only agreements that paid at least two instalments)

(a) Share of renewals with a decreasing instalment profile, by sector and signing period (b) Ratio between first or last instalment and total instalments, by type of instalment profile



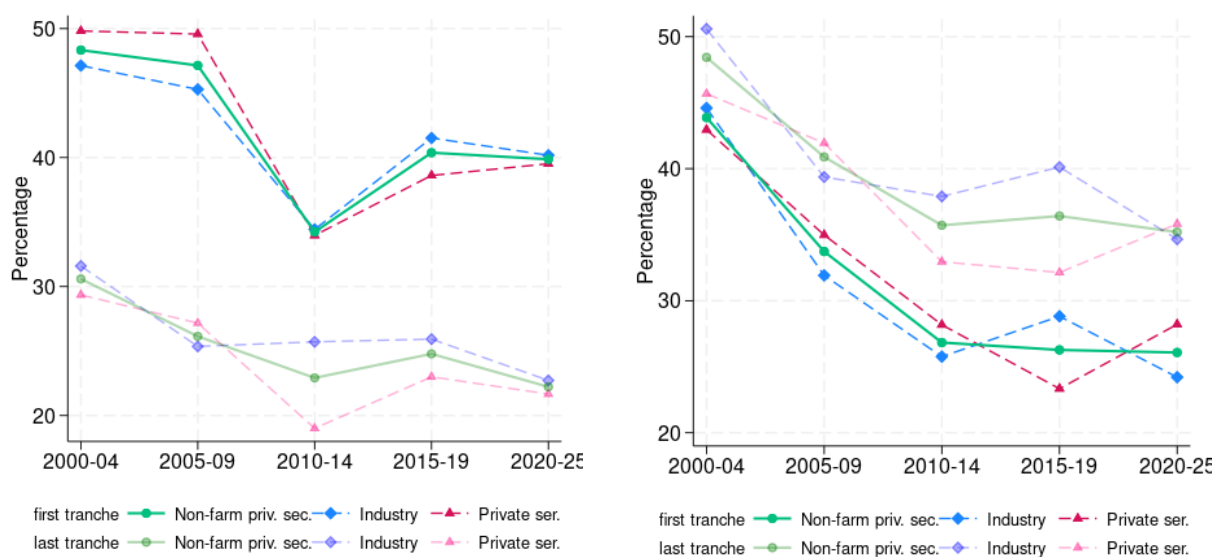
Source: our calculations based on the Banca d'Italia collective bargaining database.

Notes: panel (a) reports the share of renewal agreements concluded between 2000 and 2025 that featured a decreasing instalment profile, by signing period. Panel (b) shows the ratio between the first instalment and the total instalments and the ratio between the last instalment and the total instalments, separately for renewal agreements with an increasing instalment profile and for renewal agreements with a decreasing instalment profile. The breakdown between industry and private services follows the classification adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

Figure A11. Ratio between the first or the last instalment and the total instalments in the renewal agreements of the CBAs in the database, by sector and signing period

