



# The importance of timely data sharing practices in enforcing labour standards for posted construction workers in Italy\*

Francesco Bagnardi, Devi Sacchetto & Francesca Alice Vianello

*Francesco Bagnardi is researcher at the Scuola Normale Superiore Florence and the University of Padua, Devi Sacchetto is full professor and Francesca Alice Vianello is assistant professor at the University of Padua.*  
[francesco.bagnardi@sns.it](mailto:francesco.bagnardi@sns.it)  
[devi.sacchetto@unipd.it](mailto:devi.sacchetto@unipd.it)  
[francescaalice.vianello@unipd.it](mailto:francescaalice.vianello@unipd.it)

## Introduction

This policy brief focuses on data sharing practices concerning incoming posted workers employed in the construction sector in Italy. Drawing on the existing literature, the analysis of relevant regulations, and interviews with key informants, we inductively single out specific practices that could improve monitoring and enforcement of labour standards for incoming posted workers. More specifically, our analysis draws on the data collected within the frame of the SMUG project, and relies on interviews with posted workers, trade unions, Construction Workers Fund officers, firms and other sectoral stakeholders carried out between May and November 2021, together with a focus group conducted remotely on 8 February 2022 with trade unions, labour inspectors, and Workers' Fund representatives.

**Keywords:**  
**posted workers,**  
**construction, enforcement,**  
**labour standards,**  
**data sharing, Italy**

Our analysis shows that enforcement and monitoring agencies compile a great deal of information on workers deployed in the Italian construction sector, incoming posted workers included, yet ineffective data sharing practices persist. We recommend that by putting together data collected by different agencies, a better system of monitoring and enforcement might be put in place.

---

\* The results presented here are based on research conducted in the frame of the project 'Secure Mobility: Uncovering gaps in social protection in posting [SMUG] (<https://www.jyu.fi/hytk/fi/laitokset/yfi/en/research/projects/research-groups/smug>). This publication has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014- 2020), Agreement No. VS/2020/0483. For further information please consult: <http://ec.europa.eu/social/easi>. The information contained in this publication does not necessarily reflect the official position of the European Commission. We are grateful for comments received from Sonila Danaj. We also thank Amalia Solymosi for the editing and layouting.



## The numbers: Posted work in Italy

The posting of workers is a fast-growing form of workers mobility in the European Union. The all-time peak in Portable Documents A1<sup>1</sup> issued in the EU was reached in 2019, with 4.51 million. Even in 2020, amidst the lockdowns due to the pandemic, more than 3.71 million PDs A1 were issued (De Wispelaere, De Smedt, and Pacolet, 2021).

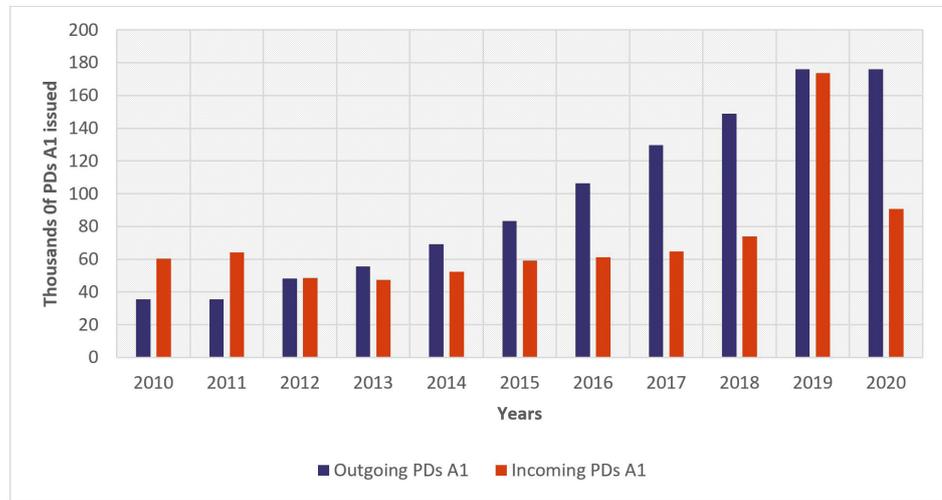
In 2020, posted workers accounted for 1.5% of the whole EU-27 employed population (De Wispelaere, De Smedt, and Pacolet, 2021), with a very differentiated distribution among member states and sectors. Roughly 24% of total PDs A1 issued in 2020 was in the construction sector, and in some countries, this sector covers alone the great bulk of posting. In Eastern European Member States, construction covers more than 40% of all PDs A1 issued. In Slovenia this percentage reached even 58.9%. Considering PDs A1 issued in 2020 under the Article 12 of the Basic Regulation (i.e., the posted workers and self-employed that work temporarily in an EU country different than the one where they usually work, i.e. the majority of overall PDs A1), the net balance between PDs A1 of sent and received posted workers makes Germany, Poland, Slovenia, Italy and Slovakia the major net sending countries and the Netherland, France, Austria, Switzerland and Belgium the main receiver countries.

