



# Good practice fiche

<b>Title of the policy or measure (in English)</b>	Action Alliances against undeclared work and illegal employment between the Federal Ministry of Finance and the social partners
<b>Case study/good practice name</b>	Action Alliances against undeclared work and illegal employment
<b>Country</b>	Germany
<b>Sectors</b>	Construction sector, transport sector, meat industry , cleaning trade, painting and varnishing trades , dry cleaning/textile care industry, (large-scale laundry services in the commercial customer business) electrical trade, scaffolding trade and the hairdressing sector.
<b>Target groups</b>	<ul style="list-style-type: none"><li>• Public agencies involved in tackling undeclared work</li><li>• Social partners in the respective sectors</li></ul>
<b>Type of measure</b>	Prevention
<b>Short sentence summarising the measure</b>	The Action Alliances comprise representatives of the Federal Ministry of Finance (BMF), the Central Customs Authority and social partners (employers' associations and trade unions). Their aim is to raise awareness about the negative impact of undeclared work and illegal employment amongst employers and employees, and to work to prevent it occurring.
<b>Background</b>	
<ul style="list-style-type: none"><li>• Background context driving the implementation of the measure</li></ul>	Combating undeclared work and illegal employment is the task of the 'Financial Control of Undeclared Work' (FKS) unit within the federal customs administration. However, combating undeclared work is not only a task carried out by public authorities but also a wider social challenge and task. Therefore, the Federal Ministry of Finance has set up nation-wide Action Alliances with employers' associations and trade unions in nine sectors that address undeclared work and illegal employment.
<ul style="list-style-type: none"><li>• When was the measure implemented? (including start date and end date/ongoing)</li></ul>	The first Action Alliance was set up in 2004 in the construction sector, followed by eight other sectors.
<ul style="list-style-type: none"><li>• Names(s) of authorities/bodies/organisations involved</li></ul>	In all Action Alliances the Federal Ministry of Finance, employers' associations and trade unions are involved and additionally in some alliances the Federal Ministry of Transport or the Federal Ministry of Labour and Social Affairs.
<ul style="list-style-type: none"><li>• Scope of the measure (a pilot project, nationwide, regional wide)</li></ul>	The Action Alliances against undeclared work and illegal employment operate in the respective sectors nationwide. There are also regional Action Alliances – 12 in the construction sector and one in the cleaning trade - which aim to create closer regional and local cooperation between the 'Financial Control of Undeclared Work' unit and the respective social partners. The cooperating partners in the regional Action Alliances are the Central Customs Authority, the regional divisions of social partners and partly in some alliances the Ministry for Economic Affairs of the respective Federal State.

<ul style="list-style-type: none"> <li>Type of (policy) measure</li> </ul>	<p>The Action Alliances are a form of cooperation between public authorities and social partners.</p>
<p><b>Key objectives of the measure</b></p>	<p>General objectives of the Action Alliances are:</p> <ul style="list-style-type: none"> <li>Raising general awareness about the negative consequences of undeclared work,</li> <li>Encouraging fair and equal competition,</li> <li>The orderly payment of taxes and contributions to social insurance by all companies,</li> <li>Preventing undeclared work,</li> <li>Enforcement of the law in combating undeclared work,</li> <li>Maintaining the minimum wage.</li> </ul>
<p><b>Specific measure</b></p> <ul style="list-style-type: none"> <li>Description of how the measure operates in practice</li> </ul>	<p>The parties (representatives of the Federal Ministry of Finance, the Central Customs Authority, the social partners of the respective sector and others) exchange information at annual working group meetings which cover recent issues identified by the various partners beforehand. Common topics are bogus self-employment, minimum working conditions and special peculiarities of the respective sector. The annual meetings of regional Action Alliances in the construction sector work on specific regional topics which can be put forward by named partners.</p> <p>Within these regional Action Alliances, contact persons working in local branches of the 'Financial Control of Undeclared Work' unit and in regional branches of the social partners exchange information on specific issues. At meetings of the regional Action Alliances (regional divisions of the social partners and the local branches of the 'Financial Control of Undeclared Work' unit) important regional aspects of national topics are discussed. Apart from that lectures or training events are held.</p> <p>The social partners represented in the Action Alliances receive sector-based data or results from the 'Financial Control of Undeclared Work' unit on a regular basis. This data includes the number of inspections as well as criminal and administrative offences. In turn, information given by the social partners to the 'Financial Control of Undeclared Work' unit is sector-specific which facilitates more targeted inspections.</p> <p>Furthermore, the social partners give information about possible cases of undeclared work. Social partners fill in the information about these cases in an online form which increases the quality of information provided.</p> <p>In order to increase awareness the alliance partners have also developed leaflets and information material for employers and employees specifically tailored to each of the nine sectors. They provide information about inspections by the 'Financial Control of Undeclared Work' unit related, in particular, to how employers and employees can support this work. The leaflets also serve as a form of awareness raising amongst employers and include information on:</p> <ul style="list-style-type: none"> <li>the aim of the inspections by the 'Financial Control of Undeclared Work' unit, such as social security payments or working permits.</li> <li>documents to be submitted during inspections by employers or employees, and additional documents that might speed up the inspection</li> </ul>

