ELA Activities in the Construction Sector (2023-2024)

This booklet provides an overview of ELA’s activities in the construction sector in 2023-2024 aimed at improving cross-border workers’ and companies’ conditions in the construction sector:

- summary of the main achievements
- challenges, and
- lessons learned.

ELA’s objectives in the construction sector

1. To improve accessibility and availability of information on the applicable rules on posting of workers.
   For this purpose, ELA developed and disseminated an EU-wide awareness raising information campaign and various information materials, such as leaflets and videos, and organised dedicated in person information events.

2. To support Member States in tackling abuses and circumvention of the applicable legislation and increase their participation in cross-border enforcement activities.
   For this purpose, ELA facilitated and coordinated cross-border inspections in the construction sector and information exchanges among national authorities.

3. To build a more coherent understanding of the legal context, existing challenges, and the requirements for cross-border cooperation and procedures among national authorities.
   In order to achieve this objective, ELA organised a series of events with national experts and stakeholders to share experiences, good practices, and recommendations.

4. To address labour shortages in the construction sector by providing tailored support to employment services and advisers.
   To this end, the EURES network facilitated recruitment events and training webinars specific to the construction sector, promoting job opportunities and providing practical advice.
All these objectives were supported by analytical work with the main outcome, the ELA report on the provision of information, enforcement, social security coordination and cooperation between Member States in relation to the posting of workers in the EU construction sector and complemented by many capacity building activities to provide training and guidance on how to detect and prevent fraudulent practices.

Analytical Report focused on the construction sector

The ELA report, published in September 2023, identifies the challenges and opportunities in EU labour mobility in the construction sector by analysing labour mobility patterns, exploring issues identified by national authorities and social partners, and providing examples of effective approaches.

Main findings

Construction Sector in the EU:

Vital to EU economy, employing 13 million people and contributing with some 5.5% of gross value added (GVA), the sector is characterised by subcontracting and use of temporary work. There are prevalent labour shortages among EU Member States.

In 2021, one in four Portable Documents A1 (PDs A1) was issued for services in the EU construction sector (this equates to a rough estimate of 833,000 PDs A1 issued for services in the sector).

Germany is the primary country where workers in the construction sector are posted.

Most companies and employers posting workers are based in Poland and Germany.

Most member states recovered from COVID-19 pandemic effects in 2021.

The most widespread violations and abusive practices in the sector include:

- non-compliance with working conditions, including occupational health and safety (OSH),
- undeclared work,
- bogus self-employment,
- fraudulent PD A1 form,
- fraudulent posting of third-country nationals (TCNs),
- use of letterbox companies.

Additional challenges faced by third-country nationals (TCNs):

Posting of TCNs is common in the construction sector. The report reveals issues related to the employment of TCNs in the EU construction sector such as:

- dependence on employers,
- language barriers,
- irregular employment,
- non-payment of social contributions, and
- increased occupational safety and health (OSH) risks.

Labour inspectorates often lack sufficient financial and staff resources to address the violations and abusive practices in the sector. They also face difficulties in identifying certain factual elements in the posting context. Moreover, the imposition of sanctions and their effective enforcement may be difficult in a cross-border situation.

Useful tools identified in the ELA Report

Checklist for genuine posting – a practical tool to help labour inspectorates to assess whether a specific posting case can be considered as genuine.

Improved cooperation among Member States and improved access to information using Internal Market Information (IMI) system concerning sanctions (to enhance cross border enforcement of sanctions).

Good inspection practices:

- use of interpreters and mediators during the inspection to communicate with posted workers,
- use of digital tools: remote access to relevant documents and national databases during inspection,
- freezing of assets of foreign employers as enforcement measure,
targeting of the inspection and good preparation,

• coordinated approach with other relevant authorities and joint inspections to check different aspects related to labour mobility and social security,

• cross-border cooperation (info exchanges between sending and receiving countries, including bilateral agreements, cross-border inspections supported by ELA).

