

Addressing subcontracting chains and the role of intermediaries in order to protect workers' rights

2025/2133(INI) - 12/02/2026 - Text adopted by Parliament, single reading

The European Parliament adopted by 332 votes to 209, with 33 abstentions, a resolution on addressing subcontracting chains and the role of intermediaries in order to protect workers' rights.

EU Strategy

Parliament called for an EU strategy to combat labour exploitation (including illegal work and related organised crime) and abusive forms of labour market subcontracting and intermediation. Labour exploitation not only breaches workers' and human rights but also undermines fair competition between businesses.

The Commission and the Member States are called upon to:

- **strengthen the application of existing labour legislation** to ensure the effective protection of workers' rights and fair competition within the single market;
- clarify the possibilities for Member States to adopt **proportionate legislation** to address the risks and problems arising from long and complex subcontracting chains;
- **put an end to abusive subcontracting** and protect workers' rights, to strengthen transparency and accountability throughout the supply chain;
- address practices whereby the main contractor subcontracts all work without performing any work itself, also known as '**financial subcontracting**';
- **combat illegal practices** in subcontracting chains by encouraging direct employment relationships in high-risk sectors.

Parliament recalled that any sector-specific measures and initiatives, including joint and several liability in high-risk sectors, must be in conformity with EU law and not create unnecessary barriers to cross-border business activities. It stressed that the **principle of joint and several liability** is a way of ensuring that the main contractor bears overall responsibility for the services provided within the entire subcontractor chain.

The resolution also emphasised:

- the fight against the fraudulent posting of non-EU nationals, as well as the abuse of EU law on service provision to circumvent migration rules and national labour law;
- the need for appropriate measures to put an end to postings without any genuine connection of the workers to the sending Member State;
- the integration of accommodation inspections into labour inspections in high-risk sectors in order to prevent employers or intermediaries from providing workers with degrading, unsafe or overcrowded accommodation;

- improving the level of information accessible to the public through national business registers and the European system for interconnected registers;
- the integration of stricter social criteria in public procurement, with exclusion of companies that fail to meet applicable obligations in the areas of labour law and environmental law;
- special attention to health and safety at work, particularly in high-risk sectors such as construction;
- taking into account the gender dimension.

Application and control of the rules

Parliament reiterated the importance of cross-border cooperation, efficient enforcement and transparency in tackling criminal networks associated with work-related crime. Strengthening collaboration between the European Labour Agency, Europol, national authorities and social partners must be supported in this regard.

Members stressed the need for **efficient and well-resourced enforcement systems** to combat labour exploitation and promote fair competition in the single market. They also stressed the need to tackle abusive subcontracting that uses artificial arrangements such as letter-box companies and bogus temporary agency work.

Parliament called on the Commission to **significantly strengthen the mandate of the European Labour Authority (ELA)** by allowing it to investigate alleged breaches of EU labour law and to initiate and conduct inspections of cross-border cases on its own initiative, extending the Agency's mandate to cover labour mobility from third countries. It recommended the creation of sector-specific enforcement units within the ELA, particularly for construction, transport and agriculture. Member States are urged to increase their number of labour inspectors and enhance their support for labour inspection services.

Sanctioning labour exploitation

Parliament stressed the need to:

- strengthen the effectiveness of information exchange and cooperation between Member States, and to ensure mutual recognition of trading prohibitions and criminal sanctions to prevent the circumvention of restrictions;
- consider linking sanctions to company size or turnover, in order to ensure proportionality, deterrence and a level playing field;
- create a mechanism for recovering outstanding wages, social security contributions, fines and damages in cross-border cases;
- take the necessary initiatives to reduce the problem of fraudulent and criminal actors in the labour market who use strategic bankruptcies and business disappearances to evade their responsibilities.