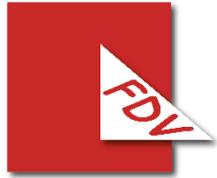




**DISCUS**  
**Digital Transformation in the**  
**Construction Sector:**  
**Challenges and Opportunities**  
VP/2018/004

**ITALIAN PRELIMINARY REPORT**

First Workshop  
Madrid, 3 July 2019



# Overview of relevant policy and legal framework of the construction sector

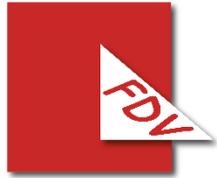
The construction regulation system in Italy is quite complex and regulated at various levels. Public policies relating to construction activities refer to different bodies.



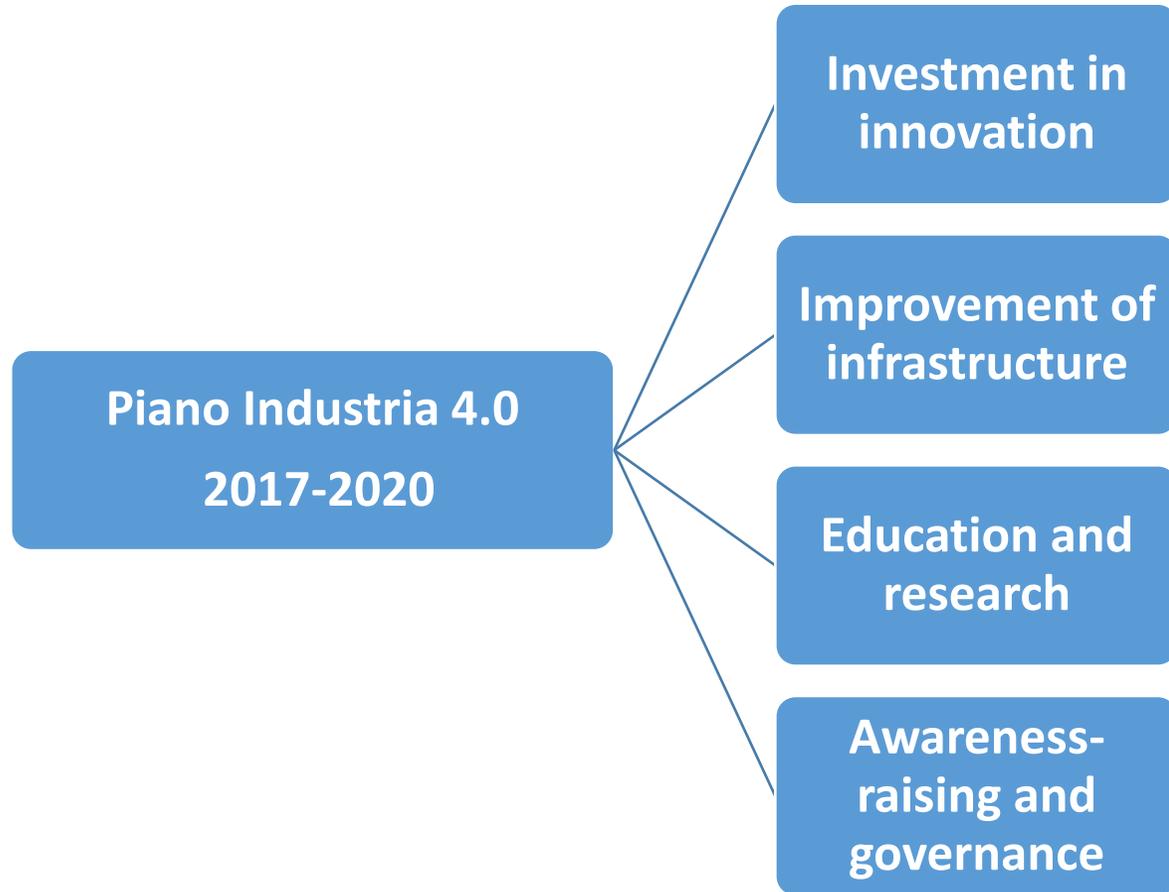
This fragmentation of responsibilities and the lack of coordination of activities can be an obstacle to the development of sector from an innovative and sustainable point of view

In addition to the technical standards, must be mentioned **Codice Appalti** (Legislative Decree no. 50/2016) and "**Sblocca Cantieri**" no. 32/2019 (converted into **Law no. 55 of 14 June 2019**).

