

Proposal for a Decision of the European Parliament and of the Council establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work (COM (2014)221 final).

FINAL DOCUMENT

The Committee on Public and Private Sector Employment of Italy's Chamber of Deputies,

having examined pursuant to Rule 127.1 of the Rules of Procedure the Proposal for a Decision of the European Parliament and of the Council on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work (COM (2014)221 final);

whereas the phenomenon of undeclared work causes severe market distortions and has highly negative repercussions on the rights of workers, who cannot benefit from the legal protections to which they are entitled with respect to their working conditions and suffer unwarranted restrictions of their rights to welfare and safety in the workplace;

whereas undeclared work has very negative effects for the economy as a whole, as it not only leads to lower tax revenues and social security contributions, but also biases the competitive balance to the advantage of the companies that exploit it;

noting with satisfaction that the European Union has been paying ever more attention to the phenomenon of undeclared work and in several documents has urged Member States to take action to counter it;

recalling, in particular, the guidelines set out in "Towards a job-rich recovery", a Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions (COM(2012) 173 final) that sets out policies for job-creation and proposes actions to transform informal or undeclared work into regular work, also with a view to achieving the employment targets of the Europe 2020 Strategy;

recalling also that in the Commission's Communication regarding the 2014 Annual Growth Survey (COM(2013)800 final), the strategies for combating unemployment and the social ramifications of the economic crisis include a recommendation to intensify efforts to deter undeclared work;

observing that the Recommendation of the European Council for Italy's 2014 national reform programme, which includes the Council's opinion on Italy's 2014 stability programme, reiterates an appeal, already the subject of specific recommendations for the years 2012 and 2013, for Italy to take additional measures to tackle the problem of its shadow economy and irregular employment;

in the belief that more force can be brought to bear on countering the phenomenon of undeclared work by means of effective coordination and greater cooperation among the national authorities of EU Member States;

noting, however, that – as evidenced in the explanatory memorandum of the proposal – the main responsibility for tackling undeclared work lies with the Member States themselves and that actions taken at the EU level must therefore be essentially complementary to the measures taken at the national level;

mindful of the steps already taken by the current Parliament to deter undeclared and irregular work, with particular regard to article 14 of Decree Law no. 145 of 23 December 2013 (confirmed with amendments by Law no. 9 of 21 February 2014), which provides for the progressive hiring of an extra 250 inspectors of the Ministry of Labour and Social Policy, higher fines for non-compliance, and the appropriation of up to €10 million per year beginning in 2014 to fund specific measures to be determined by the Ministry to improve the efficiency of deployment of inspection staff across the national territory as well as the effectiveness, which implies organizational initiatives, of supervision and monitoring over the labour market and social legislation, and other activities to tackle undeclared and irregular work;

having noted the need to strengthen the commitment to countering irregular labour through new legislative and administrative action aimed especially at enhancing the effectiveness of inspection activities, which requires the deployment of adequate human, material and financial resources and enhanced coordination among various administrative bodies so as to limit the number of visits to the same company;

cognisant of the Resolution of the European Parliament of 14 January 2014 on the use of effective labour inspections as a strategy to improve working conditions in Europe (2013/2112(INI));

observing that the Government has announced that it means to take steps to originate a simpler and more efficient system of controls that weighs less on the public finances, which will also involve the adoption of specific regulatory initiatives that can be subsumed into the parliamentary consideration of the bill - already before the Senate - granting delegate powers to the Government in the field of labour law;

in view of the generally favourable response to the proposal given in the Ministry of Labour and Social Policy's report, which was tabled in accordance with article 6.4 of Law no. 234 of 24 December 2012;

considering the EU Policy Committee's opinion on the proposal issued on 31 July 2014, which, along with this final document, shall be sent to the European institutions as part of the political dialogue,

declares itself favourable to the proposal and makes the following observations:

some thought should be given to whether the proposal for a decision should be delineated more clearly in respect of the operating procedures of the mooted Platform, perhaps by providing also for the creation of IT networks or databases, and tasking the European Commission with adopting appropriate acts to regulate the content thereof in more detail;

concurring with the option that it should be mandatory for Member States to sign up to the Platform, it seems necessary to make sure the Platform operates in a manner that secures the full cooperation of Member States, which may require defining more precisely the activities that participating Member States are obliged to perform;

with reference to Article 11 of the proposal for a decision and in the expectation that the European Commission's report can be submitted earlier than within the four years now envisaged, a change in the timetable for reviewing the achievement of the objectives of the platform may well have to be contemplated, which might necessitate, for example, having the report refer to the first two-year programme of activity adopted pursuant to article 7 of the proposal;

with regard to the measures to be taken at national level, a careful assessment ought to be made of all initiatives to strengthen the system of controls for deterring undeclared work such as, in particular, ensuring adequate staffing, sufficient investment in training and proper insurance cover for staff, and making available the equipment and financial resources necessary for the effective exercise of inspection work;

to ensure the greater efficiency of the checks on undeclared and irregular work, particular thought should be given to the enactment of regulations that are already contained in the government bill currently under examination in the Senate delegating legislative powers in the field of labour law. The regulations are intended to enhance the coordination of the activities and the relevant databases of the various public bodies operating in the sector. This may entail the establishment of a single public entity in charge of inspections, which would reduce the inconvenience for businesses of overlapping controls and the related bureaucratic procedures, and allow the available human and material resources to be expanded and put to better use;

in the light of the objective stated in article 2 of the proposal to increase public awareness of the urgency of acting rapidly in this area, the Government should engage in communication and consciousness-raising activities in the media to clearly portray the function and aims of the inspection work and emphasise its role in protecting workers and the rule of law.