

European Platform: developing a holistic approach towards undeclared work

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European Platform Undeclared Work



European Platform Tackling Undeclared Work

- **EU-level forum**, bringing together MS and social partners, to enable undeclared work to be tackled more effectively and efficiently.
- **Priority axes:**
 - exchange information and good practices.
 - learn from each other and together.
 - develop knowledge and evidence.
 - engage in closer cross-border cooperation and joint activities.





Holistic Approach

- “Tackling the complex problem of undeclared work ... requires a holistic approach”.

[Source: Decision 2016/344, Establishing a European Platform to Enhance Cooperation in Tackling Undeclared Work]

- Uses, in a strategic and coordinated manner, the full range of both the direct and indirect policy approaches and measures available to increase the power of, and trust in, authorities respectively.





Typology of policy approaches

Approach	Method	Measures (examples)
Direct controls: Deterrents	Improved detection	Data matching & sharing Joined up operations
	Increased penalties	Increased penalties & sanctions
Direct controls: incentives	Preventative	Simplify compliance; tax incentives; support & advice
	Curative	Supply-side (e.g., amnesties; voluntary disclosure; smooth transition to formality) Demand-side (e.g., service vouchers; tax incentives)
Indirect controls	Fostering culture of commitment/alignment of citizens with state	Change norms, values and beliefs
		Change formal institutions





