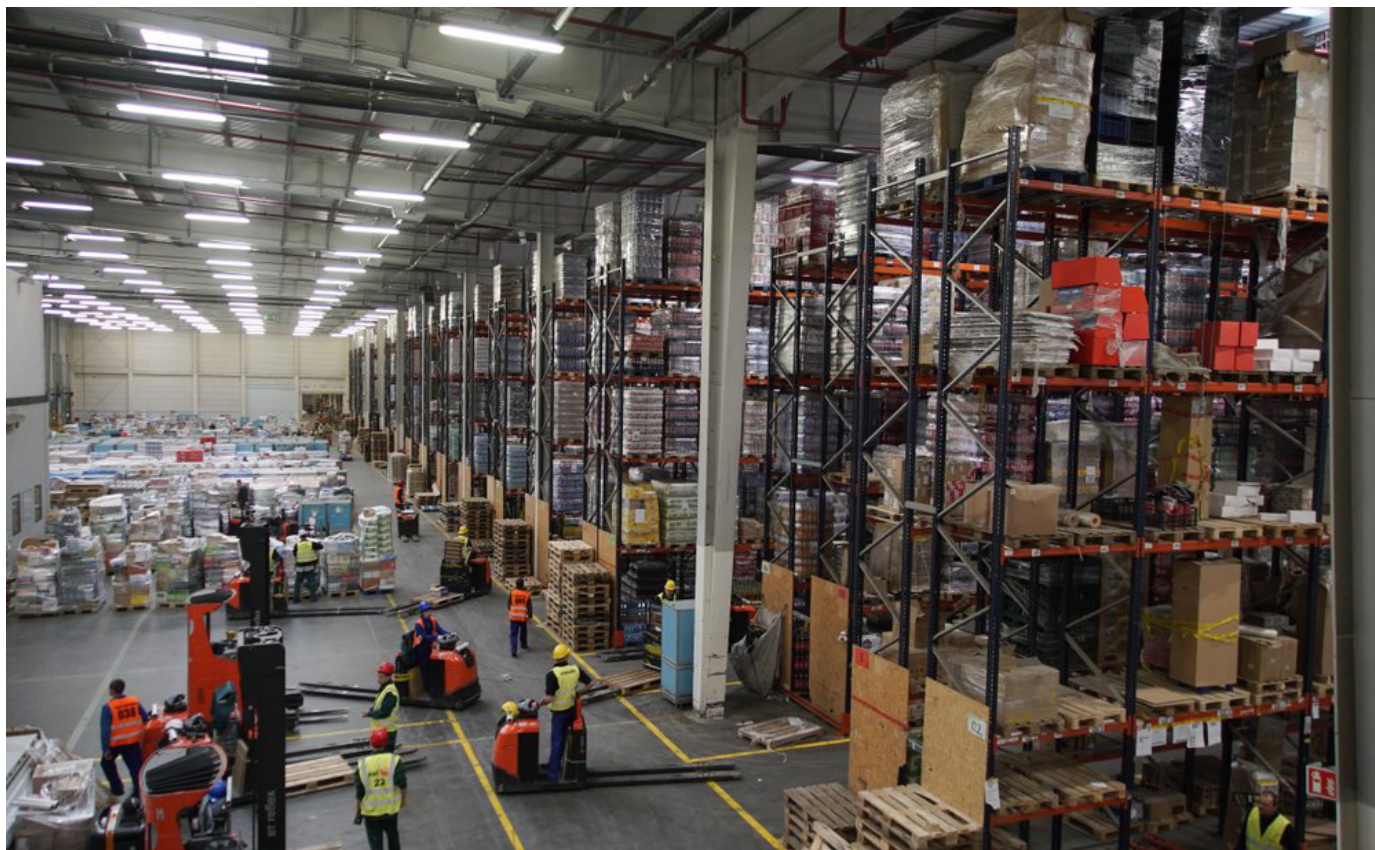


# LABOR RIGHTS OF MIGRANT-WORKERS FROM EASTERN PARTNERSHIP COUNTRIES – GEORGIA, BELARUS, UKRAINE - WORKING IN INFORMAL SECTOR IN THE EUROPEAN UNION



GEORGIAN TRADE  
UNIONS CONFEDERATION



## Analytical Report

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## SUMMARY

During the survey Resolution of European Union of October 9, 2008 on activating the fight against undeclared labor, ILO Conventions No. 143, No. 129, No. 81 and Recommendation No. 204 were analyzed.

The definition of informal employment (classification), state of informal economy in the world and political steps aimed to reduce the informal sector - were reviewed.

Informal employment (shadow employment) of Labor Migrants from Ukraine, Georgia and Belarus in the countries of European Union (EU) and key areas of work in EU countries that are chosen by the citizens of Ukraine, Georgia and Belarus were analyzed.

Also the survey on informal employment in EU countries was conducted and an assessment of illegal employment and violation of labor rights of labor migrants was given.

The issue of protecting the rights of migrant-workers was considered and general recommendations were proposed, namely the actions to combat undeclared labor and illegal employment.

## INTRODUCTION

In modern conditions the economy of Eastern Partnership Countries is faced with such acute problems as development of employment under the influence of labor migration and employment management, given the intensity of labor migration. Labor Migration as a natural regulator (factor) of employment is the result of number of institutional processes (economic, social, political, organizational and number of others) associated with transformation of economy of the country occurring both on a macro and micro levels.

But, in context of reviewing the issue of Labor Migration, there is also such a component as employment of migrant-workers in informal economy (that is, the undeclared work).

It should be noted that at European Union (EU) level unclaimed (undeclared) labor is defined as “any paid activity that is legal in terms of its nature, but not declared to state authorities, taking into account differences in the regulatory systems of the member states”.

In our publication we will discuss such an important aspect of labor migration as employment of migrant-workers in informal economy of EU countries, their labor rights and working conditions; all these issues are very important for assessment of the term “illegal (semi-illegal) migration” and the role of migrant-workers in informal sector of the labor market.

# 1. INFORMAL ECONOMY IN THE WORLD

The report of International Labor Organization (ILO) for 2008 shows, that 2 billion people work informally, majority of them in developing countries. Most lack social protection, labor rights and decent working conditions.

Two billion people – more than 61 percent of the world's working population – earn the living in informal economy - ILO reports says, emphasizing that the transition to a formal economy is a prerequisite to accomplish the decent labor for all.

[1] <sup>1</sup>Men and women in informal economy.

The statistical picture (third edition) [2] <sup>2</sup>shows the size of informal economy and a statistical profile of informality using the criteria from more than 100 countries. According to the report, excluding the agriculture, half of the employed population is informally employed. In Africa 85.8% are informal employees. Their share in Asian-Pacific region is 68.2%, 68.6% - in Arab states, 40.0% - in North and South America and **25.1% - in Europe** and Central Asia.

**The report shows that 93% of informal employment in the world comes to developing countries.**

Informal employment is more significant source of employment for men (63.0%) than for women (58.1%). **Out of 2 billion informal workers worldwide, a little over 740 million are women.** Women are more susceptible to informal

employment in majority of low and average-income countries and are more likely to find themselves in the most vulnerable situations.

The level of education is a key factor affecting the level of informality. On a global scale, when the level of education increases, the level of informality decreases. People who have received secondary and higher education are less likely to be employed in the informal sector compared to workers who have no formal education or have completed the primary education.

People living in rural areas are almost twice as likely to be involved in informal employment than urban residents. Agriculture is the sector with the highest level of informal employment –more than 90% estimated.

This report is quite relevant in context of the momentum created as a result of transition from informal economy to formal economy stated in Recommendation (No. 204) of 2015, and sustainable development goals, which include a specific statistical indicator of informal employment (8.3.1).

ILO Recommendation No. 204 emphasizes the need to facilitate the transition of workers and economic units to the formal economy, to promote the development, maintenance and sustainability of enterprises and decent jobs in formal economy and prevent informal employment in the mentioned.

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<sup>1</sup> [1] More than 60 per cent of the world's employed population are in the informal economy - Press release - 30 April 2018 - GENEVA (ILO News) - [https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_627189/lang--en/index.htm](https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_627189/lang--en/index.htm)

<sup>2</sup> [2] Women and men in the informal economy: A statistical picture. Third edition - 30 April 2018 - ILO – Publications - Books and reports - [https://www.ilo.org/global/publications/books/WCMS\\_626831/lang--en/index.htm](https://www.ilo.org/global/publications/books/WCMS_626831/lang--en/index.htm)



## 2. DEFINITION OF INFORMAL EMPLOYMENT (CLASSIFICATION)

Political steps aimed at reducing the Informal Sector

**The ILO (International Labor Organization) classification of informal employment** (*Author Ralph Hassmanns*)

- **Is based on the division of production units by type of jobs and by employment status.** The assignment of workers to formal or informal employment occurs in accordance with the nature of labor relations in which they are participating, i.e. depending on the characteristics of the jobs within the entire production unit, rather than characteristics of the production units themselves. Thus, an employee is considered to be employed informally if he does not comply with formal restrictions introduced by the state to regulate the use of labor and its remuneration.

