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Challenges and good practices in the provision of information on the posting of workers*

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Introduction

One of the main objectives of the Enforcement Directive (2014/67/EU) is to improve access to information on the regulatory framework on posting by mandating the establishment of free-of-charge public channels that present the essential information in a "clear, transparent, comprehensive and easily accessible way at a distance and by electronic means". To achieve this goal, the Enforcement Directive obliges EU Member States to create a single official national website and to provide by any other suitable means "which terms and conditions of employment and/or which parts of their national and/or regional law are to be applied to workers posted to their territory" and to appoint a "contact person at the liaison office in charge of dealing with requests for information" (Art. 5).

Keywords:

posting of workers, construction sector, access to information, Austria, Belgium, Italy Following the introduction of these obligations, all Member States have set up the single official national posting websites to improve access to information on posting.¹ Additionally, various national and EU institutions, social partners, NGOs and private service providers have set up their own channels containing information on administrative posting procedures and mandatory terms and conditions of employment. However, over the years, various challenges have made it problematic to fully achieve the objective for improved access to information.

This policy brief focuses on the main challenges that posting companies may face in accessing information when providing services in these countries, and on the good practices that information providers have adopted to overcome these difficulties in three receiving countries: Austria, Belgium and Italy. These three coun-

- 1 See: <u>Your Europe Posted Workers</u>
- * The results presented here are based on research conducted in the frame of the project 'Assessment of the channels of information and their use in the posting of workers' [INFO-POW]. This publication has received financial support from the European Social Fund+ (ESF) and Social Prerogatives and Specific Competencies Lines (SocPL), Call ESF-2021-POW (project number 101059290). For further information please consult: https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-details/esf-2021-pow-01. The information contained in this publication does not necessarily reflect the official position of the European Commission. We are grateful for comments received from Elif Naz Kayran and Kristina Toplak. We also thank Amalia Solymosi for editing and layout.

tries were selected because of their posting and construction profile and because of the complexity of the collective bargaining system, which is also reflected in the determination of the applicable terms and conditions for posted workers. In these three countries, the construction sector plays an important role in the national economy both in terms of contribution to GDP and in terms of employment.² Over the years, the posting of workers has become a relevant phenomenon for all three countries, although it has taken on different characteristics due to the specific features of the national labour markets. In the case of Belgium and Austria, there has been a strong increase in the number of incoming postings due to the shortage of labour in the internal market in the face of increased investment in this sector (Danaj et al., 2023; De Smedt and De Wispelaere, 2023). Italy, on the other hand, tended to keep the number of incoming postings relatively constant, while it recorded a strong increase in outgoing postings in correlation with the crisis in the construction sector following the global economic crisis of 2008 (Cillo and Perocco, 2023). Apart from the importance of posting in the construction in these countries, they also have a complex collective bargaining system that can make it difficult to determine what terms and conditions apply to incoming posted workers, particularly with regards to remuneration. In the Austrian and Belgian cases, collective agreements are negotiated at national, regional and sectoral levels, while in Italy collective bargaining takes place both at national level and at a secondary level (i.e. company or provincial) in each sector. Furthermore, in these three countries, posting companies in the construction sector must register their employees with the construction workers' funds.

The brief is based on the main findings of the <u>INFO-POW project</u>, which aimed at understanding how transnational posting and receiving companies of the construction sector find and use information in their interaction with national institutions and how that affects their correct application of the posting rules and the protection of labour as well as social standards (Danaj et al., 2024). The first part presents the main challenges faced by sending construction companies in accessing information on posting and on the employment conditions of posted workers in these three receiving countries; the second part focuses on the best practices identified in these countries to address these challenges. The findings discussed in the brief are drawn from the country reports on Austria (Danaj et al., 2023), Belgium (De Smedt and De Wispelaere, 2023) and Italy (Cillo and Perocco, 2023). They have been identified through semi-structured interviews with 23 experts in the three case countries as well as stakeholders in charge of providing direct information either to other authorities or posting and/or user undertakings, including

² In 2020, the Austrian construction sector accounted for 10.7% of employment and 10.6% of the country's gross domestic product (Danaj et al., 2023). In the Belgian case, the construction sector generated a share of 5.4% of total gross value added and accounted for 5.9% of employment (De Smedt and De Wispelaere, 2023). As for Italy, the construction sector accounted for 7.9% of employment and 5.8% of the country's gross domestic product (Cillo and Perocco, 2023).

