



Good practice fiche

Title of the policy or measure (in English)	Legislative reform to better coordinate the Italian labour inspections system by establishing the 'Italian National Inspectorate for Labour Inspections' (NIL).
Case study/good practice name	Reform of the Italian labour inspections system
Country	Italy
Sectors	Cross-sectoral
Target groups	Employers, workers, general public
Type of measure	Deterrence: improve detection
Short sentence summarising the measure	The reform of the Italian National Inspectorate for Labour Inspections' (NIL) is an example of a comprehensive institutional reform. The new NIL brings together the inspection body of the three relevant stakeholders involved in labour inspection that previously worked in parallel: The Ministry of Labour and Social Policies, the National Institute of Social Security (INPS), and the National Institute for the Insurance against Accidents at Work (INAIL). The objective of the reform is to improve coordination of activities, make better use of resources, and simplify procedures in order to enhance compliance with the system. A joint monitoring system will be set up to assess the outcomes. The reform is in effect since January 2017; an initial evaluation of the efficiency is planned for late 2017, to be published in 2018.
Background	
<ul style="list-style-type: none">Background context driving the implementation of the measure	<p>This legislative reform of the labour inspections system was developed as an answer to rising public criticism of the labour inspections system, which pointed to a lack of fairness, coordination and efficiency. Indeed, until 2014, the main actors involved had separate databases and the coordination among the activities they carried out was complicated due to partially overlapping competencies and the absence of a shared information system. There were cases observed where a single company was visited twice or three times per year by different inspection bodies. This lack of coordination burdened the companies, but also led to the duplication of efforts and an inefficient use of labour inspectors' time and resources.</p> <p>Moreover, due to a complex distribution of competences, the system was perceived to be complicated, bureaucratic, and difficult to comply with.</p>
<ul style="list-style-type: none">When was the measure implemented? (including start date and end date/ongoing)	<p>The reform was carried out over a period of two years – from 2014 until 2016. The NIL will be fully operational as of January 2017.</p>
<ul style="list-style-type: none">Names(s) of authorities/bodies/organisations involved	<ul style="list-style-type: none">Ministry of Labour and Social PoliciesNational Institute of Social Security (INPS)National Institute for the Insurance against Accidents at Work (INAIL)
<ul style="list-style-type: none">Scope of the measure (a pilot project, nationwide, regional wide)	National reform

<ul style="list-style-type: none"> Type of (policy) measure 	<p>Indirect measure aimed at improving the systemic conditions to ultimately enhance compliance.</p>
<p>Key objectives of the measure</p>	<p>The new arrangements are expected to result in a better planning of the inspections, and in a more transparent documentation of the outcomes. As a result, the stakeholders expect higher acceptance of the National Labour Inspectorate, and better compliance with its procedures.</p> <p>Moreover, the new institution is expected to be in a better position to protect workers: the new National Inspectorate is integrated with technical inspectors that were previously part of the inspection group installed by the Ministry of Labour since undeclared workers are often subject to hazardous working conditions (in addition to their lower wages, and violations of their labour rights).</p>
<p>Specific measure</p>	
<ul style="list-style-type: none"> Description of how the measure operates in practice 	<p>To rationalise and simplify the organisation and the execution of inspections and controls, the three most important authorities involved in the system agreed to create a single body that joins forces to share data, competences and know-how, and streamline procedures. Moreover, the three authorities intend to learn from each other by sharing good practice (e.g. in relation to inspection techniques).</p> <p>The reform entails a change in policy/law making as well as in policy/law enforcement. Acts and decrees are still prepared and issued by the Ministry of Labour, which is in charge of studying and regulating labour relationships and the labour market. In that capacity, the Ministry specifies and clarifies the rules to comply with. Yet, the NIL ensures that new decrees and changes in legislation will be better aligned, and will be jointly launched and enforced.</p> <p>The three first decrees that are jointly implemented by the new National Labour Inspectorate relate to:</p> <ul style="list-style-type: none"> Vouchers (Circ. No. 1/2016), Posting of workers (Circ. No. 1/2017) Surveillance at the workplace (Circ. No. 2/2016) <p>The NIL carries out the inspective phase, hence the practical organisation and execution of inspections. It applies a mixture of direct and indirect measures: It will ensure the correct and consistent application of the law and of collective agreements by detecting illegal activities and issuing sanctions and enforcement procedures, where necessary. Moreover, it will apply incentives to transform undeclared work into regular employment (e.g. mediation and certification of contracts). Preventive measures like simplifying rules for compliance, and providing support and consultancy to companies on how to act legitimately, are also part of the NIL's toolbox.</p> <p>The new NIL is the result of an intensive two-year (2014-2016) period of negotiation between the three authorities. As a result, the new body was operational and took office in early 2017. The NIL will report to the Ministry of Labour and Social Policies and will be run by the General Director, who will be the legal representative and assume overall management responsibility; the board of directors; and the board of auditors.</p> <p>The Ministry of Labour and Social Policies will coordinate the NIL through an ad hoc committee of qualified stakeholders, including the Central Commission for Coordination of Monitoring of representatives from INAIL, INPS, the Carabinieri</p>

