European Platform Undeclared Work

WORKING GROUP
ON SUCCESS STORIES
TO THE EUROPEAN PLATFORM
UNDECLARED WORK

Report from the two meetings of the Working Group on 11 May 2017 and on 29 September 2017

Summary

The Platform Plenary decided in March 2017 to set up a working group (in line with activity 22 of the work programme) for two meetings.

The following report to the Plenary contains an account of the steps the working group has undertaken, including:

- First meeting on May 11, 2017 to define the framework of the outputs of the working group;
    - Discussion and approval of a template for collection of success stories;
    - Elaboration of a set of guiding criteria for the selection of success stories. The working group put special emphasis on the initiative and involvement of social partners in initiating and implementing the respective measure to consider it a success story;
    - Publishing a call for success stories;
    - Review of labelling initiatives.
- Call for and collection of success stories among Platform members. The Secretariat launched the call, in July, and collected 32 proposals for success stories by September 2017.
- Second meeting on 29 September 2017, which:
    - reviewed and selected the success stories, which the working group will present to the Plenary for further dissemination;
    - produced an overview table of success stories by category.

During the second meeting, the working group selected 18 success stories in tackling UDW, which it will present to the Platform Plenary for further dissemination. The Success Stories that were discarded by the group will be examined by the Platform Support Team as potential good practices.

The working group decided to give the following **recommendations** to the plenary meeting of the Platform planned for 19-20 October 2017:

- Disseminate the selected success stories through the available communication channels, e.g. present a success story in each upcoming newsletter;
- Encourage Platform members to disseminate the success stories nationally, translating them into national languages wherever possible;
- Consider continuing the mandate of the working group to collect further examples of success stories, for example by launching another call for success stories with a deadline of June 2018 and subsequent selection by the working group;
- Devote more time to the issue of labelling quality as a potential success story for EU-wide replication, either by furthering the activities of a working group in due time or asking social partners to further elaborate the idea, e.g. under the Social Dialogue meetings on EU-level.

The chair of the working group would like to thank all members/observers for proposing so many success stories.

Introduction

The UDW Platform Plenary decided during its meeting on 10 March 2017 to set up a working group on success stories in line with activity 22 of the work programme. The working group's mandate is to: (i) identify and collect 'success stories' of tackling undeclared work at company or sector level, which are taken to be practices, measures, policies and contexts that change behaviour on the ground and have a proven effect reducing undeclared work; (b) look at existing experiences of 'labelling' of companies/organisations/good practices etc., as a steps towards considering the introduction of a recognised mark/symbol certifying compliance with basic principles of declared work and combatting undeclared work.

Social partners' participation from both employers' and trade union side is an important part of the mandate of the working group. What is more, their initiatives should be taken into consideration when choosing/presenting success stories. In line with this the working group chair has been chaired by Esther Lynch of the European Trade Union Confederation. The group included participants from BE, IT, LU, SE, BusinessEurope, ETUC, EFTAT and ILO.

The group held two meetings in Brussels in May and in September 2017. Their deliberations and findings are presented briefly below, including a summary table of identified and selected success stories, followed by conclusions and recommendations.

During its first meeting in May the working group provided guidelines on a definition of success story, a first outline of the template for collecting success stories, and a tentative list of guiding criteria for selecting success stories for consideration by the plenary. In July the Secretariat issued a call for success stories.

During the second meeting in September the working group reviewed the submitted success stories and selected stories that it will recommend to the Platform Plenary. The current report contains a summary of the selected success stories. Stories with involvement of social partners have been given priority. A full list of the selected success stories is provided separately.

At the second meeting the working group also concluded that labelling would be a good way to promote compliance with basic principles of declared work and combatting undeclared work, and enhance the visibility of initiatives that do so.

To achieve this there is however further work to be done: Examples of good practice and success stories need to be thoroughly analysed, clear and common criteria need to be defined, and guidelines of how this could be put into practice should be available. The working group agreed that a way forward would be to ask social partners if they could support the process of elaborating this.