About energy sustainability: **Piano nazionale integrato per l'energia e il clima** for 2021-2030 (January 2019)

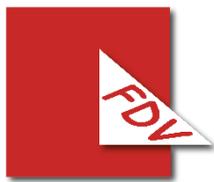


# Relevant institutional initiatives in support of digitalization and technological innovation



There are different measures under the plan, but the most used is **tax incentives and depreciation possibilities**. Companies can benefit from an increased depreciation mechanism in relation to investments in technologies relevant to Industry 4.0.

However, the **Industria 4.0 is not tailored to the needs of construction** and this is demonstrated by the fact that the incentives for innovation have been used much less than in other sectors. The construction sector need not only innovative tools but also a renewal of the production process (Ance, 2018)



# Economic and Employed trends in the construction sector

## Effects of Economic Crisis

- **Construction sector's share of GDP rose from 9.5% in 2008 to just over 6.2% in 2015**
- Investments in new residential buildings decreased by more than 60% and non-residential buildings by more than 40%, while extraordinary maintenance saw an increase of almost 20%
- Craft construction companies decreased by 11% between 2009 and 2015 (from 584,000 to 518,417), with a loss of more than 65,000 jobs

Since the second half of 2015, there have been signs of a slight economic recovery. This recovery stabilised in **2017 with a growth rate close to 1.7%**. Investments under construction represent 9.6% of GDP

Companies in the construction sector are showing **positive expectations** for the expected growth +1.5% increase in investments under construction

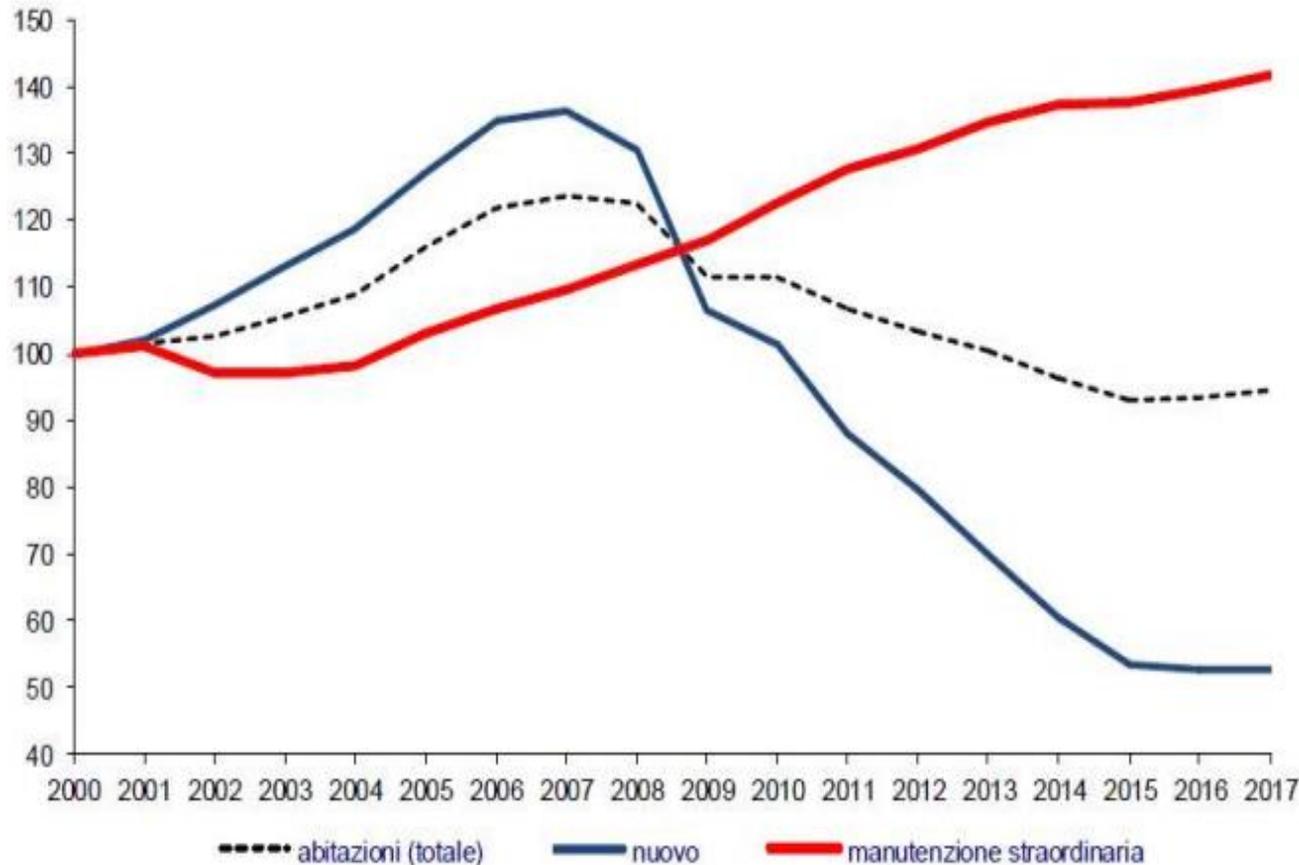
**Employment dynamics** are showing the first signs of recovery, with a slight increase in new employees (+0.3% - Istat 2018) and hours worked



