

Basic information

2014/0124(COD)

COD - Ordinary legislative procedure (ex-codecision procedure)
Decision

Procedure completed

European Platform to enhance cooperation in tackling undeclared work

Repealed by [2018/0064\(COD\)](#)

Subject

2.80 Cooperation between administrations
4.15.04 Workforce, occupational mobility, job conversion, working conditions
4.15.14 Social dialogue, social partners

Key players

European
Parliament

Committee responsible	Rapporteur	Appointed
EMPL Employment and Social Affairs	PIRINSKI Georgi (S&D)	15/09/2014
	Shadow rapporteur TOMC Romana (PPE) MCINTYRE Anthea (ECR) TOOM Jana (ALDE) KUNEVA Kostadinka (GUE /NGL) REINTKE Terry (Verts/ALE) BEGHIN Tiziana (EFDD)	
Former committee responsible	Former rapporteur	Appointed
EMPL Employment and Social Affairs		
Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	DE JONG Dennis (GUE /NGL)	17/07/2014

JURI Legal Affairs	The committee decided not to give an opinion.	
LIBE Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
FEMM Women's Rights and Gender Equality	KUNEVA Kostadinka (GUE/NGL)	15/09/2014

Former committee for opinion	Former rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs		
ITRE Industry, Research and Energy		
IMCO Internal Market and Consumer Protection		
JURI Legal Affairs		
LIBE Civil Liberties, Justice and Home Affairs		
FEMM Women's Rights and Gender Equality		




Committee for opinion on the legal basis	Rapporteur for opinion	Appointed
JURI Legal Affairs	GUTELAND Jytte (S&D)	12/06/2015

Council of the European Union	Council configuration	Meetings	Date
	Employment, Social Policy, Health and Consumer Affairs	3323	2014-06-19
	Employment, Social Policy, Health and Consumer Affairs	3339	2014-10-16

European Commission	Commission DG	Commissioner
	Employment, Social Affairs and Inclusion	THYSSEN Marianne

European Economic and Social Committee

European Committee of the Regions

Key events			
Date	Event	Reference	Summary
09/04/2014	Legislative proposal published	COM(2014)0221 	Summary
16/04/2014	Committee referral announced in Parliament, 1st reading		
19/06/2014	Debate in Council		Summary
16/10/2014	Debate in Council		Summary
20/10/2014	Committee referral announced in Parliament, 1st reading		
07/05/2015	Vote in committee, 1st reading		
07/05/2015	Committee decision to open interinstitutional negotiations with report adopted in committee		
22/05/2015	Committee report tabled for plenary, 1st reading	A8-0172/2015	Summary
02/02/2016	Decision by Parliament, 1st reading	T8-0033/2016	Summary
02/02/2016	Results of vote in Parliament		
02/02/2016	Debate in Parliament		
15/02/2016	Act adopted by Council after Parliament's 1st reading		
15/02/2016	End of procedure in Parliament		
09/03/2016	Final act signed		
11/03/2016	Final act published in Official Journal		

Technical information	
Procedure reference	2014/0124(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	Repealed by 2018/0064(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 153-p2
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/8/00424





Documentation gateway			
European Parliament			

Document type	Committee	Reference	Date	Summary
Committee draft report		PE539.484	11/11/2014	
Amendments tabled in committee		PE544.465	18/12/2014	
Amendments tabled in committee		PE541.655	19/12/2014	
Committee opinion	FEMM	PE541.601	22/01/2015	
Committee opinion	IMCO	PE539.571	23/01/2015	
Amendments tabled in committee		PE551.891	06/05/2015	
Committee report tabled for plenary, 1st reading/single reading		A8-0172/2015	22/05/2015	Summary
Specific opinion	JURI	PE564.983	14/07/2015	
Text adopted by Parliament, 1st reading/single reading		T8-0033/2016	02/02/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00064/2015/LEX	09/03/2016	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2014)0221 	09/04/2014	Summary
Document attached to the procedure	SWD(2014)0137 	09/04/2014	
Document attached to the procedure	SWD(2014)0138 	09/04/2014	
Commission response to text adopted in plenary	SP(2016)221	31/03/2016	
Follow-up document	COM(2020)0129 	02/04/2020	Summary