Posted work in Italy is still a relatively marginal phenomenon compared to the rest of the European Union (EU). In 2019, with the peak of postings both in EU and in Italy, the share of posted work over the Italian total employment was 0.8% compared to 1.9% in the EU (Dorigatti, Pallini, and Pedersini, 2022). The phenomenon, however, is clearly on the rise (see Fig. 1).

---

1 Data on posting reported here are based on the Portable Documents (PDs) A1 issued in 2020 by all Member States (De Wispelaere, De Smedt, and Pacolet, 2021). A PD A1 is a formal statement proving that the holder has paid social contributions for a posted worker for the duration of the posting period in another EU country. PDs A1 are issued by the origin country of a firm that posts its workers abroad. While these documents are the most comparable and encompassing source of data on posting, they are only a rough proxy for estimating actual posting stocks and fluxes. First, more than one PD A1 can be issued for the same posted worker if he is posted for several projects in that period. Secondly, PDs A1 can even be issued retroactively and not all the Member States set penalties for posting firms that have not received a PD A1 from their national institutions before the actual posting period starts (for example Italy does not have a sanction in case of a missing PD A1 (Eurofund, 2020)).

**Figure 1. PDs A1 issued under Article 12 of the Basic Regulation for incoming and outgoing workers in Italy, 2010-2020**



Source: Administrative data PD A1 Questionnaire 2021 and previous years retrieved from De Wispelaere, De Smedt, and Pacolet (2021).

**Table 1. PDs A1 issued under Article 12 of the Basic Regulation for incoming and outgoing workers in Italy, 2010-2020**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Outgoing PDs A1	35,430	35,611	48,369	55,509	69,279	83,277	106,395	129,732	148,863	175,908	175,908
Incoming PDs A1	60,460	64,223	48,663	47,445	52,481	59,095	61,321	64,669	73,927	173,727	90,860

Source: Administrative data PD A1 Questionnaire 2021 and previous years retrieved from De Wispelaere, De Smedt, and Pacolet (2021).

**Recent 2021 data show Italy might be transforming from a net sending to a receiving country for posted workers**

Most recent available data, referring to the first half of 2021, show even a countertrend dynamic. Data collected by the Ministry of Labour and Social Policies' Posting Observatory through the so-called UNILAV e-form (i.e., the PDs A1 issued by Italian authorities) show that, in the first half of 2021, 4,250 workers were posted from Italian firms abroad for a total of 6,862 posting arrangements. Most of these workers were Italian while the second most represented nationality was Romanian. In half of the cases, the posting arrangements did not last longer than 30 days and 24.8% of these outgoing posted workers were in the construction sector (Osservatorio Distacco, 2021).

In terms of incoming posted workers, instead, in the same period, more than 20,000 incoming posting arrangements were notified. These referred to 13,480 workers from circa 2,200 different firms. The main countries of origin of posting companies were Germany, Romania, and Austria. More than 40% of these incoming posted workers were of Romanian nationality. 38% of postings lasted less than 30 days, incoming workers were usually posted in groups smaller than



5 people (circa 98%), and more than half of these posted workers were involved in more than one posting in the analysed period. Roughly 14% of posting companies were active in the construction sector (Osservatorio Distacco, 2021).

Thus, while Italy has been consistently a net sending country, the number of incoming posted workers is growing and in 2019 construction was the third most important receiving sector after 'manufacturing' and 'transporting and storage' (Dorigatti, Pallini, and Pedersini, 2022). The dynamics of the first half of 2021 show a countertrend in the net balance of postings. It remains to be seen whether this signals a shift of Italy's position within posted work fluxes or is rather the result of contingencies.

