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

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The European Parliament adopted by 586 votes to 58 with 47 abstentions a resolution 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, which currently accounts for 18.8 % of GDP in the EU 27 and for over 30 % in certain countries. Parliament stressed the need to ensure sanctions commensurate with the seriousness of the offence.

Inspection measures at national level

Principles for effective labour inspection: Parliament wants to see **the role of national labour inspectorates enhanced, and stressed the need to 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** (and not by employer associations) trained in health and safety, who might be assisted by representatives of the social partners;

- **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**;

- the social partners must be involved in the design and formulation of national labour inspection plans and in the labour inspections themselves;

- Member States should **increase the resources and staffing levels** of their labour inspectorates and meet the **target of one inspector for every 10 000 workers**, as well as impose more severe penalties on firms that fail to comply with their obligations concerning fundamental rights (salaries, working hours and OHS);

- Parliament stressed that the financial reforms being carried out in certain Member States must **under no circumstances** result in reductions of the manpower, funding, and material and technical infrastructural resources of labour inspectorates;

- 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.**

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

Undeclared work: Parliament 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 the migrant workers concerned, as this would actually undermine the efforts to address undeclared work.

Parliament recognised that there is a growing trend **towards bogus self-employment, outsourcing and subcontracting**, which may lead to an increase in precarious jobs and a further deterioration of the already low protection levels for undeclared workers.

Members added that **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: Parliament advocated **stiffer penalties with deterrent effect** for companies that fail to meet their obligations in relation to employees' basic rights, with the level of fine set above the profit gained from the circumvention.

Moreover, Parliament stated that labour inspections should be stepped up at SMEs and on small construction sites.

EU-level policy recommendations

More efficient cross-border exchanges of information: Parliament 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, to 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 resolution 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 for:

- the promotion of 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;

- specific EU-level control and monitoring campaigns focusing on the working conditions of young persons, in particular young migrants;
- guidelines on best practices, to enable scrutiny and control of the **activities of temporary work agencies** more effectively;
- 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;
- procedural rights and enforcement rights to be available to all workers;
- better ways of tackling instances of social dumping in the EU and appropriate instruments in this regard.