National parliaments

Document type	Parliament/Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2014)0221	03/06/2014	
Contribution	IT_SENATE	COM(2014)0221	16/06/2014	
Contribution	ES_PARLIAMENT	COM(2014)0221	18/06/2014	
Reasoned opinion	UK_HOUSE-OF-COMMONS	PE536.050	01/07/2014	
Contribution	AT_NATIONALRAT	COM(2014)0221	04/08/2014	
Contribution	IT_CHAMBER	COM(2014)0221	01/10/2014	
Contribution	RO_CHAMBER	COM(2014)0221	01/10/2014	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES2865/2014	10/09/2014	
CofR	Committee of the Regions: opinion	CDR3236/2014	07/10/2014	

Additional information

Source	Document	Date
EP Research Service	Briefing	
European Commission	EUR-Lex	

Final act

[Decision 2016/0344](#)
[OJ L 065 11.03.2016, p. 0012](#)

[Summary](#)

European Platform to enhance cooperation in tackling undeclared work

2014/0124(COD) - 02/04/2020 - Follow-up document

The Commission presented its report on the implementation of Decision (EU) 2016/344 establishing a European Platform for enhancing cooperation in tackling undeclared work.

This report assesses the extent to which the Platform has achieved its main objectives, fulfilled its mission and addressed the priorities in its work programme. It integrates the results from a specific survey among Platform members in 2019 as well as ongoing monitoring of Platform activities.

Generalities

Since its start in 2016, the European Platform tackling undeclared work has facilitated greater cooperation between and across countries. Building on a strong governance, comprehensive work programme and active involvement of members, it has contributed to efficiency gains and the modernisation of enforcement bodies across the EU. It has produced solid evidence-based knowledge enabling Member States and social partners to learn from each other, innovate and act together.

The magnitude of undeclared work in Europe is difficult to estimate given that, by definition, it is hidden from view. A study on the scale of undeclared work across Europe was also produced in 2017. Based on the discrepancies between the reported labour inputs from workers and businesses, the study estimated that 9.3% of total labour input in the private sector in the EU is undeclared work, and that undeclared work constitutes 14.3% of gross value added (GVA) in the private sector. However, there are marked differences in its size across Member States, ranging from 7% to 27% of GVA.

Progress in its activities

After the Platform adopted its initial work programme in May 2016, the report noted that activities kicked off smoothly. It has since delivered on average 15 yearly activities and brought together over 1450 stakeholders to learn together and cooperate on issues ranging from promising policy approaches to organisational structures and cross-border action. Most Platform members and observers share the opinion that the Platform made good or very good progress towards the achievement of its mission according to the 2019 survey. Activities since 2016 include:

- 53 events;
- 14 studies and surveys;
- 103 learning resources;
- 31 staff visits and joint activities.

Enhanced cooperation

The Platform has widened existing networks and strengthened cooperation in tackling undeclared work, both within countries and across borders. Almost all respondents (94%) to the 2019 survey indicated that its activities contributed to widening their organisations' networks and contacts. Most (68%) share the view that the Platform has also contributed to enhancing cooperation between Member States' relevant authorities and other relevant actors.

Members and observers have been generally active, with all having taken part in activities. However, there have been varying levels of commitment and participation in the Platform between countries. The network is still maturing and there is much untapped potential for members and observers, including social partners, to fully engage, and better disseminate the learning to achieve wider buy-in and impact.

Consensus amongst Platform members and observers has emerged that a 'holistic approach' is required to tackle undeclared work at the policy and operational level, using the full range of policy measures available and cooperation across key bodies and with social partners.

Cross-border cooperation

In the 2019 survey, 61% of respondents stated that the Platform contributed to improving the capacity of Member States' relevant actors to tackle undeclared work regarding its cross-border aspects. Organisations undertook or plan to engage in cross-border activities in the next year, including: cross-border meetings of officials (52%), staff exchanges / joint actions (41%), joint inspections (39%).