In an illustrative example, according to the ILO (International Labor Organization) recommendation, informal employment looks as follows (see the table "informal employment according to ILO recommendation"): Dark grey squares of the table correspond to the situations, which, according to ILO experts, may not occur. Light grey squares correspond to various types of formal employment. Indicator 7 – hired workers performing the labor in informal labor enterprises, which are considered to be real economy jobs - is segregated. If such exist, they do not fall into the sector of informal employment [6]. <sup>3</sup>

Production units by type	Jobs Behind Employment Status								
	Individual workers		Employers		Household workers who help	Hired workers		Production cooperative workers	
	Informal	Formal	Informal	Formal	Informal	Informal	Formal	Informal	Formal
Formal sector enterprises					1	2			
Informal sector enterprises	3		4		5	6	7	8	
Households	9					10			

<sup>3</sup> [6] Hussmanns R. (2004). Measuring the Informal Economy: From Employment in the Informal Sector to Informal Employment // Bureau of Statistics Working Paper, no. 53. Geneva: International Labor Office. - [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms\\_079142.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_079142.pdf)

**Therefore, informal employment consists of workers employed in the informal sector (indicators 3–8), with the exception of indicator 7:**

- Officially unregistered self-employed workers and informal sector entrepreneurs. The informal status of the enterprise also determines the status of such workers, because it is believed that they are inseparable from their enterprises (indicators 3 and 4);
- The family workers who work in informal sector enterprises are helping (indicator 5). In the vast majority of the cases, they work without a written agreement, they are not covered by labor law and they do not receive wages in the usual sense;
- Workers employed in informal sector enterprises (indicator 6);
- Workers of informal production cooperatives (indicator 8). Since the cooperatives themselves are not formalized, their workers are considered informally employed;
- From informally employed workers outside the informal sector (indicators 1,2,9,10);
- The family workers who work in formal sector enterprises are helping (indicator 1). In the vast majority of the cases, they work without a written agreement, they are not covered by labor law and they do not receive wages in the usual sense;
- Informal workers of formal sector enterprises (indicator 2). The labor relations of such workers are, in practice, not regulated by the labor law. Consequently their income is not taxed. In most cases, such workers are deprived of social protection and / or rights to certain benefits (severance pay, paid annual leave, etc.);
- Self-employed workers who are manufacturing products exclusively for internal use (indicator 9);
- Informal employment in households (indicator 10).

**All informal employees can be grouped into three categories:**

- 1) Informal employees of formal enterprises (indicator 2);
- 2) Informal employees of informal enterprises and households (indicators 6 and 10);
- 3) Informal self-employed workers (indicators 1,3,4,5,8,9).

**Classification by the type of initiated institutional norms was proposed by Edgar Fage.**

E. Fage identifies the following forms of hidden (underground) economy (*underground economy*):

1. Illegal Economy. It contains activities related to manufacturing and distribution of goods, works, and services prohibited by law.
2. Unreported Economy. Covers activities aiming to reduce, or avoid taxes.
3. Unrecorded Economy. Includes activities that violate the established formal requirements of the relevant state bodies of the statistical report.
4. Informal Economy. It consists of such types of economic activities that are aiming to avoid expenses associated with compliance with laws and administrative rules, refusing to fall under their protection.

**Various forms might intersect with each other. The main difference is observed between informal and illegal activities, though. If informal activities deal with goods, work and services permitted by law, illegal activities consider goods, work and services that are prohibited by law in given place and time [7].<sup>4</sup>**

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<sup>4</sup> [7] Feige, 1990. Pp. 6–12 - Feige E.L. (1990). Defining and Estimating Underground and Informal Economies: The New Institutional Economics Approach. World Development, no. 7, pp. 989–1002.. - <https://ideas.repec.org/a/eee/wdevel/v18y1990i7p989-1002.html>



## Political steps aimed to reduce the informal sector

### **The following measures exist in the countries of the European Union:**

- Preventive measures: Their goal is to simplify the procedures, as well as reduce costs and restrictions that impede the creation and development of the business, especially for start-ups and small enterprises; by removing obstacles to the official declaration of their activities using supply and demand;
- Penalties: their goal is to strengthen the supervisory function and apply appropriate penalties against those who benefit from hidden/shadow work, as well as protect the victims of dismissal, particularly by improving coordination between the relevant authorities (tax authorities, labor inspections, police);
- Collaboration between Member States to combat social insurance fraud and informal employment as part of transnational economic activity;
- Public awareness campaigns on the negative effects of informal employment in terms of social insurance, as well as the consequences in terms of solidarity and justice [8];<sup>5</sup>

**Thus, informal employment policies are usually balancing between preventive measures and penalties.** EU countries, as well as OECD (Organization for Economic Co-operation and Development - an international economic organization of developed countries that recognizes the principles of representative democracy and a free market

economy) countries and many countries with transition economy have gained considerable experience in trying to reduce informal employment and informal economic activity.

Their efforts basically boiled down to four broad categories:

- **Taxes and other direct financial measures;**
  - **Labor laws and other employment policies;**
  - **Enhanced business regulations;**
  - **Administrative measures.**
- **Tax policy is one of the main tools in fighting against the informal sector.** The tax and fiscal categories include two types of events. The first is mainly aimed at eliminating incentives for tax evasion by reducing payroll taxes, social contributions and other taxes levied on enterprises and / or workers. The second - direct fiscal measures - are trying to “capture” people, who would otherwise not pay taxes, using tools such as conditional tax systems, blaming taxes on the employer.
  - **Labor law. Labor laws and other employment policies cover all issues related to hiring and securing basic labor rights by setting minimum wages and various local rules and regulations, as well as employment programs aimed to assist workers in gaining access to official work places.** Labor market policy reforms can reduce incentives for firms and workers to work in the informal sector, while employment programs can help better prepare workers for the formal labor market. Labor legislation has always been a particularly important area of work in the field of reducing informal employment. For example, increasing the flexibility of labor protection laws and lowering minimum

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<sup>5</sup> [8] The World Bank - Политические меры, направленные на сокращение неформальной занятости: Обзор международного опыта - Аналитическая записка для правительства Украины - Апрель 2011-  
<http://siteresources.worldbank.org/UKRAINE/UKRAINI/ANEXTN/Resources/455680-1310372404373/PoliciestoReduceInformalEmploymentRUS.pdf>

wages can reduce the costs of hiring workers in the formal sector and thus increase incentives for enterprises to increase the share of registered workers.

**In order to prevent tax evasion, many EU countries have begun to take measures in field of converting hidden services (related to the household) into legal jobs, as well as reducing the number of temporary employment laws.**

**In many countries, various incentive measures have been proposed to formalize work activities, especially casual or temporary employment, as well as to combat informal employment.**

**In the field of labor relations, strengthening the human resources and labor inspection competencies is usually a very important tool in fighting against the informal employment sector.**

Strengthening law enforcement and sanctioning can be achieved by: (1) closer cooperation between relevant authorities (in particular, tax authorities, labor inspectorates, police) (2) increase in number of inspectors monitoring the working conditions, improving their working conditions and remuneration systems based on the effectiveness of the outcome of performed work; (3) investing in training and participating in international conferences to gain new knowledge and skills in relevant areas. **These steps will facilitate more frequent inspections of the enterprises in order to assess compliance with legal requirements in the field of labor relations and working conditions.**

**In 2006, European Commission published a Green Paper on labor law, which emphasized the need for more effective cooperation at the national level between various government agencies, such as labor**

**inspectorates, social security agencies and tax authorities,** and it was said that "improving the material and technical resources and competence of these law enforcement bodies, as well as their cooperation with partners, can help reduce incentives for informal work."

**Trade unions (or other representatives of the labor force) can also play a role in reducing the level of unofficial labor activity.** They can better than others assess the situation in their enterprises and industries, and through collective bargaining, develop rules defining such important issues as wages, benefits, overtime pay and part-time conditions without compromising the proper level of social protection. This will allow workers to factually, rather than only by law, enjoy employment rights; since, acting as partners in the negotiated settlement process, they will ensure that their employers have less incentive to comply with the law and law enforcement will be easier.

**Collective bargaining agreements may oblige both parties to condemn the black labor market.**

**- Regulation of business activities.**

**Regulation of business activities affects such aspects of business practices as registration of enterprises, procedures and business environment in whole.** The general regulation of entrepreneurial activity may also influence the decisions of enterprises on whether to work officially or not. For example, easing requirements and lowering the costs of registration and licensing can increase incentives for companies to work in the formal sector of economy. Simplification of procedural requirements may have the same effect. On the other hand, it is beneficial for governments to create an environment in which enterprise assets are protected and where disputes can be resolved reasonably and fairly. There is evidence that good governance is a positive

factor in stimulating the growth of formal economic activity.

**A favorable business environment plays an important role in stimulating the opening of new enterprises and the growth of existing ones, as well as job creation - especially in the formal sector.**

**The most important thing is to make the opening and closing of enterprises as easy as possible from an administrative point of view.** Experience shows that significant progress in this area is much more important than implementation of series of small steps. In many EU countries accelerated business registration procedure has been introduced to facilitate this process.

**- Administrative measures.**

Administrative measures mainly include efforts directed towards the rights of application and enforcement of the law. This includes a wide range of activities, including the reorganization of the institutions responsible for law enforcement, increasing their capacity and introducing more stringent penalties for violations. At the same time, administrative measures may include educating and informing the public about future prospects for enterprises and individuals, depending on whether they choose to work in formal or informal sectors.

**While the basic conditions governing the formal sector of the economy are determined by tax policy, the business environment, and labor market regulations, institutions working in these areas also play a role, as they largely determine perceptions regarding the costs and benefits of working in a formal or informal sectors of the economy.**

**The main tool of labor, social or tax inspections in the field of informal labor activities is a sudden visit to the**

**enterprise with the identification of all those present at the time of the audit.**

This tool is often quite effective, which ensures that most employees of the enterprise work officially.

**Public awareness and education is a final element in a complex strategy of reducing the informal economic activity.** The developed strategy of public relations and the promotion of growing benefits, as well as reducing the costs of formalizing their activities, are important components of political reforms aimed at reducing the level of the informal sector.

**Activities aimed at changing perceptions of informal work in international practice include the following:**

**- Data campaigns with segmented orientation.** The general purpose of data campaigns might be to highlight tax evasion as an anomalous and increasingly rare occurrence with serious consequences.

**- Educating the public on the basics of government funding.** This includes providing the transparent information on how the government spends tax revenues, and how deductions from entrepreneurs and individuals are related to the public goods they receive.

**- Attracting social partners.** Registered employers and trade unions have strong and common motives to reduce the incidence of informal work in their sectors and jobs.

**International experience shows that cooperation between them should be encouraged, as it will help them clarify their problems related to the informal sector of employment and, at the same time, take on obligations under collective bargaining agreements to combat informal labor.**

## 2.1 EU AND UNCLAIMED (UNDECLARED) LABOR

**At the European Union level, undeclared work is defined as “any paid activity that is legal in terms of its nature, but not declared to public authorities, taking into account differences in the regulatory systems of member states.”**

*Kinds/types of jobs:*

*The most common type of work is one performed in an official enterprise, that is partially or completely undeclared. Partially undeclared work is sometimes also called “unproven work”, “salary in an envelope” or “cash on hand”;*

*Another type is an undeclared “account” or self-employed job, where self-employed persons provide services to either a formal enterprise or other clients such as households;*

Undeclared work is present in all types of economic sectors, both within the countries and beyond. It is often carried out in such sectors as construction or repair work, gardening, cleaning, childcare or work in (hotels / restaurants / catering).

