DRAFT OPINION

of the Committee on Women's Rights and Gender Equality

for the Committee on Employment and Social Affairs


Rapporteur: Kostadinka Kuneva
SHORT JUSTIFICATION

Never before as in recent years has the question of decent work been so important. Therefore the prevention of undeclared work, which is directly linked to precariousness, is of particular concern. The European Parliament called in its Resolution of 14 January 2014 for a stronger cooperation and reinforcement of labour inspectorates to fight undeclared work and the Rapporteur as such welcomes the proposal from the European Commission. Undeclared work is a particularly damaging phenomenon which is increasing under the current crisis as austerity measures can lead to larger shadow economies. What is more alarming is the fact that workers often consent to the phenomenon as undeclared work is their only chance to receive higher - but still not necessarily liveable - salaries. A coordinated approach at EU level to understand the causes and to fight informal work could eventually help strengthen workers' rights and protection, boost funding of social security and strengthen labour standards. As women are still under-employed on European labour markets, any proposal which is meant to contribute to achieve the headline target of 75 % employment by 2020 and even more the target of full employment set in the TEU art. 3.3 should however also aim to flatten the differences between men and women in terms of employment participation. Enhancing the employment of women is crucial to achieve their freedom to work in security and in dignity, to offer a living to their children and is a driving force of economic growth.

Even though fewer women are found in traditionally well-known sectors where undeclared work takes place, such as the construction or repair and renovations sector, their working conditions in undeclared work are often said to be less favourable and hence should be addressed by the EU Platform. Whilst little data is available on the character of undeclared work across the EU, as opposed to the size of the informal economy, women are more often thought to engage in undeclared work because of the impossibility of joining the formal economy and their jobs in undeclared work thought to have a more permanent character than men's jobs. Women's work in private households, such as cleaning babysitting or taking care of the elderly is especially difficult to control and is often precarious, undervalued and undeclared.

A Eurobarometer published in 2014, found that the gender pay gap is effectively present in undeclared work with median earnings being 231 euros for women compared to 402 euros for men. In 19% of the cases, compared to 12% for men, women claimed the main reason for doing undeclared work was that they had no other means of income. They reported that "envelope wages" accounted for a total of 45% of their income, whilst this is only 29% for men.

With regards to the proposal of the Commission, the Rapporteur draws attention to the fact that the definition of undeclared work as "any paid activities that are lawful as regards their nature but not declared to public authorities, taking into account differences in the regulatory systems of the Member States" dates back to 1998 and can as such hardly serve as a viable basis for the EU Platform to build on. First and foremost, to correctly address all those workers' concerned, the Platform should take up the responsibility of adapting this definition to the reality in Member States.

As for the gendered perspective, the Rapporteur has furthermore identified the following three priorities:
1. The great variety of types of undeclared work within the European Union, involving different workers with different profiles, calls for different approaches by Member States and makes it difficult to monitor the practice at an EU level. As such, the EU Platform should offer room for developing a common understanding of undeclared work, with special attention paid to the most vulnerable groups, such as female undeclared workers, and the use of appropriate indicators.

2. In order to develop this common understanding, and these indicators, the involvement of the European Institute for Gender Equality (EIGE) in the EU Platform is important to reassure gender equal effects.

3. Even though the EU Platform is meant for enforcement authorities, the actual needs of and consequences for the undeclared worker him or herself should not be bypassed and sufficient attention should be given by the relevant authorities to their working conditions and labour inclusion for all.

**AMENDMENTS**

The Committee on Women's Rights and Gender Equality calls on the Committee on Employment and Social Affairs, as the committee responsible, to take into account the following amendments:

**Amendment 1**

Proposal for a decision
Recital 7 a (new)

<table>
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<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<td>(7a) The negative impact of undeclared work is disproportionate among population segments as labour markets are segregated, for example in terms of gender and immigration status, and the motivation of workers and employers to engage in undeclared work varies greatly, as do the workers' working conditions. A complex range of specific policy approaches and measures within each Member State is therefore needed.</td>
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*Justification*

Domestic work and work in the care sector is often unregulated and executed by women and the exchange of best practices within the Platform could be important for this group of the
undeclared workers as policy approaches, such as the recognition of their qualifications or measures against discrimination, are complex and specific.