1. Defining and collecting success stories.

The working group has chosen to identify success stories that show **benefits for companies, workers and Member States.** As a way of operational definition, the working group decided to differentiate between a 'success story' and a 'good practice example' (as available in the UDW Platform virtual library)[1] as follows:

- A '**good practice example**' describes a successful practice implemented by the initiative of Member State authorities without the direct involvement of social partners;
- A '**success story**' describes a successful tripartite initiative and/or agreement implemented at company/sector level (in collaboration with governmental organisations).

To further strengthen this specific understanding of success stories, the working group developed non-binding guiding principles for identifying and selecting examples of such stories. Some of the more important criteria members of the working group have decided to point out, include: how the success story tackles UDW; extent to which it prevents UDW; the degree of transferability. For a full list of discussed criteria, please see Annex 1 to this report. Success stories **were not required to meet all of the criteria discussed**. Further in their deliberations the members of the working group noted that success stories depend on individual companies and countries, and are not one-fit-all solution. They need to present the impact on (declared or undeclared) companies, employers and employees, and the impact on the society – in order to qualify. Success stories can include all types of examples: policy, measure, action, law, tool, awareness-raising, etc.

Following the working group's first meeting in May 2017, a template for collection of success stories was developed. After the template had been approved by the working group, the Secretariat announced in July 2017 on behalf of the working group a call for collection of success stories to the Platform members. By September the working group had collected 33 proposals for success stories.

2. Selecting success stories

During its second meeting in September 2017 in Brussels, the working group **reviewed the collected templates for success stories one by one**, and decided which ones to choose to propose to the Platform for further consideration and dissemination. In their deliberations, the group took the assessment grid under consideration using it as guidance and not as a formal assessment grid. The group discussed the resume of each provided success story proposal, and consulted the longer template versions if more detail was needed. Like stipulated in the mandate of the working group and agreed during the first working meeting the selection was focused on the success story examples, which have clear tripartite participation in their implementation. It was reiterated that the involvement of social partners is what differentiates success stories from the best practice as learning resources of the Platform.

Following the discussion, the working group took the following **decisions regarding the distribution of the proposed 33 success stories**:

- 18 were **selected** to be recommended to the Platform **as success stories**;
- 10 were identified as **good practices** and will be referred to the support team for consideration under this type of learning resource of the Platform;
- 2 were deemed as lacking sufficient information for informed decision and have been sent back to the proposing party for additional review;
- 3 were deemed as not covering key criteria for inclusion in any of the lists.

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[1] http://ec.europa.eu/social/main.jsp?catId=1299&intPageId=4875&langId=en

The working group decided that the selected 18 success stories be summarised in a categorised table (see below), while the full templates be presented as Annex 2 to this report. Each success story should be considered in its own merit and should not be compared or benchmarked to the others.

The working group instructed the support team to present each success story in the summary table with short texts, and if feasible arrange them in categories, which could include for example:

- Inspection
- Enforcement
- Legislation
- Sectors
- Bogus self-employment, etc.

The table below gives an overview on the success stories categorised by type of measure (deterrence (8 examples), prevention (5 examples), and incentives/commitment (5 examples)).

Success stories 2017 - overview table categorised by type of measure (deterrence, prevention, and incentives/ commitment)

Title[2]	Sector	Brief description and main results	Social partners or tripartite involvement
Category 1: Deterrence			
Barring cash payment of wages in Belgium	All sectors	On initiative from the business associations in the meat industry, Belgium prohibited the cash payment of wages as of October 1, 2016. The measure has been taken up by the government and has been supported by the trade unions. It aims at reducing unfair business competition and improving the working conditions in Belgium for national, as well as for posted workers. There has not yet been any formal evaluation of impact but the measure has produced a few immediate results. For example, labour inspectors can now track wage payments of companies, making their work on detecting social fraud more efficient.	Led by the Secretary of State against Social Fraud with the active participation of trade unions, employers' federation and government ministries.
Introducing the "black box" cash register in Belgium	Hospitality sector	In 2015 Belgium introduced the so called 'black box' cash register, which similarly to so-named devices on airplanes records and sends to the social security authorities transaction made on it. This technically precludes companies form not declaring or under-declaring their revenues, thus reducing the resources for paying UDW. Employers have been incentivised to introduce the "black box" by granting them social security breaks from the salaries of their declared employees.	Led by the sectoral employers' association HOTREC

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[2] Where ever available, the link imbedded in the title leads to the original resource on the success story. Please, note these may not always be in English.