Measures to prevent non-compliance:

The report identifies several measures that could be taken to prevent non-compliance:

• social ID cards, to attest that specific requirements (i.e. social protection, professional qualifications, OSH trainings) have been met by the employer or the worker,

• subcontracting chain liability schemes to make it possible to identify the actors in these chains, limitations on subcontracting, and

• specific public procurement rules, to ensure that EU labour mobility rules applying to posted workers on public construction sites are respected.

Information provision:

Posted workers and their employers are not always fully aware of their rights and obligations, despite numerous initiatives to improve the communication of relevant information by social partners, Member States and the European Commission.

Availability, quality and accessibility to understandable information could be improved by:

• focusing on information provision in the sending Member State;

• encouraging user undertakings and main contractors to proactively inform posting employers about wages and working conditions;

• further harmonisation of national websites;

• developing interactive user-friendly tools for workers and employers;

• providing step by step guide for employers;

• continuing to support with information translation.

Labour and Skill Shortages:

The sector struggles with labour shortages and, although some cross-border initiatives exist to address these shortages, they are often hampered by language and cultural differences as well as limited recognition of skills and qualifications.

Awareness raising information campaign: #EU4FairConstruction

The “EU for Fair Construction” campaign, launched by the European Labour Authority aimed to raise awareness in the construction sector regarding fair labour practices. It was officially launched on 17 October 2023, in Helsinki, Finland, with the hashtag #EU4FairConstruction. The main campaign period spanned from Q4 2023 to Q2 2024.

Key components of the campaign included an active social media presence, outdoor advertising (billboards, digital screens, bus stops, metro stations, on buildings and more) in selected Member States, and engagement with representatives from all Member States and EU social partners. Campaign materials were gradually released on the ELA campaign website at this link: https://www.ela.europa.eu/en/campaigns/eu-fair-construction

The campaign featured a series of videos targeting both employers and workers, covering topics such as: “Posting of Workers”, “PD A1 Document”, “Subcontracting”, “Working Conditions”, “Actions Before Posting”, “Collective Agreements”, “Third-country nationals” and “Temporary Work Agencies”.

Thematic weeks were organized throughout the campaign, focusing on specific topics such as “Posting,” “Working Conditions,” and “Subcontracting.”

The results of the campaign were highly encouraging, demonstrating significant reach and engagement across multiple platforms.
ELA’s information activities addressing the construction sector

ELA has prepared a leaflet on posting in the construction sector Know your rights and obligations available on ELA website in multiple languages (EU and non-EU) to provide information to workers and employers about their rights and obligations. Link at https://op.europa.eu/en/publication-detail/-/publication/b484c5e6-05af-11ee-b12e-01aa75ed71a1/language-en/format-PDF/source-309918353

Information events for employers

ELA organised several information events in 2023. The information events aimed to provide, with support from ELA, local employers with information from national authorities from their Member State as well as selected countries where workers are frequently posted, on the procedures, rights and obligations about posting in the construction sector. The first information session took place in October 2023 in Brussels, to inform Belgian employers about labour mobility and posting in the construction sector to and from Belgium with a special focus on posting towards the Netherlands, Germany and France. Other information events were organised in Bulgaria, Slovenia, Greece and Slovakia.

ELA is always looking for new partners for local information events! If you are interested in partnering with us, contact ELA.

Specific activities of the EURES network

European (Online) Job Days (E(O)JDs)

E(O)JDs are dynamic recruitment events that bring jobseekers and employers together. Jobseekers can find not only recruitment opportunities but also practical information and advice from EURES Advisers and other employment professionals. Employers enjoy free and direct access to a huge pool of European jobseekers interested in working in different places.

In 2023 the following E(O)JDs offering job opportunities in the construction sector took place:

- European Online Job Days (online recruitment event) dedicated to the construction sector Building Ireland: Jobs in construction and engineering, 11 May 2023,
- European Online Job Days (online recruitment event) dedicated to the construction sector Work in Flanders, 16 October 2023,
- European Online Job Days (online recruitment event) dedicated to the construction sector Building Ireland’s Future: Careers in Construction, 30 November 2023.

