

Workshop of the European Platform tackling undeclared work: Inter-institutional cooperation within Member States to tackle undeclared work

Rome, 12-13 March 2025

EXECUTIVE SUMMARY

The workshop organised by the European Platform tackling undeclared work (hereinafter 'the Platform') provided participants with an opportunity to deepen their understanding of successful inter-institutional cooperation to tackle undeclared work, at national and cross-border level. It specifically focused on inter-institutional cooperation on operations (i.e. inspections, education, awareness raising campaigns and other support measures) and data collection, sharing and analysis. The event brought together 54 participants, including representatives of labour inspectorates, tax and social security institutions, national social partners, and governmental organisations from 19 Member States, as well as representatives from labour inspectorates and tax authorities from the Western Balkan economies (i.e. Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia and Serbia). Representatives of the European Labour Authority ('ELA'), thematic experts, and members of the Platform support team also attended the event.

Opening Session

Representatives of ELA welcomed participants and expressed their appreciation to Italian colleagues for hosting the event. They also extended a warm welcome to representatives from labour inspectorates and tax authorities from the Western Balkans which are part of the Employment and Social Affairs Platform (ESAP) 3 project.¹ This marked the first instance of cooperation between the Platform and the Western Balkans Network Tackling Undeclared Work.

A representative of the Ministry of Labour and Social Policies from Italy, the host country, delivered a welcome speech, highlighting the adoption of Italy's **National Plan to Combat Undeclared Work** on 19 December 2022. Covering the period 2023-2025, this plan represents Italy's first strategy to enhance cooperation among different stakeholders, including government agencies, trade unions, and employers. It was emphasised that the plan introduces a holistic approach, encompassing a variety of measures, both direct and indirect.

* This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

¹ The Employment and Social Affairs Platform (ESAP) is a regional 5-year (2024-2028) project financed by the [European Union \(EU\)](#) and jointly implemented by the [Regional Cooperation Council \(RCC\)](#) and the [International Labour Organisation \(ILO\)](#). ESAP 3 promotes fair and well-functioning labour markets in the Western Balkans by advancing the alignment with the EU acquis and implementation of the European Pillar of Social Rights in the areas of undeclared work, health and safety at work and social dialogue. Building on the successes of ESAP 2 project, activities under 'Employment Formalisation' component aim to further strengthen the capacities of the Western Balkans Network Tackling Undeclared Work (Network) to formulate and implement evidence-based policies, ultimately preparing it for integration into the European Labour Authority (ELA). This network involves key stakeholders in tackling undeclared work such as Ministries of Labour and Social Affairs, enforcement authorities (Labour Inspectorates, Tax Authorities), and consults with social partners.

Introduction to the Employment and Social Affairs Platform ('ESAP') 3 project in the Western Balkans



A representative of the ESAP 3 project, which is part of the larger EU4Employment Action funded by the EU under the Instrument for Pre-accession Assistance (IPA III), explained that the project operates in the Western Balkan Six (i.e. Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia and Serbia) from 1 March 2024 to 28 February 2029. Jointly implemented by the Regional Cooperation Council (RCC) and the International Labour Organization (ILO), the project aims to promote fair and well-functioning labour markets in line with the European Pillar of Social Rights (EPSR). Its objectives include aligning with the EU acquis and implementing the EPSR in the areas of undeclared work, health and safety at work and social dialogue. Key initiatives involve making the Western Balkans Network Tackling Undeclared Work fully functional, aligned with the best European practices, and prepared for integration in the ELA, generating reliable evidence on the transition to formality, and strengthening capacities of the Western Balkans Network for Tackling Undeclared Work.

Introduction to the theme of the workshop

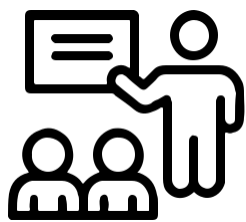


The workshop began with a thematic presentation emphasising a **holistic approach** to addressing undeclared work. Key components of this approach include transforming undeclared work into declared work, **developing a whole government coordinated approach** – encompassing joining-up operations and cross-government cooperation on data collection, sharing and analysis – and using the full range of direct and indirect policy tools (e.g. more effective sanctions as well as awareness raising campaigns, etc.) A 2022 survey across the 27 EU Member States revealed that the least progress was made in developing a cross-government coordinated approach. Therefore, the workshop aims to fill this gap by sharing successful practices in inter-institutional cooperation at both national and cross-border level, focussing on cooperation in operations and on data collection, sharing and analysis to tackle undeclared work.