Title[2]	Sector	Brief description and main results	Social partners or tripartite involvement
Mandatory registration of on-site workers in Belgium	Food / meat sector	The practice requires that all workers in the meat industry have to register as soon as they arrive on site. This includes those that might be employed by a different company than the sight-owner (e.g. self-employed or employees of subcontractors). The registration data is collected in online repository by the national office for social security (RSZ-ONSS). Registration is easy and can be done electronically, including from a smartphone or tablet. Registration has to take place before any work can be carried out. There is no formal evaluation of the impact yet. But the practice allows the cross-checking of data to other information sources, thus increasing the efficiency of labour inspections and reducing UDW.	Led by Secretary of State against Social Fraud, with the participation of trade unions, employers' federation and government ministries.
Joint inspections plan in Denmark	Construction sector, agriculture, hotels and restaurants, cleaning industry	A formalised action plan of joint inspections to tackle risk sectors, including in relation to UDW has been introduced since 2012. It is renewed annually on the basis of the assessment of achieved results. The plan is supported by government funding based on results monitored through data collection and reporting. It allows for a continuous improvement of inspections, with the engagement of social partners and the media. The initiative has helped improve public perception about inspections and has contributed to a perceived change of behaviour among contractors and subcontractors towards greater focus on compliance with the law.	Led by the Danish tax authority (SKAT), in cooperation with the Working Environment Authority, the police, labour unions, and business associations.
Finanz-kontrolle Schwarz-arbeit, Germany (Financial Control of Undeclared Work -	All Sectors	Germany has designed a holistic approach to tackle undeclared work through a dedicated government body. FCUDW is responsible for assessing the legality of labour contracts and enforcing employment laws tackling undeclared work. It conducts labour inspections, including with other authorities. Uncovered cases of illegal employment are forwarded to the public prosecutor's office and/or the local foreigners' authority (in the case of non-German citizens). The created system is exemplary in that it created a holistic approach to tackling UDW, placing the responsibility for eliminating UDW in one organisation to make the process more efficient.	The initiative is solely led by FCUDW and is widely supported by employers and trade unions, though their involvement is not present in the implementation.

Title[2]	Sector	Brief description and main results	Social partners or tripartite involvement
FCUDW)		The FCUDW collaborates actively with employers in specific sectors, as they form action alliances to tackle undeclared work.	
Engaging large construction purchasers in Norway	Construction	The Norwegian Tax Administration has entered into agreements with large public and private purchasers in the field of construction to strengthen their internal control by creating a contractual requirement that they do not purchase goods and services using undeclared work. This is done through information exchange and competence raising. The agreements operate on two levels: (a) prior to the conclusion of the contract purchasers must check all workers they will be using, even those not directly employed by them in the supply chain; (b) during the contract period the purchasers submit list of works to the Tax Authority which cross checks the lists against social security records. The Tax Authority would also conduct unannounced checks. This initiative has resulted in the exclusion of businesses, which have failed to formalise UDW. Some businesses have paid penalties and have remedied UDW in order to return their access to future contracts.	Norwegian Tax Authority has engaged with 7 of the largest public purchasers in Norway and one of the largest construction companies
Ensuring fair working conditions for third country migrant workers within wild berry picking in Sweden	Agriculture	A Swedish trade union has introduced in cooperation with the labour inspection and Swedish migration services a pre-screening of labour conditions for foreign wild berry picking workers before they enter the country. They have introduced pre-advertising of the available positions, guaranteed minimum pay, guaranteed labour rights, etc. for some 4000 foreign workers. Now for all personnel in need of a working permit the employer has to guarantee their salaries before the Swedish Migration Agency approves the working permit. As a result of the implementation of this success story today consumers in Sweden can buy Fair Work berries in the store. The trade union has learned new methods in meeting with and developing relations with employers/employees within the sector, and has introduced a new type of membership for seasonal workers.	Swedish Municipal Workers Union (Kommunal), supported by employers' organisations and in cooperation with public authorities.
Reducing undocument	Agriculture	Trade unions have been able to sensitise the Italian public and government authorities to introduce a new system of penalties and	Trade unions (CGIl FLAI, UIL UILA, CISL FAI), Ministry of

