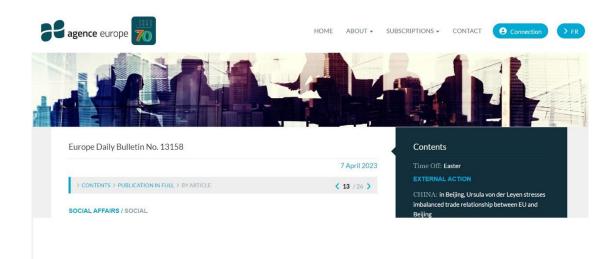
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Brussels, 06/04/2023 (Agence Europe)

Coordination of social security schemes, blocking minority in EU Council particularly concerned about exemptions for prior notification

The latest proposals from the Swedish Presidency of the EU Council on the revision of the regulation on the coordination of social security schemes were opposed on 29 March by 13 Member States forming a blocking minority (*see EUROPE* <u>13156/24</u>, <u>13146/17</u>).

Some of these countries were opposed, among other things, to proposals to exempt from prior notification all short-term postings (less than 3 days) or business trips, due to the potential risks of social 'dumping' and fears regarding the weakening of worker protection, a European diplomatic source told *EUROPE* on Thursday 6 April.

Other points were problematic for some delegations, such as the period of affiliation required in a Member State of activity for this Member State to become competent for the payment of unemployment benefits to cross-border workers who return to their country of residence.

Sweden had proposed a switchover period after 6 uninterrupted months of work in a Member State, which was still considered insufficient by some countries.

Conversely, Germany, excluding a few minor points that still need to be improved, could - and still may - support this latest compromise, another diplomatic source said.

The construction sector is worried

These latest proposals have in any case provoked a reaction from European construction companies, which, in a letter to the Swedish Presidency on 27 March, expressed their particular concern about the new options regarding the prior notification of postings.

This letter, on behalf of FIEC (European Construction Industry Federation) and EFBWW (European Federation of Building and Woodworkers) expresses their concern about "the inclusion of the exemption to prior notification for short posting periods and business trips for the construction sector".

The construction sector "is a highly sensitive industry to fraud and exploitation, with a significant risk of abuse and undercutting wages and standards", the two organisations say.

"It is therefore essential that the efficacy of inspections is not undermined, and proper protections are in place for workers in this sector".

The two organisations refer to a previous joint statement from 2021 which had already highlighted these risks.

"The exemption for short posting periods and business trips will create a loophole that can be easily exploited by unscrupulous employers, and could lead to significant abuses of workers' rights and wages."

The EFBWW and FIEC therefore ask the EU Council to exclude the construction sector from the exemption for short posting periods and business trips.

The blocking minority countries are also waiting for further proposals from the Swedish Presidency, which could, however, first pass the matter on for political assessment in the Committee of Permanent Representatives.

Link to the letter: <u>https://aeur.eu/f/68v</u> (Original version in French by Solenn Paulic)