

European Federation of Public Service Unions (EPSU) Press Communication - 10 April 2014

New EU Platform to fight undeclared work: progress or fig leaf?

Following a consultation of social partners, the European Commission launched on 9 April a Platform to coordinate national actions and related EU bodies to prevent and deter undeclared work. It will bring together labour law and social security authorities, social partners, and the ILO.

The Commission seeks to step up a coordinated fight against undeclared work that leaves workers with no rights and protection, undermines funding of social security, weakens labour standards for all and punishes businesses that comply with the rules.

"We welcome the platform to clamp down on those employers that exploit workers for short term gains. But to be effective, the platform must rest upon well-resourced national labour inspectorates and other administrations. Yet EU-coordinated austerity leads to the opposite" says Jan Willem Goudriaan, Deputy General Secretary of EPSU that represents public service workers including in labour inspectorates.

"As called for by Parliament, the ILO and EU social partners in government, labour law enforcement authorities must have sufficient human and material resources and a decent level of pay, as part of a broader strategy to prevent and deter undeclared work" Mr Goudriaan adds.

It is welcome however that the Commission recognises the need for more and better training in labour inspectorates, especially for cross-border operations, and for common principles to improve labour law enforcement in the EU.

But, as yet another example of EU policy incoherence, the new Platform does not square with a new draft directive on *Single member limited companies* published on the same day. The proposal is like Swiss cheese full of holes allowing tax avoidance and social dumping that the Platform will be addressing. "In this context, platforms and exchanges of information are fig leafs hiding the lack of regulations we need to prevent and deter social dumping and tax avoidance and promote formal regulated labour markets." says Mr Goudriaan.

EPSU recently adopted a statement for a people-friendly public administration to protest at the Commission's main obsession with business-friendly deregulation which in combination with austerity policies undermine public institutions paving the way for less monitoring and enforcement measures resulting in an increase in corporate crime.

For more information contact Pablo Sanchez	(+32)) 474626633	psanchez@	epsu.org
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For the joint contribution of EPSU and the national administration employers to the consultation on undeclared work

For the **ETUC** contribution on consultation on undeclared work

For the ETUC statement on the Single Member Limited Company
For the EPSU <u>Statement</u> on People's friendly public administrations
For the <u>packages of measures on undeclared work</u> published by the European Commission
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