

Platform Newsletter

November 2018

Welcome to our newsletter

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<u>Platform's new work</u> <u>programme</u>

Find out about activities planned for the next two years

New videos

Hear from Platform members and observers about their work on <u>cross-border work</u>, <u>staff exchange</u> and <u>mutual assistance projects</u>

Updated glossary

Unclear on what under-declared work actually means? The Platform has a glossary to help you

Focus on Under-declared Work

This edition focuses on under-declared work. Across the EU28 one in 33 formal employees, equivalent to over six million individuals, received envelope wages in 2013. An envelope wage is a cash-in-hand wage paid by a formal employer to a formal employee in addition to their official declared salary. It is used to reduce employer tax and social security payments and therefore labour costs. Employees affected are most likely to be individuals with financial difficulties, skilled manual workers and those travelling for their job.

You will find below recommendations from the Platform's Plenary discussions on this topic alongside inspiring examples of measures to tackle under-declared work. Also included is a summary of recent activities, the new work programme and latest publications available on the Platform's web pages.



What's New

Platform Plenary meeting, 18-19 October 2018

The first day of the meeting was dedicated to discussing **under-declared work** and explored the conventional examples like employers paying employees part of their salary as an envelope wage, which is under-declared to the authorities. Participants also discussed modern emergent forms such as the non-declaration of a second job and not reporting income from online trade and/or services. After discussing the recent study on **Tackling Under-declared Employment**, different countries shared their experiences of tackling the phenomena through awareness raising campaigns. These campaigns promote the benefits of fully declared work while targeting both employers and employees. A key recommendation was for governments and social partners to use indirect or preventative approaches of tackling undeclared work as the primary tool for changing the behaviour of employees and employers. The Platform's recent study on **Evasion of Taxes and Social Security Contributions** was also discussed, with particular focus on how Platform members are tackling some of the new and emerging forms of tax evasion such as the misuse of collaborative platforms, using online trade platforms to disguise income, and concealing transactions through crypto-currencies.

What are the Platform's priorities for 2019-2020?

Day two of the plenary focused on the Platform's work over the next two years. The new programme builds on progress to-date with more in-depth work on tackling bogus self-employment, fraudulent letterbox companies and supporting holistic approaches to tackle undeclared work. There is also a greater emphasis on cross-border collaboration and a focus on four heavily affected sectors: agriculture; aviation, tourism; and the hotel, restaurant and catering sector. Find out more here.

Welcome to the Platform's newly elected co-chairs



Picture (from left to right): Luísa, Jordi, Renārs

Jordi Curell Gotor, Chair of the Platform congratulated Renars Lusis from the Latvian State Labour Inspectorate who will continue in post for another two years and welcomed Ms Luisa Maria Guimarães from the Authority for Working Conditions (ACT - Autoridade para as Condições de Trabalho) in Portugal.

Luísa said "The European Platform on tackling undeclared work contributes to improving working conditions in Europe and fighting undeclared work more efficiently and effectively... It is an honour and a privilege to become cochair of this Platform"

Renars commented "The Platform has made remarkable progress over the first two years of its work. This positive progress is the result of the high commitment and cooperation spirit that comes from all parties involved. After a successful two year cycle the expectations for the next period are even higher. Our ambition is to create the first ever Europe-wide information campaign on undeclared work and I am looking forward to supporting this."

The Platform's first two years, what's been achieved?

This report highlights the significant progress made in tackling undeclared work since the Platform's launch in 2016. It sets out challenges and the successful approaches being used by different countries. The report has just been forwarded to The European Parliament, the Council, the European Economic and Social Committee and the European Committee of the Regions. Find out about main achievements and next steps <a href="https://example.com/here-new-mathe-economic-

Platform video

Platform members and observers star in a set of new videos which highlight the benefits of staff visits, mutual assistance projects and cross-border cooperation. The videos demonstrate how collaboration is a powerful instrument in tackling undeclared work. You can view the videos on cross-border work, staff exchange and mutual assistance projects. The videos are available in all official EU languages.

