



RETHINKING 2022 – Lyon 6 September

# Why illegal economy, crime and rule-of-law adrift matter. A TU perspective in the EU semester

Inputs for the session:

**Topic 4. Rule of law, corruption and quality of work across Europe**

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# IS IT ECONOMICALLY RELEVANT?

- Criminal proceeds are about 3.6 and 4% of GDP
- Illicit markets in the EU value about 110 billion euro
- More than 1 billion assets confiscated every year (largely underestimate very difficult to seize, freeze and confiscate)
  
- A single anti money laundering brought to 7.2 million euro of assets sized or frozen

(Data 2014)

# WHY CRIMINALITY MATTERS TO THE EU SEMESTER



- Serious and organised crime deeply affects all layers of society; in addition to the direct impact on the daily lives of EU citizens, it also undermines the economy, state institutions and the rule of law.



# WHAT'S Austria STAKE FOR TU and WORKERS

- Rights are not enforced and not enforceable. It hits the most vulnerable ones
- Trade unions are threatened and exposed
- Collective agreements have less value and bargaining powers manipulated
- No social justice and tax evasion
- Excessive accumulation of wealth and very large inequalities

# