



### Question and Answers on the European Labour Authority

Strasbourg, 13 March 2018

**As part of a Social Fairness Package, the European Commission has adopted a proposal for a Regulation establishing a European Labour Authority.**

#### **Where does the initiative for a European Labour Authority come from?**

Building a more social Europe and strengthening fairness in the Internal Market is a key priority for this Commission, as indicated in the [Political Guidelines of July 2014](#). Several initiatives have already been presented to improve EU rules for labour mobility. To help ensure that these rules are well applied on the ground, President Jean-Claude Juncker proposed to establish a European Labour Authority in his [State of the Union address to the European Parliament on 13 September 2017](#): "*We should make sure that all EU rules on labour mobility are enforced in a fair, simple and effective way by a new European inspection and enforcement body. It seems absurd to have a Banking Authority to police banking standards, but no common Labour Authority for our Single Market.*"

Since this announcement, the Commission has actively engaged with Member States, national authorities, relevant EU bodies, social partners, civil society, and citizens on the challenges that they face and how a European Labour Authority could help address them. In addition to targeted consultations, the Commission organised an online public consultation between November 2017 and January 2018.

On the basis of the input received, the Commission put forward a proposal for a Regulation on establishing a European Labour Authority, which is presented as part of the Social Fairness Package on 13 March 2018. This proposal is also part of the roll-out of the [European Pillar of Social Rights](#), which aims at achieving stronger convergence towards better working and living conditions.

The creation of a European Labour Authority is also in line with the Commission's commitment to promote more effective application of the EU legislation in its Communication '[Better Regulation: Delivering better results for a stronger Union](#)'.

#### **Why do we need a European Labour Authority?**

Today 17 million Europeans live or work in a Member State other than that of their nationality. This figure has almost doubled compared to a decade ago. Mobility is a fact of life in the EU that needs to be well managed, which benefits individuals, economies and societies as a whole.

Free movement is also one of the most cherished freedoms of the Internal Market. According to the [latest Eurobarometer \(Autumn 2017\)](#), more than 8 in 10 Europeans support "free movement of EU citizens who can live, work, study and do business anywhere in the EU".

To promote and preserve the free movement of workers within the Union, we need clear, fair and enforceable rules. The EU has already developed an extensive body of legislation regulating the free movement of workers and continues to improve and modernise it, for instance via the [revision of the Posting of Workers Directive](#) and the [rules on social security coordination](#).

The creation of a European Labour Authority seeks to tackle two challenges standing out:

- First, individuals and businesses need access to reliable information and practical services to facilitate labour mobility, including information on opportunities, rules, and their rights and obligations in cross-border situations.
- Second, the need to improve cooperation between national authorities is bigger than ever before. National authorities also need the right tools to share information, develop day-to-day cooperation routines, carry out joint and concerted inspections and solve possible cross-border disputes in a speedy and efficient manner.

#### **What will be the objectives of the European Labour Authority?**

The European Labour Authority will contribute to fostering fairness and mutual trust in the Internal Market by ensuring that EU rules are enforced in a fair, simple and effective way. To this end, the Authority will support Member States in matters relating to cross-border labour mobility, including rules on the free movement of workers, the posting of workers and the coordination of social security

systems. It will also enhance cooperation between Member States in tackling undeclared work.

Specifically, the Authority will have the following objectives, to:

- (1) facilitate access to information for individuals and employers about their rights and obligations in the areas of labour mobility and social security coordination as well as access to relevant services;
- (2) support operational cooperation between national authorities in the cross-border enforcement of relevant Union law, including facilitating joint inspections;
- (3) provide mediation and facilitating solutions in cases of disputes between national authorities or in cases of cross-border labour market disruptions, such as a restructuring of companies affecting several Member States.

### **How will the European Labour Authority help to deliver on the European Pillar of Social Rights?**

The [European Pillar of Social Rights](#) was jointly proclaimed by the European Parliament, the Council and the Commission in November 2017, at the [Social Summit for Fair Jobs and Growth in Gothenburg](#). The Pillar sets out 20 key principles and rights to support fair and well-functioning labour markets and welfare systems. It is designed to serve as compass for a renewed process of convergence towards better working and living conditions across the Union, ensuring individuals enjoy equal opportunities and access to the labour market, fair working conditions, as well as adequate social protection and inclusion.

Ensuring fair labour mobility in Europe is central to delivering on the principles and rights of the European Pillar of Social Rights. The European Labour Authority will do so by ensuring that workers' and individuals' rights to equal treatment and opportunities in the areas of employment and social security are guaranteed in cross-border situations.

