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EUROPEAN CONSTRUCTION INDUSTRY FEDERATION

Labour and Skills shortages

Brief description and main aims:

The construction industry is reporting labour shortages in most of the EU Member States. Labour shortages in construction are now nearly three times the level observed 10 years ago. Added to this labour shortage, construction companies face skills shortage and skills gaps. The European Commission has taking this issue seriously and has proposed several initiatives:

- On 20th March 2024, the European Commission presented a communication on "*Labour and Skills shortages in the EU: an Action Plan*". It focuses on five key policy areas for action at EU, national, regional and social partner level: supporting the activation of underrepresented people in the labour market; providing support for skills, training and education; improving working conditions; improving fair intra-EU mobility for workers and learners; attracting talent from outside the EU.
- On 5th March 2025, the European Commission published the Union of Skills. The Union of Skills has 4 key strands: build skills for quality jobs and lives, upskill and reskill, circulate skills with the free movement of people across the EU and attract, develop and retain talent.
- Finally, the European Commission has also proposed a regulation establishing the *EU Talent Pool* to attract workers from third countries. The proposal targets priority jobs, many of which are in the construction sector.

Why FIEC is dealing with this topic:

The problems of lack of labour and skills shortages in construction are crucial for FIEC. They create difficulties for companies that are seeking to recruit workers and it is the long-term competitiveness of the industry which is at stake.

The issue of labour and skills shortages are also discussed in the framework of the Social Dialogue with EFBWW (European Federation of Building and Woodworkers) and is addressed in EU projects.

Many of the solutions proposed at EU level are of highest interest for construction companies: recognition of qualification, improving and updating VET (*Vocational Education and Training*), working conditions, apprenticeships, facilitate intra-EU mobility, entry of third-country nationals on the labour market.

Actions and key dates:

May 2023 → Launch of the *European Year of Skills.*

10/10/2023 → FIEC Position Paper on shortage of labour in the construction industry.

21/02/2024 → FIEC participates in a consultation hearing on labour and skills shortages organised by the European Commission.

20/03/2024 → Publication of the European Commission Communication on "*Labour and Skills shortages in the EU: an Action Plan*".

May 2024 → Publication of "*EURES 2023 Report on labour shortages and surpluses*" with a focus on construction.

02/10/2024→ FIEC Position Paper on the *EU Talent Pool*.

14/11/2024 → DESOCO 2 meeting on labour shortages.

03/03/2025 → FIEC President (Piero Petrucco) participated in a meeting with EVP Roxana Mînzatu on the Union of Skills.

05/03/2025 → FIEC and EFBWW joint declaration on labour and skills shortages.

05/03/2025 → European Commission presents the *Union of Skills*.

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Pact for Skills in Construction

Brief description and main aims:

On 1st July 2020, the European Commission presented an update EU Skills Agenda, building on the 2016 Agenda – which, in the meantime, has been implemented. One of the action of this Skills Agenda is the set-up of sectoral "Pact for Skills", including in construction. It is aimed at bringing together stakeholders, including social partners, which share the objective of up- and reskilling the workforce to enable the green and digital transition. These stakeholders are requested to sign a Charter, which defines the key principles that are essential to fulfil this objective, within their organisations but also across their value chain.

Why FIEC is dealing with this topic:

The problems of lack of skilled workforce, skills gaps and skills mismatches in the construction sector are significantly affecting construction companies. This is even more the case now as the availability of skilled construction workers will be key to the success of the green and digital transition of the construction industry.

FIEC is already involved in these topics in many ways, and namely through our social dialogue with EFBWW (European Federation of Building and Woodworkers).

Moreover, FIEC has been partner in the "*Construction Blueprint for a Sectorial Skills Strategy*" which lasted until March 2023 and is participating in the new edition of this project: "*Construction Blueprint 2*" (both *Erasmus*+ EU-funded projects) which started in January 2025.

Together with the EFBWW, and in cooperation with EBC (European Builders Confederation), FIEC worked on a *Pact for Skills in construction*, based on our joint experience in this field. We also targeted a few quantitative and qualitative objectives to which we can commit in this framework.

In February 2022, at the occasion of the *Industry Days 2022*, the Pact for Skills in Construction was officially launched. FIEC, EFBWW and EBC are now monitoring the implementation of this initiative (i.e. collecting the commitments of stakeholders who wants to join) in view of reporting on the outcomes to the European Commission. The Pact for Skills is also at the core of the "*Construction Blueprint 2*".

Actions and key dates:

01/07/2020 → European Commission presents the update *EU Skills Agenda.*

10/11/2020 → Official launch of the *Pact for Skills* (with several sectors involved).

February 2022 → Official launch of the "Pact for Skills in Construction", prepared by FIEC, EFBWW and EBC, at the occasion of the *EU Industry Days 2022.*

January 2025 → Launch of the Construction Blueprint 2.

