



EUROPEAN COMMISSION

*Brussels, 27.7.2018  
C(2018) 5139 final*

*Dear Speaker,*

*The Commission would like to thank the Riksdag for its Reasoned Opinion on the proposal for a Regulation of the European Parliament and of the Council establishing a European Labour Authority {COM(2018) 131 final}.*

*This proposal, presented within the framework of the Social Fairness Package, forms part of a series of Commission initiatives to deliver on the European Pillar of Social Rights and to support fair and well-functioning labour markets. It aims to contribute to the overall strengthening of the Internal Market, which is one of the priorities of the Juncker Commission.*

*Over the last decade, the number of mobile citizens almost doubled to reach 17 million in 2017. The Commission submitted several proposals to ensure that the EU legislative framework on free movement of workers, freedom to provide services and social security coordination is fit to respond to the social and economic reality in the Member States and to the challenges of the increasing mobility across Europe. However, concerns remained regarding the effective application and enforcement of these rules. The proposal to create a European Labour Authority aims at addressing this aspect by ensuring that the Authority can provide relevant information and services to individuals and employers, as well as support Member States in cooperation, information exchange, concerted and joint inspections, risk assessment, capacity building, mediation, and cooperation in the event of cross-border labour market disruptions.*

*The Commission has taken good note of the Riksdag's view that the proposal does not comply with the subsidiarity principle. The Commission is pleased to have this opportunity to provide some clarifications regarding its proposal and trusts that these will allay the Riksdag's concerns.*

*Mr Urban AHLIN  
Speaker of the Riksdag  
SE – 100 12 STOCKHOLM*

*The Commission believes that the objectives of the proposal cannot be sufficiently achieved by the Member States at national, regional or local level and can be better achieved at Union level for the following reasons: providing high quality and up-to-date information and services to citizens about their rights and obligations in cross-border situations needs to be coordinated at Union level in order to ensure a consistent, clear, and efficient approach. The application of Union law in the fields of cross-border labour mobility and the coordination of social security systems relies on cooperation between Member States. In order to increase synergies and support cooperation between Member States in the application of Union law across the aforementioned fields, to ensure legal certainty for administrations and individuals alike and to arrive at a shared understanding of enforcement needs, it is also necessary to develop a coordinated and joint approach at Union level rather than relying on what can be a complex network of bilateral or multilateral agreements.*

*The proposal was tabled because the Commission has drawn lessons from the discussions on the revisions of the Posting of Workers Directive and of the Regulation on Social Security Coordination. The need to reinforce administrative cooperation against fraud, as well as to improve the transparency of information came to the top of the agenda, both in the European Parliament and the Council.*

*As regards the added value justifying the establishment of an Authority to be charged with tasks which were formerly carried out insufficiently or not at all, the Commission thoroughly examined the current situation in its Impact Assessment accompanying the proposal. A public consultation and several targeted consultations informed the Impact Assessment, showing that there is a need to provide operational support to national authorities in various areas of cross border cooperation, as well as a need to provide readily available information to citizens about their rights and obligations. Furthermore, based on several studies produced in the context of the European Platform tackling undeclared work and by social security coordination experts, the Impact Assessment shows the limitations of the current framework with respect to the exchange of information, organising joint or concerted inspections, administrative capacities in dealing with cross-border cases, dispute mediation and finding support in the event of labour market disruptions with cross-border implications.*

*The Riksdag's Reasoned Opinion raises concerns regarding potential creation of further structures and a potential increased workload for Member States. The Commission is well aware that the set-up of the European Labour Authority would imply a number of concrete organisational challenges. In order to ensure a smooth transition, the Commission has established an Advisory Group, bringing together representatives of Member States, the European Parliament, European level social partners and other stakeholders. While not participating in the legislative process, the task of the Group is to advise the Commission on how to build the future Authority, taking into account good practices and anticipate and address possible challenges, in order to ensure that the future Authority is operational immediately after the adoption of the proposal.*

*Finally, the Commission's proposal aims to reduce existing structures as well as Member States' workload by enhancing synergies, improving cooperation and creating economies of scale, using a European coordination mechanism.*

*The Riksdag's Reasoned Opinion also raises concerns about the proposed joint inspections and mediation tasks. The Commission recalls that the key objective of the Authority is to contribute to ensuring free and fair labour mobility in the internal market. The proposal aims to strengthen and facilitate cooperation between labour market authorities in the Member States and to better manage cross-border situations, not to replace national authorities or to take over their tasks. With the proposed Authority the Commission intended to provide support from an operational point of view to deal with cross-border situations. For instance, the Authority would help national inspectors to coordinate and organise their joint control activities. It would also help national inspectors from different Member States to communicate and exchange information on companies, infringement of relevant legislation, penalties, etc.*

*With the Authority, the Commission wished to cut red tape where possible for mobile people, businesses and administrations. While doing this, the Authority will fully respect national practices, including the role of social partners, and legal framework in the area of labour inspections and mediation.*

*The Riksdag's Reasoned Opinion has been made available to the relevant Commission services. Discussions concerning the proposal are now underway between the Commission and the co-legislators, the European Parliament and the Council.*

*The Commission hopes that the clarifications provided in this reply address the issues raised by the Riksdag and looks forward to continuing the political dialogue in the future.*

*Yours faithfully,*

*Věra Jourová  
Member of the Commission*