

European Labour Authority

2018/0064(COD) - 13/03/2018 - Legislative proposal

PURPOSE: to establish a European Labour Authority to support the free movement of workers and services and to contribute to ensuring fairness in the internal market.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure on an equal footing with the Council.

BACKGROUND: cross-border labour mobility has notably increased in recent years. In 2017, **17 million European citizens** lived or worked in a Member State other than that of their nationality. This figure almost doubled compared to a decade ago.

Postings have increased by 68% from 2010 to 2.3 million in 2016. There are 1.4 million EU citizens commuting to work in another Member State. There are also over 2 million workers in the road transport sector who cross intra-EU borders on a daily basis to transport goods or passengers.

The European Pillar of Social Rights – proclaimed jointly by the European Parliament, the Council and the Commission at the Social Summit in Gothenburg on 17 November 2017 - sets out a number of key principles and rights to support fair and well-functioning labour markets and welfare systems. **Ensuring fair labour mobility in Europe is central to this objective.**

As outlined in their Joint Declaration on the legislative priorities for 2018-2019, the European Parliament, the Council and the Commission are committed to taking action to **reinforce the social dimension of the Union**, by working on improving the coordination of social security systems, by protecting workers from health risks in the workplace, by ensuring fair treatment for all in the Union labour market through modernised rules on posting of workers, and by further improving cross-border enforcement of the Union law.

In this context, the Commission proposes the creation of a "European Labour Authority" to ensure that EU rules on worker mobility are observed in a fair, simple and effective manner.

This initiative will **complement and facilitate the implementation of ongoing initiatives** aimed at ensuring fair mobility, including through the [revision of the Posting of Workers Directive](#) and of the [lex specialis on the posting of workers in international road transport operations](#) and the modernisation of EU provisions on the [coordination of social security systems](#).

IMPACT ASSESSMENT: three policy options were considered for the proposed Authority, these being a support option, an operational option, and a supervisory option.

The **operational option** to be performed through a new Authority that builds on existing EU level mobility bodies turned out to be the most effective way to meet the objectives of the initiative.

CONTENT: the proposal for a regulation **aims at setting up a European Labour Authority, in the form of a decentralised EU agency**, to help individuals, businesses and national administrations to make the most of the opportunities offered by free movement and to ensure a level playing field for workers' mobility.

The Authority has **three objectives**:

1. **facilitate access for individuals and employers to information** on their rights and obligations as well as to relevant services. The Authority will provide information on employment, learning, mobility, recruitment and training opportunities, as well as guidance on the rights and obligations of those who live, work or are engaged in cross-border activities in another EU Member State;
2. **support operational cooperation between authorities** to ensure cross-border compliance with the relevant Union law, including facilitating the organisation of joint inspections. For example, the Authority will help to improve the exchange of information, support capacity building in national administrations, and assist them in carrying out joint inspections. The objectives are to enhance mutual trust between the actors, to improve day-to-day cooperation and to prevent possible fraud and abuse;
3. **propose mediation** and facilitate the search for solutions in the event of disputes between national authorities and cross-border disruptions of the labour market such as restructuring of companies affecting several Member States.

The new Authority will **pool technical and operational tasks of existing EU bodies into a permanent structure** with a view to achieving improved and more efficient output. In this context, the Authority will take over the management of the EURES European Coordination Office and replace: (i) the Technical Committee on the Free Movement of Workers; (ii) the Committee of Experts on Posting of Workers; (iii) the Technical Commission, the Audit Board, and the Conciliation Board of the Administrative Commission for the Coordination of Social Security Systems; (iv) replace the European Platform on tackling undeclared work.

The Authority will benefit **all those subject to Union rules** in the field of cross-border mobility of labour and the coordination of social security, specifically, workers, whether employed or not, or any other citizen of the Union or a third-country national legally residing in the Union and in a cross-border situation.

BUDGETARY IMPLICATIONS: the total budgetary cost for the EU of the Authority is estimated at **EUR 50.9 million per year** at cruising speed (which should be reached by 2023). As regards staff numbers, the Authority would need 69 establishment plan posts, 60 seconded national experts and 15 contract agents.