respondents from public authorities, employers' associations, trade unions, bilateral bodies, and private consultancies.³

Companies' challenges in accessing and using posting information in the receiving countries

The spread of the posting of workers has led to a growing demand for information on the part of sending and receiving companies, as well as to a proliferation of institutional, social partner and private channels providing information, both online and offline, on the regulations in force and the procedures to be followed (Danaj, Kayran, Prinz, 2023). As the empirical material of the INFO-POW project has shown, companies face various (and similar) challenges both in terms of access to and understanding of the information material they use (De Smedt et al., 2023). These difficulties are first and foremost linked to the fact that employers' compliance with the posting rules requires access to a variety of information sources and channels, as it involves specific bureaucratic procedures as well as compliance with tax and social security obligations, immigration law, and the labour standards of the receiving country. This difficulty is heightened by the lack of homogeneity in administrative procedures and regulations between countries when it comes to the implementation of the EU Directives on posting, which are not always clearly explained on the single official national websites of the receiving countries - as reported by Italian respondents (Cillo and Perocco, 2023). Additionally, online channels usually "provide 'standardised' responses to general questions and do not allow for any interactive element [...] [while] the heterogeneity in the posting of workers is large and, therefore, individual advice for companies and individual workers is often needed" (De Smedt and De Wispelaere, 2023).

Language barriers are one of the challenges most often mentioned by respondents from the three countries Although the single official national websites of most Member States provide information materials translated into English and the main languages of the countries from which they receive posted workers, language barriers are one of the challenges most often mentioned by respondents from the three countries (Danaj et al., 2023; De Smedt and De Wispelaere, 2023; Cillo and Perocco, 2023). For example, in the Italian case, the Ministry of Labour and Social Policies only recently added the Romanian and German version to cover the needs of two of the major sending countries, and in the case of Belgium, the single official national website provides information in Dutch, French, and English but not (yet)

³ The empirical data were collected through: 10 interviews conducted by the research team of the European Centre for Social Welfare Policy and Research (Austria, March - May 2023); 5 interviews conducted by the research team of HIVA-KU Leuven (Belgium, March - May 2023); 5 interviews with 8 respondents conducted by the research team of Ca' Foscari University of Venice (Italy, January - May 2023).

in German (one of the official languages of Belgium) or in Polish (one of the main sending Member States to Belgium).

One of the most critical challenges is the definition of the correct working conditions

In addition to these more general issues about the channels, there are also specific topics where companies face difficulties in accessing clear and understandable information. One of the most critical areas is undoubtedly the determination of the correct information on pay, particularly in terms of remuneration and collective agreements in the receiving country to be applied for posted workers in line with the provisions of the revised posting Directive (EU) 2018/957. In the Italian case, the Ministry of Labour and Social Policies provides indications on wages in the three main sectors in which posted workers are employed (construction, metalworking and transport sectors). With regard to the applicable collective agreements, however, it only provides a link to the National Council for Economics and Labour database, which contains more than 1,000 national collective agreements for all sectors, without providing any translation from Italian.

Obtaining clear information on the mandatory registration of posted employees to the Italian construction workers' funds can be a challenge An additional challenge is related to the mandatory registration of posted employees to construction workers' funds in case of employment in the building sector in the three countries examined. For instance, in Belgium, posting companies should pay a contribution to the Welfare Fund for the Construction Workers and sending companies may have difficulties in understanding which collective agreement and which pay categories as well as scales based on seniority, training and other qualifications to apply. In Italy, it is mandatory to register posted workers with the construction funds in the province where the sending company is providing its service by referring to the local headquarters of the National Bilateral Construction Industry Board. However, this information is not included in the single official national website, as in the Austrian case,⁴ but is provided through information channels managed by social partners and the National Bilateral Construction Industry Board. Thus, in many cases sending companies based in countries without mutual recognition agreements⁵ do not carry out the compulsory registration, even if they receive information before the posting from social partners or bilateral bodies, and consequently posted workers do not receive the part of the salary paid through the construction funds.

