

# Direct Request (CEACR) - adopted 2011, published 101st ILC session (2012)

## Minimum Wage-Fixing Machinery Convention, 1928 (No. 26) - Italy (Ratification: 1930)

**Article 3(1) of the Convention. Methods for fixing the minimum wage.** The Committee notes the inter-confederation agreement of 15 April 2009 amending the protocol of 3 July 1993 on labour costs, especially the provisions relating to the mechanism and criteria for revising minimum wage rates set by collective agreement. It notes that point 2 of the aforementioned agreement provides for a three-yearly review of the minimum wage rates set by collective agreement, instead of the two-yearly review stipulated by the 1993 protocol, and replaces the anticipated inflation rate with a new projected index based on the European Union's Harmonized Index of Consumer Prices (HICP). Moreover, the Committee notes the indications in the Government's report that wage increases now depend on three factors: pay rises fixed by national branch collective agreements, pay rises provided for by local or enterprise collective agreements and linked in particular with meeting the economic objectives of the enterprise, and the "pay guarantee component" for workers whose pay depends exclusively on national wage rates for lack of a collective agreement in their enterprise. ***The Committee requests the Government to provide further information in its next report on the implementation of the new system for indexing minimum wage rates to the three-year projected index and also on the entity which will be responsible for drawing up this three-year forecast.***

Furthermore, the Committee notes that, according to the Government's explanations, the National Institute of Statistics (ISTAT) does not have any direct information on the minimum wage rates applied in the "non-observed economy"; the latter are therefore evaluated through an indirect method by ascribing to workers in an irregular situation the same pay, without the social deductions, as that enjoyed by an officially registered worker occupying the same type of post in the same sector of economic activity. Though aware of the problems involved in the collection of data relating to the non-observed economy, the Committee observes that this analogy-based method perhaps does not provide the best reflection of the reality of minimum wage levels applied in this sector of the economy. With reference to its previous comment, in which it noted that the informal economy was

estimated to account for some 15 per cent of total employment in the country, the Committee recalls that the objective of the Convention is to ensure a decent wage for workers who do not have the benefit of an effective wage-fixing system and who are occupied in industries where wages are exceptionally low. ***The Committee therefore requests the Government to indicate the measures taken or contemplated to ensure that workers employed in the “non observed economy” are entitled to a minimum wage compatible with maintaining a decent standard of living for themselves and their families.***

**Article 3(2)(3). Abatement (reduction) of wage rates by collective agreement.** The Committee notes that, according to point 7 of the inter-confederation agreement of 28 June 2011, local or enterprise collective agreements may, especially on an experimental or temporary basis, depart from the provisions of national branch collective agreements, within the limits laid down by the latter. ***The Committee requests the Government to indicate whether these provisions are likely to apply to national minimum wage rates set by collective agreement and, if so, to provide further information on any use made of this facility, including copies of national branch collective agreements providing for the possibility of departing from the fixed minimum wage rate and copies of local or enterprise collective agreements departing from the minimum wage rate for their branch of activity.***

## **Article 5 and Part V of the report form. Application in practice.**

The Committee notes the general statistics provided in the Government's report which show that in 2010 the inspection services inspected 262,014 workplaces, i.e. 14 per cent of enterprises established in the national territory and, in this context, reported infringements in 66 per cent of them and identified 57 per cent of workers as being in an irregular situation. It also notes that 5,125 reports of infringements, i.e., one third of the total number reported by the inspectorate, were followed by regularization and 9,923 reports of infringements yielded rulings in favour of the employees concerned. ***The Committee requests the Government to continue to provide up-to-date information on the manner in which the Convention is applied in practice, including, for example, minimum wage rates in force and the number of different categories of workers covered by the regulations on minimum wage rates, and sending copies of extracts of reports of the inspection services specifically concerning infringements***

***relating to the payment of minimum wages and the corrective measures taken.***

Finally, while noting the Government's indications that a Bill aimed at introducing a national interoccupational minimum wage was submitted to Parliament in March 2009, the Committee recalls that, further to the recommendations of the Working Party on Policy regarding the Revision of Standards, the ILO Governing Body considered that Conventions Nos 26 and 99 were two of the instruments which were no longer fully up to date and that the ratification of the Minimum Wage Fixing Convention, 1970 (No. 131), should be encouraged because it continues to respond to current requirements (GB.283/LILS/WP/PRS/1/2, paragraphs 19 and 40). ***The Committee therefore again requests the Government to contemplate the possibility of ratifying Convention No. 131 and to keep the Office informed of any decision taken in this regard.***