	<p>(military police), the Finance Police, trade unions, and employers' associations. This committee will meet regularly to formulate and review the strategic objectives of the NIL.</p> <p>In addition, a public campaign was launched, which aims to improve the public image of labour inspection by promoting its benefits to public interest. This includes the website of the NIL.</p>
<ul style="list-style-type: none"> Which groups are targeted by the measure? 	Employers, workers, the general public
<ul style="list-style-type: none"> What resources and other relevant organisational aspects are involved? 	The resources in the negotiation period (2014-2016) came mainly from the Ministry of Labour, in the form of considerable staff working time dedicated to developing the initiative. Yet, an impact assessment showed that the gain from the reform (rationalisation, better use of human and economic resources, synergy from collaboration) can be expected to compensate for the resource investment. More detailed figures about gains from the system are expected from an annual monitoring exercise that will be carried out for the first time by the end of 2017.
<ul style="list-style-type: none"> What are the source(s) of funding? 	The resources of the three bodies that form the new NIL (staff and funding) were re-distributed to ensure a better use of human and economic resources. No additional resources were used.
Evaluation and outcome	
<ul style="list-style-type: none"> Has the measure achieved its objectives? 	The reform will be in effect as of 1 January 2017. First public reactions to the reform were positive; the efforts to achieve rationalisation and simplification were acknowledged. An evaluation is planned for 2017/2018, to gain a more detailed insight into outcomes and effects of the reform.
<ul style="list-style-type: none"> Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved 	<p>A joint monitoring framework based on common indicators will be agreed between the three institutions (based on the previous monitoring arrangements in place by each individual institution). Data will be collected annually. Key performance indicators include:</p> <ul style="list-style-type: none"> No. of inspections carried out No. of workers involved Distinction between undeclared/irregular workers No. and type of irregularity No. and type of OSH violations No. and type of sanctions Value of emitted sanctions/Real earned value from sanctions Spread of at-risk sectors Etc.
<ul style="list-style-type: none"> What are lessons learnt and the key conditions for success? 	<p>A key condition driving the reform and ensuring it was implemented was public demand.</p> <p>The need for better coordination and an institutional reform was discussed and envisaged more than ten years before its actual implementation. However, no action was taken due to difficulties on a political level, institutional barriers and a general reluctance to change that could not be overcome.</p> <p>Yet, the post-2008 economic crisis in Italy aggravated the situation on the labour market, and underlined the need to have a well-functioning system in place to protect employers and workers and ensure acceptable working conditions. This went together with growing public criticism of existing practice, including broad public discussion and a few individual cases which became scandals. As a consequence, pressure was rising and there was a need to act: the state felt that the negative public perception posed a risk to</p>

	compliance, and there was need to work to enhance belief in the system. Hence, the time was right for a change.
<ul style="list-style-type: none"> Level of transferability (e.g. other countries/groups/sectors) 	High
Contacts	<p>Mariagrazia Lombardi Direzione Generale per l'attività ispettiva Ministero del Lavoro e delle Politiche Sociali (Ministry of Labour and Social Policies) Via Flavia, 6 - Roma malombardi@lavoro.gov.it</p>
Sources	<ul style="list-style-type: none"> Law no. 183 del 2014 Art. 1, comma 7, lettera l – Parliament's mandate to the Government to rationalize and simplify the inspection activity. Legislative Decree no. 149/2015 Decree of the Premier of the Council of Ministers – 23/01/2016 Decree of the President of the Republic no. 109/2016, by which the NLI Statute is been settled down <p>The decrees can be found on www.normattiva.it Website of the NIL: http://www.ispettorato.gov.it/en-us/Pages/default.aspx</p>
Metadata and key words for online search	Undeclared work, Labour Inspection, Control, indirect measures, Italy, Ministry of Labour and Social Inclusion