The Eurobarometer survey conducted in 2013 shows that in the EU 11% of Europeans admit that they bought goods or services related to undeclared labor last year; 4% admit that they themselves received undeclared wages for their work; one in 30 (3%) received a partial cash payment from their employer (“salary in an envelope”).

### **Fight against the undeclared labor.**

The main responsibility for performing undeclared labor lies with national authorities. The fight against undeclared labor is mainly based on:

- Labor inspection - considers abuses in relation to working conditions and / or health and safety standards;
- Social Security Inspectorate - combating fraud in the field of social insurance contributions;
- Tax authorities, involved in tax evasion.

**In addition, in some Member States, social partners, as well as customs, migration authorities, police and prosecutors also participate in these tasks. Given its negative effects over the past ten years, all Member States have taken various measures to step up their efforts to combat the undeclared labor.**

**Aside from that, Member States use preventive measures such as: tax breaks; amnesties; raising awareness of citizens. Purpose: to reduce the number of undeclared jobs and promote compliance with existing rules.**

*The European platform for fighting the undeclared labor strengthens cooperation between relevant authorities of the Member States and other parties involved in a more effective and efficient fight against undeclared labor, with full respect for national competencies and procedures [9].<sup>6</sup>*

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<sup>6</sup> [9] European Commission - Employment, Social Affairs & Inclusion - Undeclared work - <https://ec.europa.eu/social/main.jsp?catId=1298&langId=en>

## 2.2. Resolution of The European Parliament October 9, 2008 on activating the fight against undeclared labor (key points)

**Resolution of European parliament of October 9, 2008 on activating the fight against undeclared labor (key points) P6\_TA (2008) 0466 Resolution of European parliament of October 9, 2008 on activating the fight against undeclared labor (2008/2035 (INI)) (2010 / C 9 E / 01) [10]<sup>7</sup>**

*Key points:*

**8.** Claims that actions to combat undeclared labor require an integrated approach that covers issues related to monitoring and control, the economic and institutional framework and sectoral and territorial development, and provides for coordinated actions at several levels as well as the participation of all interested parties (government bodies, social partners, enterprises and workers);

**19.** Emphasizes that women are not overrepresented when it comes to undeclared labor, but compared to men, they nevertheless make up the majority of jobs in a number of “traditionally female” areas of the labor market, such as work at home, trade and health care in hotels and restaurants, which are characterized by low skill levels, poor job security, low wages and low or no social protection, which often puts them in a particularly vulnerable position;

**21.** Encourages the Commission to develop policies that include both general measures and sectoral measures to prevent

undeclared labor, with the full participation of social partners and with special emphasis on the most involved sectors, such as the hotel and restaurant business, agriculture, household services and the construction industry ; draws the attention of the Commission and Member States to the special situation in the home care sector, where there is a significant concentration of women who are third-country nationals and, in many cases, illegally residing in the Union (EU);

**42.** Emphasizes that the number of cases of undeclared labor in subcontracted chains can be reduced due to a system of national regulations requiring contractors and developers to act responsibly and fairly; Encourages Member States, social partners and other key labor market players to promote corporate social responsibility (CSR) and other similar approaches to combat undeclared employment;

**51.** Advocates for closer links between national labor inspectorates and encourages sharing of best practices at Community level in response to undeclared labor; Encourages Member States to introduce stricter inspection procedures and tougher inspections, which have become weaker in several countries;

**60.** Calls for ongoing campaigns to prevent undeclared labor with community-based information and education initiatives at the national and local levels with the participation of social partners, government authorities, chambers of commerce and employment centers, schools, local councils and various monitoring and punishment systems;

**61.** Considers that such ongoing campaigns should accompany various measures taken to foster a culture of legality and promote quality work and a legal business culture, and encourages Member States, relevant

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<sup>7</sup> [10] RESOLUTION EUROPEAN PARLIAMENT - Stepping up the fight against undeclared work - RESOLUTIONS EUROPEAN PARLIAMENT Stepping up the fight against undeclared work P6\_TA(2008)0466 European Parliament resolution of 9 October 2008 on stepping up the fight against undeclared work (2008/2035(INI)) (2010/C 9 E/01) - <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:009E:0001:0011:EN:PDF>

national authorities and civil society structures to join forces and create conditions of intolerance to undeclared employment and change the public perception of it;

**62.**Emphasizes that Member States need to allocate more government funds to raise public awareness, particularly from European Social Fund and Community Employment and Social Solidarity Program - progress; suggests that awareness-raising activities focus on the sanctions, costs, risks of undeclared work and the benefits of the declared work, as such awareness raising is consistent with the main objectives of the Lisbon Growth and Employment Strategy; Invites social partners to play an active role in this process;

**63.**Calls upon all Member States to sign the International Convention to Protect the Rights of All Migrant Workers and Members of Their Families;

**75.**Notes the progress of the proposal of Council Directive on a unified application procedure for a single residence and working permit for third-country nationals

in the territory of a Member State and on a common set of rights for third-country workers residing legally in Member States (COM (2007) 0638), but regrets that there is still a long way to go to guarantee the rights preserved in Articles 27-34 of the Charter of Fundamental Rights of the European Union;

**78.**Considers that fight against undeclared labor requires an integrated approach that should take into account the need to protect and promote the rights of migrant workers, whether legal or illegal, who are exploited by their employers;

**79.****Believes that fight against undeclared labor performed by illegal immigrants cannot be effective without opening channels for legal migration in order to guarantee the work for third-country nationals, whether those are highly skilled or less skilled workers, for whom there is a need in European Union.**



## ILO Conventions No. 143, No. 129, No. 81 and ILO Recommendation No. 204 (Key points)

### **ILO Convention No. 144 “Convention Concerning Abuses in the Field of Migration and Ensuring Equality of Opportunities and Treatment for Migrant Workers”, 1975**

(Key points)

“... Article 2 - paragraph 1. Each Member of the Organization, for which this Convention is in force, shall endeavor to systematically monitor, whether illegally employed migrant workers are located on their territory, also whether any migratory movement of workers seeking for a job - during which migrant workers, either during the move, or upon arrival, or during their stay and work, are placed in conditions that are contrary to the relevant acts or multilateral or bilateral international agreements or national laws and regulations - starts at their territory, passes through it or arrives at it...”[11]<sup>8</sup>

**Convention No. 143** - is not ratified by Georgia, Republic of Belarus and Ukraine.

**Convention No. 143** – is ratified by such EU countries as Cyprus, Italy, Portugal, Slovenia and Sweden.

- **ILO Convention No. 129** “On Labor Inspection in Agriculture” 1969 (key points) [12].<sup>9</sup>

“... Article 5 - paragraph 1. Any member of the Organization that ratifies given Convention may, in a statement

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<sup>8</sup> [11] Официальный веб - портал - Верховной Рады Украины - Законодательство Украины - Конвенция №143 «О злоупотреблениях в области миграции и об обеспечении работникам-мигрантам равных возможностей и равного отношения» - [https://zakon.rada.gov.ua/laws/show/993\\_163](https://zakon.rada.gov.ua/laws/show/993_163)

<sup>9</sup> [12] Официальный веб - портал - Верховной Рады Украины - Законодательство Украины - Конвенция Международной организации труда №129 1969 года «Об инспекции труда в сельском хозяйстве» - [https://zakon.rada.gov.ua/laws/show/993\\_114](https://zakon.rada.gov.ua/laws/show/993_114)

accompanying ratification, commit to extending their labor inspection system in agriculture to one or more of the following categories of persons working for agricultural enterprises:

A) tenants who do not use hired labor, sharecroppers and agricultural workers of similar categories;

B) persons participating in a collective farming, such as, for example, members of a cooperative;

C) family members of the head of agricultural enterprise in accordance with the definition of national legislation ... ”

**Convention No. 129** – *Is ratified by Ukraine – (10.11.2004).*

**Convention No. 129** – *Is not ratified by republic of Belarus and Georgia.*

**Convention No. 129** – *Is ratified by such EU countries as Belgium; Croatia; Czech Republic – adopted paragraph 5 (a), (b) and (c) of article 5; Denmark; Estonia; Finland; France; Germany; Hungary; Italy; Latvia – adopted paragraph 1 (b) of article 5; Luxembourg; Malta; Netherlands; Poland; Portugal; Romania; Slovakia – adopted paragraph 5 (a), (b) and (c) of article 5; Slovenia; Spain; Sweden.*

- **ILO convention No. 81 “Convention Concerning Labor Inspection in Industry and Commerce”** 1947 (key points) [13].<sup>10</sup>

“... Section I - Labor Inspection in Industry

- Article 1. Each Member of the International Labor Organization, in

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<sup>10</sup> [13] Официальный веб - портал - Верховной Рады Украины - Законодательство Украины - Конвенция Международной организации труда №81 1947 «Об инспекции труда в промышленности и торговле» - [https://zakon.rada.gov.ua/laws/show/993\\_036](https://zakon.rada.gov.ua/laws/show/993_036)

respect of which this Convention has entered into force, commits to have a labor inspection system in their industrial enterprises.

- Article 2. 1. The labor inspection system at industrial enterprises extends to all enterprises in respect of which labor inspectors are obligated to enforce the legal provisions related to working conditions and protection of workers in the process of their work.

2. National legislation is entitled to remove from the scope of this Convention mining and transport enterprises or parts of these enterprises.

- Article 3 - 1. 1. The task of the labor inspection system is to:

a) Ensure the enforcement of legal provisions in the field of working conditions and safety of workers in the process of their work, such as the provisions on working hours, wages, labor safety, health and welfare, use the labor of children and adolescents and other similar issues to the extent where labor inspectors are obliged to ensure the enforcement of these provisions;

b) Providing employers and employees with technical information and recommendations on the most effective means to comply with legal provisions;

c) Reporting the facts of violations or abuses that are not subject to existing legislative provisions to the competent authority.

2. If labor inspectors are entrusted with any other functions, they should not impede the performance of their main functions and in any way damage the authority or impartiality necessary for the inspectors in their relationship with employers and employees.