Amendment 2
Proposal for a decision
Recital 12

Text proposed by the Commission

(12) The Platform should make use of all relevant sources of information, in particular studies, bilateral agreements concluded between Member States and multilateral cooperation projects and create synergies between existing EU level instruments and structures to maximise the deterrent or preventive effect of these measures. The operational coordination of actions of the Member States could take the form of joint trainings, peer reviews and solutions for data sharing. European campaigns or common strategies could increase the awareness of undeclared work.

Amendment

(12) The Platform should make use of all relevant sources of information, in particular studies, including the studies of relevant Union agencies, such as the European Institute for Gender Equality, which address needs of particular population groups, bilateral agreements concluded between Member States and multilateral cooperation projects and create synergies between existing EU level instruments and structures to maximise the deterrent or preventive effect of these measures. The operational coordination of actions of the Member States could take the form of joint trainings, peer reviews and solutions for data sharing. European campaigns or common strategies could increase the awareness of undeclared work.

Or. en

Justification

The involvement of EIGE is crucial to guarantee the EU Platform follows a gender mainstreamed approach. The emergence of formal jobs is particularly important for women as they lag behind when it comes to achieving the employment target of the EU2020 strategy: enhancing the employment of women is crucial to achieve their freedom to work in security and in dignity and is a driving force of economic growth.

Amendment 3
Proposal for a decision
Recital 16
Text proposed by the Commission

(16) The Platform should involve the social partners at EU level, both cross-industry and in those sectors more severely affected by undeclared work, and cooperate with relevant international organisations, such as the International Labour Organisation (ILO), and Union decentralised agencies, in particular Eurofound and European Agency for Safety and Health at Work. The involvement of Eurofound and European Agency for Safety and Health at Work as observers in the work of the Platform will not extend their existing mandates.

Amendment

(16) The Platform should involve the social partners at EU level, both cross-industry and in those sectors more severely affected by undeclared work and in which workers have difficulties to move into the formal sector, and cooperate with relevant international organisations, such as the International Labour Organisation (ILO), and Union decentralised agencies, in particular Eurofound, the European Agency for Safety and Health at Work and the European Institute for Gender Equality. The involvement of Eurofound, the European Agency for Safety and Health at Work and the European Institute for Gender Equality in the work of the Platform as observers or participants will not extend their existing mandates.

Or. en

Justification

The Platform should also be seen explicitly as an opportunity to help these workers, many of whom are women, and especially in care work, to integrate in the regular labour markets. The involvement of EIGE is crucial to guarantee the EU Platform follows a gender mainstreamed approach. The emergence of formal jobs is particularly important for women as they lag behind when it comes to achieving the employment target of the EU2020 strategy: enhancing the employment of women is crucial to achieve their freedom to work in security and in dignity and is a driving force of economic growth.

Amendment 4

Proposal for a decision
Recital 19

Text proposed by the Commission

(19) The Platform can establish working groups to examine specific issues and should be able to rely on the expertise of professionals with specific competences.

Amendment

(19) The Platform can establish working groups to examine specific issues, such as targeted policies for workers in the informal sector who are young, elderly or female, as well as the causes of
undeclared work, and should be able to rely on the expertise of professionals with specific competences.

Justification

Work carried out in private households, including household services such as cleaning or child and elderly care, is often unregulated and executed by women. From the outset of the Platform, a working group on the working conditions of women in undeclared work and the effects on their social security should be foreseen. It is also important that the Platform looks into recurring reasons for workers to shift into undeclared works and Member States discuss policies to tackle these causes.

Amendment 5
Proposal for a decision
Article 1 – paragraph 3 – point b

Text proposed by the Commission
(b) a representative of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and a representative of the European Agency for Safety and Health at Work (EU-OSHA),

Amendment
(b) a representative of the European Foundation for the Improvement of Living and Working Conditions (Eurofound), a representative of the European Agency for Safety and Health at Work (EU-OSHA), and a representative of the European Institute for Gender Equality (EIGE),

Justification

The involvement of EIGE is crucial to guarantee the EU Platform follows a gender mainstreamed approach. The emergence of formal jobs is particularly important for women as they lag behind when it comes to achieving the employment target of the EU2020 strategy: enhancing the employment of women is crucial to achieve their freedom to work in security and in dignity and is a driving force of economic growth.

