

# Social Affairs

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## UNDECLARED WORK

Communication ([COM \(2007\) 628 final](#)) from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on Stepping up the fight against undeclared work

### Objective

To present the situation of “undeclared work” within the European Union and raise awareness of the importance of reducing undeclared work.

### Relevance for the hospitality industry

In its non-legislative resolution, the Parliament identifies the hotel and catering-industry as one of the most affected sectors by undeclared work. It calls on the Commission to draw general and sectoral measures to prevent undeclared work with special reference to the most affected sectors.

### State of progress

On 24 October 2007, the European Commission presented a Communication to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on “Stepping up the fight against undeclared work”.

As a follow-up to this Communication, on 9 October 2008, the European Parliament adopted a non-legislative resolution on stepping up the fight against undeclared work.

None of the texts (the Commission Communication and the Parliament non-legislative resolution) are binding.

### Content

In the Communication, the Commission suggests, amongst others, the following:

- To further reduce labour taxation;
- To review the transitional arrangements limiting the mobility of workers from the new Member States as soon as possible;
- To give due attention to undeclared work implementing the common principles of flexicurity;
- Social partners to agree on concrete initiatives in the field of undeclared work;
- A legislative proposal on sanctions against employers of illegally staying third-country nationals;
- To investigate the feasibility of establishing a European platform for cooperation between labour inspectorates, and other relevant monitoring and enforcement bodies;
- To treat undeclared work as a priority in the Commission’s Mutual Learning programme.

The European Parliament proposes to the Member States and the European Commission measures such as:

- Definition of undeclared work common to all Member States;
- Developing generally accepted methods measuring undeclared work;

- Reducing the attractiveness of undeclared work by making the tax and social protection systems as well as administrative procedures more transparent and less burdensome;
- The introduction of severe penalties on employers who continue to make use of undeclared labour;
- Giving more support to employers' organisations and trade unions in this fight;
- Better enforcement of minimum wage legislation or adopting such legislation.

The Parliament report stresses that undeclared work accounts for 20% of GDP in some Member States.

### **HOTREC position**

HOTREC is of the opinion that reducing financial and administrative burdens in the Member States would definitely contribute to the reduction of undeclared work.

### **Official references**

Communication ([COM \(2007\) 628 final](#)) from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on Stepping up the fight against undeclared work.

European Parliament non legislative-resolution ([T6-0466/2008](#)) of 9 October 2008 on stepping up the fight against undeclared work.

European Foundation for the Improvement of Living and Working Conditions (EUROFOUND): [Measures to tackle undeclared work in the European Union](#). Published on 1 July 2009