## Section II - Labor Inspection in Commerce

Article 22. Each Member of the International Labor Organization, in respect of which this section of this

Convention is in force, commits to have a labor inspection system in their commercial enterprises.

Article 23. The labor inspection system in trade enterprises extends to those enterprises with respect to which labor inspectors are obligated to enforce the legal provisions related to working conditions and protection of workers in the process of their work.

Article 24. The labor inspection system in commercial enterprises complies with the requirements of Articles 3-21 of this Convention insofar as they are applicable ...”

**Convention No. 81** – *Is ratified by Ukraine (10.11.2004) and republic of Belarus (25.09.1995)*

**Convention No. 81** – *is not ratified by Georgia.*

**Convention No. 81** – *Is ratified by such EU countries as: Austria; Belgium; Bulgaria; Croatia; Cyprus - Ratified the 1995 Protocol; Czech Republic; Denmark; Estonia; Finland - ratified the 1995 Protocol; France; Germany; Greece; Hungary; Ireland - Ratified the 1995 Protocol; Italy; Latvia; casting; Luxembourg; Malta - excluding the second part; Netherlands; Poland; Portugal; Romania; Slovakia; Slovenia; Spain; Sweden - ratified the 1995 Protocol.*

- **ILO Recommendation No. 204, “Recommendation on the Transition from Informal to Formal Economy”** (key points) [14].<sup>11</sup>

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<sup>11</sup> [14] Переход от неформальной к формальной экономике Рекомендация 2015 года (№ 204) Рекомендация о переходе от неформальной к формальной экономике Принятие: Женева, 104-я сессия КМП (12 июня 2015 года) Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) Recommendation concerning the transition from the informal to the formal economy Adoption: Geneva, 104th ILC session (12 Jun 2015) - [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:R204](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R204)

“... I. PURPOSE AND SCOPE - 1. 1. This Recommendation provides the members of Organization with basic guidelines regarding:

a) facilitating the transition of workers and economic units from informal to formal economy, respecting the fundamental rights of workers and providing opportunities for guaranteed income and means of subsistence, as well as acquisition of entrepreneurial skills;

b) stimulating the process of creating and maintaining enterprises and ensuring their viability, as well as decent jobs in the formal economy and ensuring coherence and consistency of macroeconomic policies, employment policies, social protection, and other areas of social policy;

c) Preventing the transition of formal jobs into informal jobs in formal economy.

2. The term “informal economy” in context of given Recommendation:

a) Applies to all economic activities of workers and economic units which, by law or in practice, are not covered at all or are not fully covered by formal relations;

b) By definition of relevant international treaties, does not cover illegal activities, especially provision of the services or production, sale, possession or use of goods prohibited by law, including the production and trafficking of drugs, illicit manufacturing and trafficking of weapons, human trafficking and money laundering.

3. In context of this Recommendation, “economic units” of the informal economy include:

a) Production units employing the hired labor;

b) Production units owned by persons working at their own expense, either alone or resorting to assistance of unpaid working family members;

c) Cooperatives, social economic units and economic partnerships.

4. This Recommendation applies to all workers and economic units, including

enterprises, entrepreneurs and households within the informal economy, specifically:

a) Persons operating in informal economy, either owing or exploiting the economic unit, including:

I) Persons working at their own expense;

II) Employers;

III) Members of cooperatives, as well as social economic units and economic partnerships;

b) helping working family members, regardless of whether they are employed in the economic units of the formal or informal economy;

c) employees engaged in informal activities either in formal sector enterprises or in their interests, or in the economic units of informal economy or in their interests, including, but not limited to, those who support subcontracting relationships or are engaged in supply chains, or paid on-house work in households;

d) Workers with unrecognized or unregulated labor relations.

5. Informal work could be carried out in all sectors of economy both at state and private facilities.

6. Pursuant to paragraphs 2-5 given above and considering the diversity of forms of the informal economy in Member States, the competent authority should determine the nature and extent of the informal economy, taking into account how it is described in this Recommendation, as well as its relationship with the formal economy. At the same time, the competent authority should resort to the use of tripartite mechanisms with full participation of the most representative organizations of employers and workers, who should include, in accordance with their national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.

## II GUIDING PRINCIPLES

7. In the process of forming coherent and integrated strategies that facilitate the transition to a formal economy, members of the Organization must consider the following parameters:

- a) the variety of characteristics, circumstances and needs of workers and economic units in the informal economy, as well as the need to consider such diversity, using specially designed approaches for this;
- b) special national conditions, legislation, policies, practices and priorities for the transition to a formal economy;
- c) the fact that, in order to stimulate the transition to a formal economy, various and diverse strategies can be used;
- d) the need for coherence and coordination of measures within a wide range of political areas in the process of ensuring the transition to a formal economy;
- e) real assistance in protecting the human rights of all persons employed in the informal economy;
- f) ensuring decent work for all, through the observance of fundamental principles and rights at work by law and in practice;
- g) modern international labor standards that provide specific guidelines for specific policy areas (see Appendix);
- h) promoting gender equality and non-discrimination;
- i) the need to pay particular attention to people who are especially vulnerable to the

most serious decent work deficits in the informal economy, including women, youth, migrants, the elderly, indigenous and tribal peoples, people living with or affected by HIV or AIDS with disabilities, domestic workers and subsistence farmers, and not limited to them;

- j) preservation and expansion during the transition to the formal economy of entrepreneurial potential, creativity, dynamism, professional skills and the ability to innovate workers and economic units in the informal economy;
- k) the need for a balanced approach, combining incentive measures and measures aimed at ensuring compliance;
- l) the need to prevent deliberate evasion from formal economy or exit from it in order to avoid paying taxes and compliance with social and labor laws and regulations and punishment for this ... "

**Submissions to competent authorities by country: provided (submitted) - Ukraine, Republic of Belarus; Not Submitted - Georgia.**

*Submitted to European Union countries: Belgium; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Ireland; Italy; Latvia; casting; Luxembourg; Netherlands; Poland; Portugal; Romania; Slovakia; Slovenia; Spain; Sweden*

### 3. INFORMAL EMPLOYMENT (SHADOW EMPLOYMENT) OF LABOR MIGRANTS FROM GEORGIA, BELARUS AND UKRAINE IN THE COUNTRIES OF EUROPEAN UNION (EU)

Informal employment (or shadow employment) is a type of employment in informal economy when the fact of establishing labor relations between an employee and an employer is hidden from the official authorities. Usually these relations are initiated by employer or employee in order not to pay taxes, etc. In this case, payment is usually made in cash.

Note that there is a direct link between the country's high employment and its overly shadow economy. In highly industrialized countries, where the shadow economy (per capita) is high and the huge private sector is divided by extremely small elite of entrepreneurs, significant part of tax evasion is practiced by a significantly smaller number of (elite) people.

Regarding the issue of unclaimed (undeclared) work, as we previously noted, at the level of the European Union (EU), such work is defined as “any paid activity that is legal in terms of its nature, but not declared to state authorities, taking into account differences in the regulation systems of the Member States.”

In fact, workers - migrant workers working in the informal sector, performing unclaimed(undeclared) work, usually receive less income and do not have access to basic means of protection and services.

Major occupations in the informal sector of EU countries include on-house workers (such as dependent subcontractors and unpaid family business workers) providing services (hired housework, catering, delivery); repair in apartments and offices (construction); work as a taxi driver; small street trade and temporary or seasonal work (laborers, builders, fruit and vegetable pickers).

The average income of workers in this sector is significantly lower than in the formal sector. In addition, workers in the informal economy, including illegal migrants, do not receive what belongs to ordinary workers, for example, guaranteed minimum wages, medical, social and pension benefits.

### 3.1 KEY AREAS OF WORK IN EU COUNTRIES THAT ARE CHOZEN BY CITIZENS OF GEORGIA, BELARUS AND UKRAINE

#### Georgia

According to the National Statistics Office of Georgia, 88,000 migrants left Georgia from 2002 to 2014. This number is derived from the general census conducted in 2014. However this number is based on a number of questionnaires that population voluntarily filled out, so this data may differ from reality.

According to UN DESA, in 2000-2015 Georgia had 838,430 emigrants; this is 22.5% of the population of Georgia [15].<sup>12</sup>

Most of the emigrants are in Russia (450,221). 171 030 migrants from Georgia left for the EU countries. Majority of them is located in following 6 countries: Greece - 83,388; Germany - 22,884; Cyprus - 17,026; Italy - 12,226; Spain - 8 760; France - 7,584.

According to Eurostat, in 2016 74,416 Georgian citizens had a valid residence permit in EU countries. Including 4.7 thousand for the purpose of education, 26 538 for family unification, 18 435 for labor activity, and 24 713 for a different purpose.

As we can see from these figures, only 24.7% of Georgian citizens had a working residence permit in EU countries. The remaining persons were on the territory of European Union for various purposes, which on the other hand, do not exclude their involvement in informal labor activities.

Georgia has ratified the European Social Charter, therefore binding the county to provisions of labor migration provided by it. Georgia has also ratified Convention No. 181 of the International Labor Organization “On Private Employment Agencies”; Convention No. 88 “On the Organization of the Employment Service”; International Convention on Discrimination in the Field of Labor and Occupation; as well as conventions governing trafficking, and others. But Georgia has not ratified the main conventions governing labor migration [16].<sup>13</sup>

According to the Law of Georgia “On the Legal Status of Foreigners and Stateless Persons”, the labor activity of foreigners is determined by the legislation of Georgia [17].<sup>14</sup>

In 2015 Georgia adopted a law on labor migration [18].<sup>15</sup> One of the main priorities of this law is to keep records of people traveling outside of Georgia for the purpose of employment and paid work and to ensure the availability of stipulated by Georgian Legislation relevant data for bodies engaged in state administration in the field of labor migration.

