



European Platform
Undeclared Work

NEWSLETTER

Issue 3, November 2017

Neither the Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the following information.

Welcome to the third edition of our newsletter with information on past, current and future activities of the European Platform on Undeclared Work (UDW).



WHAT'S NEW?

2018 Work Programme

The Platform's work programme for the coming year has just been fine-tuned at the Plenary meeting on 19-20 October.

Building on the first year, the focus of mutual learning will be on the road transport sector; identifying letterbox companies; and information tools and approaches reaching out to workers and companies.

Studies to increase awareness and understanding around current key issues related to UDW will include: evasion of taxes and social security contributions and preventive approaches to UDW.

To see a copy of the work programme, as well as all the written outputs from 2016-2017, such as learning resources, toolkits and studies, visit the UDW Platform pages [here](#).

Annual survey of activities

During the summer Platform members and observers gave their feedback on how useful they have found the Platform's activities to-date.

The survey results show that the exchange of best practices and information was the most beneficial.

Respondents appreciate in particular presentations from other Platform members, group discussions and opportunities for informal networking. Benefits of taking part in Platform activities include making wider contacts, gaining new ideas, greater knowledge and a better understanding of UDW overall.

Success story: combating bogus self-employment in Slovenia

This success story focuses on collaboration between trade unions, employers and the labour inspectorate in tackling the use of self-employed workers in the media sector. The Slovenian Public Broadcaster (RTV) was found to be in breach of labour law regarding its practice of contracting freelance workers even though an employment relationship was present, resulting in violations of workers' rights, including bogus self-employment. RTV was issued a warning by the Slovenian Labour Inspectorate and given a period of three years until 2018 to change its practice through a comprehensive human resource strategy based on social dialogue held with sectoral trade unions. The results were changes in contractual arrangements for 434 self-employed workers with many achieving employed status. The regulation of other self-employed contracts, part-time contracts, interim work arrangements and student internships have been thoroughly reviewed in order to avoid any form of disguised employment relationship. Such a high profile case sets a positive example in a sector with a significant number of freelance workers.

Thematic Review: Bilateral Agreements and Memoranda of Understanding

Bilateral agreements and memoranda of understanding facilitate structured cooperation by setting common goals and priorities across agencies operating in different legal contexts and work cultures. Such agreements are critical to help mobilise different agencies to tackle UDW nationally and across borders. In this context, the Netherlands hosted a Platform workshop, in April 2017, bringing 20 Member States and Norway together to encourage bilateral exchange and facilitate the dissemination of good practice. Key learning outcomes included:

- The need to outline operational activities, a common language and a clear division of responsibilities for successful bilateral cooperation,
- The importance of evaluations and monitoring to collect evidence to ensure ongoing political support and funding,
- The need to understand partners and their competences, and establish common interests and mutual trust through personal contact and good working relationships.

A follow-up visit on this topic was hosted by the Belgian Labour Inspectorate in June 2017. One key output is a practitioner's toolkit which provides specific guidance in drafting, implementing, reviewing and improving NAs, BAs and MoUs. The toolkit will be made available on the UDW Platform web pages shortly.

Thematic Review: Data Mining

Data mining enables inspectors to better target their activities by using data analytics. Such an approach can increase the efficiency and effectiveness of conventional workplace inspections by facilitating the prediction, prevention and detection of UDW. This issue was explored in a workshop held in Helsinki in 2017, providing an opportunity for 17 experts from 12 countries to pool their knowledge and share ideas on how to build efficient data mining systems. Particular issues discussed included how to legally share data both nationally and in a cross border context. The workshop produced good practice examples and a practitioner's toolkit aimed at providing concrete guidance in planning, designing, implementing, monitoring and improving data sharing and data mining tools.

The follow-up visit took place in Belgium in September 2017, hosted by the Federal Public Service Social Security. This provided a further opportunity to facilitate exchanges between countries who have made advances in data sharing and data mining, with other countries which can step up their data mining tools and data sharing processes in order to implement and further combat UDW.