15/04/2025 → Meeting of the signatories of the *Pact for Skills in Construction*.

Ongoing → Collection of commitments from interested stakeholders in construction sector and monitoring of the Pact for Skills.

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European Labour Authority (ELA)

Brief description and main aims:

Regulation (EU) 2019/1149 of 20 June 2019 established the European Labour Authority (ELA):

The main aims of the ELA are the following: improving the access to information by individuals and employers about their rights and obligations in the areas of labour mobility and social security coordination; strengthening operational cooperation between authorities in the cross-border enforcement of relevant Union law, including facilitating joint inspections; providing mediation and facilitating solutions in cases of disputes between national authorities.

The ELA is led by a Management Board and FIEC is member of the *Stakeholders' Group*, which has an advisory role. In addition, several working groups have been set up: on improving information from public authorities to companies and workers, on joint inspections and on mediation.

Also, in 2021, important stand-alone bodies - which were dealing with mobility-related issues (i.e., the *Committee of Experts on Posting* of the European Commission and the *EU Platform against Undeclared Work*) in which FIEC was sitting - have been incorporated into the ELA.

Why FIEC is dealing with this topic:

Mobility within the Internal Market is an issue of crucial importance for construction companies. It is also a source of fraudulent practices, amongst other aspects, because of the difficulties in the controls and the lack of coordination between public authorities. This affects genuine companies and the possibility for them to act on a level playing field.

Genuine companies also suffer from the lack of or the difficult access to information in this field.
It is therefore of crucial importance that FIEC has secured its presence in this new Authority (i.e., in the *Stakeholders' Group*).

Moreover, in 2023 and 2024, ELA dedicated a series of activities related to the construction sector, including a campaign on posting, which ran from October 2023 to Spring 2024.

FIEC is actively involved in all ELA's activities. Ongoing study reports on Third-Country National workers, subcontracting and labour intermediaries are of particular interest for the construction industry.

Actions and key dates:

16/10/2019 → Official launch of ELA.
2023-2024 → ELA launches a year of activities specifically dedicated to the construction sector, including a campaign on posting in construction (*#EU4FairConstruction*).
26/04/2023 → FIEC and EFBWW chaired the ELA Platform Subgroup on "*Evaluating social ID cards as a tool for tackling undeclared work, including in subcontracting chains*".
18/01/2024 → MEPs adopt a resolution on the revision of ELA mandate.
25/01/2024 → FIEC participates in the high-level conference organised by the Belgian Presidency on "*Fair mobility in the EU and the role of the ELA*".
26/03/2024 → ELA organises a Workshop on Construction, with FIEC and EFBWW.
27/06/2024 → ELA 5th Anniversary - Annual Conference in Brussels.
Q2 2025 → expected publication of the European Commission's evaluation report of ELA, including a possible proposal to strengthen its mandate

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Posting of Workers Directive

Brief description and main aims:

The "*Posting*" Directive defines the rules that apply when a company provides services, for a limited period, in a country other than the one where it usually operates. As the provision of services is temporary, some of the rules that apply are the ones of the "host" country (minimum wage, working time, health and safety…), whilst others (for example "Social Security") remain the ones of the "home" country.

The latest revision to date, Directive (EU) 2018/957 of 28 June 2018 amended the original Directive from 1996 on the "posting of workers in the framework of the provision of services", with the aim to address the problem of unfair practices and to promote the principle that the same work at the same place should be remunerated in the same manner. Member States must apply the new rules since 30 July 2020.

At present, the European Commission is following the implementation of both this "new" *Posting Directive*, as well as the "*Enforcement Directive*" (2014/67/EU) by the Member States.

Adopted in 2014, this later Directive aims at strengthening the practical application of the *Posting Directive* by addressing the inspections and monitoring or the exchange of information between Member States, for instance. To date, infringements have been identified by the European Commission in most Member States, because of non-compliance of their national legislation with this Directive, in particular regarding administrative requirements and control measures (article 9), subcontracting liability (article 12) and penalties (article 20).

In November 2024, the European Commission also proposed a single e-declaration form that Member States could use on a voluntary basis, in order to harmonise the declaration procedures. The Council and the European Parliament are currently assessing this legislative proposal.

The European Commission also published a broad study on cross-border workers in subcontracting chains, in order to assess the overall functioning of the posting legislation.

Why FIEC is dealing with this topic:

Approximately half of the postings within the Internal Market are in construction activities and therefore these new rules can have a significant impact for construction companies.