Title[2]	Sector	Brief description and main results	Social partners or tripartite involvement
ed UDW and exploitation in Italy		stricter control in the Italian agriculture to preclude UDW in the sector, which has resulted in deaths in the summer of 2015. A new bill against gang masters (the Caporolato system) curbs illegal practices and irregular work in agriculture (Law 199/2016) The "caporalato" system, fruit pickers and other seasonal workers are typically recruited, organised and paid by an intermediary, enabling the real employers to sidestep payroll taxes. The law provides for mandatory prison terms, fines and asset seizures for farm owners and intermediaries involved in illegal practices Trade unions have insisted for the instruction of the legislation as they have calculated some 430,000 agricultural workers have been subject to UDW and extreme exploitation across the country due to being undocumented migrants.	Agriculture, NGOs.
Category 2: Prevention			
Introducing a holistic approach to addressing UDW in Greece	All Sectors	The Greek government and the social partners have agreed on national level to: (i) set up a tripartite body responsible for designing and assessing policies; (ii) create a shared database between the Ministry of Labour, the Ministry of Finance, and the Independent Authority of Public Revenue. Though implementation is in its infancy, the following results have already been registered: the rate of UDW fell from 18% to 13%; the Labour Inspectorate introduced a new IT system for detecting UDW risk companies; key performance indicators have been developed for all public entities involved in tackling undeclared work.	The Greek government, ILO, and EU have developed the approach, in cooperation/consultation with the national social partners.
Protocol on strengthening legality against the black market on EXPO 2012, Milan, Italy	Construction	In 2012 trade unions in the Milan area signed pre-emptive agreements with employers, government, inspection, and security bodies involved in the construction work for the Milan EXPO 2015. The agreements covered many issues including security, vocational training, declaring work, and eliminating undeclared work, well in advance of the expected influx of Italian and foreign workers to the construction venue. This resulted in preventing UDW among the 4,000 workers in total, and 1,400 in construction, employed at the EXPO.	The lead was taken by trade unions. Agreements were made with the EXPO organisers, employers' confederations and multiple trade unions.

Title[2]	Sector	Brief description and main results	Social partners or tripartite involvement
European Network for Fair and Responsible Posting (REDER) - multi-national agreement.	Construction	REDER has helped strengthen the cooperation between trade unions and labour inspectorates in Europe. To prevent and combat UDW related to posting, a transnational network between 10 European Members States was developed in 2015. Since 2015 the network grew to 18 member organisations able to tackle UDW. It developed 8 information brochures in ten languages.	European trade unions and labour inspectorates.
Municipalities and counties public procurement against UDW in Norway	All sectors	Regional and local authorities in Norway have gathered forces with the social partners and the government with the objective to make it as difficult as possible for public sector contracts to be awarded to organisations, which hire UDW. They adopted a set of guidelines when making decisions on awarding public procurement contracts, which seek to minimise the risk of funding undeclared work when awarding contracts; set contractual requirements which include shorter chains of subcontractors; 40% of worked hours by workers with certified skills; 7% of worked hours by apprentices; all payments must be made through bank transfers. There are 150 municipalities which have adopted the guidelines in awarding contacts so far.	Norwegian Tax Authority in cooperation with employers' and trade unions and the Norwegian Association of local and regional authorities (KS).
Mister R, the successful case of UNDOK at the Labour and Social Court, Austria	Tourism	The UNDOK initiative is a tripartite effort to aid undocumented workers secure their rights according to Austrian laws. This is done including through the telling of the story of the success of UNDOK Mister R. who had been able to formalise his UDW with an employer, and to receive all health-care benefits related to the contract, enabling the worker to pay for the costs of his work-related health issues. As a result of the work of UNDOK, Austria has introduced new law on preventing social and wage dumping in 2011 and upgraded it in 2017.	BMASK (Ministry for Labour and Social Affairs), UNDOK (Counselling Centre), OGB (Austrian Trade Unions Umbrella)
Category 3: Incentives / Commitment			