Amendment 6
Proposal for a decision
Article 2 – introductory part
The Platform, as set out in Article 1 (1), shall contribute to better enforcement of EU and national law, to the reduction of undeclared work and the emergence of formal jobs, hence avoiding the deterioration of quality of work, and to promote integration in the labour market and social inclusion by:

**Text proposed by the Commission**

The Platform, as set out in Article 1 (1), shall offer a common understanding of undeclared work by means of adopting a clear definition of undeclared work to reflect the reality in labour and contribute to better enforcement of EU and national law, to the reduction of undeclared work and the emergence of formal jobs, hence avoiding the deterioration of quality of work, and to promote equal integration in the labour market and social inclusion by:

**Amendment**

Or. en

**Justification**

The actual definition of undeclared work dates back to 1998 and as such can not contribute to fully understand the phenomenon and address it in the most effective way. The emergence of formal jobs is particularly important for women as they lag behind when it comes to achieving the employment target of the EU2020 strategy: enhancing the employment of women is crucial to achieve their freedom to work in security and in dignity and is a driving force of economic growth.

**Amendment 7**

**Proposal for a decision**

**Article 4 – paragraph 1 – point a**

**Text proposed by the Commission**

(a) Improve the knowledge of undeclared work by means of common concepts, measurement tools and promotion of joint comparative analysis and related relevant indicators,

**Amendment**

(a) Improve the knowledge of undeclared work by means of common concepts, measurement tools and promotion of joint comparative analysis and related relevant indicators, including gender-sensitive indicators,

**Justification**

EU labour markets are gender segregated and women are more often employed in sectors like the domestic care industry. These jobs are not only undeclared but also often jobs of shorter
duration with lesser hours worked, whilst also being paid minimal. This does not allow for these women to be economically independent. Little data is however available to back policies which could address this issue, including a lack of data on the position of migrant women.

Amendment 8

Proposal for a decision
Article 4 – paragraph 1 – point d

Text proposed by the Commission
(d) Adopt non-binding guidelines for inspectors, handbooks of good practice and common principles of inspections to tackle undeclared work,

Amendment
(d) Adopt non-binding guidelines for inspectors, handbooks of good practice and common principles of inspections to tackle undeclared work, which are comprehensive in terms of the differences between the working conditions of women and men,

Justification
This point has also been mentioned in the resolution of the European Parliament on "Effective labour inspections as a strategy to improve working conditions in Europe" which points out that the EU2020 strategy draws attention to the need for women in the labour market.

Amendment 9

Proposal for a decision
Article 4 – paragraph 2

Text proposed by the Commission
(2) In carrying out its tasks, the Platform will make use of all relevant sources of information, including studies and multilateral cooperation projects and take into account relevant Union instruments and structures, as well the experience of relevant bilateral agreements. It will establish appropriate cooperation with Eurofound and EU-OSHA.

Amendment
(2) In carrying out its tasks, the Platform will make use of all relevant sources of information, including studies and multilateral cooperation projects and take into account relevant Union instruments and structures, as well the experience of relevant bilateral agreements. It will establish appropriate cooperation with Eurofound, EU-OSHA and EIGE.
The involvement of EIGE is crucial to guarantee the EU Platform follows a gender mainstreamed approach. The emergence of formal jobs is particularly important for women as they lag behind when it comes to achieving the employment target of the EU2020 strategy: enhancing the employment of women is crucial to achieve their freedom to work in security and in dignity and is a driving force of economic growth.

Amendment 10
Proposal for a decision
Article 7 – paragraph 3

Text proposed by the Commission
(3) Experts with specific competence in a subject under discussion may be invited on a case-by-case basis to participate in the Platform's or working group's deliberations if this is useful and/or necessary.

Amendment
(3) Experts with specific competence in a subject under discussion, or when the subject requires a gender mainstreamed approach, may be invited on a case-by-case basis to participate in the Platform's or working group's deliberations if this is useful and/or necessary.

Justification
Whilst "gender" might not be a specific issue to be examined within the EU Platform, it may be included in analysing other issues if the effect is deemed different on both men and women: the involvement of EIGE could guarantee such a gender mainstreamed approach of the EU Platform.