The law obliged persons whose activities are related to employment and / or assistance in finding employment outside of Georgia

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<sup>12</sup> [15] STATE COMMISSION ON MIGRATION ISSUES - 2017 MIGRATION PROFILE OF GEORGIA - TBILISI, GEORGIA  
[https://www.pragueprocess.eu/phocadownload/userupload/Irina/migration\\_profile\\_2017\\_eng\\_final.pdf](https://www.pragueprocess.eu/phocadownload/userupload/Irina/migration_profile_2017_eng_final.pdf)

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<sup>13</sup> [16]  
[http://migration.commission.ge/files/study\\_on\\_labour\\_migration\\_2014.pdf](http://migration.commission.ge/files/study_on_labour_migration_2014.pdf)

<sup>14</sup> [17]  
<https://matsne.gov.ge/ka/document/view/2278806?publication=11>

<sup>15</sup> [18]  
<https://matsne.gov.ge/ka/document/view/2806732?publication=3>



to register relevant activities in the register of economic activities.

According to the law, if the legislation of the state does not contain labor standards governing labor relations between a labor emigrant and a foreign employer, the labor contract between a labor emigrant and a foreign employer concluded in Georgia may indicate the basic labor rights and obligations stipulated by the legislation of the state, as well as the responsibilities of two sides of a labor migrant and a foreign employer in the areas of labor relations, as well as health and social protection; this record is for informational purposes and does not oblige the parties to include such information in the contract.

The obligations of employment agencies are mainly to provide information to potential employees and assist them in drawing up a contract. Violation of the law, which may result in failure to provide information to the appropriate service or activity without proper registration of the company, is an administrative offense and is punishable by a fine.

This law is a step forward in protecting the rights of Georgian migrants, but it still needs to be finalized. Under this law, persons employed in the European Union apply to the formal sector. But if they replace or lose this job and move into the informal sector, their labor rights will be left without protection. Ministry of Internally Displaced Persons From The Occupied Territories, Labor, Health and Social Affairs of Georgia and the International Organization for Migration (IOM) are jointly implementing a project funded by the European Union that provides support for the reintegration of the returning migrants. Within the framework of this project, in case of special need, it is possible to finance rents for 3-4 months, medical assistance (only in case of life-threatening acute and chronic diseases), financing and co-financing of vocational

training, grants to small businesses on a competitive basis, as well as receiving information on the existing social assistance in Georgia, medical insurance and other services. The maximum amount of a business grant is 3,000 GEL. Co-financing from the side of beneficiary is also required. Those citizens of Georgia who were abroad illegally, sought refuge there or lived abroad for 1 year or a longer period can take part in the project. This project does not apply to those who were in EU on legal terms.

Such programs help people to return and reintegrate in the country. Development of such programs will facilitate the return of informally employed people in the European Union to their countries and local employment.

In addition to the mentioned above programs, the Au-Pair program operates in Georgia as well, which provides young people with the opportunity to study the culture and language of a foreign country. Opportunities in Germany, Austria, France, the Netherlands and the countries of Scandinavia are provided to Georgian youth. Young people come to these countries to live in specific families and serve as family assistants, simultaneously improving their language skills.

## Belarus

With collapse of the Soviet Union and independence, Belarus, like other post-Soviet countries, faced a number of serious economic challenges, including the concept of labor migration. Unlike neighboring countries, Belarus has the largest migration flow to the Russian Federation. This is due primarily to the lack of boundaries, knowledge of the language and the ability to confirm their qualifications in the labor market. In turn, a recent trend has been an increase in labor migration to the EU

countries (primarily to Poland and Lithuania) and a decrease in the flow of labor migration to the Russian Federation.

Despite the low migration activity of Belarus, it should be noted that, according to experts, the migration mood will increase.

Due to the decrease (the number fell from 10.2 million people in 1993 to 9.5 million in 2013) and the aging of the population of Belarus, the absolute number of migrants is likely to remain unchanged compared to current rates or, at least, it will not increase significantly even if emigration increases in relative terms. According to our data, the share of the population under the working age decreased from 20.6% in 2000 to 16.4% in 2013, while the share of citizens over working age increased in the period under review from 21.5 % to 23.5%. It is expected that between 2011 and 2020 almost 1.5 million Belarusians will pass the working age. Due to steady aging of the nation, emigration processes are important in the long run.

According to our estimates, as of the end of 2017, the number of labor migrants from Belarus to the EU amounted to about 100 thousand people, i.e. it is those who left for the EU to earn money and are highly likely to return to Belarus. This expert assessment is based on a multilateral analysis, which includes a comparison of estimates in various literary sources, share of remittances from the EU, number of general residence permits issued in EU, number of unemployed people of working age and the estimated number of labor migrants to the third countries (mainly to the Russian Federation).

If the United States and Germany have retained the status of important destination countries for Belarusians since their independence, the migration attractiveness of other countries, especially Poland, has increased significantly in recent years. The number of invitations for Belarusian labor

migrants from Polish employers under the simplified employment scheme over the past four to five years has grown almost 15 times. If in 2014 their number was about 4 thousand, in 2017 – it became almost 60 thousand. In addition to labor visa holders, some of the Pole card holders (and their number exceeded 100 thousand last year) are also involved in labor relations in Poland [19].<sup>16</sup>

There is a consensus among migration experts that majority of Belarusians (over 80%) live legally in the EU and are employed in accordance with the laws of their host country. As for the profile of Belarusian residents in EU, most often these are relatively young people under 35 years of age, mainly employed in services, construction, and household sectors, and rarely, highly qualified specialists (information technology, engineering, etc.) [20].<sup>17</sup>

## Ukraine

After Ukraine gained independence, a rather large scale of migration flows was observed in the country.

As of 2010, the average level of well-being of the Ukrainian household was three times lower than that in the Czech Republic and Poland and more than ten times lower than in Italy and Spain. According to the most pessimistic estimates, the number of

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<sup>16</sup> [19] Andrei Yeliseyev. Migration between Belarus and Poland: Current Trends and Prospects. EAST Center, 2018, [http://east-center.org/wp-content/uploads/2018/03/EAST\\_migration\\_Poland\\_Belarus.pdf](http://east-center.org/wp-content/uploads/2018/03/EAST_migration_Poland_Belarus.pdf)

<sup>17</sup> [20] CM.: Andrei Yeliseyev, 'Migration between the EU, V4 and Eastern Europe: The present situation and the possible future. The perspective of Belarus', in Forecasting migration between the EU, V4 and Eastern Europe. Impact of visa abolition, ed. by Marta Jaroszewicz, Magdalena Lesinska. Center for Eastern Studies. Warsaw, 2014. - [https://www.osw.waw.pl/sites/default/files/migration\\_report\\_0.pdf](https://www.osw.waw.pl/sites/default/files/migration_report_0.pdf)

migrants from Ukraine to the EU is approximately 2 million.

The educational profile of Ukrainian labor migrants varies greatly depending on the host country. In Czech Republic, where construction is the predominant employment sector for Ukrainian migrants, only about 10% of them have higher education, while the majority of Ukrainian citizens employed in German economy have higher education. In Germany, Ukrainians often work as engineers, including the IT sector. In Poland significant portion of Ukrainian migrants are engaged in construction and agriculture. It is estimated that up to half of Ukrainian migrants employed abroad do not have a work or residence permit, about 17% are deprived of any official status.

A 2012 nationwide labor migration survey showed that two-thirds of Ukrainian labor migrants are men, although the proportion of women among migrants is growing. While men migrate more often over the age of 25, women become more active in migration sphere after thirty. According to our estimates, at the end of 2017, the number of labor migrants from Ukraine to EU amounted to about 2 million people, that is, those who left for EU in order to earn money and are highly likely to return to Ukraine.

This expert assessment is based on a multilateral analysis, which includes a comparison of estimates from various literary sources, share of remittances from EU, number of general residence permits issued in the EU, number of unemployed people of working age and estimate of the number of labor migrants from third countries [21].<sup>18</sup>

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<sup>18</sup> [21] «Трудовая миграция в ЕС и система социального обеспечения в Украине: правовой анализ и оценка экономических взаимосвязей» - Аналитическая записка - март 2019 - [https://eap-csf.eu/wp-content/uploads/Policy\\_paper-UA.pdf](https://eap-csf.eu/wp-content/uploads/Policy_paper-UA.pdf)

According to World Bank, the volume of remittances of Ukrainian labor migrants to Ukraine was estimated at \$ 14 billion. According to estimates of the National Bank, in 2018 they amounted to 10.88 billion dollars. In addition, the National Bank predicts that in 2019, workers will transfer \$ 12.6 billion to Ukraine. It is also indicated that the income of Ukrainian labor migrants increased by 43%. [22]<sup>19</sup>

**EU countries whose labor market is focused on Ukrainian labor migrants:**

Poland, Czech Republic, Hungary, Romania, Latvia, Lithuania, Estonia, Slovakia, Finland, Germany, Italy, Spain, Portugal, Sweden and France.

There is a special demand in the construction sector, namely: fitters; masons; plasterers (manual method); tilers; drywall workers; plumbers; electricians; finishing specialists; welders; glass fitters (window production) ship hull installers and others.

Migrant workers during their employment in EU countries are considering opportunities for their longer employment (work in enterprises, companies, etc.), and not just seasonal work.

According to the study by International Organization for Migration (IOM), the Representative Office in Ukraine (source: "Migration in Ukraine: Facts and Figures", the Representative Office of IOM in Ukraine, in 2016), Men prevail among labor migrants, the majority among them is 30 - 44 years (more than 40%), most migrants are residents of western regions of the country. 41% of labor migrants have secondary or secondary specialized education, 36% have higher education.

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<sup>19</sup> [22] сайт Общественное Телевидение - информация - В прошлом году гастарбайтеры перевели в Украину \$ 14 млрд. - Всемирный банк - Ярослав Винокуров - 09.04.2019 - <https://hromadske.ua/posts/minulogo-roku-zarobitchani-perekazali-v-ukrayinu-dollar14-mlrd-svitovij-bank>

The sphere of employment of Ukrainian workers abroad is construction (men), work in households (women), as well as services and agriculture (seasonal work - men and women).

Indicators for long-term migrants: Construction - 45%; Production - 12%; Agriculture - 3%; Hotels, restaurants, tourism - 8%. Indicators for short-term migrants: Construction - 37%; Production - 7%; Agriculture - 11%; Hotels, restaurants, tourism - 5% [23].<sup>20</sup>

According to these indicators, there is a shortage of labor resources in these areas of employment, so it is quite possible for Ukrainian labor migrants to find work there.

Not all labor migrants abroad can find work that corresponds to their level of qualification; most, regardless of level of education, work in low-skilled jobs.

