


# Cooperation agreement with France on transnational posting

Italy

	<p><b>Summary</b></p> <p>In October 2020 Italy and France signed a Cooperation Agreement on transnational posting of workers and prevention of undeclared work (UDW), replacing the previous Agreement signed in 2011. It reinforces bilateral relations between the two national Labour Inspectorates and creates a framework for carrying out joint activities.</p>
<p><b>Title of the practice in original language</b></p>	<p><i>Accordo di cooperazione con la Francia sul distacco transnazionale</i></p>
<p><b>Name(s) of authorities/bodies/organisations involved</b></p>	<ul style="list-style-type: none"> <li>▶ The Italian Central Directorate of Labour Protection, Safety and Supervision of the National Labour Inspectorate (<i>La Direzione centrale tutela, sicurezza e vigilanza del lavoro dell'Ispektorato Nazionale del Lavoro</i>);</li> <li>▶ The Inter-regional Labour Inspectorate of Milan (<i>l'Ispektorato interregionale del lavoro di Milano</i>), supported by the territorial offices of Turin, Cuneo, and Genoa;</li> <li>▶ The French General Directorate of Labour (<i>la Direction Générale du Travail, DGT</i>);</li> <li>▶ The Regional Departments of Enterprise, Competition, Consumer affairs, Labour and Employment of the Provence-Alpes-Côte d'Azur Region and the Auvergne-Rhône-Alpes Region (<i>Les Directions régionales des entreprises, de la concurrence, de la consommation, du travail et de l'emploi de la région Provence-Alpes-Côte d'Azur et de la région Auvergne-Rhône -Alpes</i>).</li> </ul>
<p><b>Sectors</b></p>	<p>All</p>
<p><b>Target groups</b></p>	<ul style="list-style-type: none"> <li>▶ Labour inspectors (directly targeted);</li> <li>▶ Companies posting workers (indirectly targeted);</li> <li>▶ Posted workers (indirectly targeted);</li> <li>▶ Letter-box companies (LBCs) (indirectly targeted).</li> </ul>

**Purpose of measure**

Deterrence: improve detection



**Aims and objectives**

The general objective of the Cooperation Agreement is to facilitate cooperation between Italy and France when implementing EU rules on the posting of workers. Its full implementation requires close collaboration between the two countries to tackle social dumping, unfair competition practices, and underdeclared work related to cross-border employment and posting of workers.

**Background context**

- ▶ France has the second highest number of posted workers in the European Union (EU). In 2019 and 2020 France received the largest flows of workers posted from Italy, accounting for 26% of all workers posted.<sup>i</sup>
- ▶ Posting of foreign workers is a sensitive topic in French public debate and is sometimes considered to be the cause of pressure on local labour markets due to wage dumping, the deterioration of working conditions, and fraudulent practices.<sup>ii</sup>
- ▶ Annual reports by the Italian Labour Inspectorate in 2020 highlight cases of bogus posting in Northern Italy and in the manufacturing and construction sectors.<sup>iii</sup> There is also qualitative evidence of the use of LBCs involving unsafe work, undeclared or under-declared social security contributions and non-compliance with minimum rates of pay.<sup>iv</sup>
- ▶ The Cooperation Agreement was signed in October 2020 and it has also been introduced partially in response to delays in the Internal Market Information (IMI) system. These difficulties become exacerbated when they are related to postings through LBCs, which need prompt intervention and cross-border cooperation.<sup>v</sup>

**Key objectives of the measure**


**General Objective:**

- ▶ To protect posted workers' rights in cases of undeclared work and ensuring compliance with applicable EU legislation.

**Specific Objectives:**

- ▶ To tackle social dumping, unfair competition practices, and under-declared work related to cross-border employment and posting of workers;

	<ul style="list-style-type: none"> <li>▶ Establishing better detection mechanisms and administrative procedures to combat LBCs operating in Italy and in France;</li> <li>▶ Improving collaboration, coordination, and the exchange of information regarding the impact and the results of inspections of Italian or French businesses, according to the obligations set out in Directive 96/71/EC, as modified by Directive 2018/957/EU, and in the Enforcement Directive 2014/67/EU.</li> <li>▶ Facilitating the enforcement of EU Occupational Safety and Health (OSH) Directives through the exchange of information and the application of sanctions in transnational situations.</li> </ul>
<p><b>Main activities</b></p>	<ul style="list-style-type: none"> <li>▶ Preparing methodological materials for Labour Inspectorates and their institutional partners to facilitate mutual understanding by explaining the working methods and operational frameworks of each national Labour Inspectorate. Each Labour Inspectorate is also expected to keep the other apprised of their country's legal developments.</li> <li>▶ Exchanging information on the results of labour inspection activities affecting Italian or French companies, particularly when the companies have establishments in both countries;</li> <li>▶ Organising briefings and the exchange of information materials regarding French and Italian legislation, aimed at employees and employers, employers' organisations, and trade unions, in the area of posted workers and undeclared work;</li> <li>▶ Organising the participation of control agents from the French Labour Inspectorates and of inspectors and deputy inspectors from the Italian Labour Inspectorate as observers in coordinated monitoring in France or in Italy to verify issues including: (a) working conditions of posted workers; (b) the location of Italian or French posting companies' and user companies' headquarters and/or production units; (c) the regions where such companies exercise effective economic activity, pursuant to articles 4, 6, and 7 of Directive 2014/67/EU;</li> <li>▶ The creation of a yearly programme of activities among the parties.</li> </ul>
<p><b>Funding/organisational resources</b></p>	<ul style="list-style-type: none"> <li>▶ The Italian and French Labour Inspectorates provide the human and technical resources to develop the activities.</li> <li>▶ Funding comes from the Italian Labour Inspectorate and the French Ministry of Labour, Employment and Economic Inclusion. The Cooperation Agreement stipulates that all</li> </ul>