Direct policy approach and measures



Sticks: negative reinforcement



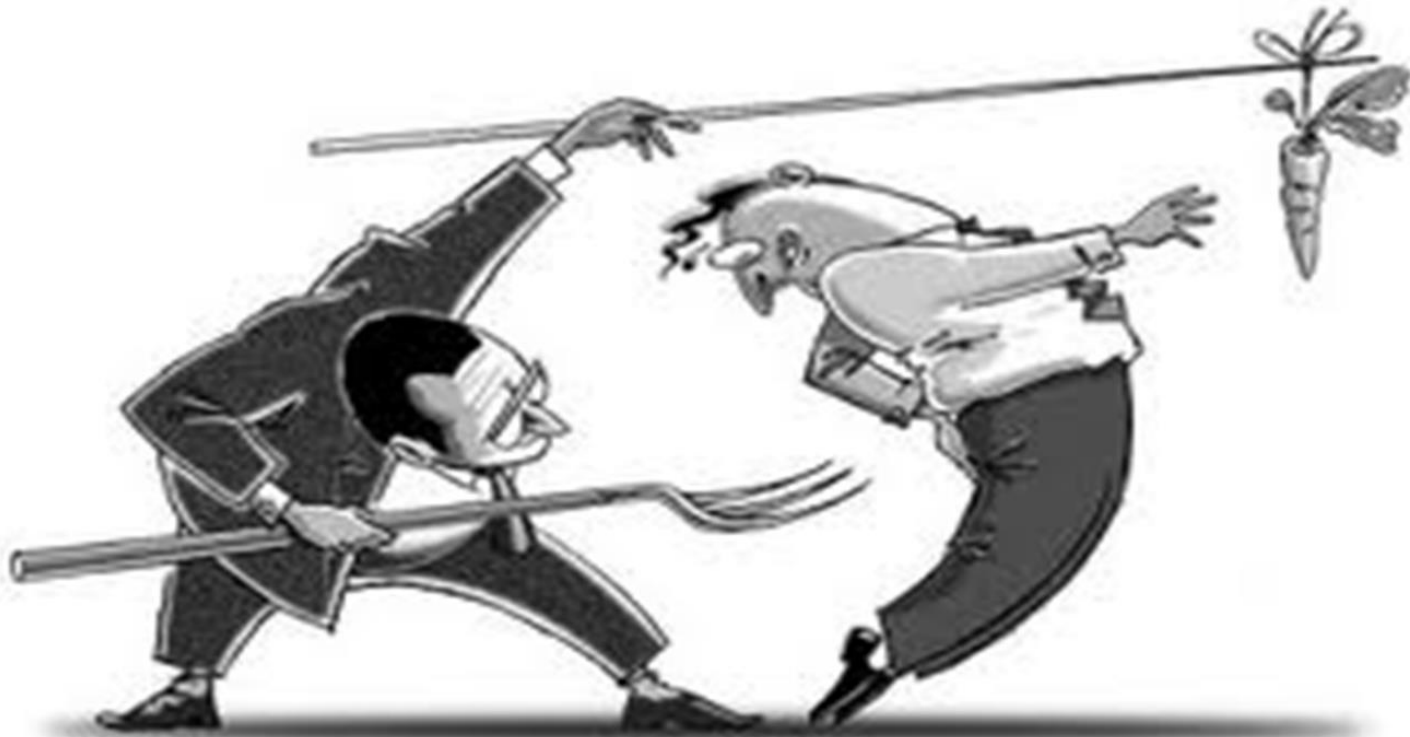


Carrots: positive reinforcement





Combining sticks and carrots





Indirect policy approach and measures



Changing citizens' norms, values & beliefs



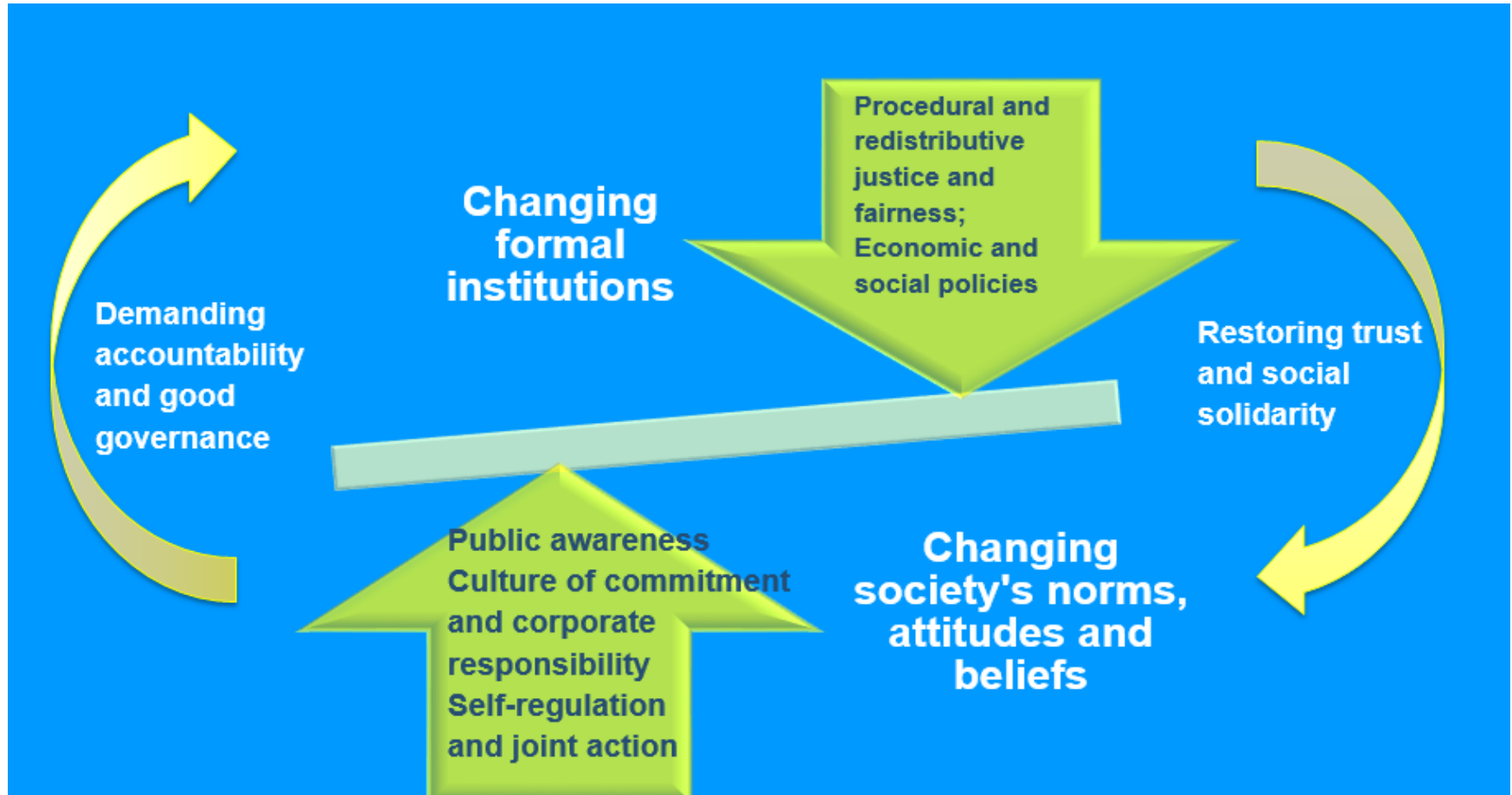


Changing the formal institutions





Developing symmetry between formal and informal institutions





Conclusions: assessment of Holistic Approach in EU28



Strategic and coordinated approach?

- Undeclared work covers paid activities lawful by nature but not declared to public authorities to evade either:
 - (i) payment of taxes;
 - (ii) social security contributions and/or
 - (iii) labour laws.
- Only a quarter of MS have one single organisation responsible for all three aspects.
- In three-quarters of MS, responsibility for each is in separate authorities.
 - Outcome: departmental 'silos' approach & lack of a strategic joined-up approach.
- Involvement of social partners varies across MS, ranging from no or limited involvement to fuller tripartite models.





Full range of policy approaches?

- Wider range of policy measures now being used by MS, but remains focus upon deterrence measures
- Deterrence measures still usually seen as (i) most important and (ii) most effective.
- Platform facilitating more holistic approach in MS by:
 - Increasing knowledge
 - Mutual learning
 - Cooperation and joint action





Further Information

European Platform Tackling Undeclared Work

<http://ec.europa.eu/social/main.jsp?catId=1299&langId=en>