## The construction sector in Italy

**The construction sector in Italy has grown at unprecedented levels**

After a long period of stagnation (2008-2017), the construction sector underwent a mild recovery that concerned mainly investments and profits rather than employment (FILLEA-FDV, 2018). In 2020, after a first recession due to the pandemic's lockdown measures, the sector has grown at unprecedented levels. According to the main business organization in the sector, the *Associazione Nazionale Costruttori Edili* (ANCE), in 2021 the sectorial growth reached 16.4%, registered working hours increased by 26.7%, and construction workers expanded by 11.8%. For ANCE, the boom of the sector implies a concerning lack of skilled workers supply with unmet demand levels that in some case amount to 40% for certain specific profiles.<sup>2</sup> According to the stakeholders we interviewed, this could favour the growth of incoming posted workers in the near future (see also: Dorigatti, Pallini, and Pedersini, 2022). At the same time, Italian construction companies remain generally small and financially fragile (European Construction Sector Observatory, 2021), with short-lived companies absorbing more than half of construction workers (ISTAT, 2021). In the sector, moreover, high level of informalization, precarisation, and segmentation persist (Fellini, Ferro, and Fullin, 2007; Frangi, Zhang, and Banerjee, 2021).

The unionization rate in the sector is high (according to the trade unionists we interviewed it ranges between 60% and 70% in different provinces), the number of active unions and business organizations is limited, and there are only three valid collective agreements bargained at the sectoral level (Frangi, Zhang and Banerjee, 2021).

---

<sup>2</sup> [https://ance.it/wp-content/uploads/allegati/Osservatorio\\_Febbraio2022.pdf](https://ance.it/wp-content/uploads/allegati/Osservatorio_Febbraio2022.pdf). See also the European Construction Sector Observatory (2021).



## The Italian regulatory framework on posting

The regulatory framework for the posting of workers in Italy is defined by a few crucial laws. The Legislative Decree No. 72/2000 transposes the Directive 96/71/EC; the Legislative Decree No. 136/2016 transposes the Directive 2014/67/EU and repeals the Legislative Decree No. 72/2000; and both the Legislative Decree No. 122/2020 and the Ministerial Decree 170/2021 transpose the Directive 2018/957/EU and integrate the Legislative Decree No. 136/2016.<sup>3</sup>

### Minimum remunerations are set by sectoral collective agreements and encompass posted workers

The national legislation mandates posting firms located abroad to apply to their employees posted in Italy the same working conditions mandated by Italian national regulations (including laws, collective agreements, and administrative provisions) for similar activities. The Italian legislation does not have a legally set minimum wage, but a consolidated jurisprudence posits that the minimum applicable remunerations are set by the collective agreements signed by the most representative collective organizations of workers and employers in each sector. Moreover, the National Labour Inspectorate has clarified with the Circular Letter No. 1/2017<sup>4</sup>, that the definition of remuneration to apply to posted workers must be intended in an encompassing and substantive way. The parity of remuneration of posted workers with Italian colleagues, therefore, refers not only to the minimum or the basic pay but it should comply with the pay-scale criteria linked to seniority and skills, and incorporate other kinds of bonuses and rewards. For the construction sector, such encompassing definition of pay also includes the share of the remuneration that is paid through the Construction Workers Fund. In the Italian remuneration system of construction workers, in fact, a crucial role is played by this institution.

## The Construction Workers Fund

According to the sectorial collective agreements signed by the most representative social partners, every construction worker must be enrolled in the provincial office of the Construction Workers Fund (hereafter, the Fund) where the activity is carried out, de-facto regardless of whether the workers and the companies are members of these collective agreements' signatory organizations. The Fund is a bilateral agency co-managed by the most representative trade unions and business organizations in the sector. The Fund has 114 provincial offices, and its mission is to collect and redistribute part of the workers' salary, insurance, and health and social benefits. Besides, the Fund has monitoring and inspection powers, and it releases the *Documento Unico di Regolarità Contributiva*

<sup>3</sup> For a detailed analysis see Eurofound (2020) and Cillo and Perocco (2021).

<sup>4</sup> <https://www.ispettorato.gov.it/it-it/notizie/Pagine/Nuova-cicorlare-sui-distacchi-transnazionali.aspx>



(DURC), i.e., a document certifying construction companies' compliance with social security, welfare, and insurance contributions.<sup>5</sup> The Document is issued upon request of the company and has a 4-month validity. Companies have an interest to get a DURC as this is essentially to access public, and often also private, tenders. A small part of the Fund staff is devoted to inspection activities and each provincial office has updated data on construction workers, their paygrade, working hours, and leaves. The data each provincial office collects and the services it provides are directed only to workers and firms operating in the specific province of competence.

