

Towards a European Labour Authority

Conference report
Brussels, 27 February 2018

The European Commission will publish in mid-March 2018 a proposal for a European Labour Authority. The need for such an authority was first voiced by Commission president Jean-Claude Juncker in his State of the Union address 2017. According to him, the creation of a European Labour Authority should ensure fairness in the single market because it couldn't be the case that there are second class workers in the EU.



Renate Tenbusch, Director EU Office of the Friedrich-Ebert-Stiftung

The Friedrich-Ebert-Stiftung seized this opportunity to launch a study, highlighting mandate and main tasks this European Labour Authority should cover. Author of the resulting study "[Towards a European Labour Authority](#)" is Jan Cremers, senior researcher at Tilburg University.

Few days before the Commission proposal will be discussed in the European Parliament, the Friedrich-Ebert-Stiftung and the German Trade Union Confederation saw the need to inform stakeholders and raise awareness about pressing issues.

Renate Tenbusch, director of the EU-Office of the Friedrich-Ebert-Stiftung, welcomed the audience by reminding of the lack of workers' rights protection. The current, one-sided developments of the internal market are not what Jacques Delors had in mind when initiating the European single market project. Today the social dimension is far lagging behind.



*Liina Carr
European Trade Union Confederation*

Introducing the dialogue, Jan Cremers presented concrete examples of how the lack of EU-wide harmonization and enforcement competencies in cross border employment situations lead to exploitation of workers and impunity for illicit companies. The high mobility of firms, using the freedom of establishment and the freedom to provide services in the internal market, allows for 'regime shopping' that leads to a distorted competition at the expense of wages and social security of workers. This is possible because national regulations and competencies of authorities are limited in cross-border prosecution of fraud. Based on ex-

periences from labour inspectorates across the EU, Jan Cremers voiced a number of requirements a European Labour Authority needs to meet in order to contribute to a valuable improvement of the situation.

In the first place, it should be an authority with operational competencies. As it is common practice in the area of competition, a supranational authority could empower national inspectors to widen their investigation within the territory of other member states. Without European-wide competent inspectors, illicit companies can continue to use national borders as welcoming tool to obstruct and prevent effective scrutiny of their business practices.

A second crucial element of a European Labour Authority should be an EU-wide sanctioning mechanism for companies that have been found guilty of fraud. Currently it leads to great frustration that even in the case that inspectors in one EU member state successfully stop the activity of a company, the very same company can just switch the country and continue its illicit practices. An EU-wide sanctioning, as it is in place in the area of consumer protection, that permanently blocks market access for fraudulent companies, would be a welcomed improvement.

Piet van Nuffel, member of cabinet of EU-Commissioner Thyssen, could not provide a disclosure of the draft but however tried to give some ideas of what the Commission has in mind. It became clear that the plans of the Commission fall short of the proposals made by Cremers. The authority is not supposed to have operational authority and neither enforcement competence. It is to be an authority that increases cooperation between member states and should thereby lead to an added value. For example liaison officers of member states within the authority would foster a 'common culture of enforcement'.

Representatives of employers' and employees' organizations also voiced their ideas during the event about the European Labour Authority. The European Trade Union Confederation (ETUC) hopes that this authority will have a mediating role in problematic situations. The big aim must be to achieve remedy for workers, also across borders.

BusinessEurope, representing employers' interests, was more sceptical of the Euro-



Left to right: Piet van Nuffel representing the Commission, moderator Eric Bonse and senior researcher and author of the presented study Jan Cremers

pean Labour Authority, suggesting that the term 'authority' is misleading.

They argued that there are also good examples of bilateral cooperation between inspection organs. Successful cooperation would require trust and good experiences among national inspectors and not more regulation that increase the already existing complexity.

In his final comment Jan Cremers restated that the EU has proven capable of equally problematic cross border challenges in other areas. The positive image of European integration and free movement is at stake if the social dimension of it is not addressed.

Till Eichler