

European Labour Authority: Structures and tools

KEY FINDINGS

Structures and budget: In order to pool resources, the planned authority will dissolve and absorb a number of European networks and committees in the field of posting, free movement and social security coordination. ELA will continue their activities as the Commission proposal says. In addition, ELA will take over activities supporting a committee in the transport sector as well EURES, apart from IT development. The latter accounts for a considerable part of the ELA budget (EUR 8.5 m out of EUR 21.2 in 2020).

A number of points may need further consideration: 1) how to design effective cooperation mechanisms (e.g. an ELA liaison office in Brussels, ELA observers at committees or network meetings) as pooling entails new organisational split-ups between the Commission and ELA; 2) how to ensure completeness of ELA's scope in view of the fact that relevant structures, such as the Senior Labour Inspectors Committee are excluded, 3) how to continue all relevant activities of dissolved bodies (e.g. Platform against undeclared work given that ELA's focus is on its cross-border dimension).

Tools: The planned ELA will work in a landscape of numerous tools for citizens and businesses (e.g. Your Europe) and for electronic communication between authorities across Member States (e.g. Internal Market Information System). Most of these have been set up to ensure a smooth functioning of the Single Market, except for the EURES portal, the Electronic Exchange System for Social Security Information (DG EMPL) and the Electronic Register of Road Transport Undertakings which includes a classification for serious infringements (DG MOVE). In general, the ELA will improve the quality of content and ensure updates from national information services in accordance with the standards set by the Digital Single Gateway. In particular, it will support Member States in fulfilling the information requirements set by EU law on free movement and posting of workers. Furthermore, it will promote within its remit the use of existing electronic tools (e.g. EESSI).

Scope of the ELA: Building upon discussions at the workshop, a more fundamental question is whether the ELA should be designed to be a targeted EU inspection authority or an agency for free movement which would also incorporate European employment services for placement and recruitment (EURES). From the perspective of European policies for free movement, one agency covering all key areas of free movement would be the adequate model, as set out in the Commission proposal. From an organisational and management point of view, it could be a challenge to maintain the perception of EURES as a regulated EU trade-mark for a service- and customer-oriented employment service once it becomes part of a predominantly administrative and inspection-oriented authority like the ELA.



Introduction

In March 2018, the European Commission has made a [proposal for a Regulation on establishing a European Labour Authority](#) (ELA). It will contribute to ensuring fair labour mobility in the internal market, inter alia by streamlining, coordinating and complementing numerous EU initiatives. The proposal for a new agency has been prepared under the lead of the Directorate General for Employment and Social Affairs (DG EMPL) with a view to better supporting one of the fundamental freedoms, [free movement of workers](#), at EU level. However, the field the ELA will cover is intertwined with rules on functioning of the Internal Market ([freedom of establishment and freedom of services](#)) and rules on international road transport involving two other Directorates General, DG GROW (Directorate General for Internal Market, Industry, Entrepreneurship and SMEs) as well as [DG MOVE](#) (Directorate General for Mobility and Transport).

This briefing presents an overview of planned changes in existing structures and related budgets shifts. Moreover, it summarises the relevant tools for information and administrative exchange. The note complements more comprehensive analysis on policy and practical implications of these changes produced for a Workshop on the European Labour Authority held on 24 May 2018 at request of Employment and Social Affairs Committee:

[European Labour Authority: Profile and Governance](#) by E. Vos
[European Labour Authority and Enhanced Enforcement](#) by J. Cremers
[European Labour Authority and Social Security Coordination](#) by St. Giubboni
[European Labour Authority and Support for Labour Mobility \(EURES\)](#) by V. Ludden
[European Labour Authority: Workshop Summary Report](#) by S. Kraatz

Shift of existing structures and budget

Creating a new agency necessarily requires building on existing structures. According to the [briefing](#) comparing the design of the ELA with the creation of other agencies, this is a common practice. As the Commission proposal points out, **pooling of activities under the ELA** is intended to increase coordination, synergies and simplification at EU level. As the table below shows, the establishment of a European Labour Authority will lead to significant changes.

