

Thematic review workshop: E-services: digital solutions to facilitate declared work

Malta (Hybrid), 21-22 June 2023

EXECUTIVE SUMMARY

This Platform thematic review workshop explored how digital public services can be developed by public authorities, including enforcement authorities, to prevent undeclared work by making declared work easier, more beneficial, and more acceptable. This hybrid workshop brought together 37 participants (24 in person and 13 online) from 17 different countries, representing labour inspectorates, social security institutions, tax authorities, various ministries, public employment services, European-level and national-level social partners. The event was also attended by representatives of the European Labour Authority (ELA), thematic experts and members of the Platform support team. Participants exchanged good practices, identified aspects that could be transferred to different settings and explored how the challenges involved could be overcome.

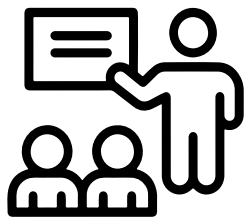
Introduction to the theme of the workshop



Representatives of ELA welcomed participants and noted that the aim of the thematic review workshop was to help improve the efficiency of national authorities to prevent undeclared work by making declared work easier, more beneficial, and more acceptable, through the sharing of innovative practices among Member States.

The thematic expert presented the main aspects of the discussion paper focused on the benefits of accessible and human-centric e-services to promote declared work. He also highlighted the key questions for discussion, which included exploring effective e-services that enable businesses, workers, and buyers to operate in the declared economy, e-services to encourage purchasing from the declared economy, as well as e-services aimed at transforming social norms related to undeclared work.

Presentation from the host country on preventing undeclared work by making declared work easier and more beneficial

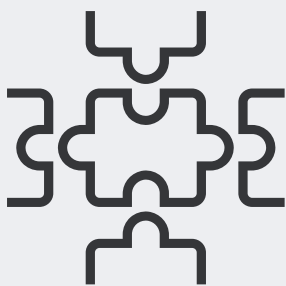


Participants from the host country presented examples of e-services to make declared work easier and more beneficial.

- ▶ **Malta** presented servizz.gov, an agency which aims to make government services accessible to the public. The agency works in collaboration with the business owners of these services and ensures a customer-centric approach.
- ▶ **Malta** also presented JobsPlus, the public employment service agency of Malta, whose mission is to enhance accessibility to the labour market through modernised and targeted services. Online services include the submission of online employment forms, tracking their progress and viewing and downloading employees' lists.

Questions from participants sought clarification on JobsPlus' ability to cross-check citizens' identities using tax or social security numbers. It was explained that the identity is currently verified through the ID number only, which can be cross-checked with the uploaded documents. JobsPlus also clarified that they encourage employers to register their employees before the first day of employment.

E-services enabling businesses and workers to operate in the declared economy more easily and beneficially



Participants from four Member States presented examples of e-services enabling businesses and workers to operate in the declared economy more easily and beneficially.

- ▶ **Spain** presented the online platform CIRCE, designed to assist entrepreneurs with the process of starting a new business. CIRCE enables the online establishment, registration, and cessation of commercial companies and reduces time and costs of companies' creation.
- ▶ **Greece** presented the ERGANI system, which allows entrepreneurs to register employment without paperwork, facilitating the creation of declared jobs. They also presented myErgani mobile app, a simple access to ERGANI.
- ▶ **Romania** presented Reges, an information system allowing employers to register workers, employees to view their employment history, and labour inspectorates to access the updated data instantly.

E-services enabling businesses and workers to operate in the declared economy more easily and beneficially - continued

- ▶ **Malta** also presented the National Business Portal, a platform that integrates all government business services, allowing data dissemination to different departments.

Participants sought clarification on whether employers need to engage with external institutions during business registration. Greece explained that employers need a security number available on another platform, although accessible through the ERGANI system. Reges contains all services to register workers. The National Business Portal also plans to have all services on the same portal.

Working Group Discussion I: sharing learning on effective e-services enabling businesses and workers to operate in the declared economy more easily and beneficially



During the working group discussion, participants shared ideas and experiences about effective e-services enabling businesses and workers to operate in the declared economy more easily and beneficially. Points included:

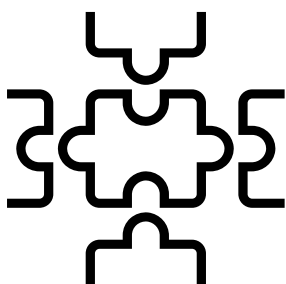
- ▶ The most common e-initiatives used in the represented Member States to make declared work easier and beneficial for suppliers were e-registration of employment, e-portals for tax and social security contributions, and e-registration of employment.
- ▶ The most common challenges identified were the lack of sufficient resources (with the difficulty of having a dedicated team of in-house developers working on the whole e-system), lack of interoperability (as often different ministries have different databases which are not inter-operable), language (especially for migrant workers) and legislation barriers (new rules need to be created to ensure a legal basis for data sharing among authorities) and digital literacy.
- ▶ Participants shared that some of these challenges could be addressed through strong leadership, political will, and better collaboration among public institutions and stakeholders. Other solutions included building a unified system that encompasses the e-services from different authorities and creating user-friendly interfaces.