**Any foreign firm posting its workers to Italy must enrol them in the local Construction Workers' Fund office and pay the due share of workers' remuneration through the Fund**

As specified in the national protocol signed in 2013 by social partners, the Fund, and the Ministry of Labour and Social Policies<sup>6</sup>, which was later detailed in a circular letter of the national offices of the Fund<sup>7</sup>, any foreign firm posting its workers to Italy must enrol them in the local Construction Workers' Fund office and pay the due share of workers' remuneration through the Fund. This implies that the Fund acquires the details on incoming posted workers' worked hours, pay-scale and leaves as it does for Italian firms' employees.<sup>8</sup>

## The Posting Observatory

According to the Legislative Decree 136/2016 that transposes the Enforcement Directive 2014/67/EU in the Italian system, any foreign company that posts workers in Italy must send a formal notification to the relevant agency through the e-form UNI\_DISTACCO\_EU one day before the actual beginning of the working activities. This prior notification shall report the information of the sending and the client firm in Italy, the number and personal information of the posted workers involved, the starting and ending date of the posting, the place and kind of working activities carried out. The notification shall also report a referee domiciliated in Italy and a contact point of the posting company for the relationships with social partners. Any relevant subsequent changes need to be communicated not later than 5 days after the change has occurred.

With the Legislative Decree 136/2016 (implementing the Enforcement Directive 2014/67), an observatory with the mission of collecting comprehensive data on posting and of keeping companies and workers informed about the

5 <https://www.eurofound.europa.eu/data/tackling-undeclared-work-in-europe/database/certification-of-labour-compliance-italy>

6 [https://olympus.uniurb.it/index.php?option=com\\_content&view=article&id=8989:2013distacco&catid=81&Itemid=142](https://olympus.uniurb.it/index.php?option=com_content&view=article&id=8989:2013distacco&catid=81&Itemid=142)

7 <https://www.cassaedilebrescia.it/images/fileallegati/DISTACCO%20protocollo%20di%20intesa%20%2009.04.2013.pdf>

8 Exceptions apply to workers posted from France, Germany and Austria, because their bilateral agencies have signed a cooperation protocol with the Italian Fund that allows the posted workers to remain enrolled in the sending country's bilateral body (Iudicone and Virgilio, 2021).



**An observatory with the mission of collecting comprehensive data on posting and of keeping companies and workers informed about the relevant regulations was established in 2019**

relevant regulations has been established within the Ministry of Labour and Social Policies. The Posting Observatory became operational with a ministerial decree in May 2019 and is the main body that collects and monitors the prior notifications of posting. The Observatory is composed of representatives of both trade unions and employers' organizations, as well as representatives of the National Agency for Active Labour Market Policies (ANPAL), the National Social Insurance Agency (INPS), the Ministry of Labour and Social Policies and the Prime Minister's Office. The Observatory is therefore a crucial source of real time information on incoming posting activities. Since its foundation the Observatory has released two main reports (in 2020 and 2021) with aggregate statistical data on posting activities<sup>9</sup>, and it provides on its [website](#) all relevant information, in Italian and English, for foreign companies that intend to post workers in Italy.

## **Challenges in timely data-sharing on posted workers in Italy**

Thanks to the detailed data collected, the Posting Observatory could be a reference point for domestic enforcement actors. On one hand, the Observatory has detailed data on incoming posted workers, the exact place and duration of their activity, and their sending and local client firm. On the other hand, the provincial offices of the Fund have detailed data on the contractual arrangements of those workers active in their territory of competence that have been duly registered by the firms. By cross-checking the data of incoming posted workers and the workers registered in the Fund, one can easily analyse whether posting companies have duly registered all posted workers to the competent Fund's office and therefore whether they are fully complying with the national regulation in terms of remuneration. Any mismatch in the two datasets signals a very likely lack of compliance. This could orient targeted checks by enforcement actors, as the Observatory data provides information on the place where the construction activities involving posted workers are carried out. As a representative of the construction workers trade union put it in the focus group we carried out:

*We do not have full knowledge of the real number of incoming posted workers, even though all posted workers must be enrolled in the Fund. [...]. If you compare the numbers provided by the Ministry on incoming posted workers in construction and the registrations to the different provincial Fund's offices, there is a huge mismatch and approximately only 20% of [incoming] posted workers are really*

<sup>9</sup> The first report provides (aggregate) data cover the period between December 2016 and December 2019. The second report provides data for the period 1 January 2021 to 31 June 2021 (Osservatorio Distacco, 2021).