Participants expressed their appreciation for the insights provided by the survey and inquired whether a new survey will be conducted to capture any new developments. It was explained that a new survey may be carried out after five years from the previous one.

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Presentation from the host country on the National Plan to Combat Undeclared Work in Italy



Representatives from the Ministry of Labour and Social Policies (MLPS) and the National Labour Inspectorate (INL) in Italy presented **the National Plan to Combat Undeclared Work**, a comprehensive initiative funded by the European Commission. Approved in December 2022, the plan involves multiple institutions, including the INL, MLPS, the Tax Agency, and the National Social Security Institute (INPS), and aims to tackle undeclared work through a **holistic approach**. The plan focuses on improving institutional cooperation, leveraging technology for data analysis, addressing the

shortage of inspectors, using a mix of deterrent and preventative measures. While the plan aims to increase the number of inspections and hire new inspections, at the same time it aims to encourage employers to change their attitude and behaviour through compliance mechanisms. This means more inspections, but also more tools to help employers comply with regulations. The plan also emphasises enhancing social dialogue and improving communication. Recognising that workers often lack awareness of the risks associated with undeclared work, including the absence of social security support and economic vulnerability, a campaign was launched in 2023 to address these issues, drawing inspiration from similar campaigns by the ELA.

Questions were raised about the type of measures aimed at encouraging employers to declare work, the increased number of inspections and the process of hiring and becoming a labour inspector in Italy.

Session I: Inter-institutional cooperation within Member States on operations



Two presentations focussed on inter-institutional cooperation on operations (i.e. inspections, education, awareness raising campaigns and other support measures). Examples of good practices in inter-institutional cooperation, highlighting their outcomes, lessons learnt, and the main challenges faced by authorities were made.

- ▶ **Denmark** presented the cooperation since 2012 between the Danish Working Environment Authority, the Tax Agency, and the Danish Police to address **social dumping**, which involves Danish and foreign businesses hiring labour from abroad. To this end, a task force against social dumping was set up in 2023, coordinated by a national coordination group, with operational, data, and legal strands. This task force tackles serious issues, which require multiple authorities to work together to effectively tackle and address undeclared work. Regular meetings are held to share knowledge and experiences, stressing the importance of regional planning and coordination. Each year, the social dumping project has eight nationwide and forty regional joint action days, ensuring coordinated efforts across the country. The significance of information and guidance was highlighted, along with the process of regularly informing parliament through reports and responses to questions. Of certain importance is moreover the use of press to secure the continuous storytelling. The police play a crucial role in

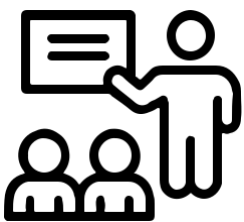
checking issues within their remit, ensuring that no one is harassed or harmed on the job.

- ▶ **Spain** presented the '**Campaign against Undeclared Work**', a collaborative effort involving the State Tax Administration Agency, the Police and Civil Guard, as well as with the Social Security Administration to combat undeclared work of individuals without affiliation to or registration with the social security scheme. This campaign is a strategic tool to ensure the sustainability of the social security system by leveraging information and data, including artificial intelligence, to plan targeted actions in high-risk sectors and geographical areas. The reasons for cooperation include the efficient use of resources, better coordinated actions between agencies in the fight against fraud, the expansion of operational scenarios, and the exchange of information. This collaboration is facilitated through conventions.

Questions directed to Denmark sought further information on the exchange with parliament and how this takes place. Questions on the role of the police during joint inspections were also raised. Meanwhile, questions to Spain focussed on the way information is shared between the labour inspectorate and the social security agency and the use of artificial intelligence for targeted inspections.

Session II: Inter-institutional cooperation within Member States on data collection, data sharing and analysis

Two presentations focussed on how data collection, data sharing, and analysis among government departments can enhance inter-institutional cooperation.



