

Fraudulent contracting of work

Abusing traineeships status

EC Seminar: Creating conditions for quality traineeships

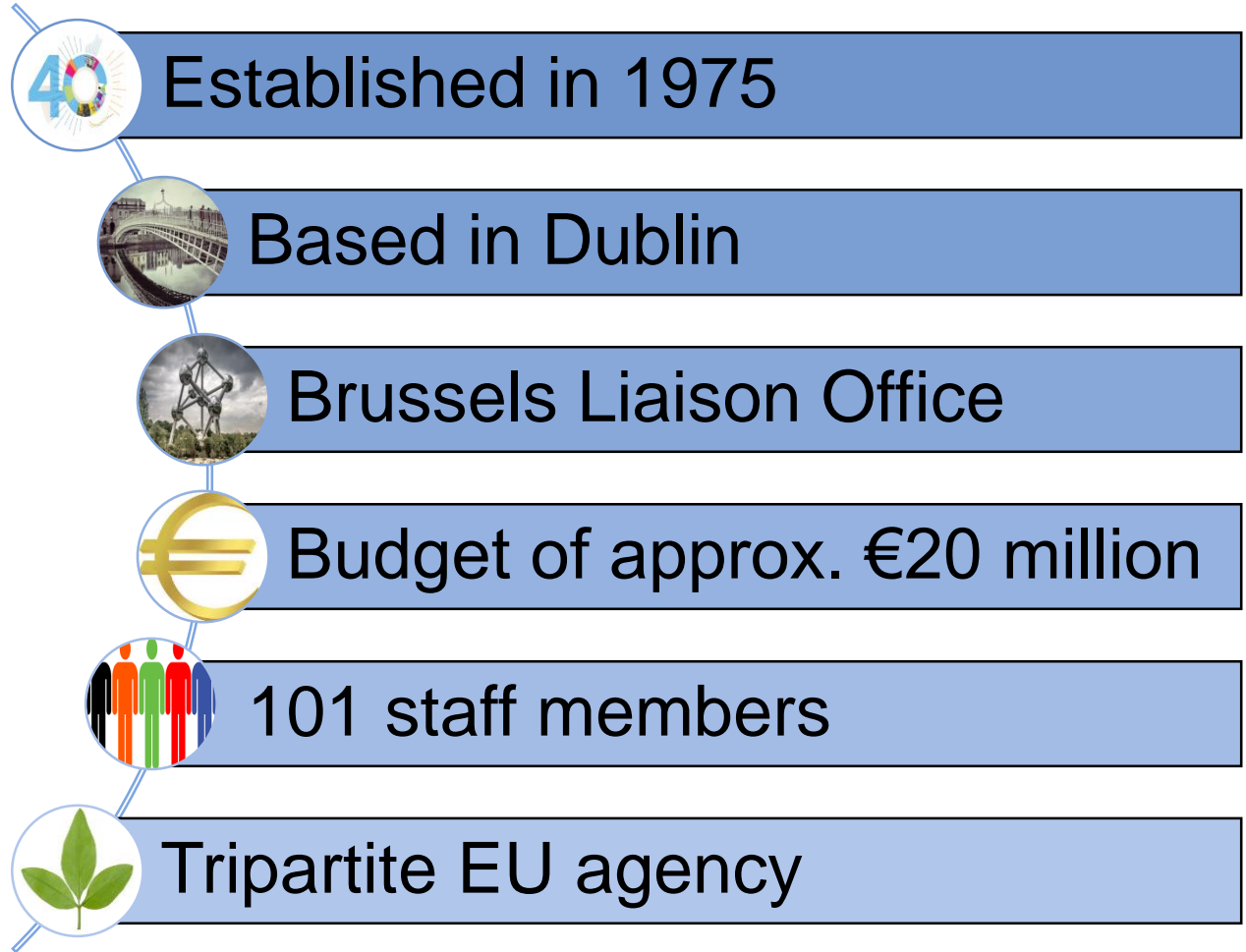
Lisbon, 4 April 2019

Jorge Cabrita, Research Manager, Working Life

Outline

- Eurofound
- Fraudulent forms of contracting work in the EU
- Abusing traineeships
- Drivers and enablers
- Consequences
- Measures that can tackle the issue
- Policy pointers

Fun(damental) Facts





Tripartite Governance

Mission

To provide knowledge to assist in the development of **better social, employment and work-related policies.**



