

Perceptions, misperceptions and facts about posting of workers as the fuel for reforming the legal framework



EU Freedoms

- Workers
- Goods and services
- Capital
- Entrepreneurship

the prospect of

**SOCIAL
PILLAR**

A map of Europe with various countries shaded in different colors: dark blue, light blue, and grey. Two horizontal arrows are overlaid on the map. The top arrow points from right to left and is labeled 'PEOPLE (WORKERS and SERVICES)'. The bottom arrow points from left to right and is labeled 'GOODS and CAPITAL'.

PEOPLE (WORKERS and SERVICES)

GOODS and CAPITAL



WORKERS

SERVICES



ECONOMIC

FISCAL

LEGAL

SOCIAL

	Posted worker	Service Provider	Service Client	Sending MS	Receiving MS	EU
	Job Higher earnings Social security	Larger (EU) market Higher standards of service	Service demand is met Quality price availability	Registered job Allocation of skills Prevents brain drain Social security revenue Increased consumption Competitive advantage	Registered job Higher Internal competition Supply of missing skills No social security burden in case of social risks No use of public infrastructure by families	Preventive tool against human trafficking External competitiveness Quality Innovation through exchange Allocation of skills Remedy for asymmetric shocks Cohesion (solidarity)



Trends and challenges

- Social dumping
- Displacement effect
- Unfair competition
- Ride to the bottom
- Fraud
- Exploitation
- Labour cost < final price
- UP/placement effect
- Competition
- Social cohesion
- Prevents fraud
- Prevents human trafficking and modern slavery

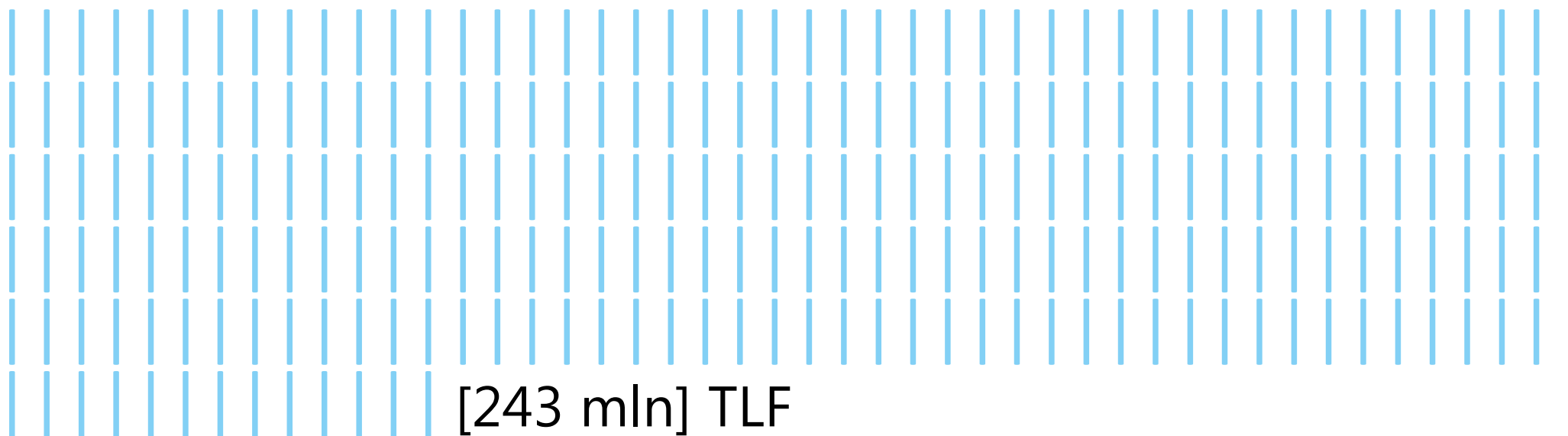
Posting of workers Trends and Challenges