Presentation on the effects of increased electronic payments on undeclared work



The effects of promoting e-payments and reducing cash usage on undeclared work were presented. It was stressed that while an increase in electronic payment systems reduces the shadow economy, the extent is still uncertain. Drawing conclusions for individual EU countries remains a challenge, as the use of digital payment systems is different in each country.

E-services to encourage purchasing from the declared economy



Participants from two Member States presented examples of e-service initiatives that enforcement authorities can use to encourage purchasing of goods and services from the declared economy.

- ▶ **Estonia** presented the Real-Time economy, a business environment where data flows automatically and in real time between parties such as the state or business partners, reducing manual work. This accessible data is expected to help businesses and consumers make data-driven decisions.
- ▶ **Norway** presented 'Handle hvitt' (Buy declared), a portal for private consumers seeking to purchase services from the declared economy. The portal provides details about declared companies and their contact information across six sectors: craftsmen, small jobs, car washing, cleaning, service hiring, and construction work.

Questions from participants sought clarification on the criteria for distinguishing illegal and legal businesses in Norway. It was explained that to be considered legal, companies need to be registered and provide information on tax registration, worker contracts, social security cards and other documents.

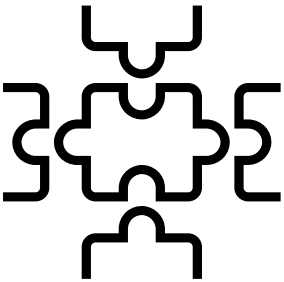
Working Group Discussion II: sharing learning on effective e-services to encourage purchasing from the declared economy



During the working group discussion, participants shared ideas and experiences about effective e-services to encourage purchasing from the declared economy. Points included:

- ▶ The most common e-initiatives used in the represented Member States to make declared work easier and beneficial for purchasers were incentivising e-payments and deterring cash payments and e-services to incentivise purchasers to request receipts.
- ▶ The most common challenges identified included changing citizens' mindset regarding digital solutions (due to privacy concerns, habits, and digital literacy), effectively communicating the benefits of declared work and addressing the costs of cashless payments for small amounts.
- ▶ Participants shared some initiatives that could overcome these challenges, such as information campaigns to promote cashless payments among citizens and initiatives to incentivise purchasers to request receipts.

E-services to change social norms about undeclared work



Participants from three Member States presented examples of e-service initiatives that can change social norms about undeclared work.

- ▶ **Belgium** presented campaigns targeting students aimed at raising awareness of the risks of working undeclared and promoting declared work, such as the 'Federal Truck' and the 'Fair Work, Fair Play: Earn, declare, benefit' campaigns. The campaigns included presentations, interactive games, and an explanation of the complex legislation in a simple and easy way.
- ▶ **France** presented My social rights portal, a user-friendly portal where citizens can check the income which has been declared by their employer and request corrections in case of errors.
- ▶ **Ireland** presented the Workplace Relations Commission (WRC) animations, which provide simple and clear information about the WRC services. They also constitute an important source of information for migrants as they are provided in several languages.

In response to questions from participants, France explained that the requests for corrections go to the employer. Ireland also explained that to promote the animations they developed an extensive social media campaign and engaged with trade unions. The cost-effectiveness of animations and of game development was also mentioned.

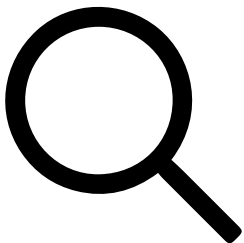
Working Group Discussion III: sharing learning on effective e-services to change social norms about undeclared work



During the working group discussion, participants shared ideas and experiences about effective e-services to change social norms about undeclared work. Points included:

- ▶ **Lithuania** explained that labour inspectorates provide advice on labour law issues to employers and employees through Facebook Messenger and Instagram. They are also introducing artificial intelligence and Chat GPT to respond to enquiries more swiftly.
- ▶ **Norway** presented the 'Spleiselaget' website, designed for high school students, which educates them about the benefits of paying taxes both for individuals and society.
- ▶ **Spain** presented the 'Virtual Assistant Tool', which provides information for taxpayers and tax officials about VAT using artificial intelligence.
- ▶ The common challenges identified included labour inspectorates lacking expertise in social media, insufficient resources for communication units, and the difficulty in measuring the benefits of investing in educational awareness tools and campaigns.
- ▶ Participants shared examples from their Member States to overcome these challenges, such as the 'Know your rights' campaign in Norway, campaigns targeted at schools in Hungary and Lithuania or the campaign 'It's not magic, it's your taxes' in Spain.

Closing remarks



The following concluding points were made. A comprehensive policy programme introducing a package of e-services is more effective at tackling undeclared work than individual e-initiatives. A key challenge is the 'culture' of enforcement authorities, as some labour inspectors view their role as deterring undeclared work. Allocating more resources to develop user-friendly digital public services is necessary.

ELA wrapped up the workshop by drawing attention to the key outcomes and reminding participants that the topic of digital solutions to facilitate declared work will be further explored.

Further information: The Thematic Review Workshop was an integral part of a larger mutual learning process among Platform members and observers and provided opportunities for exchange and collaboration. The information from the event will be fed into a Learning Resource Paper.