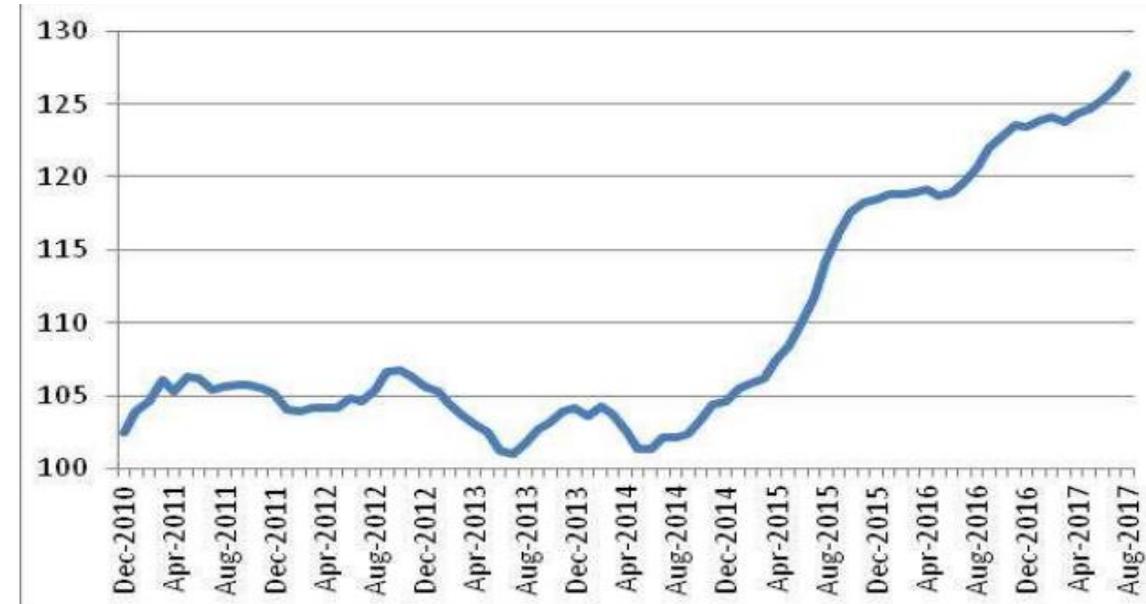
# Economic trends in the construction sector- Charts

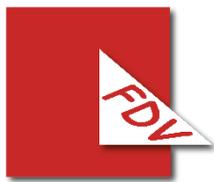


Investments in housing (index number 2000=100).  
Source: ANCE, February 2018.