Marek Benio, PhD

MADRID, 23 FEBRUARY 2017

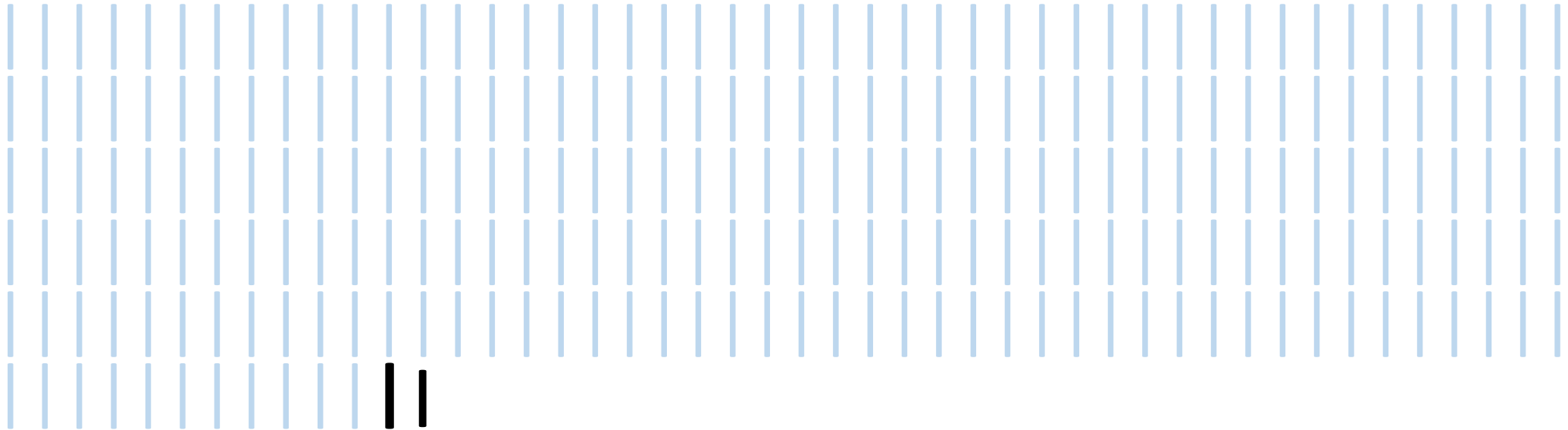


The numbers





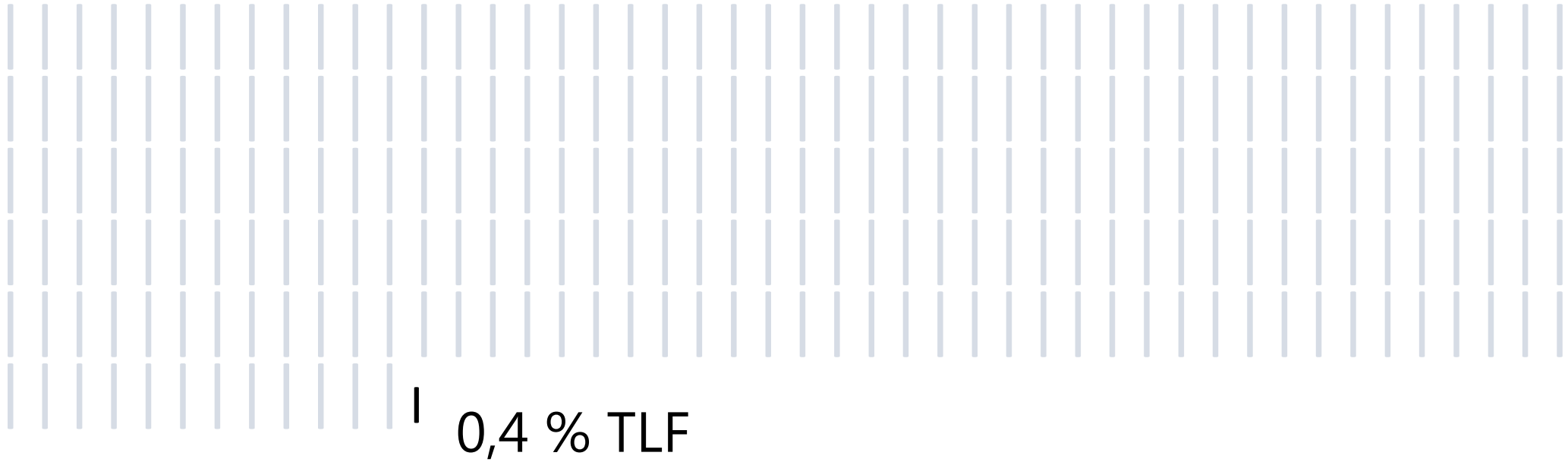
The numbers



1,9 mln PD-A1 = 0,7% TLF
(comparing documents with
individuals leads to overestimation)