(a) Decreasing instalment profile

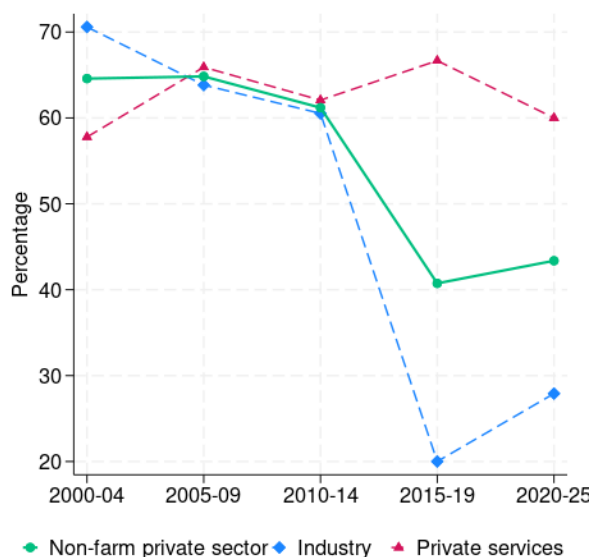
(b) Increasing instalment profile



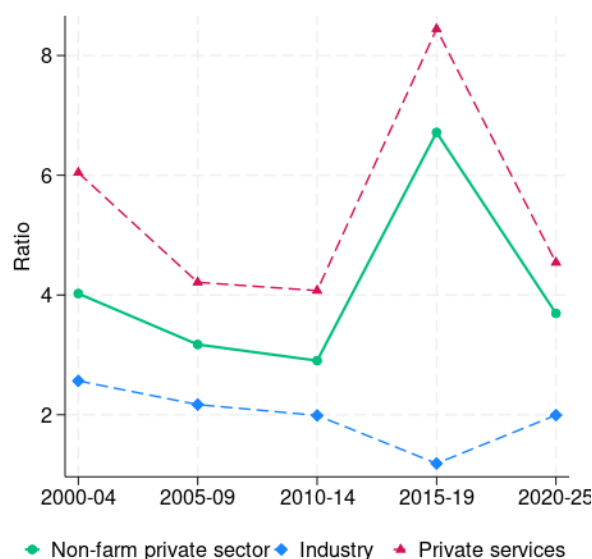
Source: our calculations based on the Banca d'Italia collective bargaining database.
Notes: the figure reports the ratio between the first instalment and the total instalments, or between the last instalment and the total instalments, for renewal agreements signed between 2000 and 2025. Panel (a) focuses on renewal agreements with a decreasing instalment profile, while panel (b) focuses on renewal agreements with an increasing instalment profile. The breakdown between industry and private services follows the classification adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

Figure A12. One-off payments in the renewal agreements of the CBAs in the database, by sector and signing period

(a) Percentage of agreements that paid a one-off amount



(b) Ratio between the amount of the one-off payments and the amount of the instalments (for agreements that paid a one-off amount)



Source: our calculations based on the Banca d'Italia collective bargaining database.

Notes: panel (a) reports the share of renewal agreements concluded between 2000 and 2025 that provided for the payment of a one-off amount. Panel (b) shows, for renewal agreements that paid at least one one-off amount, the average ratio between the amount of the one-off payments and the amount of the instalments. The breakdown between industry and private services follows the classification adopted by Istat in the survey *Collective Agreements and Negotiated Wages*.

Appendix B: The components of negotiated wages

Negotiated wages consist of direct, indirect and deferred components.

Direct wages include the elements linked to the work performed by the employee and paid at regular intervals (generally every month). The main components are:

- basic wage (*paga base*): corresponding to the negotiated minimum set by the CBA in relation to the employee's pay grade;
- cost-of-living allowance (*indennità di contingenza*): introduced in the post-war period by collective bargaining with the objective of adjusting wages to the cost of living, it was calculated periodically by a dedicated Commission established at ISTAT, taking as reference a "basket of goods", i.e. the prices of certain commonly used goods by Italian households. The system of automatic wage indexation was ultimately abolished by the 1992 Protocol of Understanding between the Government and the social partners. The amounts of the cost-of-living allowance already accrued were frozen. As a result, the allowance is still included in some collective agreements as a separate component of remuneration, although it is no longer subject to automatic adjustment; in other agreements, it has instead been incorporated into basic pay, resulting in what is known as "consolidated basic pay" (*paga conglobata*);
- distinct wage component (*elemento distinto della retribuzione*): introduced for all private-sector employees, excluding executives, by the Interconfederal Agreement of 31 July 1992, and subsequently regulated by the Protocol of 23 July 1993 as compensation for the non-recognition of a portion of the wage increases that would otherwise have been granted under the wage indexation mechanism. It is equal to 10.33 euro per month for 13 monthly payments; it is generally included within the "basic wage" item, but in some contracts, such as the chemical-pharmaceutical CBA, it constitutes a separate component.

Additional direct wage components present in certain CBAs include:

- territorial pay element (*elemento economico territoriale*): it is linked to economic, productivity-related, or territorial parameters established through decentralized bargaining and may vary depending on the indicators identified by the parties.
- wage guarantee element or wage equalization element (*elemento di garanzia retributiva* or *elemento perequativo della retribuzione*): included in some CBAs (for example in clothing or stone-industry CBAs) as an amount to be paid to employees in firms without second-level bargaining, i.e. those who do not receive economic treatments in addition to what is established at national level.

