Negotiating Technology: Profit Sharing’s Impact on Automation Resistance

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This study investigates the relationship between union-mediated profit-sharing schemes and the adoption of automation technologies in Italian firms, focusing on how these schemes influence workers' acceptance of new technologies. While traditional views suggest that unions resist technological changes, this research proposes that unions play a crucial role in facilitating the integration of new technologies by advocating for the equitable distribution of technological gains.

The paper challenges the deterministic perspective that technological advancement inevitably leads to increased wage inequality, emphasizing instead the influential role of institutions in shaping the outcomes of technological integration. It argues that technology adoption is not only a response to external economic forces but is also significantly shaped by existing political and economic conditions.

Methodologically, the study examines a comprehensive dataset from the Employer and Employee Survey (EES) conducted by Italy's National Institute for Public Policy Analysis in 2015 and 2018, covering over 60,000 observations across the manufacturing and service sectors. Findings indicate a strong correlation between profit-sharing schemes and the adoption of robotics, suggesting that such schemes can reduce potential resistance to new technologies. The study also explores the mechanisms behind this correlation, identifying both innovation culture and upskilling as contributing factors.