A number of expert groups and networks with operational or technical tasks will be dissolved. Their tasks will be continued under the management of the ELA (Commission proposal, pg. 10). This holds true for the **Committee of Experts on Posting Workers** and the **Technical Committee on the Free Movement of Workers**. According to the Commission, the work of both structures is more or less limited to two meetings per year providing the possibility for information exchange between the Commission and the Member States without any additional supporting activities.

Moreover, three **bodies in the field of social security coordination** will be dissolved and their tasks shifted to the ELA: the Technical Commission for data processing, the Audit Board and the Conciliation Board (for more details, see Briefing: European Labour Authority and social security coordination).

Finally, the **Platform against undeclared work**, having been established by a Decision of the European Parliament and the Council in 2016, will be taken over by the ELA to enhance cooperation between Member States in tackling undeclared work. It works at two levels, preventing and combating undeclared work at national level and also in a cross-border context (see Commission proposal, pg 15; briefing on Platform against undeclared work: [European Parliament, 2017](#)).

Table 1: Structures connected with the ELA

Policy area	Structures at European Commission DG EMPL	Structures shifted to ELA - Dissolution	Structures shifted to ELA - Integration	Budget redeployment Estimates 2020 (2024) EUR million
Posting workers	-	<u>Committee of Experts on Posting Workers</u>	=	0.15*)
Free Movement of Workers	Advisory Committee on the Free Movement of Workers	<u>Technical Committee on the Free Movement of Workers</u>	=	0.15*)
Support for free movement of workers (EURES)	IT development Platform Funding Member States activities and Cross-Border Partnerships	=	<u>EURES Network Support Training</u> <u>Portal</u>	8.54 total 3.15 1.50 3.89
Social Security Coordination	Administrative Commission Advisory Committee	<u>Technical Commission Audit Board Conciliation Board</u>	=	- 0.20 0.20
Undeclared Work	-	<u>Platform Undeclared Work</u>	=	1.55
Transport	<i>Committee on Road Transport (DG MOVE)</i>	-	-	2.72 Support activities, Transport security
Health and Safety	<i>Senior Labour Inspectorates Committee*)</i>	-	-	N.A.
Border Regions	<i>Border Focal Point (DG REGIO)</i>	-	-	N.A.
Contracted expert network Mobility, social security, free movement		<u>Contract: Network of legal experts MoveS</u>	=	1.0
ELA planned budget and staff, total, 2020 (2024)				21.9 (52.0)

Source: Impact Assessment, pg 93; Proposal, pg 9, 60.

*) Information European Commission

Contrasting with this, **the EURES (EUR Employment Services) network** plus the management body at the European Commission, the European Coordination Office, will be shifted to the ELA as a whole. A **considerable proportion of the ELA budget will be redeployed from the EURES strand** under EaSI (EUR 8.5 m in 2020). The expenditures to be shifted are dedicated to network meetings, supporting activities such as training and a large part to the development and maintenance of the EURES portal (except for the technical side).

According to the EURES Regulation (Regulation (EU) 2016/589), EURES is a European placement and recruitment portal and service, composed mainly of national Public Employment Services (PES) and partially also private services and NGOs fulfilling certain pre-conditions. EURES members are employment services supporting individuals looking for a job in another EU country and employers who wish to recruit workforce abroad. EURES members feed job applications, CVs, vacancies and general information on working and living conditions into the EURES European job mobility portal. Consequently, EURES as a trade mark (Art. 15 Regulation) and brand follows in general the vision, objectives and processes of (public) employment services. In line with national and European developments, these are increasingly transforming themselves into **service- and customer-oriented agencies facilitating transitions on the labour market within a country and across EU-borders**, moving away from the traditional concept of administrative authorities (see [PES Network: Vision2020 and beyond](#), [PES Benchlearning Manual](#)).

Other networks in the field of cross-border operations in the EU will be **partners for cooperation** with the ELA, for example the recent initiative by the Commission Directorate General for Regional and Urban Policy (DG REGIO) to set up a [Border focal point](#). This is a forum of Commission experts in cross-border issues offering advice to national and regional authorities, by gathering and sharing good practices through the creation of a new EU-wide online network (Commission proposal, pg 17).