- ▶ Representatives of the National Social Security Institute (INPS) in **Italy** focused on their operations and their unique framework for agriculture. After providing some background information on the development of INPS since its foundation and the legislative changes in 2001 that expanded the definition of agricultural enterprises, the presentation focussed on cross-agency cooperation to tackle undeclared work in the agricultural sector among five main stakeholders: MLPS, INPS, INL, the National Institute for Insurance against Accidents at Work (INAIL), and the Agency for Agricultural Disbursements (AGEA). They established a system that allows different authorities to access their databases and share a wealth of information, with databases updated daily. This cooperation facilitates data sharing and coordination, helping to avoid overlaps and enabling the exchange of valuable information. The data-sharing system helps assess risks and identify non-compliant companies, using algorithms developed by inspectors to monitor activities, especially in more problematic areas.

- ▶ **Slovakia** presented the data-sharing collaboration between the National Labour Inspectorate (NLI) and the Social Insurance Agency (SIA). This cooperation is structured around three modules: (1) The **Ne Bis Idem Module**, providing early warning (information) from NLI to SIA not to initiate administrative proceedings (as a fine cannot be imposed by both the SIA and NLI on the basis of the same violation); (2) the **Illegal Work Module**, allowing the NLI to access extensive data from the SIA and have a comprehensive view of an employer's registration in the social security system; and (3) the **SLI-LI Module**, facilitating the exchange of data between the NLI and SIA. Future plans to enhance this cooperation include developing an app to improve information exchange and implementing all available information tools.
- ▶ **Albania** presented the new **Matrix of Intelligence & Risk Assessment (MIRA)**, a comprehensive digital tool designed in cooperation between the Labour Inspectorate (ASILSS) and the Tax Authority to make labour inspections more effective. Traditional methods, which rely heavily on manual processes, physical inspections, paper-based documentation, and limited data sharing, have significant limitations in terms of efficiency, accuracy, workplace coverage, risk assessment, transparency, accountability, and resource intensity. MIRA addresses these issues by integrating two key components: a **case and data management system** that assists labour inspectors in ensuring unified decision-making, and an **advanced risk assessment tool** powered by data mining and machine learning. This combination enables efficient data collection and predictive analytics, transforming the way labour inspections are planned and conducted.

Questions directed to Italy sought clarification on the frequency of database updates and the mechanisms of cooperation between different databases. Inquiries to Slovakia focused on the SLI-LI module and data protection issues. Lastly, questions to Albania aimed to understand the challenges involved in implementing the MIRA system.

Working Group Discussion I: Sharing learning on inter-institutional cooperation within Member States on operations, data collection, data sharing and analysis



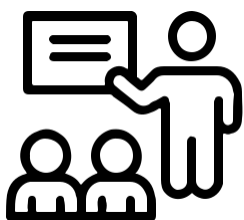
During the working group discussion, participants shared learning on inter-institutional cooperation within Member States on operations, data collection, data sharing and analysis. Key points included:

- ▶ Key success factors for **cross-agency cooperation** include developing a model of cooperation, strong legal frameworks, and clear roles. Memoranda of understanding (MoUs), specialised working groups, and digital tools can help strengthen coordination.
- ▶ **Data leaks** when data is shared among different authorities are a primary concern. In Italy, for instance, this problem was addressed by having a list of authorised individuals who can access the databases based on their competencies. Participants also discussed challenges to data sharing, including data protection laws, incompatible systems, and fragmented access. Furthermore, participants indicated that institutions do not always have the skills to analyse such big data.

- ▶ **Awareness campaigns** are crucial in changing attitudes and promoting compliance. Benefits of communication campaigns include increased compliance, stronger multi-agency coordination, greater public trust, improved detection and reporting, potential long-term behavioural change, and enhanced engagement with stakeholders like trade unions and employers' representatives. Participants also suggested that digital tools and social media should be leveraged for greater accessibility. Moreover, regular evaluation of campaign effectiveness helps refine strategies and maximise impact.

Session III: Cross-border cooperation on operations, data collection, data sharing and analysis

Two presentations focussed on cross-border joint and concerted operations (i.e. inspections, education, awareness raising campaigns and other support measures) as well as how data is collected by and shared between enforcement authorities in different Member States.