The Platform has helped Member States step up partnerships in tackling cross-border undeclared work, paving the way for further cooperation under the European Labour Authority (ELA). However, the level of engagement in cross-border cooperation remains uneven.

Awareness raising

The Platform has contributed to a stronger emphasis on awareness raising among its membership, with half of the members reporting changes in this area. However, direct impact in increasing public awareness has been slower to develop. Only 35% respondents to the 2019 survey agree the Platform made very good or good progress towards this objective. Recognising the need to translate this into action, the 2019-2020 work

programme had a stronger focus on communication and awareness-raising.

Outstanding challenges

The Platform's activities have highlighted the need to enhance the commitment from all members and to increase the Platform's operational capacity. Enforcement bodies and social partners need to continue to develop more effective cooperation, both at national level and cross-border.

Further developing synergies with key EU initiatives and policies (for instance those related to the labour conditions of platform workers, the European Semester and the implementation of the European Pillar of Social Rights, exchange of information for tax purposes including employment income) and funding instruments (such as the European Social Fund +) is also essential in this regard. It is important to further develop a comprehensive approach which combines efficient and effective deterrence measures with measures aimed at preventing undeclared work from occurring in the first place.

Future monitoring and set up

The Platform's 2019-2020 work programme shall be implemented as planned, allowing for a smooth transition. Decision (EU) 2016/344 shall be repealed once the ELA has reached full operational capacity, however the Platform's current objectives, missions and activities have been largely confirmed in the Regulation establishing the ELA.

Besides, the establishment of the ELA provides the opportunity for further change and addressing the challenges emerging from the Platform's initial configuration. The European Labour Authority shall set priorities and propose how to address the challenges highlighted above in the long run. It can be envisaged that the Platform, as a permanent working group of ELA, focuses on its core task of tackling undeclared work while certain more horizontal tasks such as support to operational cross-border cooperation, capacity building in enforcement bodies and developing EU-wide tools can be more coherently addressed by wider ELA activities.

The Platform shall benefit from a comprehensive operational structure within ELA and from specialised staff expertise in different areas.

European Platform to enhance cooperation in tackling undeclared work

2014/0124(COD) - 02/02/2016 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 619 votes to 69, with 7 abstentions, a legislative resolution on 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.

Parliament's position recalled that in its [resolution of 14 January 2014](#) on effective labour inspections as a strategy to improve working conditions in Europe, **it welcomed the Commission's initiative** to create a European platform and called for enhanced cooperation at Union level to tackle undeclared work, which, according to the resolution, is damaging the Union's economy, leading to unfair competition, endangering the financial sustainability of the Union social models and resulting in an increasing lack of social and employment protection for workers.

The European Parliament's position, adopted at first reading of the ordinary legislative procedure, amended the Commission proposal as follows:

Establishment of the Platform: Parliament stated that the main aim of this Directive is to **encourage cooperation at Union level between Member States** and to successfully tackle the complex problem of undeclared work and its manifold implications and consequences including encouraging and promoting declared work.

The Platform should also deal with falsely declared work and bogus self-employment.

Composition of the Platform: other than a representative of the Commission, the Platform shall be composed of: (i) a senior representative appointed by each Member State to represent that Member State; (ii) a maximum of four representatives of cross-industry social partners at Union level, appointed by those social partners, equally representing both sides of industry.

The following may attend the meetings of the Platform as observers and their contributions shall be taken into due consideration in accordance with its rules of procedure: (a) a maximum of **14 representatives of the social partners** in sectors with a high incidence of undeclared work, appointed by those social partners, equally representing both sides of industry; (b) a representative of each third country in the European Economic Area; (c) other observers if necessary.

National measures: the Decision is **without prejudice to the competence of Member States** to decide on the measures to take at national level to tackle undeclared work. Member States and their relevant authorities remain competent with regard to the identification, analysis and solving of practical problems relating to the enforcement of relevant Union law on working conditions and social protection at work, and for deciding what measures to take at national level to give effect to the outcomes of the activities of the Platform.