	<p>measures must fall within the limits of each agency's annual operating budget.</p>
	<p><b>Outcomes</b></p> <p>The Cooperation Agreement ensures a more systematic and intensive exchange of data between the two national Labour Inspectorates. It makes it easier to identify Italian and French companies who are posting workers in violation of EU rules, and contributes to more effective protection of workers' rights.</p>
<p><b>Achievement of objectives</b></p>	<ul style="list-style-type: none"> <li>▶ The Cooperation Agreement establishes a National Dialogue Committee which defines the strategic guidelines for cooperation and validates a programme of joint activities once the activities of the previous year have been evaluated.<sup>vi</sup> If considered necessary, annual meetings can be held alternately in France and Italy;</li> <li>▶ The Agreement envisages that the liaison offices may on a yearly basis: (a) evaluate the activity carried out; (b) plan new initiatives; (c) make proposals to the National Dialogue Committee for the annual organisation of joint activities;</li> <li>▶ Since 2020 there has been a strong effort to use the IMI system more widely in Italy's Labour Inspectorate, also extending access to inspectors of the National Institute for Insurance Against Accidents at Work, the National Social Security Institute, and the <i>Carabinieri</i> for the Protection of Labour;</li> <li>▶ Due to the COVID 19 pandemic, activities could not be set up as planned. However, video conferences were held to share information on the results of labour inspection activities affecting Italian or French companies.</li> </ul>
<p><b>Lessons learnt and success factors</b></p>	<ul style="list-style-type: none"> <li>▶ The Cooperation Agreement enables cooperation and the sharing of knowledge between the two countries. Periodic meetings provide the commitment to coordinate at a political and administrative level.</li> <li>▶ On the operational level, the Agreement enables coordinated interventions in both countries, speeding up the collection and exchange of information.</li> </ul>
<p><b>Transferability</b></p>	<p>Cross-border cooperation agreements are easily transferable. The basis for effective cooperation are agreements supported by a good network of key persons alongside a commitment to coordinate at a political and administrative.</p>

<b>Further information</b>	
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<b>Useful sources and resources</b>	<p><b>Cooperation agreement with France on transnational posting</b> <a href="https://www.ispettorato.gov.it/it-it/notizie/Pagine/Accordo-di-cooperazione-con-la-Francia-su-distacco-transnazionale-24112020.aspx">https://www.ispettorato.gov.it/it-it/notizie/Pagine/Accordo-di-cooperazione-con-la-Francia-su-distacco-transnazionale-24112020.aspx</a></p> <p><b>Annual reports of labour protection and supervision activities</b> <a href="https://www.ispettorato.gov.it/it-it/studiestatistiche/Pagine/Rapporti-annuali-sull-attivita-di-vigilanza.aspx">https://www.ispettorato.gov.it/it-it/studiestatistiche/Pagine/Rapporti-annuali-sull-attivita-di-vigilanza.aspx</a></p>
<b>Keywords</b>	<p>Italy; France; Cooperation Agreement; letterbox companies; posted workers; exchange of information; social fraud; social dumping; workers' rights; monitoring procedures</p>

<sup>i</sup> De Wispelaere, F., & Pacolet, J. (2021). Posting of workers. Report on A1 Portable Documents issued in 2020. European Commission, Brussels. Annex 1 Additional tables. Table A2, p.53. De Wispelaere, F., & Pacolet, J. (2020). Posting of workers. Report on A1 Portable Documents issued in 2019. European Commission, Brussels. 1 Additional tables. Table A1.2, p. 47.

<sup>ii</sup> Muñoz, M. (2022). Posted workers from and to France. Facts and Figures, Leuven: POSTING.STAT Project VS/2020/0499, p. 6.

<sup>iii</sup> Rapporto annuale delle attività di tutela e vigilanza in materia di lavoro. Anno 2020, p.31. Available at: <https://www.ispettorato.gov.it/it-it/studiestatistiche/Pagine/Rapporti-annuali-sull-attivita-di-vigilanza.aspx>, [Accessed 11/08/2022].

<sup>iv</sup> ISA Project - Information Sharing Agreements Project. Country briefing paper - Italy. Posting of Workers and Italy. Available at: <https://www.isaproject.eu/results/> [Accessed 11/08/2022].

<sup>v</sup> Cillo, R. and Fabio Perocco, F. European Centre for Social Welfare Policy and Research Policy Brief 2021/21. Italian authorities' challenges in the monitoring of the posting of workers. Available at: <https://www.euro.centre.org/domains/labour-mobility> [Accessed 01/08/2022].

<sup>vi</sup> No evaluation reports were available at the time of writing (October 2022).