	<ul style="list-style-type: none"> <li>possible penalties for employers and employees.</li> </ul> <p>In addition, particularly within the regional Action Alliances, so-called 'Awareness Days' looking at sector-specific issues are arranged for the members of the social partners and other interested persons in the respective region. Furthermore, a manual for the transport sector was issued which provides an overview on the legal situation in the transport sector in regards to the combating of undeclared work.</p>
<ul style="list-style-type: none"> <li>Which groups are targeted by the measure?</li> </ul>	<ul style="list-style-type: none"> <li>Social partners in the sectors covered by the Action Alliances</li> <li>Employers and employees in the sectors covered by the Action Alliances</li> </ul>
<ul style="list-style-type: none"> <li>What resources and other relevant organisational aspects are involved?</li> </ul>	<p>Costs of the Action Alliances mainly include expenses for catering, travel and accommodation at annual meetings as well as printing costs for leaflets and manuals.</p>
<ul style="list-style-type: none"> <li>What are the source(s) of funding?</li> </ul>	<p>The printing costs are covered completely by the Federal Ministry of Finance. The expenses for catering, travel and accommodation are covered by the relevant parties associated with the meetings.</p>
<p><b>Evaluation and outcome</b></p>	
<ul style="list-style-type: none"> <li>Has the measure achieved its objectives?</li> </ul>	<p>Since they were set up, the Action Alliances have led to increased awareness amongst employers and employees of undeclared work and illegal employment in the nine sectors and have encouraged social partners to look at issues of undeclared work in their respective sectors. In turn, information exchange between the employers' associations, the trade unions and the 'Financial Control of Undeclared Work' unit has improved which has also led to better inspection outcomes. In particular the common actions such as the publication of leaflets or the introduction of a common online form for information exchange has led to better knowledge about the issue in companies, resulting in more timely inspections.</p> <p>Furthermore, undeclared work is generally viewed as a risk factor that hinders fair competition amongst companies. The Action Alliances have raised awareness of the negative effects of undeclared work for all the social partners involved, as they visibly intensify actions to address the issue.</p>
<ul style="list-style-type: none"> <li>Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved</li> </ul>	<p>Feedback by partners on cooperation in the Action Alliances is collected on a regular basis (e. g. during annual meetings).</p>
<ul style="list-style-type: none"> <li>What are lessons learnt and the key conditions for success?</li> </ul>	<p>The following are some of the key lessons learnt and factors of success for the measure:</p> <ul style="list-style-type: none"> <li>The effectiveness of the Action Alliances is based on common activities with social partners that increase awareness concerning undeclared work and illegal employment in their respective sectors.</li> <li>The public act of signing an Action Alliance gives employers' associations and trade unions the chance to raise their public profile and to engage in a dialogue about specific developments in the relevant industries. Action Alliances are, therefore, particularly useful for the 'Financial Control of Undeclared Work' unit in sectors severely affected by a high number of cases of undeclared work and illegal employment.</li> <li>In order to exchange information, information given by social partners needs to be sufficiently precise so that the 'Financial Control of Undeclared Work' unit can implement effective inspections in this sector. Therefore, a</li> </ul>

	<p>standardised online form for the submission of information has been developed. By doing so, the 'Financial Control of Undeclared Work' unit benefits from specific sector-based information provided by the social partners.</p> <ul style="list-style-type: none"> <li>Moreover there is also a continuing interest among economic players in other sectors to sign Action Alliances with the Federal Ministry of Finance.</li> </ul>
<ul style="list-style-type: none"> <li>Level of transferability (e.g. other countries/groups/sectors)</li> </ul>	<p>The action alliances started in the construction sector and have been transferred as a cooperation model to other sectors (with the option to expand it to other sectors in the future).</p>
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<b>Metadata and key words for online search</b>	<p>Germany; Action Alliances; information exchange; social partners; awareness raising; joint actions; awareness raising; illegal employment</p>