In addition, resources currently reserved for a Commission network of contracted legal experts in the field of mobility, social security and free movement (MoveS) will be moved to the ELA.

The table also shows that transferring and pooling resources for integrated and simplified operations goes hand in hand with **new organisational split-ups and complexity**. In most cases, the more **political bodies** framing the operational and technical work of operational structures shifted to the ELA, remain under the management of the Commission, (e.g. Advisory Committee on the Free Movement of Workers, Administrative Commission and Advisory Committee for social security coordination, the PES network). Particularly in case of mediation in social security this has raised concerns (see briefing [European Labour Authority and social security coordination](#)). Similarly, supporting activities in the transport sector will be separated from the corresponding permanent Committee on Road Transport hosted at the Commission by DG MOVE. The re-organisation of EURES entails different split-up of tasks: the Commission will continue to manage contracts on IT for the EURES portal and calls for proposals under ESF and EaSI to fund activities for EURES and Cross-Border Partnerships in the Member States as agencies are not entitled to carry out these tasks.

Ensuring smooth and effective functioning of the whole will require a **well-designed concept for coordination**. This is not detailed in the Commission proposal so far. In its Impact Assessment, the European Commission sets out that the “*ELA would develop cooperation with the {...} remaining committees*” (pg. 47). In line with the conclusions from the workshop, consideration could be given to establishing an **ELA liaison office** in Brussels. In addition, the ELA could take part as an **observer at other relevant committees**. In order to increase inter-governmental and intra-country coordination, the Commission proposes that **National Liaison Officers** should work as Seconded National Experts at the ELA. They should have the power under their Member States’ law to request information from the authorities concerned (Art. 33.3) - a prerequisite that may pose challenges given diverse rules for data protection in the Member States.

As regards **coverage of all structures** working in the field of cross-border enforcement, it is striking that the Commission proposal excludes the Senior Labour Inspectors Committee (SLIC) arguing that “*its focus is not strictly related to the scope of this initiative*” (IA, pg 18, footnote 62). The Workshop summary report concludes that specific expertise of SLIC should be taken into account.

The proposal also raises questions about the extent **to which the activities of dissolved structures will be continued**. For example, the Platform against undeclared work will be dissolved. According to the Commission proposal, the ELA will combat undeclared work in a cross-border context. However, there is no indication of how exchange and capacity-building to combat the prevalent undeclared work within national borders will be carried out in the future apart from monitoring under the European Semester.

Building upon discussions at the workshop, a more fundamental question is **whether the ELA should be designed to be a targeted EU inspection authority or an agency for free movement which also incorporates the European employment services** for placement and recruitment (EURES). From the perspective of European policies for free movement, one agency covering all key areas of free movement would be the adequate model, as set out in the Commission proposal. From an organisational and management point of view, it may be a challenge to maintain the perception of EURES as a trade-mark for a service- and customer-oriented employment services once it becomes part of a predominantly administrative and inspection-oriented authority like the ELA.

Existing systems and tools and the role of the ELA

A comprehensive set of information and advice tools exist to help citizens and businesses as well as for communication between authorities of different Member States. Most of these are managed and funded by DG GROW.

With regards to information and advice for **citizens and businesses**, the main tool is [Your Europe](#): In addition to online information, the Europe Direct Contact Centre offers a free telephone hotline, e-mail and web-assistance service by multi-lingual staff. Further, citizens and employers can get individual advice by a team of independent lawyers (Your Europe Advice) covering all EU languages. Your Europe Business offers information for start-ups and business development across Europe including finance and funding opportunities as well as links to national contact points.

The main tool under the lead of DG EMPL is the [EURES portal](#) for jobseekers and employers offering also information on working and living conditions, a helpdesk and a chat function. In addition, DG EMPL offers information on [EU rules for social security coordination](#) including rights in each EU Member State ([Your rights country by country](#)) and a link to Your Europe Advice. In July 2017, the [Electronic Exchange of Social Security Information](#) has been established. This will gradually replace paper-based communication between national institutions on cross-border social security files.