Finally, a further difficulty that emerged in all three case studies relates to the costs that can be involved in accessing and correctly using posting information, particularly in the case of small and medium-sized enterprises that do not have in-house trained staff. The combination of the difficulties just described has led to the outsourcing of the process of accessing and using information from posting undertakings to private firms and/or employers' organisations, which have

⁴ See 'Posting of workers platform'

⁵ Italy has mutual recognition and exemption agreements with Austria, Germany, France and San Marino.

developed consultancy services that are accessible only to members and/or for a fee. This trend favours the companies that are economically able to bear the costs of accessing (in-house and/or external) consulting services, thus excluding part of the companies in the construction sector from the free access to the single market.

Good practices in the provision of information

As emerged from the findings of the INFO-POW project, the challenges faced by sending and receiving companies in accessing and using information on posting have stimulated information providers to improve the provision of information in terms of quality, content and availability. According to respondents from Italy, the single official national websites of those Member States that have been the main recipients of posted workers for the longest time – as in the case of Austria, Belgium, France and Germany – offer the most comprehensive information for sending companies. For instance, the Austrian posting website is very comprehensive on posting to Austria with up-to-date information and includes a wage calculator (Danaj et al., 2023), while the Belgian website includes detailed information on the national and sectorial collective agreements that must be applied and links to sites that provide information to self-employed workers.⁶

The issue of language barriers can be overcome Another good practice addresses the issue of language barriers: in the case of the Italian single official website, the addition of the German and Romanian translations to Italian and English was made taking into account the needs of companies and workers of the main countries posting workers to Italy. A similar criterion was also adopted by Austria, which added translations into Hungarian, Polish, Czech, and Slovak to the German and English versions.

Direct contact between companies and information providers is particularly important

With regard to the challenges related to administrative procedures and the existing regulations, the three case studies showed that direct contact between companies and information providers is particularly important. This need has led both public authorities and business associations to provide dedicated services to companies in various ways. To respond to inquiries about individual cases, there is a tendency to favour direct contact through face-to-face appointments, by phone or through email. For instance, the Austrian regional chambers of commerce are mainly contacted via email and phone to obtain information about procedures on posting and reporting obligations and the applicable collective bargaining agreements. As it turned out in the case of employers' associations and bilateral bodies in the construction sector in Italy and Austria, information providers follow a pyramid model: companies contact the local office, which, if it is unable to provide an adequate answer, asks the regional or national offices for clarification.

For Austria, see: '<u>Posting of workers platform</u>';
for Belgium, see: '<u>Working conditions provided by collective agreements made compulsory</u> <u>by Royal Decree</u>' and '<u>Concept and formalities</u>'

In addition to these "individual" channels, information providers come into direct contact with companies through information and training sessions. As emerged from stakeholders' interviews in Belgium and Italy, these sessions are considered an important channel to target companies and to provide general information on posting and specific updates on legislative news. For example, in October 2023 the Belgian National Social Security Office organised a basic training on international employment targeting a very broad audience, including consultants, workers, and students (De Smedt and De Wispelaere, 2023). In the Italian case, one of the responding business organisations reported that it organised training events for sending and receiving companies, with the participation of public authorities, employers' organisations and bilateral construction bodies as speakers, while another business organisation organised workshops involving social partners and private consultancies from both the receiving and sending countries as trainers (Cillo and Perocco, 2023).

Transnational cooperation is emerging between information providers

Other good practices are linked to the transnational cooperation that is emerging between information providers. An example of this is the mutual recognition and exemption agreements on the mandatory registration of posted workers to the construction funds, which were signed by the bilateral bodies of Italy, Austria, France, Germany and San Marino. Another example is the development of transnational networks involving employers' organisations and private consultancies from different countries – as in the case of an employers' organisation and a private consultancy based in Italy, which provide information to Italian sending companies in cooperation with analogous organisations or consultancies operating in the receiving countries.

The good practices identified by the INFO-POW project show how the growing diffusion of the posting of workers and the information demand coming from sending and receiving companies have pushed information providers to develop new ways to facilitate access and correct use of posting information. In particular, the examples reported above highlight how a multifaceted offer is being developed, which is aimed both at individual companies and at all the actors involved in the posting of workers. Another peculiarity of the good practices identified by the INFO-POW project is linked to the growing degree of transnational cooperation between the various information providers.

Expanding these different good practices and applying them at EU level is certainly a first, important step to facilitate and improve the correct application of existing regulations by companies, and also to guarantee workers better and more comprehensive access to information on their rights.



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