

Social Summit for Fair Jobs and Growth

Gothenburg, 17 November 2017

TOWARDS FAIR LABOUR MOBILITY: REVISION OF EU POSTING OF WORKERS RULES



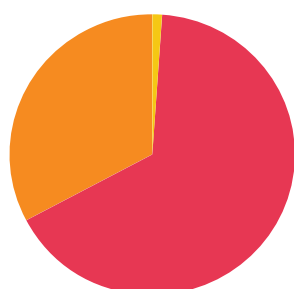
*'In a Union of equals, there can be no second class workers.
If you do the same work in the same place, you should earn the same pay.'*

*European Commission President Jean-Claude Juncker,
State of the Union Address, 13 September 2017*

FACTS AND FIGURES

- ▶ A posted worker is a worker who is sent by his/her employer to **work temporarily** in another country to provide a **cross-border service**.
- ▶ This is not the same as a long-term mobile worker, who lives and works for an indefinite period in another Member State, or a cross-border worker, who lives in Member State A but works in Member State B.
- ▶ In 2015, **2.05 million posting operations took place in the EU**. The EU average duration for such operations is **less than 4 months**.
- ▶ Given the short duration of most postings, when converted into full-time jobs this amounts to only **0.4% of total EU employment**.
- ▶ The Posting of Workers Directive **is in place since 1996**. It was the first Directive that established a minimum set of social guarantees in the interest of workers when companies provide services across the Single Market. The economic and labour market has changed significantly since 1996. New countries have joined the European Union and wage differences as well as labour mobility between Member States have increased. The number of postings in the EU has **increased by 41% between 2010 and 2015 alone**. The rules need to be updated to make them more clear, fair and easily enforceable.