Authorities can use the comprehensive Internal Market Information System ([IMI](#)) developed jointly by the Commission and the Member States. It is an information network linking up national, regional and local authorities across borders. IMI covers eleven areas such as professional qualifications, services (foreign companies), posting of workers as well as case handling of complaints (SOLVIT). A performance monitor compares the speed in accepting and answering requests and other indicators.

In the **transport sector**, a priority sector within the future ELA, the European Commission Directorate General for Mobility and Transport (DG MOVE) set up a **European Register of Road Transport Undertakings** ([ERRU](#)) in 2013 as required by Regulation (EC) No 1071/2009 on access to the profession of road transport undertakings. The ERRU applies the common classification of serious infringements of the EU road transport rules adopted in 2016.

Fig. 1: Information and problem-solving tools for citizens and businesses

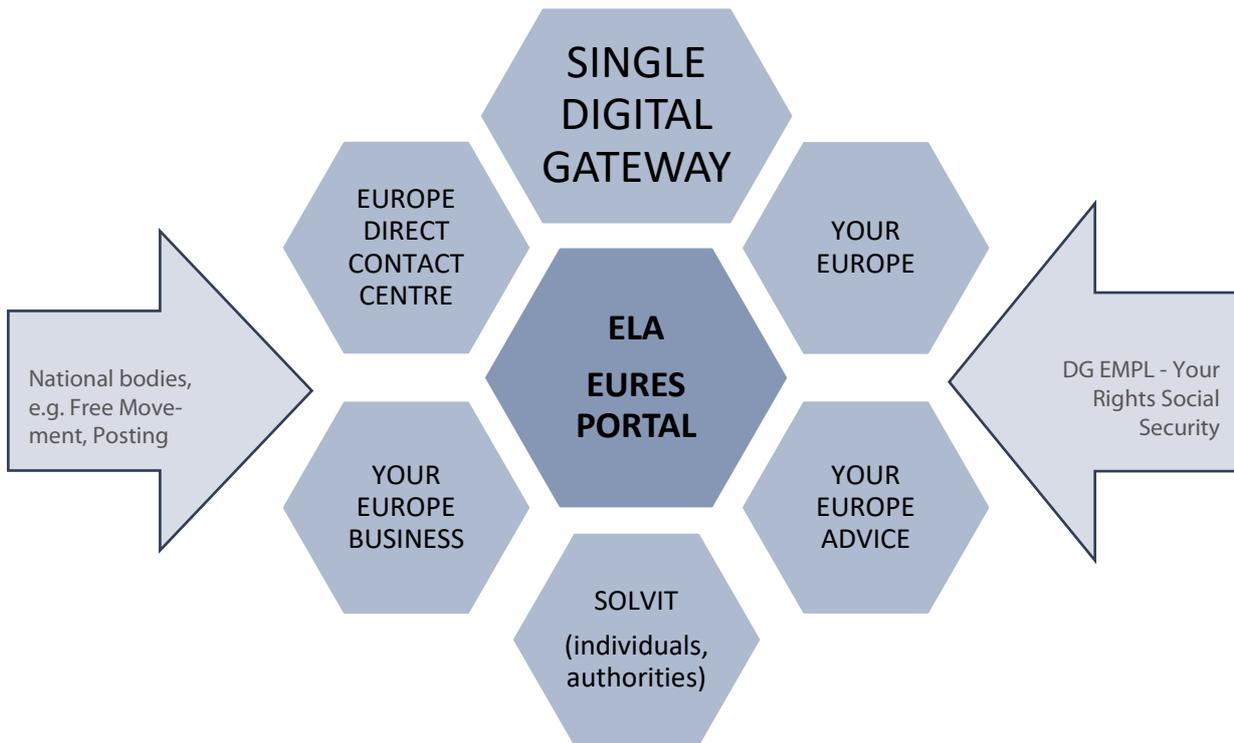
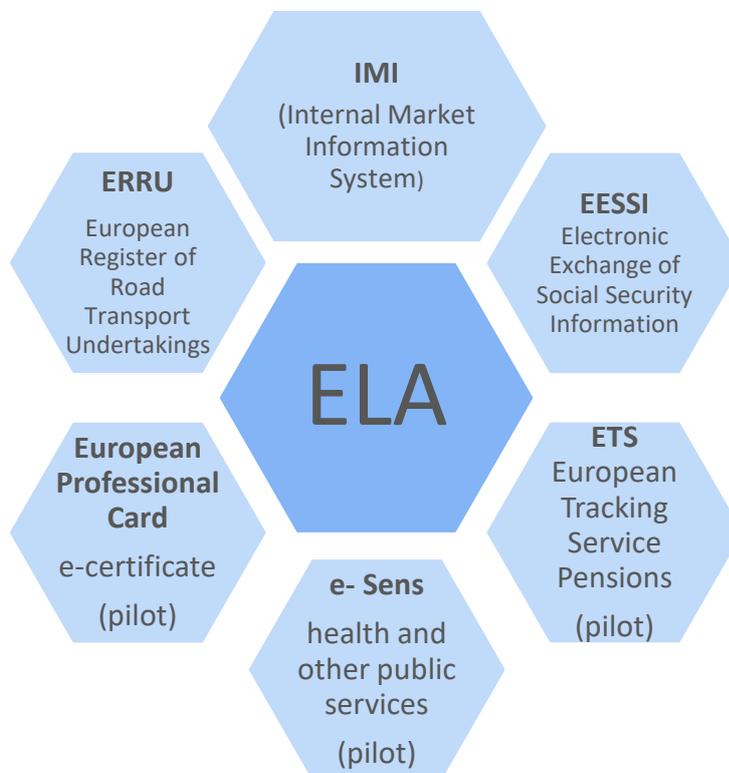