Objectives: the defining purpose of the Platform shall be to provide input with **added value at Union level** in order to contribute to tackling the complex problem of undeclared work, while fully respecting national competences and procedures. It shall contribute to more effective Union and national actions aiming to improve working conditions, promote integration in the labour market and social inclusion, including better enforcement of law within those fields. The aim is to avoid the deterioration of the **quality of work and of health and safety at work**, by: (i) enhancing cooperation between Member States' relevant authorities and other actors involved; (ii) improving the capacity of Member States' different relevant authorities and actors to tackle undeclared work with regard to its cross-border aspects; (iii) increasing public awareness of issues relating to undeclared work.

Mission: the Platform at Union level shall encourage cooperation between Member States through:

exchanging best practices and information;

- developing expertise and analysis;
- encouraging and facilitating **innovative approaches** to effective and efficient cross-border cooperation and evaluating experiences;
- contributing to a horizontal understanding of matters relating to undeclared work.

Activities: these shall aim, inter alia, to:

- improve the **knowledge** of undeclared work, also with regard to causes and regional differences, by means of shared definitions and common concepts,
- improve the knowledge and **mutual understanding** of different systems and practices to tackle undeclared work, including the cross-border aspects thereof;
- establish tools for efficient sharing of information and experiences;
- develop tools, such as **guidelines** for enforcement;
- facilitate and support different forms of cooperation between Member States by increasing their capacity to tackle cross-border aspects of undeclared work by promoting and facilitating innovative approaches, such as the exchange of staff, use of databases in accordance with applicable national data protection law, and joint activities;
- examine the **feasibility** of a system of rapid information exchange;
- exchange national authorities' experiences in **applying Union law** that is relevant to tackling undeclared work;
- exchange experiences and developing **best practices** with regard to cooperation between the relevant authorities of Member States and, where relevant, third countries;
- exchange experiences with regard to counselling and information provided to **workers affected by practices of undeclared work**.

Operation: the Platform shall meet **twice a year** and be chaired by the representative of the Commission. The Chair shall be assisted by two Co-Chairs chosen from among the senior representatives. The Chair and the Co-Chairs shall constitute the Bureau.

Cooperation: the Platform shall cooperate effectively and shall avoid duplication of work with other relevant expert groups and committees at Union level whose work has a link with undeclared work. It shall also cooperate with international organisations such as the ILO, the Organisation for Economic Co-operation and Development and Union agencies, in particular Eurofound and the European Agency for Safety and Health at Work (EU-OSHA).

European Platform to enhance cooperation in tackling undeclared work

2014/0124(COD) - 09/03/2016 - Final act

PURPOSE: to establish a Platform to enhance EU cooperation in the prevention of undeclared work.

LEGISLATIVE ACT: Decision (EU) 2016/344 of the European Parliament and of the Council on establishing a European Platform to enhance cooperation in tackling undeclared work.

CONTENT: the Decision establishes a **Platform, at Union level, to enhance cooperation between Member States in tackling undeclared work**. For the purpose of this Decision, 'tackling', in relation to undeclared work, means preventing, deterring and combating undeclared work as well as promoting the declaration of undeclared work. Member States **remain competent** to decide on their level of involvement in the activities approved at plenary level by the Platform.

The European Parliament in its [resolution of 14 January 2014](#) welcomed the Commission's initiative to create a European platform and called for enhanced cooperation at Union level to tackle undeclared work, which, according to the resolution, is damaging the Union's economy, leading to unfair competition, endangering the financial sustainability of the Union social models and resulting in an increasing lack of social and employment protection for workers.

Composition of the Platform: the Platform shall be composed of:

- a **senior representative** appointed by each Member State to represent that Member State;
- a representative of the Commission;
- a **maximum of four representatives** of cross-industry social partners at Union level, appointed by those social partners, equally representing both sides of industry.