The numbers

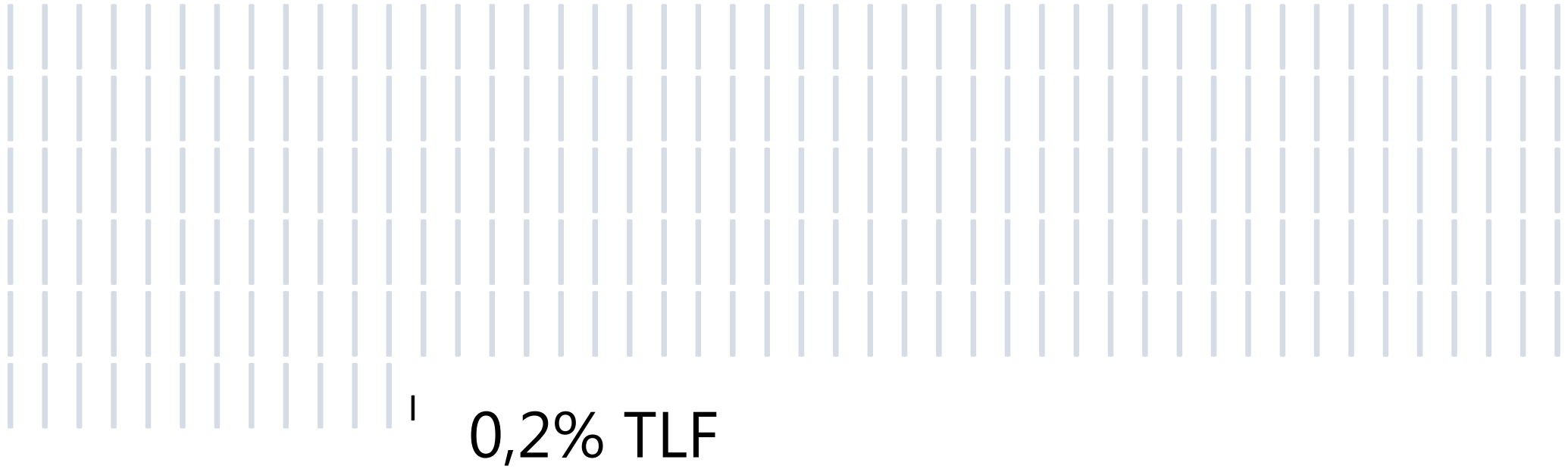


- Selfemployed

- Working 2+ MS



The numbers



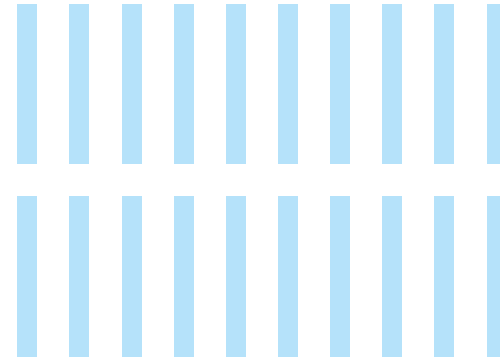
- Full time equivalents – insignificant



The numbers



POSTED
WORKER



UNREGISTERED
WORKERS



PWD Targeted Revision



When to adjust?

- Change of the economic environment
- Uncertainty of legal framework
- Public perceptions affect the wider framework

[M. Barslund & M. Busse]

- Finetuning (enforcement + national legislation)
- Fundamental (basic PWD)

A close-up, profile view of Jean-Claude Juncker, an older man with glasses, looking slightly to the right. The image is partially obscured by text on the right side.

inspiration for the survey

In our Union, the same work at the same place should be remunerated in the same manner

Jean Claude Juncker

COM proposal
minimum rates of pay -> remuneration

Equal pay? or Equal terms of pay?



Goals vs Effects

We need more posting, not less

Fairer rules

A level playing field

The proposal will create a legal framework for posting that is clear, fair and easy to enforce (...) These changes will provide better protection for workers, more transparency and legal certainty and ensure a level playing field between domestic and posting firms while in full respect of Member States' wage-bargaining systems

Marianne Thyssen



Targeted Revision

Habitual place of work

Remuneration

... same rules for temporary agency workers



Cheap labour?

