Association Européenne des Institutions Paritaires

European Association of Paritarian Institutions

AEIP Position Paper on Construction Services Act (2025)

December 2025

European Association of Paritarian Institutions (AEIP)

Transparency Register: 69133399372-91

The European Association of Paritarian Institutions (AEIP) is a Brussels-based organisation representing non-profit social protection institutions jointly managed by employers and trade unions through collective agreements. AEIP's mission is to promote the paritarian model across Europe and to advocate for the shared interests of its members at EU level. AEIP members manage occupational pensions, coordinated retirement schemes, complementary healthcare, vocational training schemes, paid leave funds including for posted workers, and a range of solidarity-based services across 13 European countries, jointly protecting more than 118 million people.

AEIP **welcomes the European Commission's initiative to address long standing barriers that limit the free movement of construction and installation services in the Single Market**. The proposed Construction Services Act represents a significant opportunity to modernise administrative cooperation, enhance enforcement, and support a more stable environment for both workers and companies. However, AEIP wishes to highlight two issues of concern, first is the proposal to create an EU-Wide Construction Site Card and second the proposal to have EU-wide mechanism that would centralise or harmonise paritarian contributions.

Issue 1: Social ID Cards in Construction

Across Europe, social ID cards have become essential enforcement tools in the construction sector. They provide transparent identification of workers and employers, helping to combat undeclared work, fraudulent self-employment and social dumping. By enabling labour inspectorates to verify in real time who is present on a construction site and under which employment conditions, these systems significantly strengthen traceability along increasingly complex subcontracting chains.

Social ID cards also support fair working conditions for both domestic and posted workers. They facilitate the monitoring of training, safety records and certification, ensuring that workers hold the necessary qualifications. Paritarian institutions rely heavily on accurate identification mechanisms to administer sectoral schemes ranging from paid leave to training and welfare funds.

AEIP recognises the Commission's analysis of barriers to cross border construction service provision. One of the core structural problems today is that no stakeholder has access to the full set of information required for effective checks. Fragmented national authorisation procedures, limited access to reliable information, differences in qualification recognition and administrative burdens for companies operating abroad all reduce the functioning of the Single Market for services. One of the core structural problems today is that no stakeholder has access to the full set of information required for effective checks.

However, AEIP stresses that any EU action must consider the deep integration of social ID card systems within national legal frameworks, labour inspection mandates, social security systems and collective bargaining structures. AEIP thus proposes **Interoperability is the most proportionate and effective means of enabling cross border service provision while preserving the integrity of national enforcement structures**. Interoperability closes this gap by enabling Member States to maintain their systems while allowing trusted, secure exchange of essential data. Together, these advantages contribute to a more coherent Single Market.

I. Why AEIP Opposes an EU-Wide Construction Site Card

AEIP does not support the creation of a mandatory EU wide construction site card. Although included as an option in the Commission's impact assessment, such a card would not improve enforcement and would instead duplicate or disrupt effective national systems. National social ID cards have evolved through decades of cooperation between social partners, paritarian funds, inspectorates and national governments. This is the case specifically for members in Austria, BUAK, who manages BAU ID, and Constructiv who manages ConstruBadge. They are rooted in national law, collective agreements and enforcement traditions. Replacing them with a single EU card risks undermining their effectiveness and disconnecting enforcement actors from information flows and tools they currently rely on.

a. Structural Limitations of an EU Card

A centrally issued card would be unable to integrate with the national enforcement ecosystems in which social ID cards function. Inspectorates depend on national databases, national language interfaces, cross links with social security and tax registers, and sanctioning mechanisms defined by domestic law. An EU wide card would remain isolated from these essential structures unless national enforcement systems were harmonised, which is neither realistic nor proportionate.

b. Duplication and Disruption of Functional Systems

Many Member States operate well established and highly effective systems such as the Valtti card in Finland, ID06 in Sweden, the TPC card in Spain, BauID in Austria and the Carte BTP in France. These schemes provide more than identification; they verify employment relations, track training, ensure participation in sectoral schemes and monitor subcontracting chains. An EU card would either require replacing these systems or force Member States to operate parallel structures. Replacing functioning systems would dismantle enforcement tools that industry, inspectors and social partners rely on. This would create confusion, administrative burden and unnecessary costs.

c. Wrong Instrument for Mobility Challenges

Although it may seem that one EU card would simplify mobility, this assumption is not supported by evidence. Mobility challenges arise primarily from divergent national administrative procedures, posting rules, qualification recognition and data requirements for site access. A central EU card does not fix these issues. Interoperability does: it allows inspectors to verify foreign workers, enables companies to reuse verified credentials and supports mutual recognition without duplicating systems.

d. Administrative, Legal and Financial Risks

A mandatory EU card would generate significant administrative burdens, requiring companies to register workers twice, maintain two data systems and carry additional documentation. For SMEs and cross-border subcontractors, this would be particularly challenging. Legally, an EU card raises unresolved questions about data protection, liability, enforcement competences and the delegation of authority beyond national institutions. Financially, establishing a new EU infrastructure and retraining inspectorates would be costly and unnecessary given the existence of effective national systems.

e. Threats to Paritarian Governance and Collective Agreements

Paritarian institutions manage essential sectoral schemes in several Member States, including paid leave funds, training bodies and certification registers. A central EU card not directly linked to these institutions

would weaken collective bargaining arrangements, dilute enforcement of sectoral entitlements and bypass the institutional architecture that underpins compliance in countries such as Austria, Spain, Luxembourg and Belgium. This would conflict with Article 153 TFEU and the EU's commitment to respecting the autonomy of social partners.

