

Out of the shadows: Tackling undeclared care work in the EU

Marianna Baggio, Jorge Cabrita

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A question for the audience...

A framework – Undeclared care work within the care economy



Paid



Unpaid



Regulated

Professional carers

A qualified physiotherapist working in a registered care home who provides rehabilitation services to stroke patients

A licensed nurse who provides weekend home care services "off the books" to supplement their income

Declared

Undeclared

Non-professional carers

A self-employed driver who declares income from transporting a person with a disability

A cleaner going to a person's home, being paid cash in hand

Volunteers in care

A "meals on wheels" volunteer delivering food through an organised charity program

Unpaid informal carers

A daughter taking care of her elderly mother at home



Unregulated

A definition – Undeclared care work

Paid care work that is lawful in its nature but not declared to public authorities, taking into account differences in the regulatory systems of EU Member States.

*Care
work*



Direct care

Personal assistance and immediate support for children, older people, people with disabilities and those with health conditions



Indirect care

Tasks that enable care provision, such as cleaning, cooking and household maintenance

Policy challenges

Defining and measuring undeclared care work

- ✓ Definitions: too broad or too narrow
- ✓ Lack of data collection measures
- ✓ Must be able to quantify the phenomenon

General challenges of undeclared work

- ✓ Distorting market competition
- ✓ Poor working conditions
- ✓ Lack of social protection
- ✓ Tax evasion
- ✓ Poor caring standards

Specific challenges of care work

- ✓ Undervaluation of care work (low wages and poor working conditions)
- ✓ Unequal gender distribution,
- ✓ Psychosocial risks
- ✓ Insufficient training for caring activities



Characterizing Undeclared Care Work

The scale of undeclared care work

Within the sector of Personal and Household Services (PHS):
6.8 million undeclared workers in the EU-27, including 2.1 million in the care sector and 4.7 million in direct household employment (ELA)

National data and estimates point towards close to half of care workers
(32-36% ES; 47% IT; 48% PT; 10%SE)*

Undeclared care workers profile

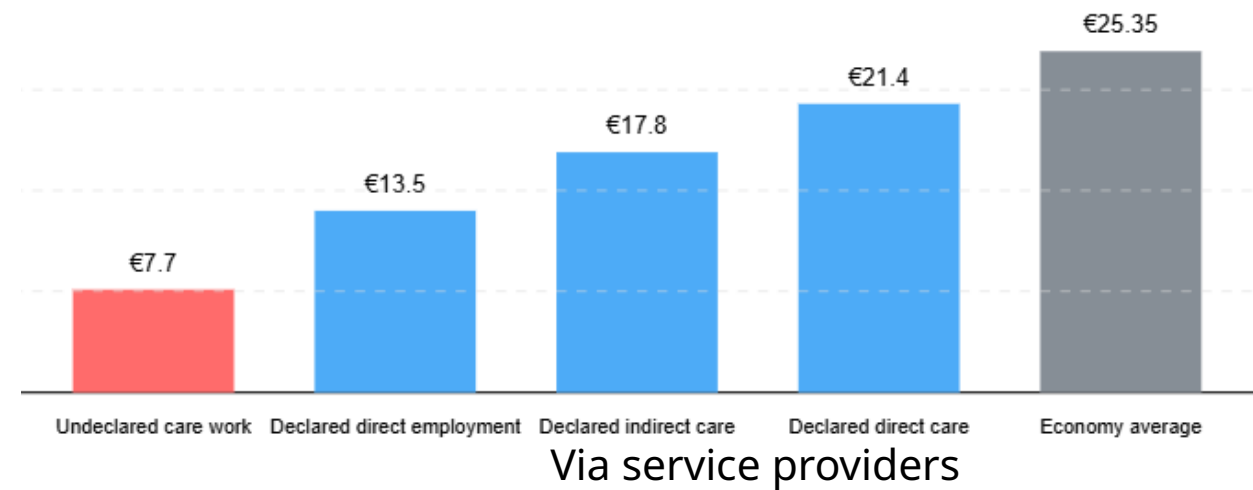


- Women (95% CY; 98%ES; 89% IT)
- Middle-aged
- Migrant (98% CY; 68% ES; 69%IT) – origin varies by country (many third country)
- +- Educated
- Friends, family members or acquaintances