Exploring the fraudulent contracting of work in the EU

- Research between 2015 and 2017
- Background: violations of basic rights from fraudulent use of certain contracts → negative impacts on working conditions and fair market competition

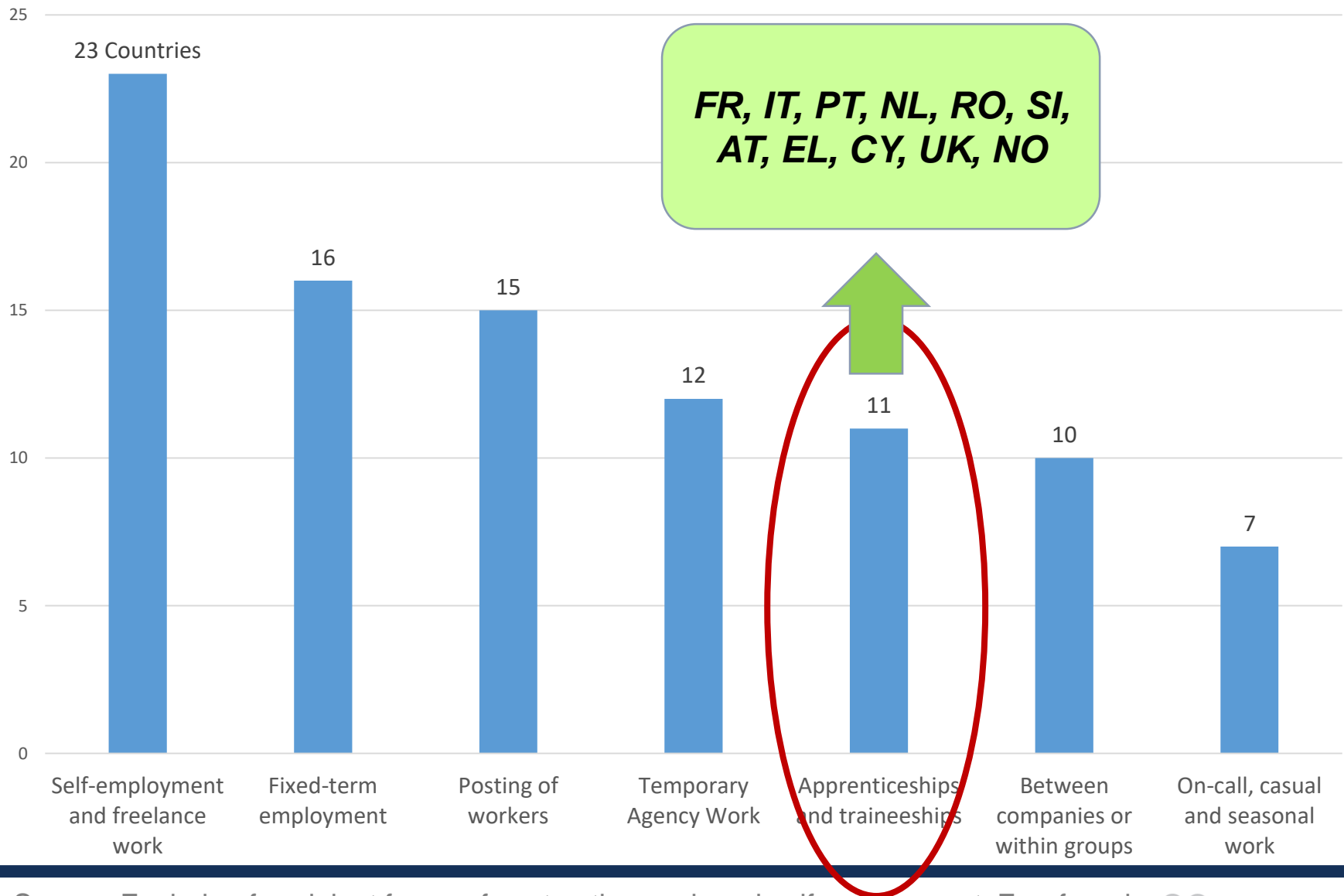
- Which fraudulent forms of contracting work (or services) can be identified in the EU?
- What measures are authorities, including labour inspectorates and social partners developing in order to identify, prevent and fight fraudulent forms of contracting work?



