

**Speech given by Bernadette Ségol, General Secretary of the
European Trade Union Confederation
Round table on labour mobility**

25 June 2015, Brussels

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Dear Madam, dear Sirs,

Thank you for the invitation to speak today. I consider this meeting as a positive echo to a number of ETUC concerns expressed in recent years.

Free movement is a cornerstone of the EU. Free movement of people is one of the few concrete advantages that people gained from the Union. Free movement is not negotiable.

Free movement and labour mobility must go hand in hand with equal treatment.

However I regret that labour mobility is often forced. Brain drain and economic emigration is not a positive move. It's bad for the country of origin concerned, and bad for the workers who have to emigrate because of economic circumstances.

We say: equal pay, equal rights for equal work at the same workplace.

The Posting of Workers (POW) legislation was meant to secure both freedom of movement and equal rights principles.

But we know that this legislation is misused, abused by unscrupulous employers, agencies and gang-masters. And workers end up paying the price for it. We have lots of examples of these abuses.

Abuse of this legislation not only creates unfair competition between good and bad employers, but also between workers. This unfair competition triggers a downward spiral in wages and working conditions. We call this social dumping.

Something must be done to stop this and secure the fair and free movement of people.

Reopening the POW is possible. It would be a tough battle since some Member States want the EU to become a free trade zone but do not want a social Europe. You know who I am talking about.

To stop social dumping, EU leaders must reach a political consensus on the need for equal treatment for mobile and posted workers. This political consensus must be the basis for progress.

This is why we demand a social progress protocol to be added to the treaties. To start with, we would be happy with a declaration from the Council.

We recognise that revising the Posting of Workers directive is not for tomorrow. And we know that the enforcement directive will be reopened soon.

We demand that labour inspection is intensified, and not considered an obstacle. At present effective labour inspection is hampered by cuts in public spending.

We also need a chain of responsibility. Abuses often come from the sub-contracting chain. This must be put right.

Letter box companies must be eliminated.

A lot is being said about welfare and social tourism. The reality is different. Abuses of rights are the exception, not the norm. In fact, many workers do not get the benefits they are entitled to. And anyway how can governments complain about the costs linked to social benefits when they fail to deal with the loss of 1 trillion euro a year through tax evasion and avoidance?

We know from reliable research that mobile workers contribute a lot to social security schemes. In reality, they pay in more that they get out of these schemes. They should benefit from social security, including in-work schemes, since they make an important contribution.

I am aware that regulations on the coordination of social security will be renegotiated. Social partners must be properly consulted. The ETUC will make a detailed contribution to this initiative. However I underline that any change in this coordination of social security provisions should facilitate free movement, make it fairer and better for workers concerned.

Indeed I fear that changes in social security coordination could be used to hamper freedom of movement and in-work rights of mobile workers.

This is an absolute no go for the ETUC.

To conclude: Business gains enormous advantages from the internal market. They want it even bigger – I am here thinking of TTIP. We want this market to be good for people, to be a source of social progress. Social dumping, unfair treatment is alienating people. Fair freedom of movement leading to social progress will make the EU more attractive. The ETUC will fight for this objective.