*Key status of migrant workers in host countries: they have a work permit but, unfortunately, reside illegally and are employed illegally.*

**It is unfortunate to note that Ukrainians are included in the list of countries** (Ukraine, Albania, Serbia, Vietnam, Bosnia and Herzegovina, Macedonia, Turkey, Kosovo, Moldova and Ghana), where citizens reside in EU countries, reside illegally and are illegally employed there. This is confirmed by the results of the Study on migration and human trafficking in Ukraine in 2017, conducted by GfK Ukraine upon the request of the Representative Office of International Organization for Migration (IOM) in Ukraine; according to the data, willingness to accept risky offers when working abroad (% of the total population of Ukraine) makes up - 17% (work without official

employment), 6% - work in closed rooms (without the ability to freely leave the workplace), 3% - work in illegal production (unregistered clandestine enterprise), 2% - illegally cross the border and 1% - give your employer your passport for the period of employment [24].<sup>21</sup>

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<sup>20</sup> [23] Публикация «Миграция в Украине: Факты и цифры», Представительство МОМ в Украине, в 2016 г.) - [http://iom.org.ua/sites/default/files/ff\\_ukr\\_21\\_10\\_press.pdf](http://iom.org.ua/sites/default/files/ff_ukr_21_10_press.pdf)

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<sup>21</sup> [24] Исследование по вопросам миграции и торговли людьми в Украине, 2017, проведенное GfK Ukraine по заказу Представительства Международной организации по миграции (МОМ) в Украине [http://iom.org.ua/sites/default/files/migration\\_and\\_human\\_trafficking\\_in\\_ukraine\\_2017\\_ukr.pdf](http://iom.org.ua/sites/default/files/migration_and_human_trafficking_in_ukraine_2017_ukr.pdf)

## 4.SURVEY ON INFORMAL EMPLOYMENT IN EU COUNTRIES

### Georgia

According to data from unofficial sources, labor migrants from Georgia are employed in such informal sectors of the economy as: construction, house work, taxi and services.

Within the framework of the study “Labor rights of migrant workers from Eastern Partnership countries working in informal sector in European Union”, respondents within the age group of 20 to 35 were interviewed. The number of respondents ranged from 50 to 100 labor migrants who work (are employed) in EU countries.

According to the survey, most of them find job with the help of the loved ones or local communities.

Part of the interviewed persons is engaged in “family business” only because it is easy to find job in this sector. Some of them come to EU countries to study, while simultaneously being employed in families.

The main occupations which people involved in “family business” called their activities were: childcare, cooking, cleaning, washing, ironing, etc.

Most of the respondents were in EU legally, but their activities were related to informal employment.

Some of the respondents called their temporary stay in EU the reason for employment in the informal sector. “I have a temporary residence permit, after which I must return to Georgia.” It can be said that temporary residence permit leaves them feeling unstable, and because of that they have less motivation to look for a longer and more stable job, including the formal sector, where their labor rights would have been more protected.

Among the reasons for informal employment in families are also called low qualification and language barrier. Family activity is an area where employee does not have to enter into a relationship with the client; accordingly, they are not required to

have a good knowledge of the language. But at the same time living in a country of their employers, workers improve their language capabilities. Farther more, young people are also given the opportunity to improve their knowledge and skills.

Those who study and work at the same time call flexible hours the reason for employment in informal sector. This answer does not exclude the possibility of employment in other areas according to a relatively free schedule or part-time, but family activity is the area where it is easiest to adjust your own schedule. At the same time, even considering the qualification and language barriers, this area is becoming especially attractive to young people.

Migrants also called free living room and food an additional beneficiary (in this definition - “Benefit” is defined as non-direct monetary and non-monetary reward) of this area.

Employers in informal sector do not provide workers with health insurance; therefore their level of medical support is low.

With regard to social protection, in some countries of the European Union (for example, in Germany) legally resident migrants receive a “benefit”, which is a bonus for low-wage workers; although, this only happens when employee is formalized in at least part of his activity. There are cases when a migrant is formally employed for several hours a week, for which he officially receives a salary, and the rest of the time he works informally and receives the rest of his salary.

For those who are employed informally, social protection does not actually work.

According to respondents who illegally reside in the European Union, they are very rarely employed, since in this case particularly high fines apply to businesses. But such cases do occur, and at those times employer discriminates against migrants. “Discrimination occurs when they find out



that I was illegal - they pay less than others."

Most of the respondents received the amount called from 400 to 700 euros per month on hand.

Most of the family workers find their work environment safe - "Safe and comfortable environment. There are no delays in payment, and I get paid every week."

Violations of labor rights in relation to citizens illegally staying in EU - labor migrants, mainly relate to working hours and payment for extracurricular labor. "One day a week I have a day off. But the rest of the days they pay depending on how much work has been done. There is a lot of work, and the time is not defined. Thus, I can't finish the work until I complete it."

Providing migrants with a legal work is an obligatory and crucial way to transfer workers from informal sector to the formal sector. Labor right are mostly violated against illegally staying migrants. Therefore, ensuring legal employment will eradicate many forms of violation of labor rights.

Organization of part-time jobs for migrants is important. Especially for those who wish to work in parallel with their studies.

In some countries of the European Union (Germany, Austria, France, Netherlands, countries of Scandinavia) there is an Au-Pair youth employment program. For young people, this is an opportunity to study the culture and language of a foreign country, while living in a local family and receiving payment for household activities. But the scope of this program is not large, and it operates only in a few EU countries. It is advisable to expand such programs and cover other EU countries where there is a demand for labor as well.

**According to the data from the respondents, it is necessary to organize language courses for EU migrants - job seekers in the EU countries - so that they can find jobs in their own profession in a formal sector, which will benefit both the migrant and his host country by formalizing employment - meaning the payment of taxes and the best**

**protection of the labor rights of migrants, as well as the use of appropriate labor skills.**

## Belarus

Given the fact that the percentage of illegal labor migrants is very difficult to determine due to the fact that almost all migrants are legally in their countries of residence, we can estimate up to about 10 thousand people.

In a recent study on migrant remittances The World Bank cites that in 2018, Belarusian labor migrants transferred home almost \$ 1.2 billion, which is 2.1% of GDP.

Compared to the crisis year 2015, the amount of transfers increased by \$ 263 million, but decreased by \$ 59 million compared to 2017, when Belarusian migrants transferred a record \$ 1.254 billion home.

In relation to GDP, the size of remittances in the last three years exceeds 2%. Five years ago, it was at 1.6%.

An indirect confirmation of the growth of transfers from abroad is the fact that for three consecutive years Belarusians have been net sellers of cash currency.

Remittances play an important role in reducing the number of Belarusian households that are below the poverty line. According to official figures, there were 4% of such households last year.

Most often, Belarusians work abroad in the field of construction, transport, utilities and other services. Due to geographical proximity, no language barrier or need for a visa, many go to work in Russia.

According to Ministry of Internal Affairs of The Russian Federation, in 2018, 378 thousand Belarusians were initially registered for migration. 134 thousand of them indicated work as the purpose of entry. Over the year, the number of labor migrants from Belarus to Russia increased by 10 thousand. Speaking realistically there are 300 thousand Belarusian labor migrants in Russia.

The second important area for Belarusian labor migrants is Poland. According to



analytical center EAST, in 2017, Poles issued almost 40 thousand working visas to Belarusians. But these data does not reflect the real picture, since some of the Pole card holders could also work in Poland, which is about 60-70 thousand Belarusians.

Moreover, it is Poland that is becoming more attractive for labor migrants from Belarus in recent years.

As analysis of search queries shows, Belarusians are two to three times more likely to seek work in Poland than in Russia. And in recent years number of Polish working visas has grown significantly. Five years ago only about five thousand were issued.

The increase in the number of temporary labor migrants and migrants arriving in Poland for permanent residence, noted in recent years, is associated primarily with changes in Polish law, namely, the simplification of the rules for temporary employment and access to the labor market for foreign graduates of Polish universities and "Cards of the Pole" holders.

Issuing of a working visa does not mean that the employee arrives and works legally. Often he is only accepted for a temporary (seasonal) work. Speaking of an employment contract, the analysis of numerous network resources shows that even at the initial stage, a potential employer calls a completely different form of relationship in a different (native) language - a labor agreement, the terms of which differ significantly from the labor contract.

The process of reorientation began about three to four years ago, but that does not mean that the figures for Russia will decrease sharply. It remains the main host for temporary migrant workers from Belarus. Moreover, part of labor migrants can work during the year both in Russia and in Poland.

Other attractive countries for Belarusian labor migrants, including illegal ones, are the Baltic countries - Lithuania, Latvia and Estonia.

While researching the reasons for the attractiveness of illegal employment, respondents primarily noted the simplicity

of relations with a potential employer, the ability to break off "labor relations" at any given time, and a relatively high level of remuneration compared to that in the homeland. As well as the ability to search for another higher paid job or to combine jobs.

Most often, Belarusian citizens are illegally employed in construction, public catering, households, and transport.

## Ukraine

While estimating the degree of undeclared labor among Ukrainian labor migrants in the EU countries, it is difficult to determine the quantitative and percentage indicator of participation (work) in informal sector. According to expert observations of the Trade Union of Construction Workers and the Building Materials Industry of Ukraine and the construction sector of European trade unions, we can only state that only 7% (140,000 people) of the total number of Ukrainian labor migrants (the number of Ukrainian labor migrants in the EU countries is approximately 2 million people) – are employed in informal economy, most of them work in a construction sector (repair work in apartments, offices and on construction sites).

Since 2017 till 2018 The trade union of workers in the construction and building materials industry of Ukraine with the support of the construction sector of European trade unions, analyzed official and informal employment in the EU countries (note - The European Union includes 28 countries: Austria, Belgium, Bulgaria, Great Britain, Hungary, Germany, Greece, Denmark, Ireland, Spain, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Finland, France, Croatia, Czech Republic, Sweden and Estonia).

Analysis of expert observations of formal and informal employment in Europe executed by Trade Union of Construction Workers and the Building Materials Industry of Ukraine and the construction sector of European trade unions - for the period from 2017 to 2018 indicates the

presence of informal employment among Ukrainian labor migrants in such EU countries.