Direct wages can also include: premiums for overtime, night-work or holiday-work; premiums for additional hours (work performed by part-time employees in addition to the agreed working hours but still within the full-time hours defined in the CBA); various allowances (cashier, transport or canteen allowances) introduced in some CBAs to compensate employees required to perform tasks involving particular responsibilities or hardship; *superminimi*, i.e. wage amounts aimed at differentiating employees according to professional criteria or other criteria established unilaterally

by firms; these are distinguished into individual, if agreed in the individual employment contract, and collective if provided for by the CBA.

Indirect wages include the amounts that the employee receives once a year, such as:

- thirteenth-month payment (*tredicesima mensilità*): introduced by the CBA of 5 August 1937 for industry clerical workers and only subsequently extended to all employees with the ‘interconfederal’ agreement for industry of 27 October 1946, made universally applicable by Presidential Decree no. 1070/1960.
- possible fourteenth-month payment (*quattordicesima mensilità*): provided for in some CBAs, which also establish its amount, accrual and payment date.
- payments covering periods of paid leave (annual paid leave entitlements, public holidays), performance-related bonuses (the latter only when paid annually).

Deferred wages refer to the share of wages set aside by the employer and paid to the employee later than when the work is performed. The main component is the severance payment paid to the employee when the employment relationship ends (TFR), the amount of which is determined by setting aside each year a portion equal to the annual remuneration divided by 13.5, together with the corresponding revaluations.

The distinction between indirect and deferred wages is not always clear-cut.

Appendix C. Notes on collective bargaining in the main euro-area countries

Collective bargaining is widespread in euro-area countries (Banca d’Italia, 2022), although to a lesser extent than in Italy. It almost everywhere coexists with a statutory minimum wage, which is not present in our country; besides Italy, only Austria and Finland do not have one.

In most euro-area countries, collective agreements have multi-year validity. France and the Netherlands are exceptions, where national agreements are concluded more frequently. In France, the wage component of agreements must be reviewed annually; in the Netherlands, the duration of collective agreements is chosen by the parties and, in the vast majority of cases, is equal to one or two years, and it decreased significantly after the acceleration in prices recorded from 2021 onwards. Also in Germany and Spain, the effective duration of agreements can be longer than the statutory one, further delaying the adjustment of wages to unexpected economic shocks.

Across the euro area as a whole, indexation clauses are not widespread, covering less than one fifth of the wage bill. Belgium is the only country where full automatic indexation of wages for all employees based on observed inflation is provided; in Cyprus, Malta and Luxembourg the majority of private-sector workers are covered by indexation clauses. In Spain, indexation clauses apply exclusively to specific sectors. In France, only the statutory minimum wage is indexed to inflation, but, similarly to other countries, its increases partially influence collective bargaining and affect in particular the wages of low-income workers.

During the 2021-2023 inflationary episode, the main euro-area countries did not substantially modify the structure of collective bargaining; the partial recovery of real negotiated wages took place through an intensification of renewals or the payment of one-off amounts.

Appendix D. The matching between the INPS contract codes and the CNEL contract codes

The UNIEMENS flow database contains information on the collective agreement applied to a given employment relationship. Until 2021, the agreement was reported using a numerical code provided by INPS, whereas from 2022 onwards INPS has also adopted the CNEL alphanumeric classification. In preparation for the transition from the INPS classification to the CNEL one, INPS initiated, through a series of notices issued between 2018 and 2021, a process of reorganising the INPS contract codes to reflect the evolution of collective bargaining: the establishment of new agreements, the removal of existing agreements due to cessation or merging into other agreements. With regard to merging episodes, two main cases can be distinguished: (a) n INPS contract codes are eliminated because they have merged into an agreement associated with a pre-existing INPS contract code; or (b) n INPS contract codes are eliminated because they have merged into an agreement associated with a new INPS contract code introduced at the same time. In the mapping between the two classifications published by INPS and CNEL, these cases give rise to the matching of multiple INPS contract codes to the same CNEL code.

