Posting of workers – striking the right balance

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Posted workers share in mobile workforce

- Non-working mobile citizens: 10.2 million
- Regular mobile workers: 10.0 million
- Cross-border workers: 1.3 million
- Posted workers: 1.7 million

Note: In million
A different perspective on the numbers

1.7 million posted workers and sharply rising

• Small as share of workforce → 0.7%
(By comparison ‘sharing economy’ → 0.05%)

• Large as an annual ‘flow’

• More important for some countries:
  • Slovenia (7.7%), Slovak. Rep. (3.3%), Poland (2.5%)
  • Belgium (3.3%), Austria (2.3%)

• Very important for some sectors:
  • Construction sector (ca. 50% of posting or 5% of empl.)
  • Manufacturing sector (22%)
Origins and motivation

Single market: four fundamental freedoms

Competition in the service sector

Ease administrative burden + protect workers rights

Stimulate mobility?
Unfair competition or side effects?

- Difference in social security
- Wage differences (non-ss)
- Labour market standards
- Trade Union negotiations
- Fraud and abuse! → enforcement directive

→ Freedom of goods vs. services?
Living in the world of trade-offs

Source: Authors’ elaboration on a concept from Sapir (2015).
Will the problem disappear over time?

- Economic convergence
- Deep integration
- Social trilemma
- High social protection
- Autonomous welfare states
- Social trilemma
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Striking the right balance and timing

Trade-offs need to be continuously assessed
• Weights shifted?
• Triangle enlarged?
• Side-effects emerged?
• (Perceptions)?

→ Substantial change justifying reform?