The Platform should involve the social partners at Union level, both cross-industry and in those sectors that are most severely affected by, or have a particular role in the tackling of, undeclared work, and should cooperate with relevant **international organisations**, such as the ILO, the Organisation for Economic Cooperation and Development and Union agencies, in particular **Eurofound** and the European Agency for Safety and Health at Work (EU-OSHA).

Objectives, mission and activities: the defining purpose of the Platform shall be to provide input with **added value at Union level** in order to contribute to tackling the complex problem of undeclared work, while fully respecting national competences and procedures. The Platform shall contribute to this objective by:

- enhancing **cooperation between Member States' relevant authorities** and other actors involved in order to tackle more efficiently and effectively undeclared work in its various forms and falsely declared work associated with it, including bogus self-employment;
- **improving the capacity of Member States' different relevant authorities** and actors to tackle undeclared work with regard to its cross-border aspects, and in this way contributing to a level playing field;
- **increasing public awareness** of issues relating to undeclared work and of the urgent need for appropriate action as well as encouraging Member States to step up their efforts to tackle undeclared work.

To achieve the objectives, the Platform at Union level shall encourage cooperation between Member States through:

- **exchanging best practices and information;**
- developing expertise and analysis;
- encouraging and facilitating **innovative approaches** to effective and efficient cross-border cooperation and evaluating experiences;
- contributing to a **horizontal understanding** of matters relating to undeclared work.

The actions of the Platform could take the form of a framework for joint training, peer reviews, the establishment of tools such as an interactive knowledge bank, guidelines for enforcement, handbooks of good practices, examining the feasibility of a system of rapid information exchange and improving data sharing in compliance with the Union data protection rules. European campaigns or common strategies could increase the awareness of undeclared work, building on policies and strategies to raise awareness of undeclared work which already exist to varying degrees in the Member States.

Financial support: the Platform and its activities should be funded through the PROGRESS axis of the [European Union Programme for Employment and Social Innovation](#) (EaSI) within the appropriations set by the European Parliament and the Council.

Review: by 13 March 2020, the Commission shall, after consulting the Platform, submit a report on the application and the added value of this Decision, and shall propose, where appropriate, necessary amendments.

ENTRY INTO FORCE: 12.3.2016.

European Platform to enhance cooperation in tackling undeclared work

2014/0124(COD) - 16/10/2014

The Council agreed a **general approach** on a decision establishing a Platform to improve cooperation at EU level in order to prevent and deter undeclared work more effectively. This general approach will be the Council's basis for negotiations with the European Parliament.

The general approach set out in the Annex follows the Commission's proposal on the mandatory participation of all Member States in the Platform and a non-exhaustive list of initiatives the Platform can carry out.

At the same time, the draft Decision ensures that the Member States:

- remain competent to decide on their level of involvement in the Platform's initiatives;
- decide what measures to take at national level to give effect to the outcomes of these initiatives, depending on their own priorities and needs in the prevention and deterrence of undeclared work.

The Platform's tasks would include (i) analysing policy measures taken until now; (ii) developing knowledge banks on different measures; (iii) developing tools and handbooks for Member States' cooperation.

The Platform would

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allow the Member States to learn from each other and would also give them the tools to join forces, where necessary, in curbing undeclared work;

- involve the social partners at EU level, both cross-industry and in those sectors more severely affected by undeclared work;
- cooperate with relevant international organisations such as the International Labour Organisation and EU decentralised agencies, in particular Eurofund and the European Agency for Safety and Health at Work;
- work on the basis of two-year work programmes, setting out its detailed tasks covering all aspects related to undeclared work such as labour law, labour inspections, health and safety, social security, tax and migration;
- regularly inform the European Parliament and the Council about its activities.

In the absence of the European Parliament's opinion, the Commission maintains its original proposal. It has also expressed a specific reservation on recital 11a(new) of the Council's general approach as it considers that the effective functioning of the Platform could be at risk, if (too many) Member States' involvement in the Platform's initiatives were low or inexistent. While some delegations share this concern, many other delegations stressed that all Member States are supporting the aims of the Platform.

