




European Platform tackling undeclared work

The holiday voucher scheme for public sector employees

Romania

	<p>Summary</p> <p>Holiday vouchers have been available in Romania since 2009 to tackle the high level of undeclared work in tourism, by steering citizens away from purchasing undeclared goods and services. In 2015, the holiday voucher scheme, initially only available to private sector employees, has been extended also to public sector employees.</p>
<p>Title of the practice in original language</p>	<p><i>Vouchere de vacanță</i></p>
<p>Name(s) of authorities/bodies/organisations involved</p>	<ul style="list-style-type: none"> • Tourism Ministry (<i>Ministerul Turismului</i>). • Public sector organisations/employers. • Licensed accommodation providers and travel agencies authorised by the National Tourism Authority (<i>Autoritatea Națională pentru Turism - ANT</i>).
<p>Sectors</p>	<p>All</p>
<p>Target groups</p>	<ul style="list-style-type: none"> • Public sector employees (directly targeted); • Unregistered tourist accommodation providers (indirectly targeted).
<p>Purpose of measure</p>	<p>Prevention</p>

	<p>Aims and objectives</p> <p>The scheme provides holiday vouchers to public sector employees. It aims to promote the use of registered tourist accommodation providers, reducing undeclared earnings in the tourism and accommodation sector.</p>
<p>Background context</p>	<p>Tourism is one of the main sectors accounting for undeclared work in Romaniaⁱ. It is estimated that over 20% of all accommodation services in Romanian seaside locations are operating in the undeclared economyⁱⁱ.</p> <p>Romania has provided holiday vouchers since 2009, however up until 2015, public sector employees were not eligible for theseⁱⁱⁱ. In January 2015, The Tourism Ministry issued these vouchers to public sector employees to expand this initiative in hope that it would steer citizens</p>




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	<p>away from using unregistered tourist accommodation providers and attractions.</p> <p>These vouchers work on the understanding that as a demand-side incentive, they will reward users for using declared goods and services, reducing the usage of their undeclared counterparts ^{iv}.</p>
Key objectives of the measure	<p>General Objective:</p> <ul style="list-style-type: none"> To promote usage of legally registered accommodation providers. <p>Specific Objectives:</p> <ul style="list-style-type: none"> To reduce the incidence of undeclared work in the accommodation sector by incentivising consumers to use declared accommodation providers; To incentivise undeclared accommodation providers to register.
Main activities	<p>Holiday vouchers, which can be used to purchase domestic holidays, were made available to public sector employees in 2015 and they have been granted to continue initially until 2020. They were extended until May 2021, in the context of the COVID-19 pandemic. The main conditions of issuing and using the vouchers include:</p> <ul style="list-style-type: none"> They can only be used in Romania, in travel agencies and accommodation providers authorised by The National Tourism Authority (ANT); All public sector workers are eligible for the vouchers. They are not issued based on the workers' job performances, but they might be limited by a particular institution's budget. The maximum value that can be granted is RON 5,400 (EUR 1,219) per fiscal year. If an employee receives a holiday voucher, they cannot receive any other cash bonus in the same fiscal year; Travel agencies cannot charge more than 10 % commission on packages sold to people using holiday vouchers. No change can be given in cash; Licensed operators cannot sell package holidays that differ from those available to other clients. If they do, the fine is between RON 5000 and RON 10 000 (EUR 1125 – 2250) and the loss of their status as a licensed operator. A similar fine is imposed if they provide change in cash from a payment of vacation vouchers.^v
Funding/organisational resources	<ul style="list-style-type: none"> In 2018, almost 1.2 million Romanians received vouchers each worth ROM 1,450 (EUR 305) and in 2019 the Romanian Tourism Minister stated that



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	<p>almost EUR 400 million has been invested in this scheme^{vi}.</p> <ul style="list-style-type: none"> The National Tourism Authority (ANT) are responsible for handling the vouchers and authorising licences for travel agents and accommodation services that register and declare their work/income^{vii}.
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	<p>Outcomes</p> <p>Since the holiday voucher scheme has been extended to public sector employees, the number of tourism operators applying for licences has increased, consequently reducing undeclared work in the sector.</p>
<p>Achievement of objectives</p>	<p>In 2018, an increase of almost 60% in the number of tourism operators applying for licences was reported, and in the first quarter of 2019, further growth of 65% compared with 2018^{viii}. This highlights the success of the practice in promoting registered accommodation and reducing the size of undeclared work in the accommodation sector.</p> <p>Wider benefits include the holiday vouchers influencing more Romanians to spend their holidays in Romania, and supporting the tourism economy. The vouchers were viewed as a contributory factor to the hospitality sector seeing its best revenue in over a decade in 2018^{ix}. Additionally, the vouchers are considered to have improved working conditions for both those spending and receiving vouchers (the perceived benefit of a 'reward' through the voucher scheme as a workplace incentive).</p>
<p>Lessons learnt and success factors</p>	<p>Successful voucher schemes such as these could:</p> <ul style="list-style-type: none"> Target sectors where undeclared work is prevalent and where labour inspections are difficult to undertake; Set a limit on the number of vouchers an employer can purchase, not on the level of income of a worker; Be priced based on prior research so that they remain competitive.
<p>Transferability</p>	<p>This practice could easily be transferred to other countries experiencing similarly high levels of undeclared work in the tourism sector. These schemes should be viewed as an investment rather than a cost to the state with higher levels of declared work as the return on investment.</p>



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Further information	
Contact	Ministry for Tourism www.turism.gov.ro cabinet.ministru@mturism.ro +4021.303.78.27
Useful sources and resources	Tourism Ministry: http://turism.gov.ro/web/informatii-vouchere-de-vacanta/ Government Ordinance no 8/2009 regarding holiday vouchers Law 94/2014: http://legislatie.just.ro/Public/DetaliuDocument/102660

ⁱ European Platform Undeclared Work (2017) 'Member State Factsheets'
<http://ec.europa.eu/social/BlobServlet?docId=18723&langId=cs>

ⁱⁱ European Platform tackling undeclared work (2020) 'Tackling undeclared work in the tourism sector' <https://ec.europa.eu/social/BlobServlet?docId=22868&langId=en>

ⁱⁱⁱ Eurofound (2014) 'Romania: Vacation vouchers for public sector employees'
<https://www.eurofound.europa.eu/tr/publications/article/2014/romania-vacation-vouchers-for-public-sector-employees>

^{iv} European Platform Undeclared Work (2018) 'Elements of a preventative approach towards undeclared work: an evaluation of service vouchers and awareness raising campaigns' <https://ec.europa.eu/social/BlobServlet?docId=19526&langId=en>

^v European Platform tackling undeclared work (2020) 'Tackling undeclared work in the tourism sector' <https://ec.europa.eu/social/BlobServlet?docId=22868&langId=en>

^{vi} Romania-Insider.com (2019) <https://www.romania-insider.com/holiday-vouchers-shadow-economy-2019>

^{vii} Eurofound (2014) 'Romania: Vacation vouchers for public sector employees'
<https://www.eurofound.europa.eu/tr/publications/article/2014/romania-vacation-vouchers-for-public-sector-employees>

^{viii} European Platform tackling undeclared work (2020) 'Tackling undeclared work in the tourism sector' <https://ec.europa.eu/social/BlobServlet?docId=22868&langId=en>

^{ix} Romania-Insider.com (2018) <https://www.romania-insider.com/holiday-vouchers-boost-romania-hospitality-industry/>