



A new European Internal Market for the construction industry

A realistic reform plan

- > An adequate legislative framework for the construction industry
- > Responsible public procurement
- > Cross-border exchange and use of electronic data
- > Towards a sustainable and green construction industry
- > Promoting genuine entrepreneurship
- > Towards genuine posting
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- > A European social security number for workers, used to determine whether a person is receiving social security protection
- > A European social security card for all workers
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- > Centralised national business registers and European certification of construction companies
- > A legislative proposal on unfair trading practices
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- > Restoring and strengthening bilateral industrial relations in the construction industry at national level
- > Efficient and effective management and monitoring of companies and workers from non-EU Member States

The European Federation of Building and Woodworkers is a sectoral European trade union federation representing approximately 1.6 million workers in the construction, wood and furniture industries in 34 countries. 77 national trade unions are affiliated to the EFBWW. The EFBWW advocates and defends the rights of the workers at EU level. The EFBWW is affiliated to the European Trade Union Confederation (ETUC) and works closely with the international federation BWI and the other European trade union federations.

1.

Introduction:

This brochure is a summary of the European Federation of Building and Woodworkers vision for the future of the European Internal Market.

Our overall vision of the European internal market is that the principle of “*equal pay for equal work at the same workplace*” should be at the centre of the European Internal Market. For this to happen it is needed to develop a fair competitive model, based on innovation, productivity, skills and qualifications. Our vision is also a response to the increasing turmoil within the EU, which we believe is a result of a lack of promoting social progress in the European Union.

2.

Current situation in the construction sector

Construction is a vast and a highly diverse industry which in 2016 consisted of more than 3.4 million companies and employed more than 14 million workers in 2013. Most construction workers (97%) are employed in small and medium-sized companies with fewer than 20 employees. The construction industry also has a strong economic multiplier effect on many other sectors (such as wood, concrete, steel, glass, and furniture). Furthermore, 43% of all postings within the EU take place in the construction sector

3.

Improving the European Internal Market for the construction industry

An adequate legislative framework for the construction industry

The construction industry needs an adequate legislative framework, proper application of the rules, efficient and effective prevention, adequate controls and proper enforcement of labour laws. The EU should neither hinder necessary preventive control and sanctioning measures at national level, which are designed to combat social fraud and abuse and to ensure health and safety and environmental protection, nor undermine workers’ rights and industrial action.

Responsible public procurement

Today, many Member States still have a narrow focus on the lowest price when choosing contractors for large public construction projects. With this in mind, the EFBWW first and foremost calls for the Commission to ensure that the current public procurement Directive is properly implemented and applied in all Member States.

Cross-border exchange and use of electronic data

The EFBWW proposes the establishment of a European easy-to-use, fast, reliable, automated, encrypted and interoperable IT infrastructure for use by national authorities, institutions, social inspectorates, prosecutors and the competent national social partner enforcement bodies.

Towards a sustainable and green construction industry

Building a sustainable construction industry requires the EU to invest in upgrading its workforce's professional skills and qualifications, especially in connection with the green agenda. To secure the future of the construction industry, the EFBWW demands a stronger focus on lifelong professional training and a smooth transition from education to professional life, and the apprenticeship system must be fostered and upgraded.

Promoting genuine entrepreneurship

Falsely self-employed workers are essentially regular workers who have inappropriately been stripped of their social rights and protection. Falsely self-employed workers have less social protection and are not covered by collective bargaining agreements. The EFBWW urges the European Commission and the Member States to put an end to false self-employment.

Towards genuine posting

Each year, we observe an increase in cross-border social fraud and abuse. Posting of workers should be based on the principle of "equal pay for equal work at the same workplace". Member States must be allowed to set up efficient and effective prevention, control and sanctioning mechanisms at national level. The EFBWW urges the European Commission not to (ab)use its power to promote free movement of service providers in order to curtail Member States' powers to tackle cross-border social fraud and abuse.

Creation of single points of contact for workers

Single points of contact for workers should provide the information that workers need before moving to another country, including administrative information and information about legal rights and obligations, wages and trade unions.

A European social security number for workers, used to determine whether a person is receiving social security protection

The EFBWW strongly supports the introduction of a European social security number. This would allow labour authorities and unions to identify workers on construction sites and gain information about where they are working, along with details of their wages, working conditions and social security protection.

A European social security card for all workers

The EFBWW proposes that all workers must be in possession of a European Social Security Card issued by the social security authorities of their country of origin. Through the European Social Security Card, workers would know whether their employer has declared them to the national social security authority. This would have a self-regulating effect and substantially facilitate the work of national labour inspectorates and trade unions.

Introduction of a mandatory prior notification of posting

All countries should have a mandatory prior notification of posting for all construction workers, regardless of their employment status. This would give authorities an overview of who is at which construction site, the job they are there to perform, and the company that hired them/for which they are working.

An unconditional system of chain liability for clients and main contractors

An unconditional system of joint and several chain liability would make clients, main contractors and all contractors in the chain jointly responsible for actions taken by their subcontractors and insourced companies. The EFBWW proposes a European model for the whole supply chain within the European construction industry.

Centralised national business registers and European certification of construction companies

Transnational transparency of business must be improved. Currently it is hard for national authorities to determine companies' origin, the location of their base in the host country, their owner, ... All Member States must set up transparent and accessible centralised digital national business registers. These registers could be linked to a system of European certification for construction companies.

A legislative proposal on unfair trading practices

The European construction industry urgently needs EU legislation on unfair trading practices (UTPs). This should set a fair and transparent benchmark for the entire construction process. It should also include a complaint mechanism and proper prevention, control and enforcement tools (including corrective measures and penalties).

Guarantee of the average or prevailing wage in countries without a collectively-agreed or legal minimum wage

Workers posted to a country without a collectively-agreed or legal minimum wage should be guaranteed to receive at least the average or prevailing wage in the country to which they are posted. This is necessary to ensure that posted workers cannot be used to drag down local incomes.

Restoring and strengthening bilateral industrial relations in the construction industry at national level

A sustainable construction industry, needs an effective autonomous bilateral system of social dialogue at national level. National sectoral social partners have great knowledge of their national challenges and know best what needs to be done. The EFBWW demands concrete EU actions against those Member States that have dismantled or cast aside the autonomous sectoral system of bilateral industrial relations. In addition, the EU must step up its efforts to put in place real sectoral social dialogue systems.

Efficient and effective management and monitoring of companies and workers from non-EU Member States

In recent years, there has been a significant increase in the number of companies and workers from non-EU Member States (also known as 'third countries') working in the European construction sector. We are not referring to refugees or asylum seekers, but to non-EU companies and workers working directly in the European construction sector from a third country. These workers gain access to the European construction sector in a number of non-transparent ways. The EFBWW highlights that this development entails the serious danger of new, hidden forms of social exploitation (and even cases of trafficking in human beings), as well as an unfair risk of displacement of EU construction firms and workers. The European internal market must be especially vigilant. Greater transparency and appropriate preventive, monitoring and sanctioning measures are necessary to combat all forms of social fraud and exploitation of third-country workers.



**European Federation
of Building and Woodworkers**
Rue Royale 45, 1st floor
B-1000 Brussels

www.efbww.org