Title[2]	Sector	Brief description and main results	Social partners or tripartite involvement
The Quality Agricultural Network in Italy	Agriculture	In the Lazio region farms have been encouraged to join the Quality Agricultural Network. It has been established to motivate farms to commit to good employment practices, help tackle illiteracy, and increase respect for labour laws and contracts through introducing a set of quality standards. The network oversees a technical committee which helps to train workers for the specific needs of member employers to act as an incentive to join.	Initiated and implemented by regional and provincial agricultural trade unions (FLAI CGIL)
Joint trade unions – business action in Italy	Construction	The construction trade unions in Lazio play an active role in detecting and curtailing UDW. One successful example of these efforts is their direct engagement with reputable businesses to remedy UDW cases perpetrated by sub-contractors. In a recent case of a fashion house constructing a new building in Rome, the trade unions have been able to bring 40 undeclared workers into formal employment and even unionisation. The trade unions detected these workers had been engaged in UDW, and consecutively communicated the issue directly with their employer and then with their contractor – the fashion house.	Regional trade union (CGIL) in cooperation with businesses.
"The truck driver's mother" campaign, Norway	Transport	The government and road haulage sector joined forces in a tripartite effort to produce the public awareness film 'The Truck Driver's Mother' to increase knowledge among foreign lorry drivers and their employers of the specific Norwegian road safety regulations, including such concerning UDW. Accompanying the 4-minute award winning film there was a website with short and relevant information about Norwegian legislation, Facebook-ads, and content marketing. Paid articles were also placed in Eastern European online newspapers. By September 2017 the campaign messages had been seen by 30 million people, including over 6 million views of the film. The film had been actively engaged with on Facebook (e.g. sharing, liking, or commenting) over 40,000 times.	The Ministry of Labour and Social Affairs

and Inspection Authorities worked with social partners of the transport sector and the Norwegian Public Roads Administration/ |
| Cooperation forum | All sectors | Tripartite collaboration to prevent undeclared work and to promote fair competition at the national and regional level in Norway. The collaboration | Led by the Norwegian Tax Authority, it includes trade |

Title[2]	Sector	Brief description and main results	Social partners or tripartite involvement
against the black economy in Norway		focuses on attitudes and prevention, through joint actions with a broad scope, e.g. campaigns, seminars, articles in the newspapers, games for youngsters etc. Another focus is on encouraging workers to act as "watchdogs" at the workplace, reporting on specific irregularities related to UDW. Recent surveys of the forum have shown a decline in the support for UDW in the country, to which the work of the cooperation agreement has contributed.	unions, local and regional authorities, and the Confederation of Norwegian enterprises as equal partners.
Setting an example on UDW compliance transition in Slovenia	Media, Arts & Entertain-ment Sector	RTV Slovenia, the national public service broadcaster, employed a significant number of dependent self-employed workers, a practice which was found in contradiction with the entry into force of the Employment Act in 2003 (ZDR). In 2015 RTV Slovenia put in place a strategy to re-assess its needs and control labour costs. This included a review of the criteria for employment within RTV, setting out a matrix of competences and skills of RTV staff. The implementation of the plan allowed that out of the 434 self-employed contracts, 157 self-employed workers requalified into employees, 53 self-employed workers were declared eligible for employee status but with a slightly lower professional grade and 58 self-employed workers were conditionally eligible for employee status, pending a skills upgrade through vocational training schemes.	Employer RTV Slovenia in collaboration with the trade union and the labour inspectorate

New section

3. Conclusions and recommendations

The working group has assessed very positively the learning experience and knowledge – sharing everyone acquired through the exercise. The Chair of the working group specifically thanked all participating members of the Platform for their dedication and contribution to the collection of success stories.