EU countries where informal employment among Ukrainian labor migrants was noted: Poland, the Czech Republic, Hungary, Latvia, Lithuania, Estonia, Romania, Slovakia, Italy, Portugal, Germany, Bulgaria, Finland, Spain and Greece.

These indicators are associated with the large presence of Ukrainian labor migrants in these countries, namely, the more Ukrainian labor migrants in these countries, the greater the rate of labor of our citizens in the informal sector.

While communicating with Ukrainian labor migrants Representatives of the construction sector of European trade unions asked them the following questions: "Does your employer pay you a full salary or partial?", "Was this part of the remuneration for your regular work and was the payment for overtime also included? ", "What part of the salary was issued to you in the "envelope"? ", "In which sector of informal employment do you work: construction; household; transport; service sector (restaurant, hotel, etc.), "How often do you encounter a violation of your rights: work and rest; social and medical protection; occupational Safety and Health; how safe the work is."

It should be noted that expert observations of the Trade Union of Construction Workers and the Building Materials Industry of Ukraine were based on the information sources from European trade unions and on data from anonymous conversations with Ukrainian labor migrants. A different number of people was interviewed - the variation was presented from 5 (five) people in one country to 20 (twenty) people in another, depending on the desire of people to provide information.

According to these data, men are more likely to receive undeclared wages than women.

In the construction sector and production and agriculture, there are workers who receive undeclared wages from their formal

employer, and it should be noted that this indicator is gradually decreasing.

Migrant workers in age category between 39 and 50 agree to receive money "on hand" and give consent to "semi-legal" employment more often.

The economic sector, where Ukrainian labor migrants are formally employed and receive part of undeclared profits, is construction and the agricultural sector (seasonal work).

Note that this picture is also observed in: hotel and restaurant sector; transport sector; the manufacturing sector and household (cleaning, childcare, or nursing for the elderly).

Regarding wages, we noted that workers - Ukrainian labor migrants from all these sectors - admitted that they sometimes received undeclared wage payments from their official employer for their regular work. However, most of them claimed to have received undeclared wage payments for overtime or extra work.

Let's give an approximate number: out of 500 Ukrainian labor migrants who were involved in the informal sector - about 15% received undeclared wages for overtime work or additional work.

This situation is present in the following countries: Poland, Czech Republic, Lithuania, Estonia, Bulgaria and Finland.

During the survey, people said that they agree to offers of informal (semi-legal) employment, and choose to work in the informal sector, because they either have a problem with a work permit or they are semi-legal (they came to Europe to look for a part-time job).

Information from employment channels turned out to be quite interesting. Most of the respondents answered that they found such work through their friends working in this sector, or took advantage of various information offers via the Internet (announcements about temporary work abroad).

During the survey of citizens, information was found on outsourcing (*company transferring part of its tasks or processes to third-party contractors on a subcontract*

*basis) in the transport sector. Here is an example: job of a truck driver in a transport company (Poland).*

This job is possible if you have a B category driver license. It is not regulated by the labor rules applicable to TIR drivers (International Road Transport). The employee transports goods between different points throughout the EU without a plan, receives the coordinates of the next cargo and delivery point every day, lives in a truck, uses free roads and is responsible for the infrastructure of his work. The employer monitors the execution of work through the computer. Such work is outsourced, and consists of combining differences in different countries in terms of prices, control and legislation in order to reduce costs.

Evaluating informal work in the construction sector we found that our

citizens very often choose construction objects, firstly, it's easier to hide from any inspections, and secondly, they agree more to "give and bring" kind of work, which is a hard physical work with no qualification requirements.

Regarding working conditions, namely: the regime of work and rest; social and health insurance; labor protection, etc., almost everybody during the survey answered that they agree to do overtime, work 10 hours or more, or full-time work day and night (day) – as domestic workers. They do not care about the amount of work; they are only interested in one thing - to get their money.

Also, information about the categories of migrants working in the informal sector was received during the survey, namely, these are seasonal migrants, who use such work as a way to "earn extra money" in EU countries, and work during their holidays.

## 3.2 ILLEGAL EMPLOYMENT OF LABOR MIGRANTS ON TAXI TRANSPORTATION MARKET IN POLAND

**Prepared by Andrey Eliseev  
and Dmitry Babitsky**

The taxi market in Poland can be divided into 3 main segments: legal, quasi-legal and illegal. The legal segment includes traditional taxis operating full time and in accordance with the law, having all the necessary permits from national and local authorities to carry out this type of transportation, operating on specially equipped cars, with a taximeter and cash register installed. The quasi-privileged segment includes carriers operating through digital platforms such as UBER and Bolt (the two largest players on the market at the moment). Finally, we include carriers operating without any formalization of their activities as an illegal segment.

**Series of interviews with experts working in this field were conducted as part of the study.** According to their estimates, the taxi transport market is divided between legal and quasi-legal segments by about half, while the “illegal immigrants” occupy only about 1-2%. There is evidence that illegal transportation is often carried out by students who organize their activities through closed groups on social networks, as well as former taxi drivers who have been deprived of a license [25].<sup>22</sup>

Thus, the illegal employment of labor migrants that interests us is most widely represented not just in illegal market segment, but in its quasi-legal part. For the legal segment, employment of migrant workers is also less characteristic, and

illegal employment in it is extremely difficult.

How is the transportation carried out in quasi-legal segment? The fact is that this segment itself exists due to the shortcomings of existing legislation in the field of passenger transportation. While legal taxi companies are compelled to fulfill a lot of requirements for admission to the market, other companies receive only a license for passenger transportation, supposedly of an irregular nature. After that such firms sign agreements with digital platforms and become their partners (Paul - Partner flotowy), finding customers and making settlements with them through one of the platforms. Basically, these are small companies operating 5-10 leased cars. They work according to the following scheme: part of the drivers (about half), usually citizens of Poland, are hired for permanent work, for which the official salary is paid, all taxes and deductions to the budget are paid. The other half of the drivers are hired either under a contract or without any formalization of labor relations - and in most cases labor migrants become illegally employed.

According to information obtained from the interview, up to 80% of drivers work up to 20 hours a week.

According to experts, work in Uber and similar services is an extra income for most drivers. Often, labor migrants having arrived to Poland, legally get a permanent job and after 3-4 months of being in the country, also get a part-time job in taxi transportation. The share of labor migrants in total number of taxi drivers who are employed in quasi-legal transportation can reach 40%, most of which are illegally employed. The structure by countries of origin of migrants is as follows: Ukraine -

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<sup>22</sup> [25]Studenci nielegalnie wożą „taksówkami” - <http://supernowosci24.pl/studenci-nielegalnie-woza-taksowkami/>

70%, Belarus - 10%, Georgia and other countries - 10%.

### **What is the problem of illegal employment in taxi transportation?**

Firstly, the quasi-legal segment itself causes significant damage to the legal segment - law-abiding entrepreneurs who fulfill all the requirements of the law and fulfill all responsibilities to the budget. Secondly, quasi-legal carriers are most likely to carry a lower tax burden than their legal counterparts, respectively, so the country's budget does not receive significant cash - according to some estimates, up to PLN 1.5 billion annually [26].<sup>23</sup> Thirdly, illegal employment violates the rights of migrant workers:

- Illegally hired taxi drivers do not pass the necessary examinations (medical and psychological) and, if checked, they will be fined [27];<sup>24</sup>
- There is no full control over the observance of the regime of work and rest;
- They are not covered by social guarantees;
- They do not pay contributions to the pension fund, therefore, cannot rely on future pension payments.

Partner companies of digital platforms are looking for new drivers via the Internet - usually ad portals, such as olx.pl, or social networks (moreover, advertising is in Russian and Ukrainian, that is, the job offer is initially aimed at illegal employment). Employers, taking advantage of migrants' ignorance for the requirements of national legislation in the field of transportation (and often their ignorance towards the

language and their basic labor rights) mislead them, as if their activity was completely legal.

No information was received from the interviews about the possibility of non-payment of remuneration for the executed work to the labor migrants.

Despite the de facto illegal employment in this covert part of the transportation sector, turnover of undeclared funds and non-payment of significant amounts of taxes, Polish government took an action to solve the problem with a big delay. It is enough to mention that taxi transport is not even included in the list of industries with significant shadow turnover according to the Ministry of Finance of Poland, in contrast, for example, from the catering industry. This fact significantly slows down the process of normalizing the work of business entities in the industry. The general disorder of the industry and the presence of gaps in the legislation, on the other hand, create the ground for flourishing of illegal employment.

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<sup>23</sup> [26] Со слов представителя профсоюза «Солидарность», <https://www.se.pl/wiadomosci/polityka/taksowkarze-zapowiadaja-wielki-strajk-w-stolicy-aa-Ni7p-MhZy-HotZ.html>

<sup>24</sup> [27] В СМИ часто появляются материалы о проведенных проверках, где полиция задерживала трудовых мигрантов, в т.ч. из Украины: <https://nowosci.com.pl/taksowkarze-z-torunia-kontra-kierowcy-bolta-to-juz-otwarta-wojna-tak-to-my-przygotowalismy-prowokacje/ar/c1-14076097>

## 4. ILLEGAL EMPLOYMENT AND VIOLATION OF LABOR RIGHTS OF MIGRANT WORKERS

Working abroad illegally, person violates the law. If illegal employee is found, he will be deported and deprived of the right to enter the country in the future. Working illegally employee will not be able to properly protect their rights. The salary of an illegal employee is much less than the salary of a legal employee. Illegal work carries the greatest risk of becoming a victim of labor exploitation or even human trafficking.

There is a difficult choice in front of workers from Georgia, Republic of Belarus and Ukraine: look for sources of income in their native country, or go abroad and work for 12 hours (sometimes illegally) violating their labor rights in the host country, namely: irregular working hours, non-observance of safety precautions, performance of dangerous jobs associated with risks to life and health, untimely and incomplete payment of wages and lack of appropriate social protection.