POSTED WORKERS PER SECTOR, 2015

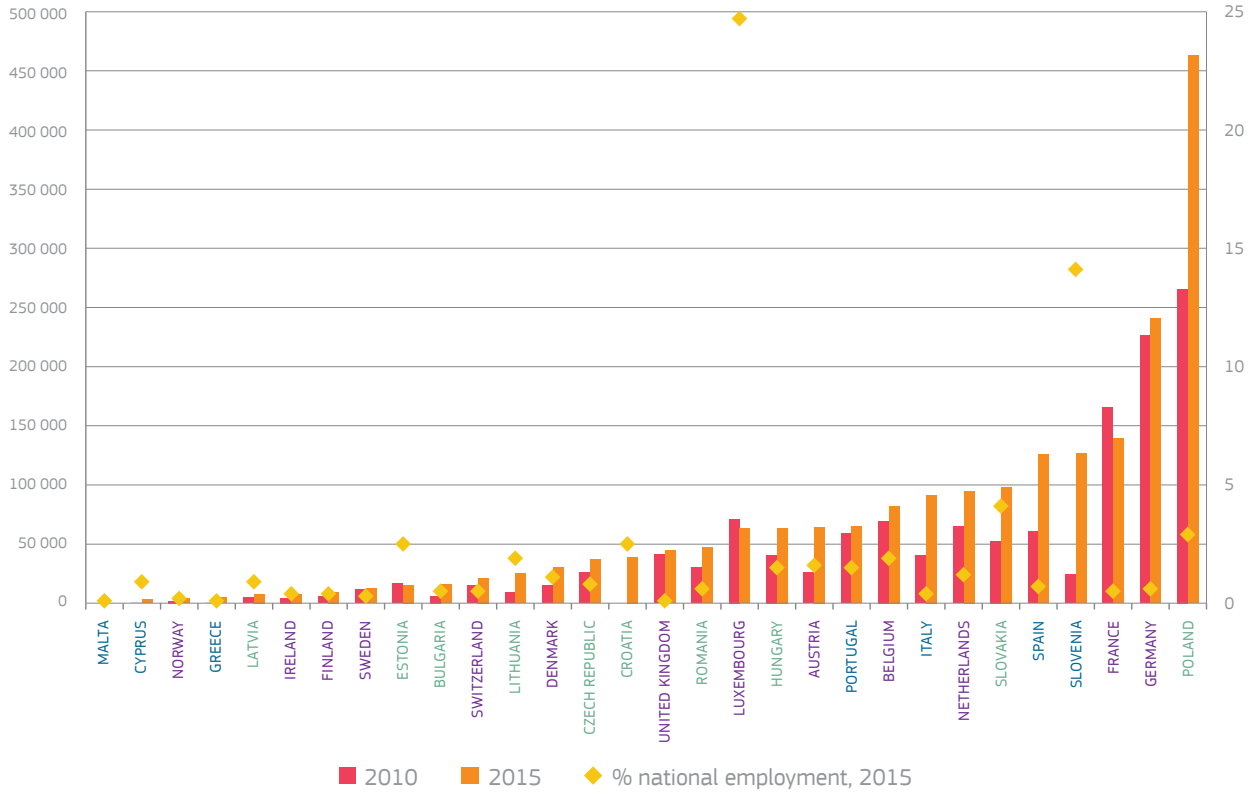


1%
**Agriculture,
hunting and
fishing**

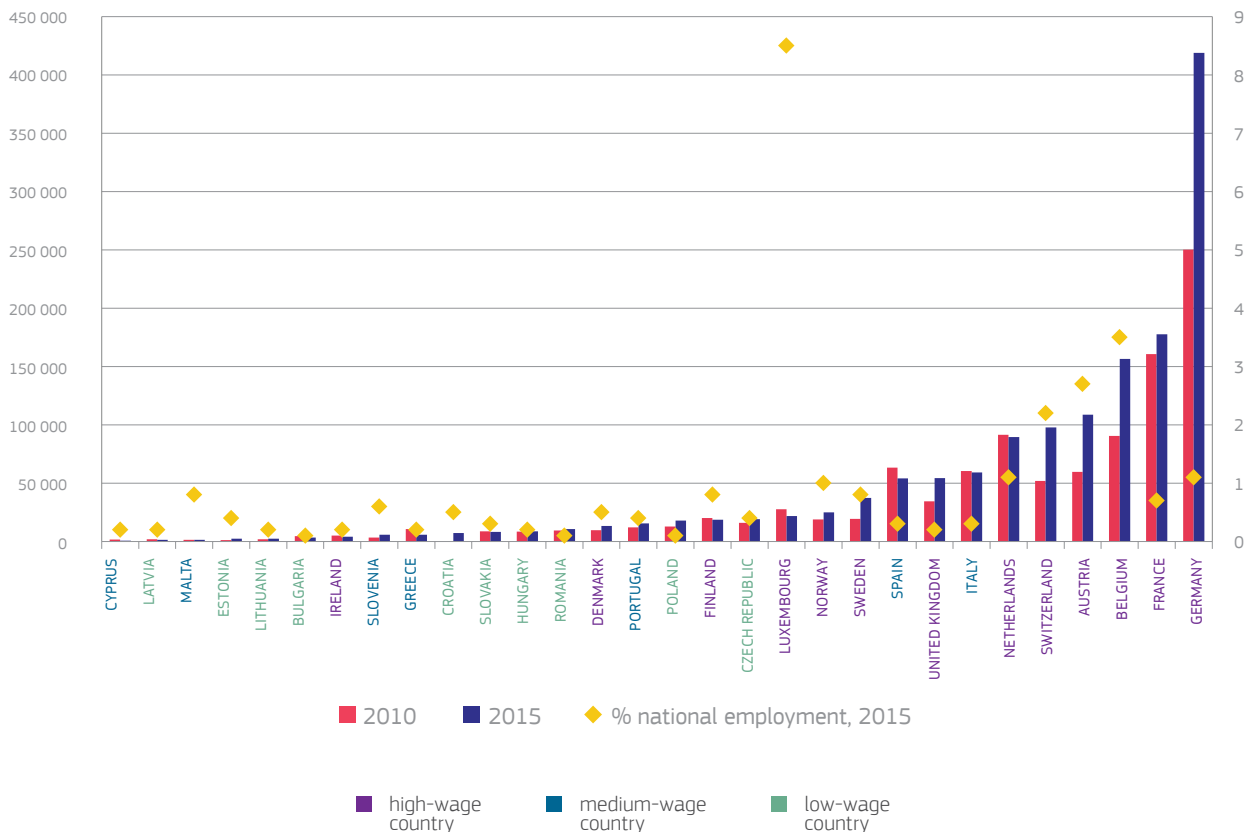
66%
Industry
▶ of which
construction,
41.5%

33%
Services
▶ of which financial and insurance; real estate;
professional, scientific and technical activities;
administrative and support service activities, 10%
▶ of which education, health and social work, arts
and other services, 14%

NUMBER OF POSTED WORKERS SENT PER MEMBER STATE



NUMBER OF POSTED WORKERS RECEIVED PER MEMBER STATE



COMMISSION TAKES ACTION FOR FAIRER RULES ...

Since the start of its mandate, the Juncker Commission has promoted fair labour mobility and fought against social dumping throughout the EU. In March 2016, following extensive consultation, **the Commission proposed a reform of the current rules on posting of workers**, which establishes **the principle of equal pay for equal work at the same place**. This principle goes significantly beyond the requirement of minimum pay under the existing Directive.

In October 2017, the European Parliament adopted its own report and a week later, the EU Ministers for Employment and Social Affairs came to an agreement among themselves. Both sets of documents confirm the **Commission's key principle of equal pay for equal work**. Discussions between the European Parliament and the Council can now start in view of adopting a final legislative text.

Other important elements of the proposed reform as discussed by the EU legislator include:



Rules set by sectoral social partner agreements become mandatory for posted workers in all economic sectors. Currently, this is only the case for the construction sector.



The new rules would apply to **temporary agency workers** who would also benefit from the principle of equal pay for equal work at the same place.



Long-term posting: today, posted workers have the same rights irrespective of the duration of posting. The Commission's proposal introduces the notion of long-term posting, meaning that all labour law rules applicable to local workers will apply to posted workers after a certain duration. EU Employment Ministers agreed that this duration would amount to up to 12 months, with a possible extension to 18 months.



Link with transport: the new EU rules on posting will apply to the road transport sector according to the Commission's Road Transport Strategy for Europe, once it enters into force (the corresponding legislation is currently under discussion in the Council and the Parliament).



Transitional period: According to the Council text, Member States will have 3 years to transpose the new rules into their national legislation. They will then have another year to apply and start enforcing the rules.

... WHICH SHOULD BE BETTER ENFORCED

In addition to amending the rules, the Commission has facilitated the implementation of the so-called 'Enforcement Directive', which entered into force in June 2016. This Directive gives **more powers to national authorities to combat cases of abuse** such as 'letter box companies'. It also provides Member States with better tools to coordinate their activities.

Other recent Commission initiatives to ensure fair labour mobility include:

- ▶ Modernisation of [EU rules for the coordination of social security systems](#), to facilitate labour mobility, ensure fairness for those who move and provide better tools for cooperation between Member State authorities;
- ▶ The launch of the [Electronic System of Social Security Information](#), which allows for a quicker and easier exchange of mobile workers' social security information between Member States;
- ▶ The upcoming proposal to [set up a European Labour Authority](#), to ensure that EU rules on labour mobility are enforced in a fair, simple and effective way.