

**EUROPEAN ACTION**  
**17 September (14-16h)**  
**EP, Strasbourg**



SUBCONTRACTING CHAINS AND INTERMEDIARIES!

# STOP EXPLOITATION

**EFBWW, EFFAT and ETF represent workers in labour intensive and fraud sensitive industries, such as construction, food, agriculture, hospitality and transport. These sectors are heavily reliant on mobile and migrant workers who often fall victim to exploitative business models which thrive on abusive subcontracting practices and unregulated labour intermediation.**



# EFBWW, EFFAT and ETF demand urgent EU action:

## Limit subcontracting and promote direct employment

Prohibit subcontracting of companies' core activities and limit the number of subcontracting tiers to one or two sub-levels. Evidence shows that long and complex chains of subcontracting contribute to unsafe work situations but also lead to collective bargaining dumping, social fraud and labour crime. Many workers employed across subcontracting chains carry out the same tasks in the same workplace as directly employed workers, but work longer hours, receive lower wages, have higher health and safety risks and suffer more insecurity. Direct employment should be the standard. Where workers are not directly employed, full equal treatment –with equal pay for equal work at the same workplace at its core – is a non-negotiable principle.

## Full chain liability: All parties must be held responsible

Establish a system of joint and several full-chain liability covering both cross-border and domestic situations, ensuring that all entities - client, contractors and subcontractors - are held liable for workers' rights violations occurring across the subcontracting chain. Not only would this create legal certainty, foster equal treatment and more thoughtful business practices, it would also enable workers to more easily seek and achieve their entitlements and compensation for abuse and negligence. All too often workers are made effectively powerless in case of rights' violations including non-payment of wages and accidents at work. Similarly, the correct amount of social security contributions and entitlements can be better guaranteed.

## Ban agencies in posting

Eliminate the use of labour intermediaries in posting and promote direct jobs. When it comes to posted workers, intermediaries mainly act as labour-only suppliers which, within cross-border subcontracting situations, make a profit from undercutting wages, the underpayment of social security and tax dumping. Agencies do not fulfil the criteria for genuine posting as outlined in the 2014 Enforcement Directive.

## Regulate labour intermediaries

Create an EU community licence for recruiting and placement agencies, and other intermediaries. It should be prohibited to charge recruiting costs and travel expenses to workers. In some sectors, it is clear that intermediaries must be banned altogether. The shortcomings of the Temporary Agency Workers Directive need to be tackled.

Exploitation in our sectors often results from a lack of transparent recruitment procedures carried out by labour intermediaries, whose activity across Europe is poorly regulated, if regulated at all. They often ensure the link with the employer and charge workers significant and unjustified fees. Some of these intermediaries even operate as gangmasters.

## Better enforcement

Increase the frequency and bolster the effectiveness of labour inspections. Ensure sanctions are effectively implemented, particularly in cross-border situations. Most labour inspectorates severely lack adequate resources and personnel, as well as up-to-date cross-border digital tools. The European Labour Authority must have a stronger mandate and be better empowered to take meaningful action in cross-border enforcement.