European Platform to enhance cooperation in tackling undeclared work

2014/0124(COD) - 22/05/2015 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Employment and Social Affairs adopted the report by Georgi PIRINSKI (S&D, BG) on 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.

The committee recommended that the European Parliament's position adopted at first reading of the ordinary legislative procedure should amend the Commission proposal as follows:

Establishment of the Platform: a European Platform to enhance the cooperation at Union level in tackling undeclared work should be established.

The term '**tackling undeclared work**' shall mean the prevention, deterrence and combating of undeclared work as well as encouraging and promoting declared work.

The Platform shall be composed of:

- **one senior representative** (as opposed to a single national contact point) nominated by each Member State, representing national enforcement bodies, and/or other actors involved in the tackling of undeclared work;
- **a maximum of four representatives of cross-industry social partners** organised at Union level nominated by the social partners themselves, equally representing both sides of industry.

Members have **increased the number of stakeholders** who may be actively involved in the meetings of the Platform as observers and their contributions shall be taken into due consideration under the conditions set in its rules of procedure:

- a maximum of 14 representatives of social partners in sectors with a high incidence of undeclared work nominated by the social partners themselves, equally representing both sides of industry;
- a representative of the Committee of Senior Labour Inspectors (SLIC);
- a representative of the Administrative Commission for the Coordination of Social Security Systems;
- a representative of the Public Employment Services Network (PES);
- a representative of the European Economic and Social Committee (EESC);
- a representative of each third-country EEA state.

Objectives of the Platform: the overriding objective of the Platform shall be to provide value-added input at Union level to the efforts of Member States and Union institutions to successfully tackle the complex problem of undeclared work and its manifold implications and consequences including encouraging and promoting declared work.

The Platform shall, to that end, **contribute to an improvement in Union and national law**, help to achieve the Union's employment targets providing a more effective Union framework for employment and workplace health and safety.

The Platform should also deal with falsely declared work and bogus self-employment.

Missions and tasks: as a follow-up to the [European Parliament resolution of 14 January](#), the European Platform should **enhance the exchange of experience and good practices**, provide up-to-date, objective, reliable and comparative information, enhance cross-border cooperation and identify and keep a **record of letter-box companies** and similar operation.

Tasks: the Platform shall thus: (i) encourage and facilitate practical, effective and efficient cross-border operational action; (ii) contribute to a horizontal understanding of matters relating to undeclared work.

In order to execute its mission, the Platform shall in particular carry out the following tasks:

- improve the knowledge of all forms of undeclared work, by means of common concepts, including comprehensive definitions of existing and new forms of undeclared work, indicators and methodologies for data collection;
- improve the knowledge and mutual understanding of different national labour inspection systems and practices to tackle undeclared work;
- develop guidelines for enforcement;
- draw up and publish information to facilitate the activities of national labour inspection systems;

- contribute to the identification of areas related to undeclared work where Union legislation is not achieving its intended objectives;
- make proposals to the Commission, to the European Parliament and to the Council for inclusion in the country specific recommendations of appropriate action addressing the particular aspects of tackling undeclared work;
- provide opinions and proposals to the institutions on issues relating to better regulation;
- encourage active cooperation between the enforcement authorities of Member States and third countries where appropriate, in order to resolve problems related to undeclared work involving those third countries;
- encourage national authorities and other bodies to provide advice and information to workers who have been victimised by practices of undeclared work.

Operation: the Commission shall coordinate the work of the Platform and the Commission representative to the Platform shall co-chair its meetings. The members of the Platform shall elect from among their number another co-chair of equal standing as well as two substitutes. The Platform shall meet at least **twice a year**.

Defence of rights: persons bringing cases of undeclared work to the attention of the Platform, either directly or via national enforcement authorities shall be protected against any unfavourable treatment by their employer.

European Platform to enhance cooperation in tackling undeclared work

2014/0124(COD) - 09/04/2014 - Legislative proposal

PURPOSE: to establish a Platform to enhance EU cooperation in the prevention of undeclared work.