## **TASKS AND SCOPE OF THE EUROPEAN LABOUR AUTHORITY**

### **What will be the tasks of the European Labour Authority?**

In carrying out its day-to-day tasks, the Authority will:

- facilitate access to information by individuals and employers on rights and obligations in cross-border situations as well as access to cross-border labour mobility services;
- facilitate cooperation and exchange of information between national authorities to ensure the effective enforcement of EU law;
- coordinate and support concerted and joint inspections and control activities upon request from Member States, to fight fraud and abuse;
- carry out analyses and risk assessments on issues of cross-border labour mobility.
- support Member States with capacity building, through mutual learning, training, and the promotion of good practices;
- mediate between Member States' authorities in cases of disputes concerning the application of EU law;
- facilitate cooperation between relevant stakeholders in the event of labour market disruptions, for instance in the case of large scale restructuring of companies affecting several Member States.

### **What are the economic sectors in which the European Labour Authority will be active?**

Since labour mobility affects all areas of the economy, the European Labour Authority will indeed cover all economic sectors. This includes areas with sector-specific Union law, such as the area of international transport.

Indeed, in the international road transport sector, over 2 million workers cross intra-EU borders every day transporting goods or passengers. Enforcing EU labour mobility rules in this sector has proven to be challenging. The operational support provided by the European Labour Authority to national authorities can also help to ensure the fair and effective enforcement of EU mobility rules in this sector.

### **Will the European Labour Authority serve only workers or will it also address the needs of jobseekers, family members, or third-country nationals?**

The European Labour Authority will help enforce EU rules in the area of free movement of workers, posting and social security coordination. While some of these pieces of EU legislation concern only workers, others (in particular on social security coordination) cover all persons regardless of their economic status. Hence, the Authority will also benefit these individuals to the extent that they are covered by the EU rules mentioned.

### **Will the European Labour Authority organise inspections on its own initiative?**

No. The right to launch and to carry out an inspection, whether national or cross-border, remains at the national level. The Authority can, however, suggest a joint inspection to Member States should it stumble upon a possible case of fraud or abuse, and there is a system of dialogue foreseen in the Regulation to solve such cases. Inspections will in any event be carried out in accordance with the national laws of the Member States concerned.

### **Will the European Labour Authority function as a forum to settle disputes between individuals or employers and Member States' administrations?**

Not as such. The Authority will provide mediation exclusively in cases of disputes between national authorities regarding the application of Union law in the area of labour mobility and social security coordination, at the request of the parties.

Individuals and employers will continue to use existing services for problem-solving and advice (for instance SOLVIT and Your Europe Advice), and they can rely on national courts in case of disputes regarding the application of EU law on labour mobility and social security coordination.

## **ORGANISATIONAL SET-UP OF THE EUROPEAN LABOUR AUTHORITY**

### **How will the Authority be set up and organised?**

The European Labour Authority will be established in the form of a new EU agency and, following the completion of the EU legislative process, it should be up and running in 2019 and become fully operational by 2023.

The Authority's estimated annual budget will be around €50 million. It will have approximately 140 members of staff, including National Liaison Officers seconded by their Member States. The seat of the Authority will be decided by the Member States.

Following the Common Approach on EU decentralised agencies, the Authority will be steered by a Management Board comprising a senior representative from each Member State and two representatives of the Commission, all with voting rights. An Executive Director will manage the Authority. EU-level social partners will have an advisory role through a dedicated Stakeholder Group.

A dedicated European Advisory Group is also being set up to advise and assist the Commission on the swift establishment and future functioning of the European Labour Authority, pending its establishment. The group will be chaired by the Commission and will allow key stakeholders, such as representatives from the Member States and Union-level social partners, to exchange best practices and experiences on cooperation in the areas of cross-border labour mobility and social security coordination that could be further developed by the Authority. The Group will also assist with identifying the means of cooperation and contribution of relevant existing bodies, including EU agencies, towards the establishment and good functioning of the Authority.

## **ADDED VALUE OF THE EUROPEAN LABOUR AUTHORITY**

### **How will the European Labour Authority improve cooperation between national authorities?**

The European Labour Authority will improve operational cooperation on labour mobility issues by providing a permanent EU structure for information exchange and supporting national authorities through a number of newly established tools and procedures.

The Authority will facilitate cooperation and information exchange, in particular through National Liaison Officers seconded by Member States to the European Labour Authority. They will act as contact points answering country-specific queries directly or liaising with their national administrations, including in cases of requests for data exchange or proposals for joint inspections. The National Liaison Officers will speed up exchanges and improve cooperation between national authorities.