FIEC is following the implementation phase and the related activities and keeps a close look at the newly introduced provisions such as, for example: the reference to "remuneration" instead of "minimum wage"; a limitation in time (max 12 months, plus 6 possible additional months) beyond which the terms and conditions of employment that are mandatorily applicable to workers will be the ones of the Member State where the work is carried out; a clarification of the rules applicable to the reimbursement by the employer of the expenditures incurred on account of the posting, such as on travel, board and lodging.

FIEC is also advocating those sectoral initiatives aiming at facilitating the enforcement of the existing legislation, like national social ID cards, should not be put at risk by infringement procedures. In addition, FIEC, together with EFBWW, is promoting these sectoral social ID cards in the framework of the EU-funded project SIDE-CIC.

Actions and key dates:

28/6/2018 – Adoption of the "new" *Posting Directive* 2018/957/EC.

30/7/2020 – Deadline for implementation by the Member States.

29/04/2024 – FIEC participates in a hearing organised by the European Commission about the single e-declaration form.

April 2024 – European Commission publishes a report on the application and implementation of Directive 2018/957/EC concerning the posting of workers in the framework of the provision of services and a "*Study supporting the Monitoring of the Posting of Workers Directive 2018/957/EU and if the Enforcement Directive 2014/67/EU – The situation of temporary cross-border mobile workers and workers in subcontracting chains*".

Ongoing – European Commission undertakes infringement procedures against most EU Member States (related to the "*Enforcement Directive*").

November 2024 – European Commission publishes legislative proposal for a single e-declaration form.

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Revision of the Social Security Regulations

Brief description and main aims:

In December 2016, the European Commission presented a proposal for a revision of the existing *Regulations on Social Security coordination* (883/2004 and 987/2009).

Achieving a modernised system of social security coordination that responds to the social and economic reality in the Member States is one of the central drivers for this initiative.
This initiative is complementary to the revision of the "*Posting*" Directive which led to the adoption of the new "*Posting Directive"* (2018/957 of 28 June 2018).

As the revision of the *Social Security Regulations* was hardly making progress, the European Commission and the European Parliament both launched alternative initiatives.
The European Commission is running a pilot-project on a *European Social Security Pass* (ESSPASS), led by Italy and involving around 10 Member States. In 2021, the European Parliament has adopted a Resolution on the introduction of a *European Social Security Pass*.

In its Communication of 2023 on digitalisation in social security coordination, the European Commission calls the Member States to accelerate the implementation of this initiative.

Why FIEC is dealing with this topic:

Mobility within the Internal Market is an issue of crucial importance for construction companies.

The proposal of the Commission focuses on different areas of coordination where improvements are required (economically inactive citizens' access to social benefits, long-term care benefits, unemployment benefits and family benefits), but FIEC mainly addressed those provisions that have a link with the issue of posting such as the need: to strengthen the cooperation and the exchange of information between national administrations; to reinforce the reliability of the A1 forms; to strengthen the provisions regarding the pursuit of activities in two or more Member States; to align some of the proposed changes with those concerning "Posting", because companies, workers, labour inspectorates and public authorities need a clear and coherent legal framework, in order to be able to comply with it and to enforce it.

Actions and key dates:

13/12/2016 → Initial proposal of the European Commission.

09/01/2018 → FIEC Position Paper.

Autumn 2019 to Autumn 2020 → Trilogue negotiations => blocking issues (i.e. derogation clause to prior notification).

01/03/2021 → FIEC Press Release "*Coordination of Social Security systems: FIEC says no to exemptions to prior notification for the construction industry*".

24/06/2021 → FIEC-EFBWW Joint Statement: EU construction social partners call for digital enforcement in reaction to the European Parliament's draft Resolution on the introduction of a European social security number with a personal labour card. (EFBWW is the European Federation of Building and Woodworkers).

25/11/2021 → European Parliament adopts resolution on the introduction of a *European Social Security Pass* for improving the digital enforcement of social security rights and fair mobility (2021/2620(RSP).

December 2021 → Political agreement reached in trilogue, but later rejected by the Council.

27/03/2023 → FIEC and EFBWW Joint Letter in reaction to Swedish Presidency new attempt to reach political agreement in trilogue, which puts at stake prior notification to posting in construction.

6/09/2023 → Publication of the European Commission Communication on digitalisation in social security coordination: facilitating free movement in the Single Market.

17/11/2023 → FIEC and EFBWW published a joint Press Release following the announcement by the Spanish Presidency to the EU that they will resume negotiations on the revision of the Coordination of Social Security systems.

February 2024 → The negotiations between the European Parliament and the Council failed under the Belgian Presidency.

January-April 2025 → The Polish Presidency resumes discussions within the Council and obtains a new negotiation mandate (to negotiate in trilogue with the European Parliament). During this time period, FIEC and EFBWW issue several joint statements and letters recalling the importance of prior notification for posting workers in the construction sector. They also jointly meet a number of national Permanent Representations in Brussels.