Effective labour inspections as a strategy to improve working conditions in Europe

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The Committee on Employment and Social Affairs adopted the own-initiative report by Jutta STEINRUCK (S&D, DE) on effective labour inspections as a strategy to improve working conditions in Europe.

It discussed the need to improve labour inspections and combat undeclared work in order to protect employees' rights, and stressed the need to ensure sanctions commensurate with the seriousness of the offence.

Inspection measures at national level

Principles for effective labour inspection: Members stressed the need to enhance the role of national labour inspectorates, and provide training for their senior staff so as to meet successfully new inspection challenges. They highlighted the following points:

- inspection of occupational health must be handled by **independent inspectors** trained in health and safety, who might be assisted by representatives of the social partners. Members regretted that the management of occupational health and safety (OHS) was still being carried out, in certain Member States, by employer associations.
- additional, tripartite, sectoral **inspectorates representing government, workers and employers**, should be created and as a pilot initiative, be brought into operation in those Member States with the highest levels of undeclared work;
- national action plans were needed for strengthening labour inspection mechanisms, and for financing them through the **European Structural Funds**;

Member States should **increase the staffing levels** of, and the resources available to, their labour inspectorates and meet the **target of one inspector for every 10 000 workers**, as recommended by the ILO, as well as impose more severe penalties on firms that fail to comply with their obligations concerning fundamental rights (salaries, working hours and OHS). The committee voiced its concern at the understaffing of Member States' inspection authorities and the need for uniform training of labour inspectors, in particular on Europe-wide issues;

- where abuse is uncovered, workers concerned (including migrant workers in an irregular situation) as well as any **whistleblowers involved must be protected**, and helped to assert their rights at no cost;
- the rights of inspectors to inspect **companies that provide contract labour** must be extended, and inspections must cover the observance of rules on rates of pay and working conditions, as well as the application of minimum wages where required by Member State law or national collective agreements;
- Member States should ratify ILO Convention No 189 and implement measures for labour inspection, enforcement and penalties, in the **area of domestic work.**

The report deplored the **problematically high incidence of bogus self-employment**, particularly in the construction and meat-processing sector, and called for Member States to introduce appropriate inspection measures distinguishing between bogus and legitimate self-employment.

Undeclared work: Members called on national labour inspectorates to draw up **action plans to combat undeclared work**, covering all forms of abuse pertaining to employment and self-employment. It expressed great concern at the extreme vulnerability of migrant workers with irregular status. Any cooperation between labour inspectors and immigration authorities should be limited to identifying abusive employers, and should not give rise to sanctions against, or expulsions of, the migrant workers concerned, as this would actually undermine the efforts to address undeclared work.

Members added that, in view of the growing trend towards bogus self-employment, **systems of general contractor liability** could serve as useful tools for increasing compliance with labour standards throughout the whole production process.

Employment protection – workplace health and safety: the committee drew attention to the problem of implementing workplace health and safety rules in instances where employees do undeclared work and advocated **stiffer penalties with deterrent effect** for companies that fail to meet their obligations in relation to employees' basic rights. Member States should set the level of fine above the profit gained from the circumvention.

EU-level policy recommendations

More efficient cross-border exchanges of information: Members stressed the need for effective cooperation between national authorities and the social partners and called on the Commission to **establish a European Platform for labour inspectors on undeclared work within Eurofound**, with a remit – as an additional task for the agency – to organise the work of the Platform and facilitate the exchange of experiences and good practices, to reliable and comparative information, and to keep a record of letter-box companies. The Commission was also asked to:

- **develop EU-wide further-training programmes** for inspectorates that address challenges such as bogus self-employment and posting;
- investigate the benefits of introducing a **forgery-proof European social security card**, on which could be stored all the data needed to verify the bearer's employment relationship, such as details on his or her social security status and working hours,
- carry out a pilot project for a **European early-warning system** modelled on RAPEX, aimed at signalling breaches of employment protection rules and instances of undeclared work that would promote the rapid exchange of information between Member States, and that would be accompanied by a blacklist so that breaches of employment protection rules could more effectively be nipped in the bud;
- ensure that labour inspections can make full use of their right to non-discriminatory independent inspections in cross-border situations, regardless of the place of establishment of the company.

New legal initiatives at EU level: the committee highlighted the lack of emphasis on improved implementation and on the role of labour inspectorates in existing directives, and also stressed that the matter of enforcement must be addressed in a better way in European labour law.

It called on the Commission and Member States, where appropriate to:

- promote the voluntary introduction of higher labour standards by companies through the establishment of a **system of free-of-charge 'social labels'** that are recognised at national or EU level;
- put in place specific EU-level control and monitoring campaigns focusing on the working conditions of young persons, in particular young migrants;
- provide Member States with guidelines on best practices, so that they are able to scrutinise and control the **activities of temporary work agencies** more effectively;

- propose a **green book underpinning the role of labour inspectors** and laying down EU labour-inspection standards and uniform training requirements in this area, while taking into account the differences between national labour markets.