Main drivers of undeclared care work

- Lack of **accessible and affordable formal care** services
- **Cost savings** for households/greater workers' disposable income + failure to recognise **true value of care**
- **Weak legal framework** regulating the provision of care and domestic services
- **Administrative burden** for employers and workers
- Lack of integration of **migrant workers** (availability, complexity of legal migration procedures)
- Prevailing **social norms** and acceptance of undeclared work
- Enabling role of **social media** and **online platforms**

Cost Comparison: Care Work Hourly Rates (€/hour)
FEPS (2023)



The nature of undeclared care work



- Wide range of tasks
- Poor job quality
 - physical risks,
 - physical demands,
 - exposure to adverse social behaviour
 - high work intensity
- Relatively lower pay (lack of additional forms of compensation provided by labour regulations)
 - Domestic workers CY €460 vs €940 (excluded from minimum wage law)

Main consequences of undeclared care work



- Lack of legal protection (labour standards and rights, social protection)
- Financial unsustainability
- Physical and mental health challenges
- High risk of exploitation
- Constrained access to workers' representation and collective bargaining
- Social isolation and exclusion



Policy solutions

Preventing and formalizing undeclared care work

DIRECT MEASURES



Deterrence:

- Penalties and fines
- Improving detection



Enabling compliance:

- Preventative measures
- Legitimising measures
- Curative measures

INDIRECT MEASURES



Changing norms and beliefs:

- Awareness raising
- Education and information



Addressing institutional imperfections:

- Tax fairness
- Procedural justice
- Trust and legitimacy
- Modernising enforcement

Direct - Preventative and legitimizing measures

- **Deterrence**
 - Penalties and fines
 - Improving detection: finding new ways to uncover UCW – Examples in ES, IE, IT
- **Preventative:**
 - **Simplification:** making it easier to comply by reducing complexity or bureaucratic burden and encouraging formal declaration of any care work activities – Examples in EE, RO, NL
- **Legitimizing**
 - **Tax incentives:** encourage declaration of care work by offering tax deductions or credits to individuals who hire carers legally. – Examples in DK, FI, PT, SE
 - Benefits: Reduces household financial burden + Increases formal care demand
 - Limitations: May not offset formal vs informal cost gap + Higher-income households benefit more + Limited impact on low-income groups
 - **Care allowances:** Financial benefits to support care arrangements. Provides funds to caregivers/recipients, may include social security benefits, aims to formalise relationships – Examples in AT, BG, GR, IT, MT, PL
 - Increasingly used across EU BUT Effectiveness data largely missing and unclear impact on formalisation
 - **Vouchers:** social vouchers and declarative/remuneration tools; – Examples in AT, BE, FR, IT, RO, SI
 - Limitations: Risk of employer abuse + May reinforce low wages + Highly dependent on subsidies to work well + Needs robust monitoring
 - **Other measures** (flexible work arrangements, new legislation) – Examples in DE, DK, LT, ES

Direct - Curative measures

- Amnesties and voluntary disclosures
 - Linked to residence permits
 - Risk of exploitation (false declarations)
 - Not yet established the impact on UCW

Examples in IT and GR

Indirect measures to change norms and beliefs

- Awareness-raising campaigns, information and education campaigns
 - Aim: generate behavioural change
 - Effectiveness: challenging to measure, impact has varying degrees

Examples in ES, PL, SK

Policy pointers

Recognise, reduce, and redistribute unpaid care work, and reward and represent paid care work.

(UN Women, 2022 – 5R approach to paid and unpaid care work)



Regulatory Framework

- ✓ Define and regulate care work
- ✓ Simplify administrative compliance
- ✓ Ensure accessible information on rights/duties
- ✓ Implement effective labour inspections
- ✓ Regulate digital platform as intermediaries
- ✓ Monitor sector conditions



Worker Integration

- ✓ Address gender inequalities
- ✓ Streamline migrant documentation
- ✓ Recognize foreign qualifications
- ✓ Provide migrant support services



Job Quality Improvements

- ✓ Address health impacts
- ✓ Ensure fair pay + evaluation of care
- ✓ Prevent exploitation
- ✓ Support skill development
- ✓ Manage work intensity



Implementation Strategy

- ✓ Coordinate among stakeholders
- ✓ Use a comprehensive toolbox approach
- ✓ Apply behavioural insights
- ✓ Strengthen cross-border cooperation
- ✓ Conduct regular foresight activities



Living conditions and quality of life

Undeclared care work in the EU: Policy approaches to a complex socioeconomic challenge

Published: 25 March 2025

Eurofound research paper

Care

Undeclared work

Living conditions and quality of life

Psychosocial risks

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