- ▶ Representatives from the **Lithuanian** and **Latvian** labour inspectorates shared their cooperation and experience in tackling undeclared work, highlighting agreements signed in Lisbon in 2007 and another in 2018 to enhance cooperation on health and safety and information exchange. Cooperation includes annual meetings to exchange best practices; meetings or visits of specialists to promote their cooperation in different areas; exchange of information in an electronic way; exchange of information and cooperation on matters related to posting of workers, posted third-country nationals and seasonal workers. The benefits of this cooperation include direct contacts, increased efficiency, enhanced enforcement of labour laws, and improved worker protection. However, challenges such as legal and administrative differences, language barriers (often using English or Russian), and resource constraints were mentioned.
- ▶ Representatives from the Social Information and Investigation Service (SIIS) in **Belgium** and the **Netherlands** Labour Authority presented their long-standing cooperation in tackling undeclared work, emphasising the importance of understanding both their similarities and differences for effective and efficient collaboration. Their cooperation spans three levels, namely strategic, technical, and operational. It includes joint inspections, electronic exchange of data, coordinated actions to ensure a unified approach joint training and education programs to stay updated on the latest anti-fraud techniques and share best practices. Challenges include differences in their respective competencies, legal and administrative differences, language barriers, and data protection issues.

Questions focused on how to initiate cooperation between Member States, particularly regarding data exchange. It was explained that political support is crucial for information sharing. In Belgium, a coordinating

body plays a vital role as a liaison between the government and the operational level, working to persuade politicians to expedite the process.

Working Group Discussion II: Sharing learning on cross-border cooperation on operations, data collection, data sharing and analysis



During the working group discussions, participants shared learning on cross-border cooperation on operations, data collection, data sharing and analysis. Key points included:

- ▶ Besides the cooperation under ELA, **bilateral agreements** are essential to strengthen cooperation and empower inspectors to effectively conduct joint inspections outside their country. Without these agreements, inspectors are unable to collect evidence themselves and must rely solely on information from the Internal Market Information system (IMI), which limits their effectiveness. Establishing a clear framework through an MoU greatly enhances inspectors' ability to perform their duties effectively.
- ▶ **Cross-border cooperation** is challenging due to varying national laws and definitions of undeclared work (e.g., bogus self-employment), different competences and mandates of inspectors, data protection laws limiting information sharing, the lack of standardised digital platforms hindering efficient collaboration, language and administrative differences, different priorities and resource constraints. It was noted that in the Western Balkans, some of these differences are mitigated due to language similarities and comparable institutional and legal frameworks. In sectors like hotels, restaurants and cafes (HoReCa), cross-country collaboration is crucial both within the EU and with non-EU countries, as a large portion of the workforce comes from third countries.
- ▶ **Success factors for effective cross-border cooperation** include understanding the respective similarities and differences related to legislation, practices, trends, etc, starting small with a test or pilot phase to assess feasibility and effectiveness, and maintaining direct communication.
- ▶ The **benefits of cross-border cooperation** include faster detection of undeclared work through shared intelligence, more effective fraud prevention, data exchange across borders, strengthened legal and institutional collaboration to close enforcement gaps, and improve protection of workers' rights.

Closing remarks



During the closing remarks, speakers stressed the importance of cross-agency cooperation in effectively tackling undeclared work. They highlighted key success factors, challenges, benefits and the importance of developing a model of cooperation, strong legal frameworks, and defining clear roles.

A representative of the host country emphasised that cooperation among different authorities is essential to tackle undeclared work, especially given its rapidly changing nature and cross-border implications. With advancements in AI and technology, data sharing is crucial for gaining insights and drafting risk assessments for various phenomena. It was also reiterated that a holistic approach involving multiple agencies has proven to be a highly effective model.

ELA concluded the workshop by thanking the participants for their active engagement and emphasising the importance of fostering long-lasting cooperation, not only within the EU, but also with the Western Balkans and other regions, explaining that this workshop marked the beginning of such efforts. The Learning Resource Paper, which will follow the workshop, was also referred to for more detailed information on the topic.