Mutual Assistance Project in Latvia, 18-20 September 2017

Mutual Assistance Projects offer an individual Platform member the opportunity to be counselled in an area where they need support. In September, Platform members from Belgium, Estonia, Finland and the Netherlands, supported by experts, assisted the Latvia State Labour Inspectorate (SLI) to improve its effectiveness in tackling UDW. The outcome was a set of 14 recommendations. A follow-up visit to help ensure that the learning, insights and actions are translated into concrete improvements and positive change will take place in mid-2018. The photo shows the Platform's delegation leader and the Latvian Platform member hosting the Mutual Assistance Project.

Staff visits and joint training

Platform members and their representatives can take advantage of support to exchange ideas and undertake joint activities with other countries. In the last year 17 Platform members have taken part in this programme. One of them, Carlos Fernández Mera, Labour Inspector in the Spanish Social Security Inspectorate, went with his colleague Núñez-García Bada to visit their Portuguese counterparts.

Carlos found the visit really useful, and told us: "The experience has been very positive, providing the opportunity to exchange information regarding the different typologies of fraud and the way in which it is tackled in each country, in particular regarding posted workers. We believe that it is necessary to continue promoting an agile

collaboration between both nations”.

Why don't you take advantage and apply? A new call for applications will be launched in January 2018.



LATEST PUBLICATIONS



Studies

[Under-declaring work, falsely declaring work : under-declared employment in the European Union](#)

This study found that one in 33 formal employees in the EU-28 received envelope wages in 2013 - that's 6.36 million employees. Under-declared employment occurs when an employer pays an employee an official declared wage but also an additional undeclared ('envelope') wage, in order to evade the full social insurance and tax liabilities owed. This study explains under-declaring work in order to provide an evidence-based evaluation of different policy approaches for tackling it, and to propose a set of policy recommendations.

Event documentation

[Learning Resource Paper: Tackling Undeclared Work in the construction industry](#)

This paper presents the outcomes of the seminar held in Brussels on tools and approaches to deal with UDW in the construction sector. It includes examples of national and bilateral good practices. A complementary toolkit which set out practical examples of effective ways to tackle UDW will be available on the UDW Platform web pages shortly.

Fiches – latest examples of good practice

[Germany: Action Alliances](#)

The alliances, consisting of the Federal Ministry of Finance, the Central Customs Authority and social partners, aim to raise awareness about the negative impact of UDW and illegal employment amongst employers and employees.

[Romania: Receipts Lottery](#)

The Ministry of Public Finance launched a receipts lottery to encourage consumers to ask for purchase receipts as a new measure to reduce tax evasion and UDW.

[Belgium: MiningWatch](#)

MiningWatch is a data mining tool which uses predictive modelling to define fraud risks in three different sectors: construction, cleaning and the hotels and catering sector. The analytical tool helps choose inspection targets.



FORTHCOMING EVENTS

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

Seminar on Letterbox Companies, Brussels, 30 November 2017

A “letterbox company” is a business that establishes its domicile in one Member State with a mailing address while conducting its activities in another, usually with the aim of evading legal and social obligations. This seminar will look at current challenges at national and EU levels to tackle the phenomenon.



UPCOMING STUDIES

The soon-to-be published study on **new developments and trends in undeclared work** focuses upon the impacts of the 'collaborative' (sometimes called the 'sharing' or 'gig') economy on UDW in the EU28 and how this can be addressed.

In 2018, a follow-up to this study will be carried out, looking at new UDW **developments and trends in specific sectors**.

A study on the **full range of preventative measures** that are potentially available to stop non-compliance will also be conducted in 2018

Please feel free to forward this newsletter to other interested readers.

The opinions expressed in this e-mail do not necessarily reflect the views of the European Commission. Any information provided shall not be considered to be legally binding.

For any use of material which is not under the European Union copyright, permission must be sought directly from the copyright holder(s) indicated.

This newsletter has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020). For further information please consult: <http://ec.europa.eu/social/easi>

Privacy statement, [here](#).

If you no longer wish to receive these emails, you can [unsubscribe](#).