**Note that for legal work abroad you need to have: a valid passport, an appropriate visa (working visa), an employment contract (agreement) with a foreign employer and permission to work abroad. Currently, there are problems with providing an appropriate labor and social guarantees for our citizens working in the EU countries. The key ones are: The absence of A1 Certificate for labor migrants, which confirms the payment of social contributions (the document confirms that the person is subject to social protection legislation) and “Re-export” (from author - transfer) of labor migrants, which is when an employee, having permission to work in Poland, performs work in other EU countries (there are cases in Finland,**

Estonia, Lithuania), and the employer/employing company assures our migrants of the legality of such a system of employment. **For example:** By agreement builders - labor migrants from Georgia, the Republic of Belarus and Ukraine - are employees of a Polish company and having a Polish working visa can work legally in Poland. But they do not work there: they are "rented out", that is, they are sent on a business trip to a partner company in another country. Moreover, the purpose of their business trip is not an internship or exchange of experience, but the real work abroad for which you need permission from the authorities of Finland, Estonia, Lithuania, or another country where they are located. It is necessary to put the workers in appropriate register and issue them working visas or residence permits with the right to work (registration is also required to perform short-term labor). Unfortunately, this procedure is not performed. As a result - condition of registering an employee by the employer is violated, there are no socio-economic guarantees, legal working conditions and the question of the illegality of staying in this country (deportation of a labor migrant) arises. As a confirmation of these facts we got an Information from the Finnish Construction Trade Union “Rakennusliitto” which in the period between 2010 and 2018 found some workers- labor migrants - on the construction sites who did not have labor contracts, never received a certificate of wages, did not know the size of their wages and were not aware of what their hourly or monthly wages were. There also were cases of working without working permits in Estonia in July 2019, when during the inspection of construction sites border guards, together with the Tax and Customs



Board, found four Ukrainian citizens who did not have a working permit at one of the sites. They were fined, and an offense was launched against the employer [28].<sup>25</sup>

Also a practice is applied to Ukrainian labor migrants, when the hired labor (labor migrant) is used on the basis of contracts without taking into account the social protection of the employee or without any labor agreements at all (this form of employment is used in agriculture and construction).

**Example:** A form is used, when an employee is a representative of a subcontractor (construction) and performs work on the basis of a service contract or agreement (1-2 months); these facts were revealed in Estonia and Poland.

**Also, one of the problems is the lack of awareness among labor migrants regarding the payment of contributions to the social insurance fund in the host country.**

Thus, when choosing the form and conditions of employment abroad, legal employment should be considered, because illegal work in EU brings threat in form of fines and deportation, as well as a ban on entry into the EU for a period of one to five years.

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<sup>25</sup> [28] сайт <https://rus.postimees.ee/> - Фото: на эстонской стройке обнаружены украинские нелегалы - 05.07.2019 - <https://rus.postimees.ee/6723047/foto-na-estonskoy-stroyke-obnaruzheny-ukrainskie-nelegaly>

## 5. PROTECTION OF LABOR RIGHTS OF MIGRANT-WORKERS (experience of European and International Trade Unions)

**Modern day international labor migration** is due to globalization of the world economy and development of integration processes.

In such EU countries as Poland, Slovakia, Czech Republic, Hungary, Germany, Lithuania and Estonia the process of forming a new socio-economic migration policy has begun. Such changes were also caused by the visa-free regime for Ukrainians adopted in June 2017. These EU countries are considering policies to simplify the issuance of work permits and temporary residence for foreign workers who are not EU citizens.

Trade unions - representatives of the civil society of these countries - also joined this process, because the issues of human development and labor mobility, remittances and other resources from migrants from abroad, coherence at the institutional and strategic levels and partnerships are key aspects of the development of the labor market and national economies.

International and European trade unions, taking into account the mobility aspects of both their citizens working in other countries and migrant workers, analyze the current situation, taking into account the state of the labor market of countries and are looking for new forms of protection for both their citizens traveling abroad and foreigners who arrive to work with them. Among the main tasks are: social protection for migrants, in particular, their retirement benefits and the observance of labor rights.

The issue of labor exploitation is one of the key issues for discussion and solution.

An example of European trade union activities in working with labor migrants is Poland, Bulgaria, Estonia, Lithuania, Finland, Italy, Austria, Sweden, etc. in terms of formation of approach to foreign workers through special cells or representatives to help workers from EU countries, or labor migrants.

European trade unions annually consider the issue of migration policy, and urge the state and employers to observe equal payment for citizens of the country and foreigners, as well as actively pursue integration policies for workers from abroad and their families (an example is the work of the national unions of Poland and the Czech Republic).

Aldo active information companies conduct consultations on legal stay and labor exploitation. (For example work of national unions in Finland, Estonia and Italy).

Of course, the question of assistance from trade unions in many countries is solved through the personal membership of a worker in a trade union, but trade unions in EU countries do not refuse to help citizens from other countries if they apply as well

For example the trade unions of Poland and Finland have already repeatedly resolved issues of assistance to Ukrainian labor migrants in terms of their protection from labor exploitation.

Unions, taking an active part in shaping the country's migration policy, arrive to the solution that migrants for the country are colleagues, not competitors.

Indeed, in some countries, attracting migrants is included in state planning system in order to provide their economy with labor.

It should be noted that trade unions in their work are guided by issues of social and labor protection of workers, and by preserving the country's labor potential, and they recommend labor migrants to join the union work and membership.

An example is not only the membership of migrants in trade unions, for example, in Italy, but the creation of a trade union in Poland in order to protect the rights of Ukrainian workers - labor migrants.

## 6. GENERAL CONCLUSIONS AND RECOMMENDATIONS

Informal economy encompasses a huge variety of phenomena and situations. It manifests itself in various forms, even within the same economy, not to mention the other countries. Therefore, formalization processes and measures designed to facilitate the transition to the formal economy should take into account the specifics of different countries and categories of business entities or workers.

Characteristic features of informal economy are often work in confined spaces or inappropriate places, dangerous and unhealthy working conditions, low productivity level of labor, precarious or low earnings, debts of the employer for already executed work, irregular working hours, lack of access to information for workers, markets, financial services, education, technology. At the same time, workers of informal economy are not recognized and are not subject to registration, regulation and protection according to the norms of legislation in social and labor spheres. Informal employment is a consequence of collision of several macroeconomic factors, such as the economic situation and legal, regulatory and political systems, as well as social reasons, such as low education and discrimination, and this is caused by the lack of access to economic resources, assets, financial and other services for business as well as markets.

The large size of informal economy is a serious problem in process of protecting the labor rights and ensuring decent working conditions.

Actions for combatting the undeclared work and illegal employment require an integrated approach that covers issues related to monitoring and control, economic and institutional framework and sectoral / territorial development and

provides for coordinated actions at several levels, as well as the participation of all interested parties (government bodies, social partners, enterprises and workers).

**- When considering the issue of reducing the share of informal employment of workers, trade unions should pursue an active policy in terms of communicating information to workers in the informal sector, emphasizing all the shortcomings of this system (low wages, low or lack of legal and social protection, etc.).**

**At the same time, positive examples of trade union protection and representing the interests of migrant workers in EU countries (opening foreign representative offices or trade union organizations for migrants in destination countries, creating information networks for migrant workers, counseling centers or legal aid points) should develop their trade unions as a means of direct impact on the situation on the labor market not only abroad, but also in their own countries.**

**- The government, trade unions and employers should take part in joint development of policies that provide for both general and sectoral measures to prevent undeclared labor, focusing on such industries as the construction industry; Agriculture; hotel and restaurant business, domestic and transport services.**

**- Social partners should carry out ongoing campaigns and activities in order to foster a culture of legality and promote quality work and legal business culture.**

It is necessary to create conditions of intolerance to undeclared employment and to change the public perception of this.

**- To States that have not ratified the ILO Conventions, namely on employment and decent work aimed at peace and resilience, minimum social security standards, safety and health at work, including construction and agriculture; as well as house work; minimum level of social protection; and on the transition from informal to formal economy - to accelerate the ratification process and put them into practice, so that, this will lead to regularization of the labor activity of certain groups of workers, and will create conditions for formalizing labor relations in countries where these norms are not available.**

**- The countries of “Eastern Partnership” (the “Eastern Partnership” consists of such states as Ukraine, Moldova, Georgia, Belarus, Armenia, Azerbaijan, and the European Union) should also concentrate their attention on development of political steps to consider and resolve issues related to informal work, transition from informal economy to formal and from informal employment to official work with social security for workers.**

**- Considering that informal employment and informal labor have certain consequences for society as a whole, including lost revenue from the state tax authorities, problems of financing and distribution of social security, precarious employment conditions and the risk associated with violation of fundamental rights of workers, insufficient representation of collective interests and dishonest competition between enterprises, we believe that**

**governments of all countries where informal sector is represented and informal (undeclared) labor exist, are required to go through consistent and integrated national strategies on these issues and active international cooperation.**

Example of decrease in the share of illegal employment of labor migrants are the innovations proposed by EU governments. For example: Czech Ministry of the Interior (Czech Republic) - changed the rules for issuing work cards to Ukrainian citizens. These changes relate primarily to the ability to change employers after receiving the first work card. For now this can only be done no earlier than 6 months after its issuance. You can quit before the deadline if employer violates the rights of the employee [29].<sup>26</sup>

Another example: a draft law of Ministry of Labor and Social Protection of the Republic of Lithuania on the reduction of shadow economy. So, according to the proposals of the Ministry for transparent activity in the construction industry, it is necessary to buy an identity card. The purpose of the bill is to ensure that every self-employed individual in the field of construction and a legal entity performing construction work have identification cards. In addition, this will help determine the place of work of a particular person in real time, and will not enable them to work in the "shadow". The monitoring will be carried out remotely [30].<sup>27</sup>

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<sup>26</sup> [29] Европейская правда - «Чехия изменила правила выдачи рабочих карт Украинский» - 09.08.2019 - <https://www.eurointegration.com.ua/news/2019/08/9/7099470/>

<sup>27</sup> [30] сайт ru.DELFI.lt – «Соцмин Литвы подготовил проекты, которые коснутся мастеров и гастарбайтеров из Украины» - Эдгарас Савицкас – 02.08.2019 г. - <https://ru.delfi.lt/news/economy/socmin-litvy-podgotovil-proekty-kotorye-kosnutsya-masterov-i-gastarbajterov-iz-ukrainy.d?id=81894733&fbclid=IwAR2N4LXC8w9CL3zTnEs25FHMVaKOOmTRbYeLEXyWZUdub168-TgqtJib3s>