Degree of business confidence in the construction sector  
Source: Istat 2017

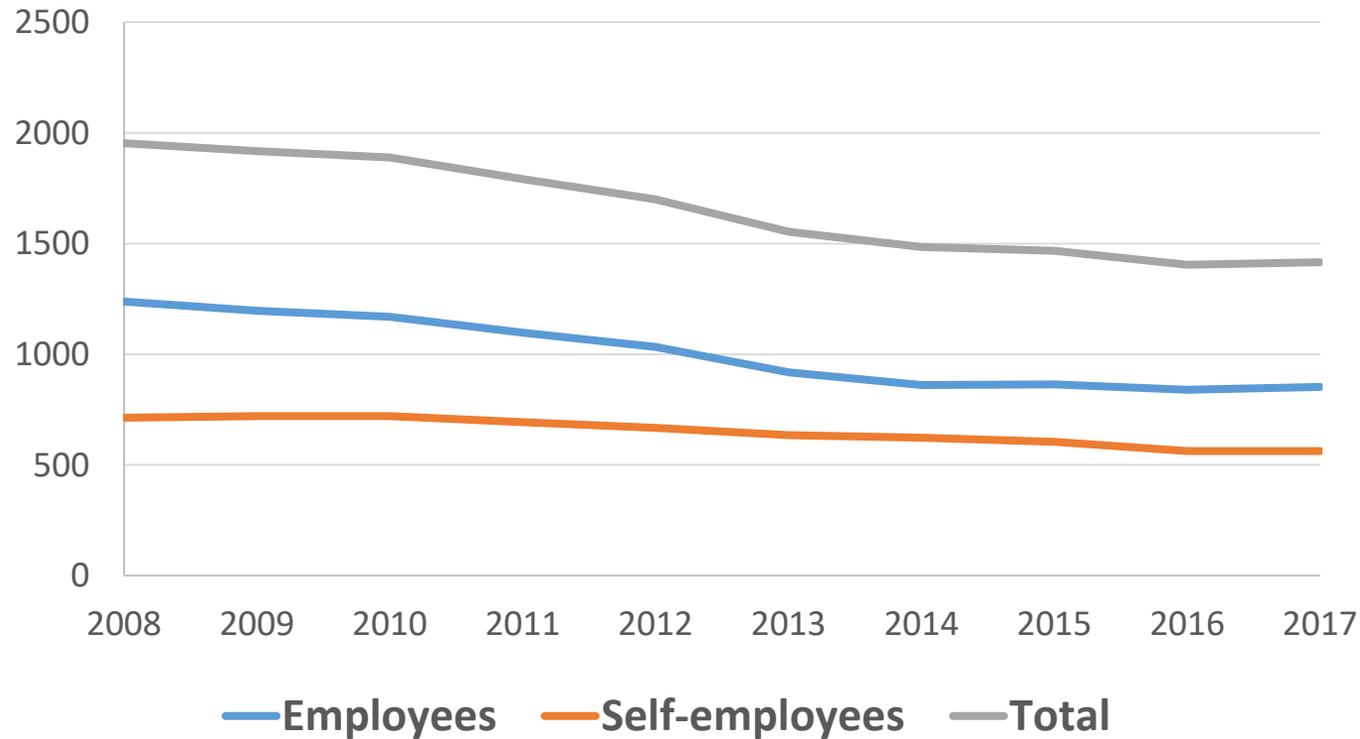




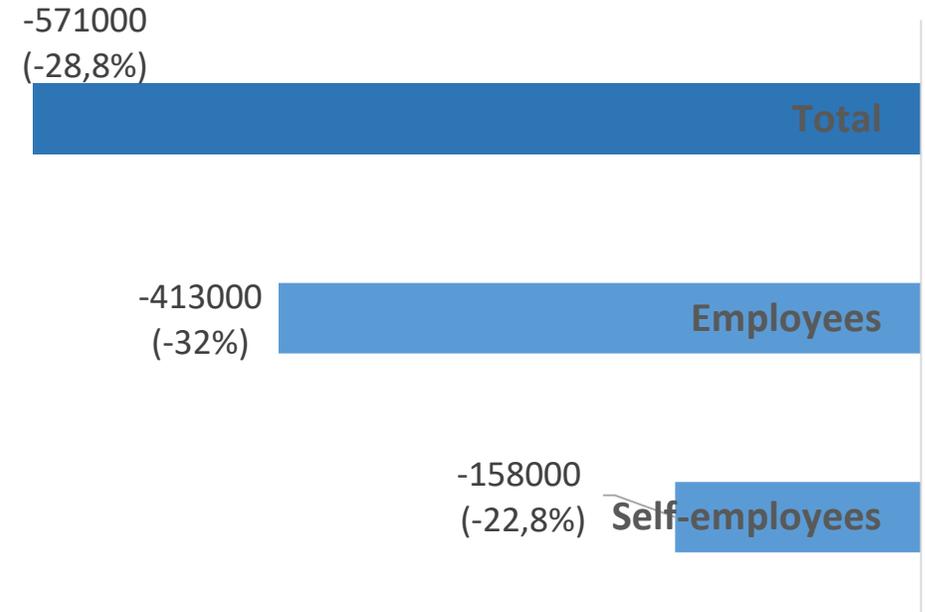