*enrolled. [...] To be clear, it would take 5 minutes with the tools we already have. Indeed, a labour inspector can just retrieve the data on the incoming posted workers and compare them with the data provided by local Fund's offices. For those workers that are not enrolled, inspectors can carry out inspections on the worksites. We really have the tools that could marginalize those [companies] who use posting in a fraudulent way [...]. These tools, however, need to be used quickly if we want to have a control over the legality of incoming posting (Trade unionist, Fillea-CGIL, focus group with stakeholders).*

The data of prior notifications are in fact available to labour inspectors upon request, but as far as our interviewees have reported, are not being used. At the same time, the requests of the Fund and trade unions for timely data sharing that could orient their activity have fallen on deaf ears. As the national Director of the Fund put it:

*All the companies operating in Italy must register their workers to the provincial office of the Fund and pay their due contributions. Thus, in theory, we should have the registrations of Italian companies and foreign companies operating in Italy. Yet, we don't specifically monitor this [incoming posted workers phenomenon]. We initiated talks with the ministry to receive their data on prior notifications at least every three months, but despite long negotiations... [nothing has happened]. It seemed there was a window of opportunity about this before the pandemic, but with the pandemic everything stopped. These data now are released in general reports, but we would need more details [...]. We would need to directly access the prior notification e-forms and on this the ministry has always postponed our request asserting there are, not even privacy problems, but mostly technical constraints.[Director of the Construction Workers Fund, interviewed on 16/04/2021]*

A data sharing mechanism similar to the one envisioned by unionists and Fund's officers has been set in Denmark (see Arnholtz, 2021). In that case, prior notifications collected by the Danish Register of Foreign Service Providers (RUT-register) are automatically shared with labour inspectors and trade unions. All the main actors can contribute to improving the quality of the data by adding the information of their own monitoring activities on the field. According to interviews with representatives of the Fund, a similar mechanism is also active in Germany where the Customs Agency, in charge of the prior notification tool, shares the data with the SOKA-BAU, the German bilateral agency of the construction sector (Construction Workers Fund's representative, focus group with stakeholders).



**The prior notification tool maintains a minimalist approach to the information required, and data collected are not shared as effectively as they could be**

Finally, it should be stressed that, according to the Enforcement Directive, Italian national institutions could build an even more encompassing dataset on incoming postings by requesting to foreign posting companies to provide more detailed information than what the prior notification e-form currently requires. Other countries, for example, require information about lodging and food arrangements (France), work contracts, payslips, pay grade (Austria), or holidays and annual leaves (Lithuania) (Eurofound, 2020, Tab. 6, pp. 28–9).

In Italy, therefore, the prior notification tool maintains a minimalist approach to the information required, and data collected are not shared as effectively as they could be.

## Conclusion and policy recommendations

While Italy has until recently been a net sender of posted workers, incoming posted workers are growing fast, and the construction sector is among the first receiving sectors. Our analysis identified the ineffective sharing of data collected as a crucial impairment for better enforcement activities. The policy recommendations that follow, therefore, aim at filling this gap.

- We suggest shifting from a minimalist to a more comprehensive scope of the notification tool requiring more details, like in other countries, on pay scale, seniority in the company, type of contract, paid leaves, health and safety certifications and training received.
- According to the current regulations, the modifications to the posting arrangement can be notified retroactively in a 5-day period by the posting company. This post-hoc notification might favour non-compliance practices under the protection of the 5-day period. We suggest mandating a prior notification for any relevant change in the posting arrangements as well.
- Data of prior notification should be communicated swiftly and regularly to the Construction Workers Fund and local offices of the Labour Inspectorate through an automatic sharing mechanism. A common database and an automatic system of data sharing could be set up not to burden the personnel with additional tasks. This would have multiple positive effects on monitoring and enforcement:
  - With a direct access to sending firms' prior e-forms, the Fund can check if incoming posted workers are duly enrolled in the competent provincial office. If not, the Fund personnel can contact the sending firms to inform them about the Fund's enrolment duties.



- o Simultaneously, labour inspectors, in communication with the Fund can use such mismatch of data as an alert mechanism to set their priority targets of inspections.
- o Data sharing access could also be provided to the social partners through an automatic sharing mechanism through the local offices of the Fund (where social partners are already active). This could orient awareness and mobilization campaigns towards those construction projects in which posted workers are not duly registered in the Fund. Informational campaigns tailored on the needs of posted workers could also use this tool to locate foreign workers. Such data could be useful for business organizations too, to alert or simply better inform their members.

