

# First steps to European Labour Authority

There is a clear need for effective co-operation between national authorities, and for concerted administrative action to manage labour market

The European Commission recently presented a proposal for a Regulation establishing a European Labour Authority (ELA), which could already be operational at the beginning of 2019.

The main reasons for this initiative are that free movement of workers, freedom of establishment and freedom to provide services are fundamental principles of the internal market of the European Union, and that cross-border labour mobility in the EU benefits individuals, economies and societies as a whole.

However, mobility within the Internal Market depends on clear, fair and effectively-enforced rules on cross-border labour mobility and social security co-ordination, and despite several specific legislative initiatives – for example, the revision of the Posting Directive and of the Social Security Regulations – concerns remain regarding compliance with, and effective and efficient enforcement of EU rules.

In particular, concerns have been voiced in relation to mobile workers being vulnerable to abuse or being denied their rights, as well as businesses operating in

an uncertain or unclear business environment, and on an unequal playing field.

There is, therefore, a clear need for effective co-operation between national authorities and for concerted administrative action to manage the increasingly European labour market.

Cross-border labour mobility has significantly increased in recent years. In 2017, 17 million citizens lived or worked in a Member State other than that of their nationality, which is almost the double compared to 10 years ago. Also, postings operations have increased by 68% between 2010 and 2016 – a total of 2.3 million.

Within this framework, the Commission considered that the ELA should be established to help strengthen fairness and trust in the Single Market.

To that effect, the ELA should facilitate the access to information for individuals and employers about their rights and obligations in cross-border labour mobility situations, and support compliance and co-operation between the Member States to ensure the effective application of the EU law in these areas.

It should also mediate and facilitate a solution in case of cross-border disputes in three ways – first, by improving access to information by individuals and employers about their rights and obligations in the areas of labour mobility and social security co-ordination.

A strengthening of operational co-operation between authorities in the cross-border enforcement of relevant Union law, including facilitating joint inspections, should be part of its remit.

It should also help by providing mediation and facilitating solutions in cases of disputes between national authorities.

In practical terms, the ELA would be entrusted with a number

of operational tasks aimed at providing relevant information and services to individuals and employers, as well as supporting Member States in co-operation, information exchange, concerted and joint inspections, risk assessment, capacity building and mediation.

The proposal to establish the ELA will enhance the EU institutional landscape in the area of cross-border mobility, to improve and simplify current forms of co-operation, and eventually to facilitate the work of Member States, of the Commission and of stakeholders concerned.

## EU STRUCTURES

Today, the institutional landscape includes several EU structures, such as the Co-ordination Office of EURES (the EU job mobility portal), the Technical Committee and the Advisory Committee on the Free Movement of Workers, the Committee of Experts on Posting of Workers, the European Platform tackling undeclared work, the Administrative Commission for the Co-ordination of Social Security Systems, the Advisory Committee for the Co-ordination of Social Security Systems, etc.

In the future several of these structures – for example, the Committee of Experts on Posting and the EU Platform against undeclared work – will be integrated in the ELA, which will pool the technical and operational tasks of these bodies into a permanent structure with a view to achieving improved and more efficient output, on the basis of a strengthened forum for co-operation and joint investigative activities.

This new setup will, therefore, simplify the institutional landscape and foster synergies across the various aspects of cross-border mobility within the ELA's scope.

This will further support the consistent and effective application of Union law, improve efficiency, and deliver more and better quality results compared to the current situation, where these EU bodies largely operate in silos, focus on a specific legal act or area under their responsibility, lack an operation dimension, and carry out certain overlapping activities.

Furthermore, the ELA will co-operate with other agencies of the Union, in particular those in the area of employment and social policy, building on their expertise and maximising synergies – the European Foundation for the Improvement of Living & Working Conditions (Eurofound), the European Centre for the Development of Vocational Training (Cedefop), the European Agency for Safety & Health at Work (EU-OSHA), and the European Training Foundation (ETF) – as well as with the European Union Agency for Law Enforcement Co-operation (Europol) and European Union Agency for Criminal Justice Co-operation (Eurojust).

The Commission also proposed setting up a dedicated stakeholder group, to allow the ELA to rely directly on the expertise of relevant stakeholders in the areas under its scope. The members of this stakeholder group will be the representatives of EU-level social partners, and FIEC will devote part of its lobbying actions in ensuring that it will have its own seat.

Finally, the Commission estimates the EU budgetary total costs of the ELA to be at approximately €50 million per year at cruising speed, expected to be reached by 2023.

Several concerns have already been raised regarding the nature, the scope and the competences of the ELA. It is, therefore, impossible at this stage to indicate how effective it will be. **ce**



**FIEC**  
 Avenue Louise 225,  
 B - 1050 Brussels, Belgium.  
 Tel: +32 2 514 55 35;  
 e-mail: info@fiec.eu  
 www.fiec.eu

 @FIEC\_Brussels

Recognised "Sectoral Social Partner" (employers)