PROPOSED ACT: Decision of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the draft decision notes that undeclared work has serious budgetary implications through decreased tax and social security revenues. It has negative impacts on employment, productivity and working conditions, skills development and life-long learning. It results in lower pension rights and less access to health care and causes unfair competition between undertakings. A closely related phenomenon is falsely declared work, or bogus self-employment, which also has negative consequences in terms of health and safety and social security coverage of the workers concerned.

The European Parliament in its [resolution of 14 January 2014](#) called for stronger cooperation and reinforcement of labour inspectorates to fight undeclared work.

The main responsibility for tackling undeclared work lies with Member States and relies mostly on three types of enforcement bodies: labour inspectorates, social security inspectorates fighting fraud on social insurance contributions, and tax authorities. In some Member States, social partners, customs authorities, migration bodies, the police and the public prosecutor's office are involved. It has, however, been noticed that, in some cases, cooperation between these different bodies at national level is not as structured or effective as necessary.

As the **challenges are common to Member States**, and as undeclared work often has a cross-border dimension, EU level action can play an important role by reinforcing cooperation between enforcement authorities within and between different Member States in the prevention and deterrence of undeclared work. At the moment, there is **no formal mechanism** in place for all relevant authorities from Member States to address issues related to cross-border aspects of undeclared work.

The Communication of 2012 "Towards a job-rich recovery" highlighted the need for improved cooperation among Member States and announced the launch of consultations on setting up an EU-level platform between labour inspectorates and other enforcement bodies to combat undeclared work, aimed at improving cooperation, sharing best practices and identifying common principles for inspections.

IMPACT ASSESSMENT: this included several options for enhancing EU cooperation in the prevention and deterrence of undeclared work, and concluded that the preferred option would be the establishment of a European Platform with **mandatory membership**.

LEGAL BASIS: Article 153(2)(a) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the draft decision establishes a Platform to enhance EU cooperation in the prevention and deterrence of undeclared work, composed of national enforcement authorities as nominated by all the Member States and the Commission.

Observers: representatives of the social partners at cross-industry level, as well as from sectors with high incidence of undeclared work may attend meetings of the Platform as observers. Other observers include Eurofound, the European Agency for Safety and Health at Work and the ILO.

Objectives : the Platform will contribute to better enforcement of EU and national law, to the reduction of undeclared work and the emergence of formal jobs, by:

- improving cooperation between Member States' different enforcement authorities at EU level to prevent and deter undeclared work, including bogus self-employment, more efficiently and effectively ;
- improving Member States' different enforcement authorities' technical capacity to tackle cross-border aspects of undeclared work,
- increasing public awareness on the urgency of action and encouraging Member States to step up their efforts in dealing with undeclared work.

To achieve these objectives, the Platform will: (i) exchange best practices and information, (ii) develop expertise and analysis, (iii) coordinate cross-border operational actions.

Tasks: the draft decision sets out a list of tasks that the Platform should carry out for the execution of its mission. These include :

- establishing a knowledge bank of different practices/measures, including bilateral agreements used in Member States to deter undeclared work ;
- adopting non-binding guidelines for inspectors, handbooks of good practice and common principles of inspections ;
- developing permanent training capacity for enforcement authorities and adopting a common framework for carrying out joint trainings ; and
- organising peer reviews to follow Member States progress, including support for the implementation of country-specific recommendations.

Single Point of Contact: to achieve its objectives, the Platform will be supported by a 'Single point of contact' in each Member State who should have the necessary authority to liaise with national authorities dealing with the multifaceted aspects of undeclared work.

Operation: the Commission will coordinate the work of the Platform and chair its meetings.

The Platform shall adopt by majority decision, the rules of procedure, a two-year work programme, and the establishment of working groups to examine issues specified in work Programmes.

Review: four years after its entry into force, the Commission must submit a report on the application of the decision and assess to what extent the Platform has contributed to the achievement of its objectives.