Fraudulent practices

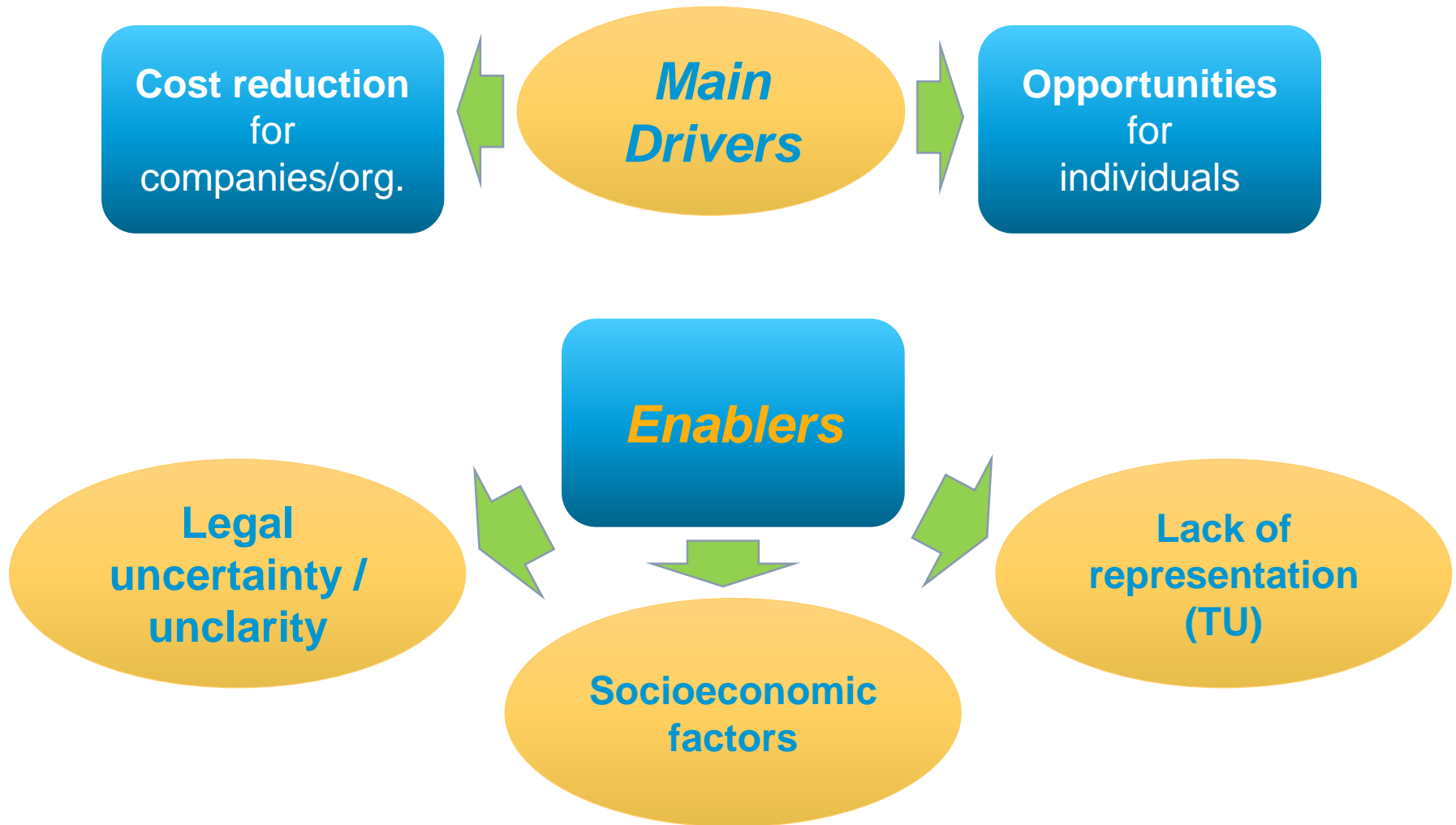
Contractual form used and abused	Key features of standard employment avoided or disguised		
	<i>Subordinate</i>	<i>Permanent</i>	<i>Direct</i>
<i>Self-employment and freelance work</i>	Y	Y	
<i>Fixed-term employment</i>		Y	
<i>Posting of workers</i>	Y		Y
<i>Temporary agency work</i>		Y	Y
<i>Apprenticeships and traineeships</i>	Y	Y	
<i>Contractual relationship between companies</i>			Y
<i>On-call, casual and seasonal work</i>		Y	