# Employed trends in the construction sector- Charts



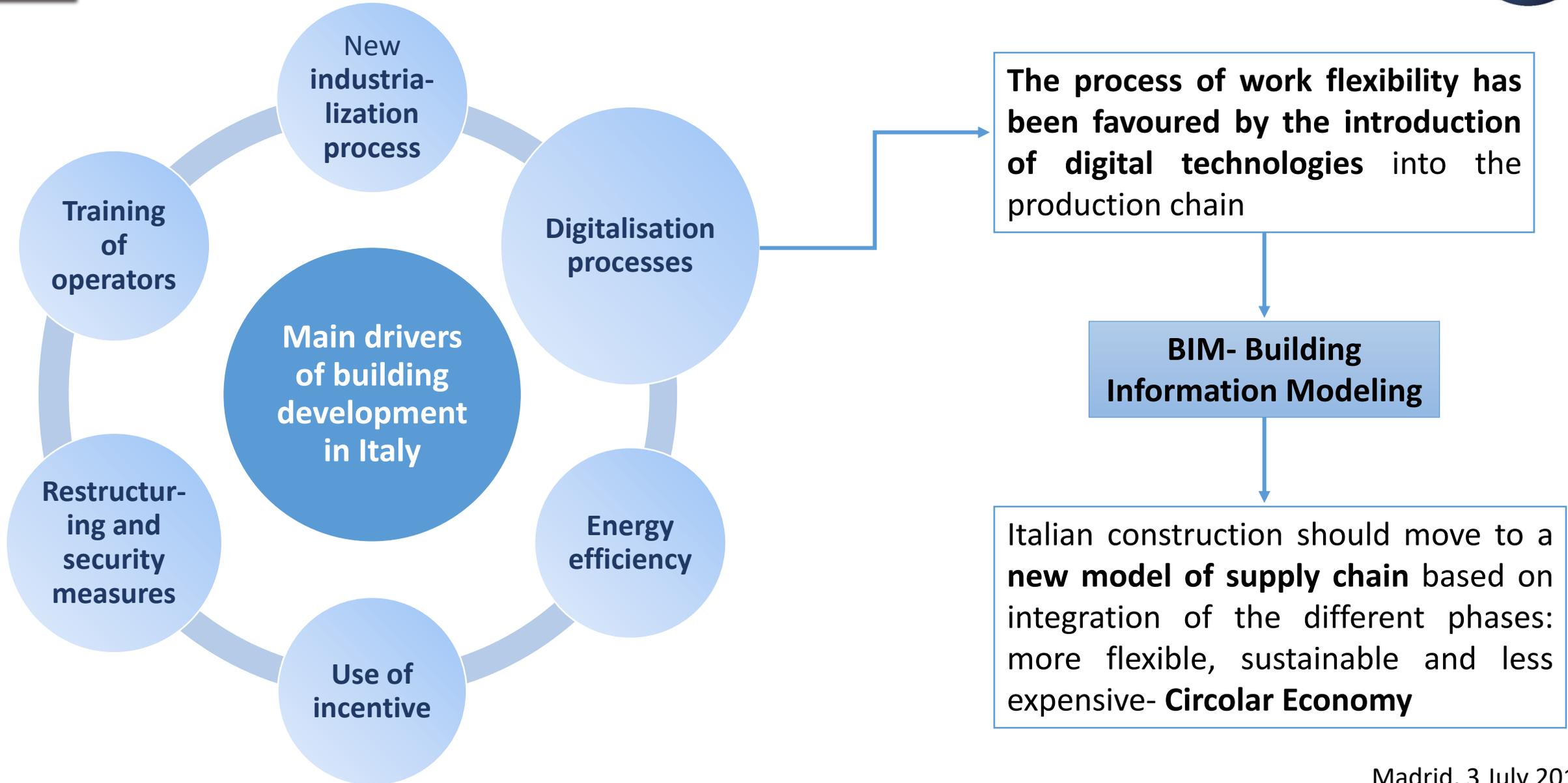
Employed in construction in Italy (Thousands)  
2008-2017. Source ANCE