The working group reached the following **conclusions**:
- The collection of success stories constitutes a learning resource that should be further disseminated within the Platform;
- The success stories can become a distinctive part of the bi-annual report to Council and European Parliament; they can be disseminated through the Platform newsletter and displayed on the website, and more generally used for communication purposes by members/observers;
- The success stories can be promoted within a campaign in order to transform undeclared work into declared work , sector specific campaigns or within projects co-financed through calls for proposals in the field of undeclared work;
- Success stories can be integrated in the Virtual Library.

The working group decided to give the following **recommendations** to the Plenary of the Platform planned for October 19-20, 2017:

- Disseminate the selected success stories through the available communication channels, e.g. present a success story in each upcoming newsletter;

- Encourage Platform members to disseminate the success stories nationally, translating them into national languages wherever possible. It would be advisable to assign owners of each success stories from the organisations, which proposed them, who can be consulted in case further learning or potential transfer of the success story is initiated;

- Consider continuing the mandate of the working group to collect further examples of success stories;

- Consider the announcement of a recurring process of collection of success stories by its members, with scheduling the next call for June 2018;

- Devote more time to the issue of labelling quality as a potential success story for EU-wide replication, after asking social partners to further elaborate the idea, e.g. under the Social Dialogue meetings on EU-Level.

Annex 1: List of non-binding guiding criteria for selection of success stories and for inclusion in the template for presenting them discussed by the working group.

Criterion	Notes and clarifications
1. **Social, economic and financial impact**	The impact could be on the society, economy, company and the workers. The template should ask for a plausibility assessment, not necessarily quantify the impact.
2. **How it combats UDW**	**Critical criterion.** The template should ask for descriptive explanation of the story, not necessarily verification with statistical data.
3. **Extent to which it brings UDW in its various forms and falsely/wrongly declared work including the "bogus self-employment" into declared work**	Explanation in the Template to be requested, if applicable.
4. **Extent to which it prevents UDW**	**Critical criterion.**
5. **How it promotes declared work**	Explanation in the Template to be requested, if applicable, on how it prevents people falling into UDW.
6. **Extend to which both sides of industry agree to cooperate**	This criterion refers to the employers and employees' unions role in the conception or proposal of the success story.
7. **Extent to which all actors can be involved**	This criterion refers to employers and employees' unions, social partners, government bodies, etc. involvement in the implementation of the success story. The social partners must be involved for a practice to count as a success story.
8. **Extent to which it drives changes of behavior of customers/consumers, workers and employers**	This criterion refers to the effect of various incentives (e.g. simplification of procedures, labeling) and/or deterrents/sanctions (e.g. fines). The template could also ask for information if it has intrinsic dimension or not (i.e. if it was own initiative or imposed one).
9. **Extent to which it contributes to the improvement of the knowledge and practices of Member States to tackle UDW**	Explanation in the Template to be requested, if applicable.
10. **New and/or innovative**	The template could ask for information if 1) it is a new or long-existing practice and 2) if it exists only in one county or if similar measures exist in other countries.
11. **Extent to which it is transferrable** (or adoptable to another country).	**Critical criterion.** The template could ask for prerequisites / factors for success for it to be transferred to another country – e.g. if there could potentially be problem of scale during the transfer (micro story as a model, may be not applicable at larger scale).
12. **Supports internal cooperation within Member States**	Explanation in the template to be requested, if applicable
13. **Cross-border dimension**	The cooperation could be between countries and/or regions. Explanation in the Template to be requested, if applicable.

Annex 2: List of selected success stories – full template view

The write–up of the selected success stories using the agreed template are submitted as a separate document.