Among the 50 collective agreements included in the Banca d'Italia database, 16 have a CNEL code that is matched with more than one INPS code: overall, the 16 CNEL codes associated with these agreements are matched to 79 INPS contract codes. For example, the CNEL codes of the two most widespread agreements – metalworking (C011) and commerce (H011) – are associated with two and three INPS contract codes respectively; the CNEL code of the maritime transport agreement (I391) is matched with 27 INPS contract codes.

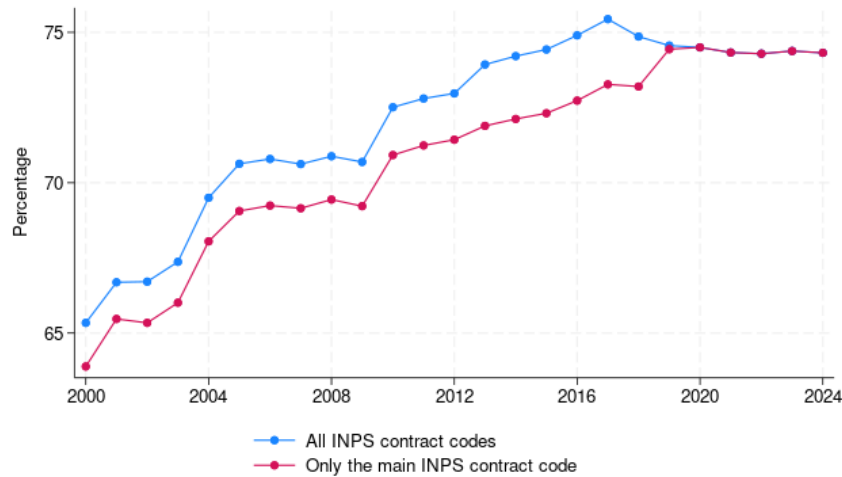
For the accurate reconstruction of the coverage rate of these agreements from 2000 onwards, it is necessary to obtain information on the year in which agreements with suppressed INPS contract codes were merged into the “main” agreement³⁹ with the INPS code – pre-existing or newly established – since the merger may have occurred earlier than the year indicated in the INPS notice reporting the change. To this end, the following procedure has been adopted: (i) through a manual matching based on the agreement title, an attempt was made to identify, for each INPS contract code that merged, the associated CNEL contract code before the merger; (ii) using the pre-merger CNEL code, the database of merged collective agreements published by CNEL was consulted to determine the last expiry year of the merged agreement, and it was assumed that the merger occurred in that year. When it was not possible to identify the pre-merger CNEL code, it was assumed that the merger occurred in 2000 (or in the year of establishment of the main agreement, if later than 2000). This procedure entails margins of error related to the assumptions listed in point (ii).

Figure D1 shows the evolution of the coverage rate of the database based both on the matching procedure described above and on a matching in which each CNEL contract code is paired only with the “main” INPS contract code. The two series coincide from 2019 onwards, the year from which most cases of multiple matches cease to exist following the reorganisation of INPS contract codes. In previous years, the coverage rate that does not account for multiple matches is on average 1.6

³⁹ For cases falling under category (a), the pre-existing INPS contract code into which the other INPS contract codes were merged is considered the “main” INPS contract code. For cases falling under category (b), the “main” INPS contract code is the newly established code from the year in which it was introduced; for the preceding years, the main code is taken to be the INPS contract code that applied to the majority of workers covered by the new agreement in the years prior to its introduction (starting from 1990), based on the information reported in the UNIEMENS flows database.

percentage points lower. The discrepancy is therefore limited for the non-agricultural private sector as a whole, and no significant heterogeneity emerges between industry and private services.

Figure D1. Coverage rate of the Banca d'Italia database, with and without multiple matching between CNEL contract codes and INPS contract codes



Source: our calculations based on the BI-UNIEMENS sample and on the Banca d'Italia database on collective bargaining.

Notes: the figure shows the coverage rate in the BI-UNIEMENS sample of the CBAs included in the Banca d'Italia collective bargaining database. The blue line reports the coverage rate obtained when the CNEL code of the agreement is matched to all associated INPS codes. The red line reports the coverage rate obtained when the CNEL code of the agreement is matched only to the INPS code identified as the “main” one.