2023 ELA Labour shortages and surpluses report


Labour shortages in the construction sector are influenced by factors such as an aging workforce, the outflow of workers to other Member States, and the attractiveness of the sector in terms of wages and working conditions. Additionally, the structure of employment, characterized by extensive subcontracting and high levels of temporary and self-employment, alongside the sector’s reliance on foreign workers and evolving skill requirements due to green and digital transitions, further contribute to these imbalances.

Support for cross-border enforcement activities in the construction sector

The construction sector, along with road transport, was a primary focus for concerted and joint inspections (CJIs) in 2023. Since 2021 until May 2024 ELA has supported over 160 inspections, including 50 CJIs in the construction sector. Many of them took place during ELA initiated large enforcement campaigns, so called ‘Weeks of Action’. Detailed results from the Week of Action in May 2024 can be found under the following link:

**Added value of CJIs in construction:**

- more effective tackling of complex irregularities of cross-border nature in the sector,
- increase of workers’ awareness of their rights,
- increased trust between national authorities from different Member States and their capacity to act together,
- increased trust of inspected workers to enforcers speaking their language.

ELA’s support is very concrete and hands-on. It includes identification of and arranging contacts between competent authorities, organisation of operational meetings during different stages of CJIs, logistical support to cross-border inspections, translation of case-related documents, interpretation as well as analytical support.

**Preliminary findings from concerted and joint inspections (CJIs) in the construction sector**

Many CJIs targeted large construction sites and development projects, involving numerous employers, subcontractors, and workers. ELA provided a list of such construction sites in the EU helping national authorities in the selection of locations for CJIs at cross-border level. For example, two CJIs targeted a construction of a metro line and a big administrative-retail complex.

Phenomena inherent to the construction sector, such as highly mobile nature of activities, high rate of employee turnover, letter-box companies, long contracting chains and increasing use of third country nationals, make it more difficult to carry out enforcement actions.

Based on the preliminary results of the CJIs the most common presumed infringements include:

- underpayment of wages,
- breaches related to occupational safety and health standards,
- undeclared work,
- breaches of working time regulations,
- suspected non-genuine posting,
- bogus self-employment,
- unlawfully obtained social benefits,
- use of fraudulent employment agencies or letterbox companies.

**Specific actions to support tackling undeclared work in the construction sector**

**Evaluation of practices on social/labour ID cards**

Under the auspices of ELA’s Platform tackling undeclared work, practices related to using Social/Labour ID cards as a tool for tackling undeclared work, including within subcontracting chains, were evaluated. The objective has been to learn from the experiences of countries, that have implemented social/ labour ID cards, about the challenges involved, what works and what does not, and to identify good practices regarding the use of social/labour ID cards for tackling undeclared work.


**Seminar on Undeclared work in the construction sector**

ELA organised a seminar on undeclared work in the construction sector aimed at exploring existing practices, tools and approaches that deal with undeclared work in the construction sector, in particular in relation to household repair, maintenance and improvement (RMI).


Targeted capacity building activities

ELA’s focus on construction was supported by several capacity building activities, e.g.:

ELA organised a workshop on challenges in the construction sector, where labour and social inspectors dealing with posting could discuss and exchange practices relevant for the construction sector.

Training on Document Fraud for national enforcement authorities, relevant also for the construction sector.

National training centres workshop, with simulations of inspections in the construction sector, for labour inspectors in Lyon, France.

Training for labour and social inspectors, introducing a construction training module.

The 2023 Call for good practices included a construction sector topic, to identify and share initiatives in the construction sector, aimed at tackling the challenges related to posting of workers, free movement, coordination of social security systems and dissemination of information to workers and employers. Selected good practices are available on ELA website.