## References

- Arnholtz, J. (2021). 'Posted Work, Enforcement Capacity and Firm Variation: Evidence from the Danish Construction Sector'. *Economic and Industrial Democracy* 42 (4): 1149–64. <https://doi.org/10.1177/0143831X19853022>
- Cillo, R. and Perocco, F. (2021). 'Bridging the Gap between Legislation and Practice in the Posting of Workers: Italy Country Report'. POW-BRIDGE Italy Country Report. Venice: University of Venice.
- De Wispelaere, F., De Smedt, L., and Pacolet, J. (2021). 'Posting of Workers: Report on A1 Portable Documents Issued in 2020'. Brussels: European Commission, Directorate-General for Employment, Social Affairs and Inclusion.
- Dorigatti, L., Pallini, M. and Pedersini, R. (2022). 'Posted Workers from and to Italy. Facts and Figures'. Leuven: POSTING.STAT project VS/2020/0499.
- Eurofound. (2020). 'Working Conditions: Improving the Monitoring of Posted Workers in the EU'. Ad hoc report. Luxembourg: Publications Office of the European Union.
- European Construction Sector Observatory. (2021). 'Country Profile Italy'. Country Fact Sheet. Brussels: European Commission.
- Fellini, I., Ferro, A. and Fullin, G. (2007). 'Recruitment Processes and Labour Mobility: The Construction Industry in Europe'. *Work, Employment and Society* 21 (2): 277–98. <https://doi.org/10.1177/0950017007076635>
- FILLEA-FDV. (2018). 'Osservatorio Costruzioni - II Rapporto'. FILLEA-CGIL e Fondazione Di Vittorio.
- Frangi, L., Zhang, T. and Banerjee, R. (2021). 'Constructing Inequalities: Tenure Trajectories of Immigrant Workers and Union Strategies in the Milan Construction Sector'. *British Journal of Industrial Relations* 59 (2): 474–502. <https://doi.org/10.1111/bjir.12567>
- ISTAT. (2021). 'Rapporto Annuale 2021'. Roma: ISTAT.
- Iudicone, F. and Virgilio, G. (2021). 'Country Briefing Paper - Italy'. Working Paper. ISA Project. [https://www.isaproject.eu/wp-content/uploads/2020/05/Country-paper\\_IT.pdf](https://www.isaproject.eu/wp-content/uploads/2020/05/Country-paper_IT.pdf)
- Osservatorio Distacco. (2021). 'Distacco Transnazionale - I Dati'. Rome: Ministry of Labour and Social Policies.

## About the European Centre for Social Welfare Policy and Research

The Policy Briefs series of the European Centre is edited by Sonila Danaj and Rahel Kahlert

The European Centre for Social Welfare Policy and Research is an intergovernmental organisation affiliated to the United Nations. Its purpose is to foster the collaboration between governments, research and other stakeholders in the field of social welfare.

### Core Functions

- Providing applied social science and comparative empirical research on social policy in the UN-European Region
- Forging the evidence-base for social policy making and mutual learning on social welfare issues
- Initiating future-oriented public policy debates on social welfare issues by networking across the UN-European Region

### Research Focus

The European Centre provides expertise in the fields of welfare and social policy development in a broad sense – in particular in areas where multi- or interdisciplinary approaches, integrated policies and inter-sectoral action are called for.

European Centre expertise includes issues of demographic development, work and employment, incomes, poverty and social exclusion, social security, migration and social integration, human security, care, health and well-being through the provision of public goods and personal services. The focus is on the interplay of socio-economic developments with institutions, public policies, monetary transfers and in-kind benefits, population needs and the balance of rights and obligations of all stakeholders involved.

### European Centre Publications

- ‘Policy Briefs’ contain recent research and policy advice results
- ‘European Centre Reports’ expose results of studies or research carried out in the context of national or international projects
- ‘European Centre Working Papers’ comprise preliminary findings or innovative ideas to be shared with a wider public
- The European Centre Newsletter is published in English on a monthly basis and synthesizes the news published regularly on our website

### Contact

Berggasse 17  
A – 1090 Vienna  
Tel: +43 / 1 / 319 45 05-0  
Email: [ec@euro.centre.org](mailto:ec@euro.centre.org)

Furthermore, scientific staff of the European Centre regularly publish books, peer-reviewed articles or contributions to books.

Please contact us ([solymosi@euro.centre.org](mailto:solymosi@euro.centre.org)) if you want to get informed on a regular basis about our activities and publications.

### More information:

<http://www.euro.centre.org>