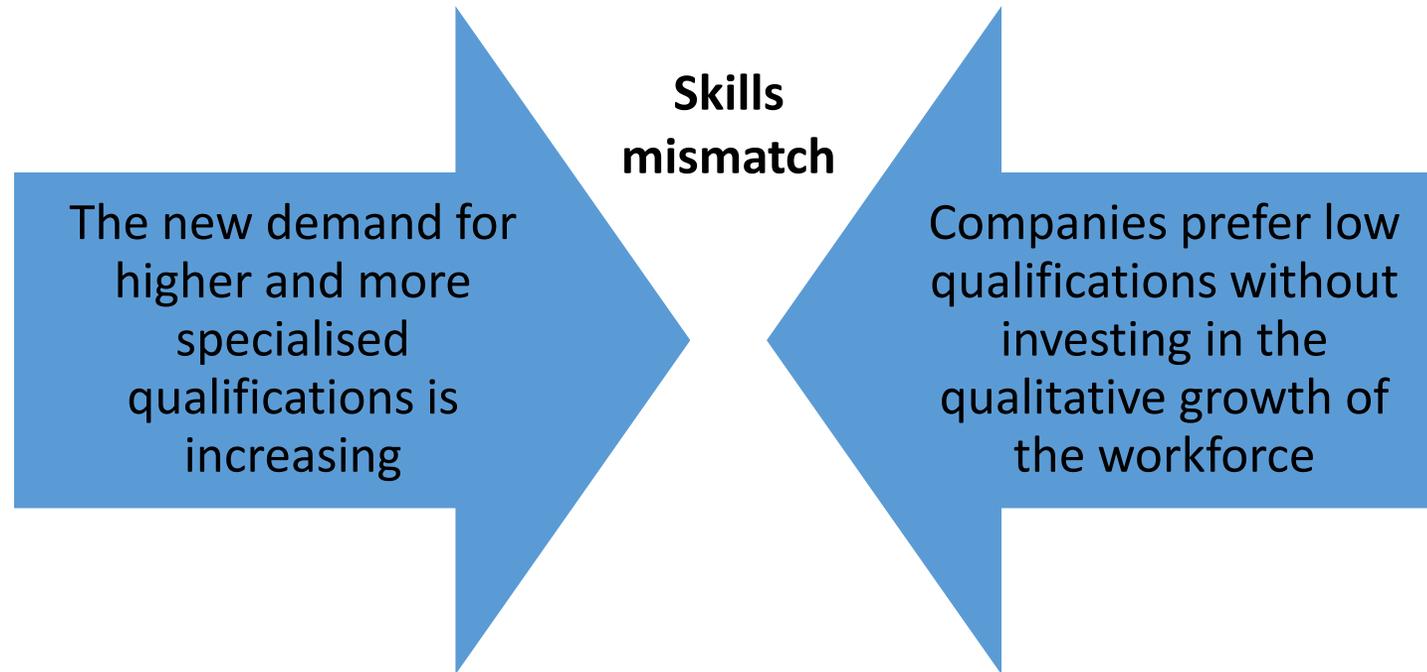
Employed in construction in Italy  
Absolute change II trim.2017 - IV trim.2008  
Source Istat