LETTRE



n° 171
Juin 2016

TRÉSOR-ÉCO

**Concurrence sociale des travailleurs
détachés en France : fausses évidences et
réalités**

1681 e

1788 e

1756 e

1697 e

1619 e

1800 e

1600 e

1400 e

1200 e

1000 e

800 e

600 e

400 e

200 e

euro

France Smic

Espagne

Pologne

Portugal

Roumanie

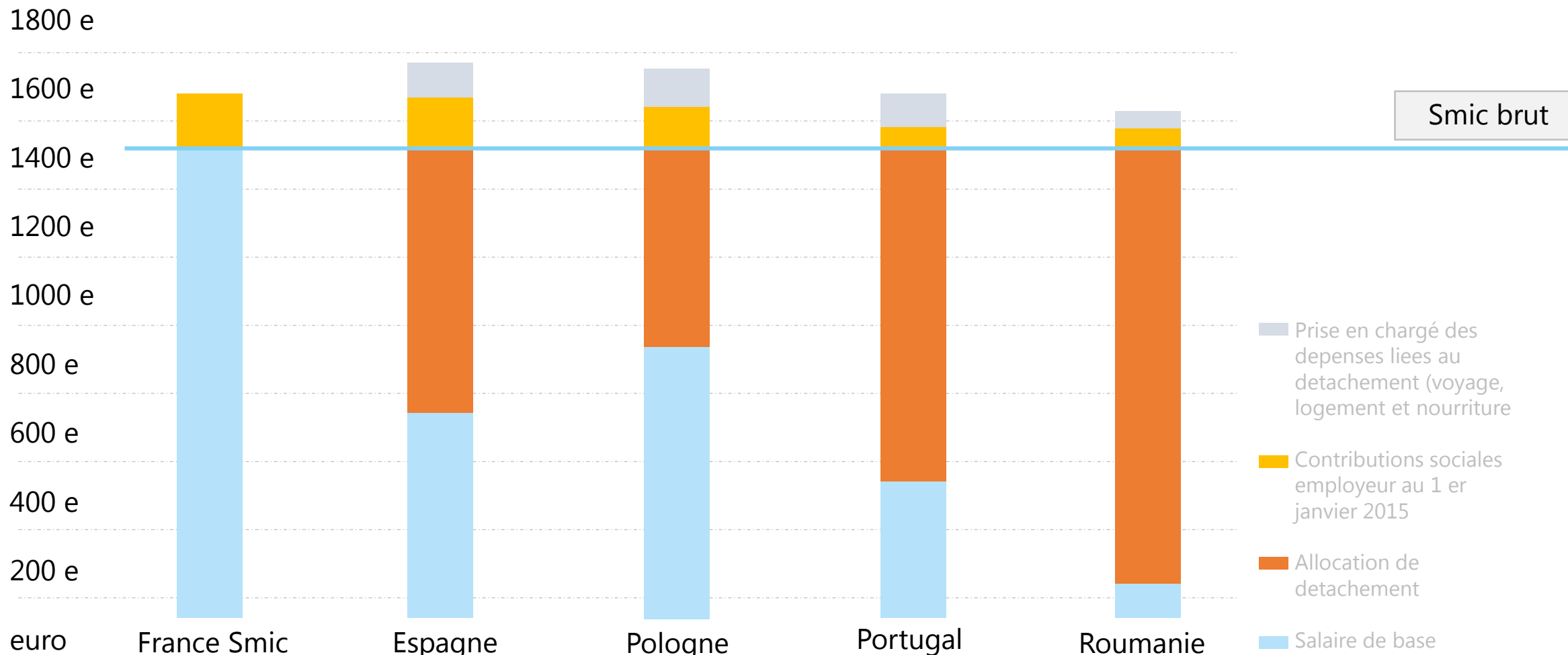
Smic brut

Prise en charge des
depenses liees au
detachement (voyage,
logement et nourriture)