At the request of the Member States concerned, the Authority will coordinate and provide support to concerted and joint inspections on labour mobility matters. In practice, the Authority will support national authorities by proposing a model template for joint inspection agreements, by organising coordination meetings, and providing logistical and technical support, which may include translation and interpretation services. With the agreements of Member States concerned, staff of the Authority may participate and provide assistance to such inspections. The value of EU-support to cross-border investigative activities has already been proven in the example of [Eurojust](#).

The Authority will provide mediation in cases of disputes between national authorities regarding the application of Union law in the area of labour mobility and social security coordination, so that differences are solved speedily and efficiently. A dedicated Mediation Board will be established for this

purpose.

The Authority will support national authorities with capacity building. Faced with the need to respond quickly to an increasing number of requests from other countries, national enforcement authorities, such as labour inspectorates or social security institutions, do not always have the operational capacity to ensure the efficient handling of cross-border cases. The Authority will support national capacity-building through mutual learning, training, and the promotion of good practices.

Finally, the Authority will facilitate cooperation between relevant stakeholders in order to address labour market disruptions affecting more than one Member State, such as large-scale restructuring events or major projects impacting employment in border regions.

### **How will individuals and businesses benefit from a new European Labour Authority?**

Individuals and businesses will be able to seamlessly access information at EU and national level as regards labour mobility. For instance, a worker or employer in the construction sector would find information on job opportunities and rights and obligations deriving from EU law, but also on relevant national collective agreements in the sector, including on working conditions, wages, or specific health and safety requirements. SMEs would particularly benefit from enhanced access to information, since 90% of businesses registered on the current EURES Job Mobility Portal are SMEs.

Concretely, the Authority will be responsible for the management of the [Job Mobility Portal](#), which currently provides information for individuals and businesses on employment and recruitment opportunities, practical information on working abroad, as well as a job-matching tool.

Building on the EURES portal, and in synergy with the [Single Digital Gateway](#) recently proposed by the European Commission, the Authority will ensure that the public has access to the information they need to make choices and exercise their rights related to cross-border labour mobility, including in the areas of posting of workers and social security.

The Authority will also promote the availability of information concerning relevant national laws, as well as sector-specific rules (for instance, sectorial national collective agreements). In particular, the Authority will provide assistance to Member States to improve the accuracy and user-friendliness of the information provided on their national webpages, in line with the quality standards set out by Single Digital Gateway.

## **SYNERGIES WITH EXISTING EU BODIES AND AGENCIES**

### **How will the European Labour Authority cooperate with existing EU agencies?**

Four EU agencies currently operate in the area of employment policy: the [European Foundation for the Improvement of Living and Working Conditions \(Eurofound\)](#), the [European Centre for the Development of Vocational Training \(Cedefop\)](#), the [European Agency for Safety and Health at Work \(Eu-OSHA\)](#) and the [European Training Foundation \(ETF\)](#). The European Labour Authority will cooperate closely with these agencies in order to ensure complementarity and consistency with their activities. Synergies can be developed by relying on their expertise, for example in terms of skills forecasting, health and safety at work, the management of company restructuring, and tackling undeclared work. The Labour Authority will draw on this to support its own analyses and risk assessments on issues in the field of cross-border labour mobility. A number of existing administrative committees and networks will also be integrated in the Authority, to simplify cooperation amongst Member States and eliminate fragmentation.

The Authority will also co-operate with other EU agencies where relevant, for instance Europol and Eurojust, on issues relating to the criminal activities in the area of labour mobility.

### **How will the creation of a European Labour Authority simplify the existing setup of EU bodies in the field of labour mobility?**

The European Labour Authority will simplify the current institutional setup in the field of labour mobility and social security coordination by pooling operational tasks that are currently dispersed across different EU bodies into a permanent structure that provides a strengthened forum for cooperation and joint investigative activities.

By doing so, the Authority will replace seven existing EU bodies: the Technical Committee on the Free Movement of Workers, the Committee of Experts on Posting of Workers, the European Platform to enhance cooperation in tackling undeclared work, the EURES Coordination Office and three bodies attached to the Administrative Commission for the Coordination of Social Security Systems, namely the Audit Board, the Conciliation Board and the Technical Commission.

The Authority will cooperate closely with EU bodies that continue to operate under their current setup, such as the Administrative Commission for the Coordination of Social Security Systems, the Advisory

Committee for the Coordination of Social Security Systems, and the Advisory Committee on the Free Movement of Workers, in order to ensure complementarity in their work. This streamlining of the institutional landscape will create valuable synergies and eliminate duplications, thereby improving the quality of discussions and policy outcomes.

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