



LIGHTS ON!

Worker and social cooperatives tackling undeclared work

EXECUTIVE SUMMARY

Undeclared work involves, on average, 25% of all European workers. It has various negative impacts and consequences not only on them but on governments, welfare solidarity and businesses too. Thus, tackling undeclared work is a major challenge at both national and European level. Since the 2000s, the European Commission has put in place specific programmes to tackle it that require a holistic approach, which is a combination of punitive and preventive measures that involve not only all social partners and key stakeholders, but also needs the national authorities to be fully committed to implementing the measures.

In this context, cooperatives have shown that they can contribute in various ways to transforming undeclared activities into legally protected work and to address related problems, as also recognised by the ILO Recommendation No. 193. Focusing on the qualitative analysis of 11 European cooperatives, this report explores how the cooperative model can offer concrete practices to support the transition of undeclared workers into the formal economy within the European context.

Although cooperatives alone cannot be a turn-key solution to the phenomenon of undeclared work, they do address it by bringing together people who are usually isolated and developing new strategies to extend social protection to undeclared workers and increase their awareness of the benefits of formalisation. We can find similar examples in many economic sectors, and in the report the focus is on the condition of migrants, including the irregularly staying ones, asylum seekers and refugees; arts, media and cultural workers; unemployed people and vulnerable workers in rural areas; and gig workers. By joining or forming a cooperative, undeclared workers not only escape the undeclared economy, but also gain more control when presenting themselves on the market and can also negotiate better work conditions.

The report aims to become a tool available to the cooperative movement and European and national policy makers to promote a better understanding of the potential of cooperatives in tackling undeclared work, and therefore concludes with some policy pointers to support cooperatives tackling undeclared work.