Fig. 2: Tools for communication between national authorities



Source Fig 1, 2: European Commission: Impact Assessment (2018), Annexes 8, 9; own compilation

At national level, a number of bodies are relevant for the work of the ELA, such as **national liaison offices** (posting workers), **free movement bodies** with a view to equal treatment and legal assistance and the EURES National Coordination Offices. All have been established according to requirements set by the corresponding directives or regulations.

Moreover, ELA can build on the experience from several **European pilot projects** promoting the development of electronic tools, such as the [European professional card](#) – an electronic certificate that can be obtained in an online procedure for five professions so far, the [European Tracking Service for pensions](#) and the e-SENS. The latter has developed IT solutions for cross-border communication which can be applied to any policy domain.

Given the **fragmented and diverse landscape** of European online tools, in [May 2017](#), the European Commission (DG GROW) has published a Proposal for a Regulation of the European Parliament and of the Council on establishing a [single digital gateway](#) to provide coherent and quality information, procedures and assistance for problem-solving services. The gateway aims to extend and integrate both national and European portals with a view to creating a user-friendly information system. Applying the "once-only" principle, important data already collected by national authorities will only need to be submitted once. It will be possible to re-use it in the most important cross-border procedures. EURES is one of the seven assistance and problem-solving services included.

Taking account of all existing instruments, the **ELA will have to specify its specific role as contributor to and user of existing EU tools**. The **proposal for a Regulation gives already some indications**: In general, the ELA shall improve the quality and ensure updates from national information services in accordance with the standards set by the Digital Single Gateway. In addition to further developing and if possible streamlining information for jobseekers and employers under EURES, ELA shall in particular:

- ◆ **support Member States in fulfilling their information obligations** in accordance with the requirements set by the Regulation on free movement of workers and the Directives in the field of posting workers (Art. 6);
- ◆ **promote the use of electronic tools and procedures** for message exchange between national authorities, including the Internal Market Information (IMI) system and the Electronic Exchange of Social Security Information (EESSI) system (Art. 8.3) .

Establishing a more detailed operational plan will be a key task once the European Labour Authority is in place.

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