Fraudulent use of forms of contracting work - EU



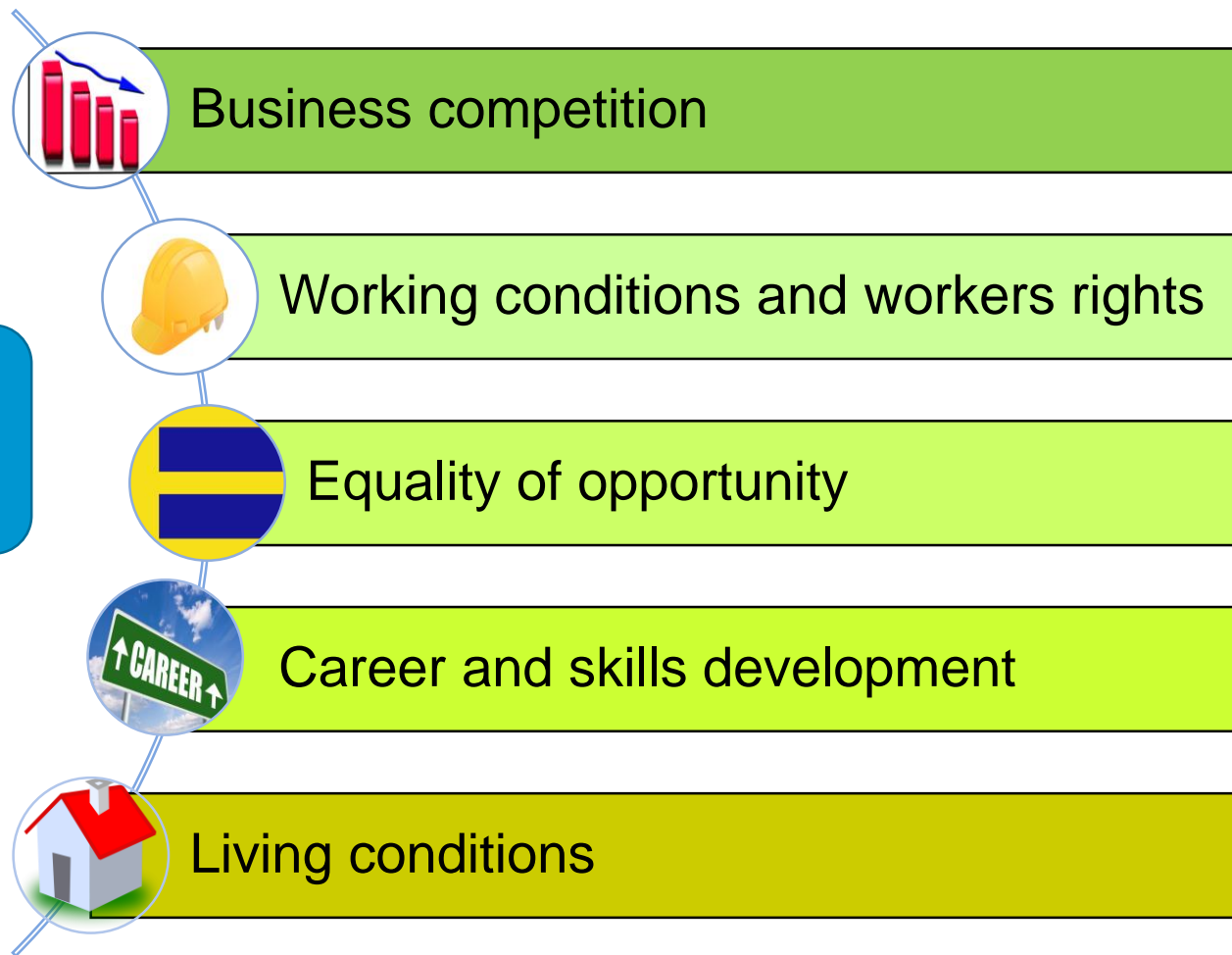
Source: Exploring fraudulent forms of contracting work and self-employment, Eurofound (2016)

Abusing traineeships status



Abusing traineeships status

Consequences



Measures that can address the issue

Reporting Websites

- Trainees' review
- Assessment of situations
- Impact on organisations image and reputation
- Potential referral to authorities

Guidance to companies and trade unions

- *Compliance (wages)*
- *Inform trade unions reps at company*

'Professionally Made, Professionally Paid', UK

Quality traineeships

Policy Pointers



Ensure balance between promoting traineeships and preventing abuses and fraud



Clarify existing regulation



Ensure that labour inspectorates have competences, power and resources



Involve all the relevant actors (SPs)



Expand financial support and social protection

Please get in touch!

<https://www.eurofound.europa.eu/topic/fraudulent-work>

jca@eurofound.europa.eu