Contributions sociales
employeur au 1^{er}
janvier 2015

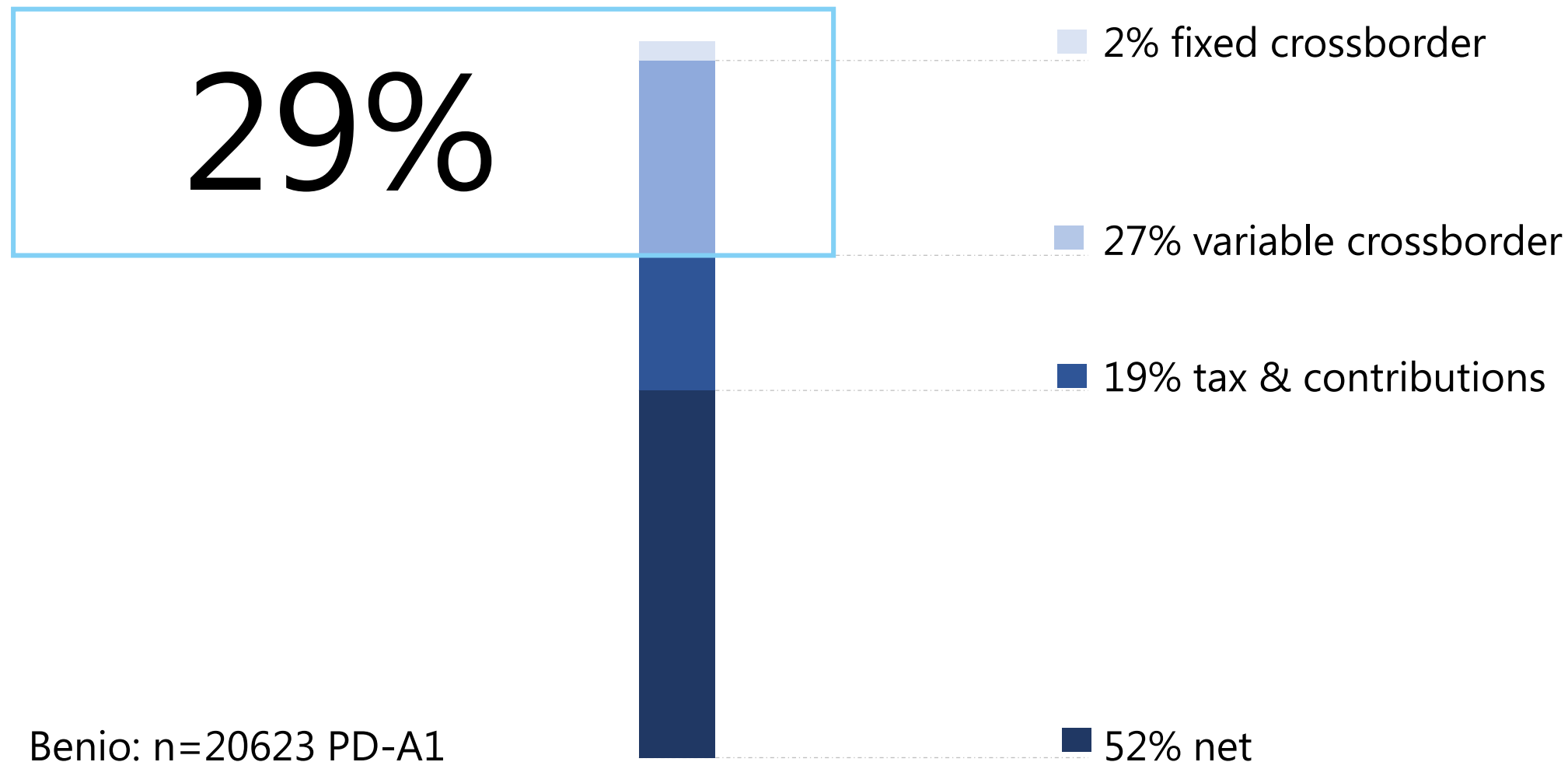
Allocation de
detachement

Salaire de base





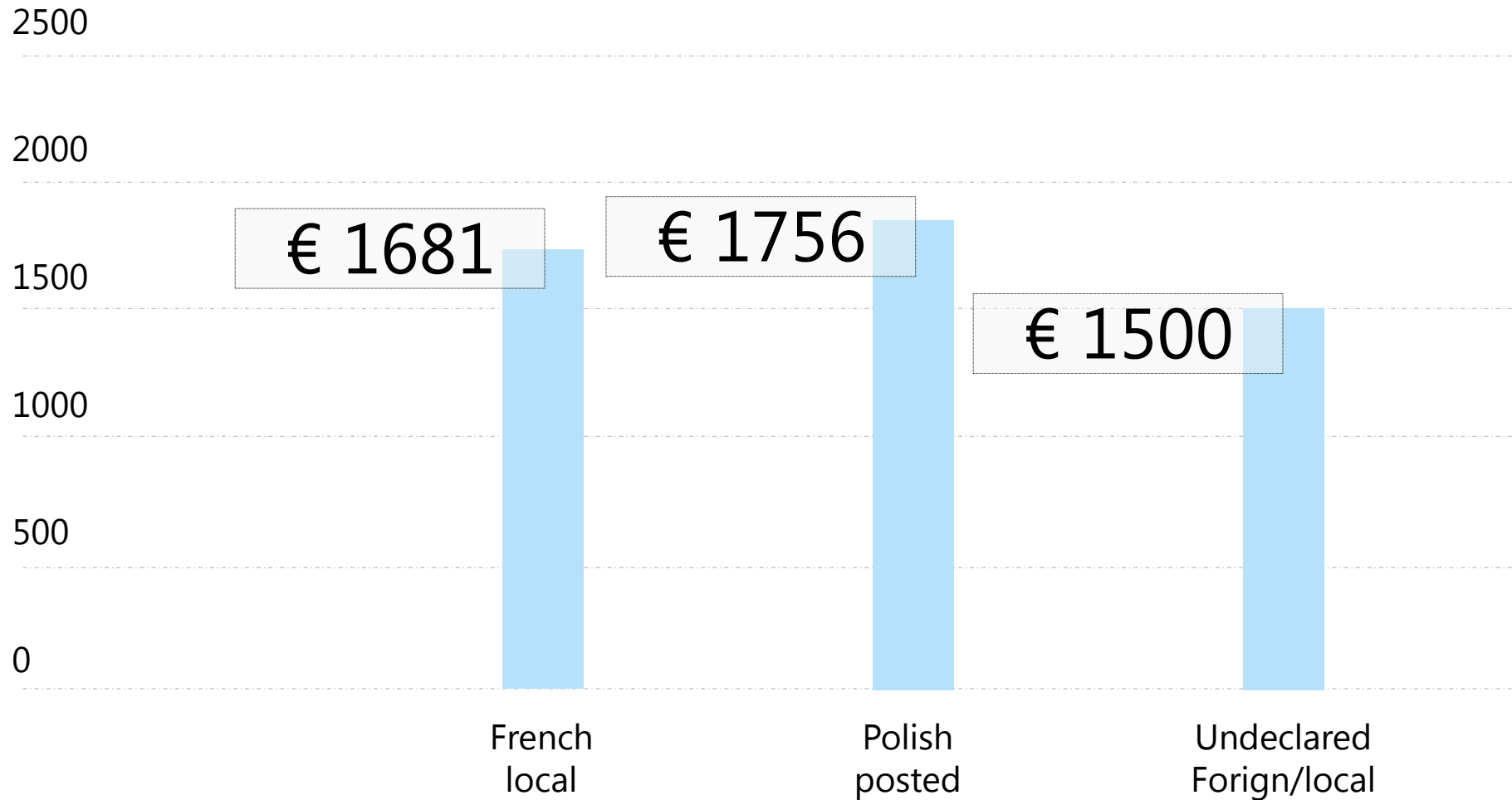
Labour Cost Structure



Benio: n=20623 PD-A1



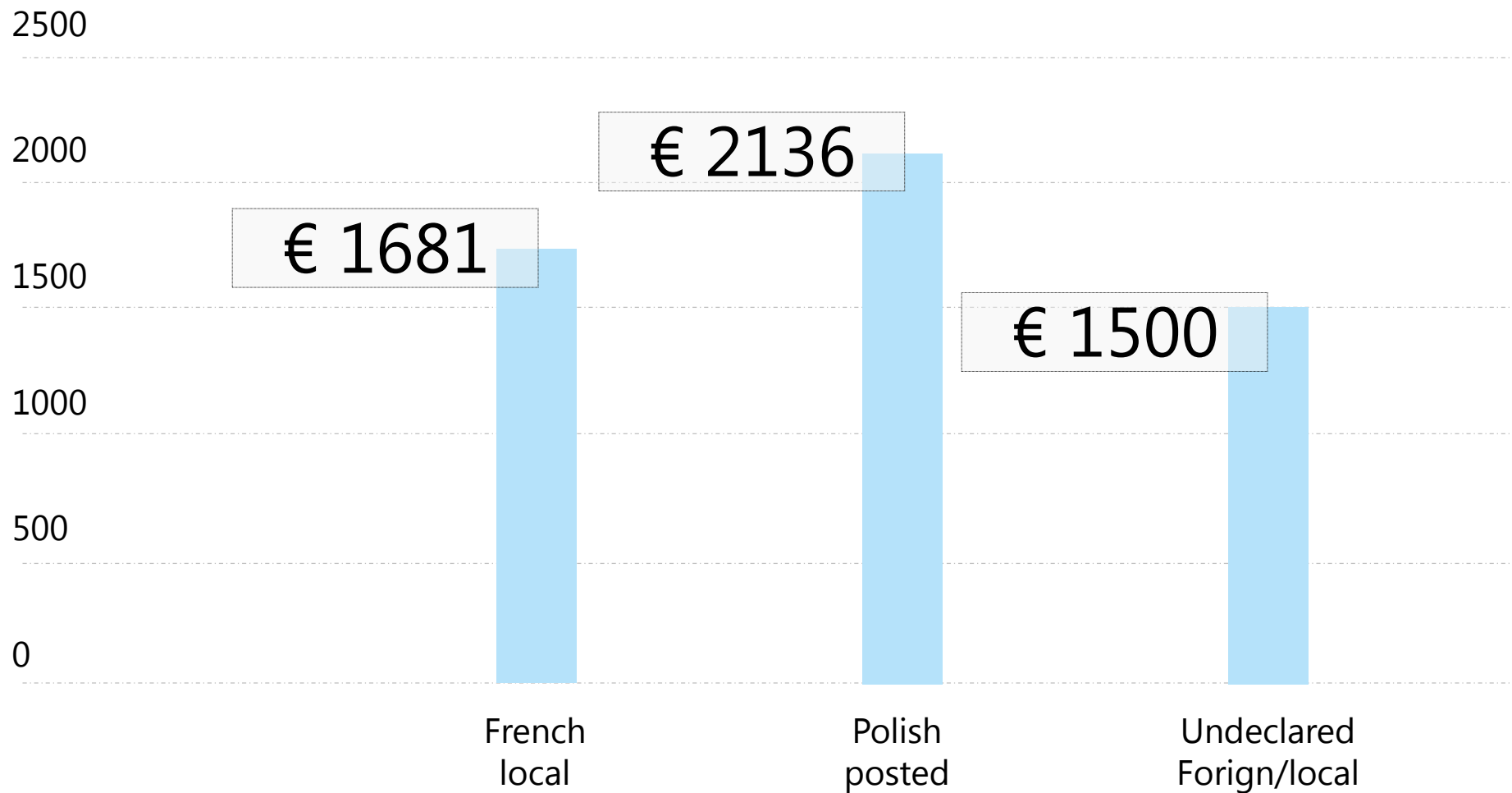
Labour cost on smic



Source:
Tresor-Eco
171/June
2016



Labour cost on smic



Source:
Tresor-Eco
171/June
2016;
Benio, 2016



Targeted Revision

Habitual place of work

Remuneration

...



Habitual place of work

Member State	A	B	C
Labour law	✓		✓
Overriding Mandatory Provisions	✓		✓
Directive (7 issues)		✓	
Social Security		✓	
PIT			✓



Habitual place of work

Strongest connection replaced by time limit in months:

- 6
- 12
- 24
- 48

The SCOPE

- ❖ Dismissal rights
- ❖ Fusions / divisions

Access to legal sources
(Generally Binding
Collective Agreements)



Competitive Advantage Mystery

- rates of pay
- margin
- social security/taxes
- work efficiency

„same same but different“

same total cost

different
cost structure



Competitive Advantage Mystery

- Price
- Quality
(time + flexibility)

No local provider

Xenophob
aka
Economic Patriot
vs.
Greedy Capitalist
Scrooge
aka
Homo
Oeconomicus