II. Proposal: Construction Social ID Data Space

A proportionate approach to modernising labour enforcement and cross border mobility in the construction sector is to **prioritise digital interoperability and exchange of data**. Harmonising **card technologies or centralising EU wide systems is unrealistic** due to the scale, embeddedness and political sensitivity of national solutions. Interconnecting systems at the data level is the workable route.

The SIDE-CIC project and its technical study demonstrate that secure decentralised data exchange is possible without harmonising national card formats or governance structures and it best supports national control, interoperability, subsidiarity and proportionality as required under Article 114 TFEU. Indeed, Data Spaces are already being deployed across industries with extensive EU support including legal frameworks

A shared Data Space would allow the use of technologies such as data mining, anomaly detection and automated compliance verification, which would reduce costs and increase efficiency for both authorities and private actors. It would also strengthen worker´s protection. Digital profiles linked to trusted digital identities would make rights and entitlements including statutory rights, collective agreement coverage, insurance information and employment relationships transparent and verifiable. The technical study shows that **national systems can maintain full control over their data and still exchange information reliably** through trust frameworks and shared profiles.

Thus, a **European Social ID Interoperability Network**, built as a decentralised Pan European Data Exchange Network and forming a **Construction Social ID Data Space**, would offer a workable and politically realistic alternative. This model would interconnect national systems through shared standards, common minimum data profiles, trust frameworks, secure decentralised data exchange and accreditation of national schemes.

It would build on existing EU digital tools such as eIDAS, ESSPASS, the EUDI Wallet, IMI, BRIS and EESSI, ensuring consistency while avoiding new standalone infrastructures and unnecessary duplication. The EUDI Wallet can offer a trusted environment for cross border presentation and control of Social ID data. ESSPASS can help resolve the most burdensome issue for providers, PDA1 verification, by enabling user-controlled consent based sharing. IMI can provide authoritative registry data from exporting countries, including those without Social ID schemes. BRIS can improve company screening and cross border employer verification. EESSI supports cooperation with social security institutions, addressing long standing barriers.

Such an approach would protect the autonomy of national inspectorates, paritarian bodies and collective agreements, all of which rely on their own enforcement instruments, sectoral registries, databases and sanction mechanisms. It would also strengthen fair mobility by improving legal movement and improving

protection for vulnerable workers including posted and third country nationals. **Interoperability supports more effective management of posted workers**, where complexity continues to grow.

Issue 2: Position on Double Contributions to Paritarian Funds

AEIP takes note of the Commission's identification of double contributions to paritarian funds as one of the barriers affecting the cross border provision of construction services, particularly in the context of posting of workers.

While AEIP recognises that this issue can arise in specific circumstances, we do not consider an EU level harmonised solution to be either proportionate or effective. Paritarian schemes in the construction sector are deeply rooted in collective agreements, national legislation and sector specific governance structures. Their diversity reflects significant differences in labour market organisation, wage formation, training systems and social protection architecture across Member States. Any attempt to impose an EU wide mechanism would therefore risk cutting across well-functioning national systems and undermining the autonomy of social partners who jointly govern these funds.

In practice, cross border cooperation between paritarian institutions already provides a more appropriate and operational solution. Several AEIP members cooperate through longstanding bilateral and multilateral arrangements aimed at preventing double contributions while ensuring continuity of workers' accrued rights and sectoral entitlements. These agreements are tailored to the structure of each scheme and allow the institutions directly responsible for administering training, paid leave and welfare funds to manage cross border situations without creating gaps in protection or additional financial burdens for companies. For example, there are agreements between BUAK (Austria), SOKA-BAU (Germany), CNCE (Italy) , CIBTP (France) that enable the coordinated handling of contributions and worker entitlements in the construction sector. These operational models show that targeted agreements negotiated by the social partners themselves can resolve issues of overlapping obligations more effectively than any centralised EU framework.

These arrangements are flexible and can evolve with sectoral needs. They also allow for different approaches depending on whether the relevant schemes operate on a day based, hour based or wage-based contribution model. A one size fits all EU system would struggle to accommodate these variations without imposing substantial administrative changes on national authorities and paritarian institutions. Moreover, many of the challenges companies face stem from limited access to reliable information about applicable obligations, not from the existence of the obligations themselves. Improved transparency and interoperability of national systems would therefore address the practical difficulties without altering the underlying governance of paritarian schemes.

AEIP therefore recommends that the Commission focuses on creating the enabling conditions that allow existing cross border arrangements to function more smoothly. Secure exchange of verified information about a worker's employment relationship, coverage by paritarian schemes and applicable rights would reduce misunderstandings, avoid duplicate declarations and help inspectorates verify compliance more efficiently. Such an approach would respect subsidiarity and preserve the integrity of national collective

agreements. It would also strengthen fair mobility by ensuring that workers retain their entitlements while companies are not overburdened by unnecessary or duplicated administrative procedures.

For these reasons, AEIP opposes any EU wide mechanism that would centralise or harmonise paritarian contributions. Instead, AEIP calls for support to expand and deepen cooperation between national paritarian institutions, with a focus on digital interoperability and clear cross border information pathways. This approach balances the need to remove barriers to mobility with the imperative to protect the paritarian governance model that underpins social protection in the construction sector across Europe.

AEIP Disclaimer

AEIP represents its members' values and interests at European and international level and is the leading body for the promotion of paritarian social protection in Europe. The Association has 16 Associate and Affiliate members – all leading large and medium sized Social Protection Institutions and 17 Task Force Members. All AEIP members are not-for-profit organizations. AEIP deals – through dedicated working groups – with Coordinated retirement schemes, Occupational pension funds, Complementary healthcare insurance, Longterm care, Health and Safety at work & Paid holidays, and Unemployment benefits funds. AEIP advocates and develops policies aiming at the sustainability of paritarian social protection systems at local level considering the national specificities, ensuring social cohesion in Europe.

www.aeip.net