BUDGETARY IMPLICATIONS: Regulation (EU) No 1296/2013 establishes an EU Programme for Employment and Social Innovation ("EaSI") for the period 2014-2020. Funding for the Platform will come from the PROGRESS axis. **An indicative amount of 2.1 million EUR per year is provided for carrying out the tasks**, such as the establishment of practical tools, support by service providers, publishing of common guidelines and principles, and handbooks, developing a permanent training capacity and a common framework for carrying out joint trainings, organising peer reviews and European Campaigns. In addition, grants to finance projects supporting the achievement of the objectives of the Platform will be covered. Up to 224 000 EUR per year will be used to reimburse the costs related to participation in the Platform meetings.

It is also recalled that the European Social Fund (ESF) supports Member States' efforts to improve the quality of public administration. Financing is envisaged within the Multiannual Financial Framework 2014-2020.

The legislative proposal is budget-neutral and does not require additional staff resources.

European Platform to enhance cooperation in tackling undeclared work

2014/0124(COD) - 19/06/2014

The Council took note of a **progress report** on a decision establishing a Platform to improve cooperation at EU level in order to prevent and deter undeclared work more effectively.

Many ministers expressed appreciation for the rapid progress made on this dossier during the Hellenic presidency and regretted that the Council was not in a position to agree a general approach.

They called for the **completion of the discussions as soon as possible under the Italian Presidency**.

The Platform will aim to facilitate the exchange of best practices and information, provide a framework at EU level to develop expertise and analysis, and promote joint actions between the different national enforcement authorities of Member States.

The proposal envisages the participation of all Member States in the Platform, as this is crucial to address cross-border situations. Each Member State would be invited to nominate a single contact point.

In its progress report, the Council noted the following main elements:

- **legal base:** while favourably welcoming the text, a number of delegations raised legal questions, including the legal basis as such. At the request of the Working Party, the Council Legal Service (CLS) provided its opinion in writing. In particular, the Working Party has examined the appropriateness of the proposed legal basis (Article 153(2)(a) TFEU) and the different limitations on the legislator in using that Article, **including the possibility of Member States' mandatory participation in the proposed Platform**.

A consensus could be found that so as to offer a solid legal framework for the Platform (based on Article 153 TFEU) with **a certain flexibility** within this framework. A large number of delegations supported this text, considering it as a good negotiation position of the Council with the European Parliament.

- **other questions debated:** the two main issues discussed during the Hellenic Presidency related to the nature of the Member States' participation in the Platform and to the initiatives the Platform could take.

- **definition of undeclared work:** certain delegations note that there is no Union level definition on undeclared work and that a definition should be included to cover (or not) the question of "falsely declared work";

- **participation in the Platform:** a large number of delegations either accept the Commission's proposal of making the participation mandatory or otherwise stress that in any case all Member States should participate. However, one delegation considers that the legal basis, Article 153(2)(a), cannot be used to oblige the Member States to participate in the Platform, and some delegations are still scrutinising this issue;

- **Initiatives envisaged**: the proposal provides the possibility to expand the list of initiatives that the Platform may take. The Presidency's compromise text, however, makes it clear that there is **only limited flexibility in adding initiatives** to the list included in the Decision and that any new initiative the Platform might undertake would have to be for the execution of its mission as set out in Article 3 and in accordance with the priorities set in the Platform's two-year work programme. To this effect, several delegations consider that the list included in the Decision should be exhaustive. One of these delegations has stressed that the extension of the list should require supervision of the co-legislators. Therefore, Recital 10 states that Member States' participation in certain activities would be **on a voluntary basis**. The Member States will be able to decide on their participation in any joint cross-border operations and in working parties set up by the Platform.

In general, the Greek Presidency considers that its latest compromise text strikes the correct balance between, on the one hand, setting out clearly the Platform's mission and its initiatives and, on the other, giving the Platform the necessary flexibility in the implementation of that mission. The Presidency recommends finally that the forthcoming discussions on the file under the Italian Presidency should be based on this latest compromise text in order to reach **a general approach in due time to serve as the Council's mandate during the first reading negotiations with the European Parliament**.