# Changes and innovations in the construction sector



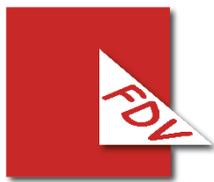
# Skill needs and training in relation to digitalization and innovation



To correct these contradictions, the Italian government has introduced a **40% tax credit for training 4.0** (Budget Law of 27 December 2017, n. 205), as part of Piano Industria 4.0

In addition to the training activities carried out by the building funds like **I-TOWN**, **Bricks (Build up)** and **Vet4lec**

In Italy, a large part of the building training is carried out through the **Bilateral bodies** that make use of a central body **Formedil**, founded by ANCE, Cgil Cisl and Uil.

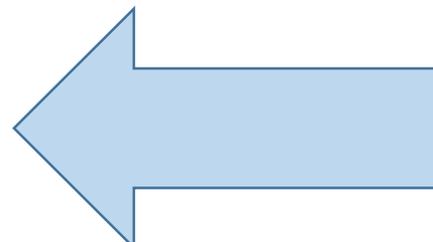


# Industrial relations systems in Italy



The representation system in the construction sector is characterised by a **high level of fragmentation**, low trade union density and very polarised coverage of collective bargaining (Eurofound, 2015a).

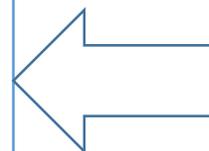
With Economic Crisis, the industrial relations system focus more on **Second-tier bargaining** to respond to the needs of businesses and the territory – **Important of cooperation between the main trade union**



4 contract platforms signed by the major trade unions- Feneal UIL, Filca CISL and Fillea CGIL:

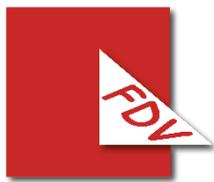
- ✓ **Industry**
- ✓ **Craftsmanship,**
- ✓ **Small and Medium Enterprises**
- ✓ **Cooperatives**

Each of these platforms gives rise to its **Bilateral system**



The bilateral construction system is structured into 3 subsystems:

- **System of building funds (Cassa Edile)**
- **Vocational training system**
- **Health and safety protection system**



# Role of the social partners in support of the digitalization and innovation



The main social dialogue initiatives in the construction sector do not include the setting up of specific technical forums, but are always characterised by permanent forms of consultation, discussion and cooperation (**Manifesto of the States General of Construction, Observatory on Innovation and Sustainability in the Construction Industry, Costruction21**).

Many of the actions proposed mainly concern the training of workers and the qualification of companies (**Building Smart Italy**)

The individualisation of work, the increasing flexibility and diversification of production processes require trade union action that is more **flexible, reticular and adaptive**

- Strengthen CCN (National collective bargaining)
- Strengthen second-level bargaining
- **Bargain in advance**