Staff exchange / learning visit



The Belgian National Office for Social Security hosted a productive staff exchange visit from the Hellenic Labour Inspectorate this year. During the visit, the two authorities agreed to set up a bilateral agreement to optimize cooperation, share knowledge, information and best practices.

The delegates concluded that "(...) cooperation is of an outmost importance within the framework of tackling social fraud in general and undeclared work in particular."

Platform event: Communicating effectively

Platform members and observers have the job of persuading others of the importance of fighting undeclared work. Their role is to share knowledge and insights within their own organisation as well as relevant networks. This event provided practical advice and examples of how to make the most of the tools and evidence-based materials developed by the Platform. To find out more, click here.

Latest Publications

You can find all of the publications, examples of country practices, and much more on the <u>UDW Platform web pages</u>.

Updated glossary

Unclear on what under-declared work actually means? A group of Platform members have produced an updated glossary of shared concepts and definitions which is on the Platform webpage here and also in the virtual library here.

Studies

- Elements of a preventative approach towards undeclared work: an evaluation of service vouchers and awareness raising campaigns (PDF, 1.23 MB)
- Report on a preventative approach, focusing upon service vouchers and awareness raising (PDF, 236 KB)
- Evasion of Taxes and Social Security Contributions (PDF, 1.01 MB)

Event materials including toolkits

- Executive Summary from the Dissemination Seminar 'Communicating Effectively' (PDF, 1.15 MB)
- Executive Summary form the Thematic Review Workshop on 'Risk Assessment for More Efficient Inspections' (PDF, 103 KB)
- Summary report from the Follow-Up Visit on 'Risk Assessment for More Efficient Inspections (PDF 361 KB)
- Executive Summary from the Thematic Review Workshop on 'Information Tools and Approaches to reach out to Workers and Companies' (PDF, 94.5 KB)
- Executive Summary from the Platform Seminar: 'Tools and Approaches to Tackle Undeclared Work in the Road Transport Sector' (PDF, 237 KB)

Good practice examples of underdeclared work

#FraudOff! An awareness campaign to promote legal work in Latvia

A national awareness campaign in Latvia, known locally as #Atkrapies (#FraudOff!), advocates a 'zero tolerance' approach against cheating. This social media campaign targets young people who are starting a job, through YouTube videos and vlogs, Instagram and Facebook, using social media inflencers who talked about their own negative experiences of under-declared work. A key message from the campaign was to encourage young people to say "FraudOff!" to employers offering illegal work. They were also encouraged to not agree to receive envelope wages, since it can be hard to prove this, and the wages are not guaranteed. To read more about this campaign visit the campaign website.

Tech detection – Using technology to combat undeclared work on the roads of Greece

Authorities in Greece have introduced a new Road Traffic Control Information System to assist the Greek Labour inspectorate (SEPE) to detect undeclared work in the road transport sector. The system provides improved data collection and analysis of both analogue and digital tachographs, overcoming challenges previously faced when accessing data. The system makes it easier to detect infringements by the driver and detection of under- or undeclared work. Discover how the system operates click here.

To see other examples of good practices by country click <u>here</u>.

Dates for the Diary

Please note: Events are by invitation-only, aimed at Platform members and observers or their nominated representatives.

- 24 January 2019 Seminar on agriculture, Brussels, Belgium
- 12-13 March 2019 Plenary meeting, Brussels, Belgium
- **Date TBC** Thematic review workshop on cross border joint actions / joint inspections *Lisbon, Portugal*
- Date TBC Seminar on preventative approaches to tackle undeclared work, Brussels, Belgium

Upcoming Studies

- Thematic paper on under-declared work
- Study on collaborative platforms / new forms of work / bogus self-employment
- Study on data protection / exchange of information

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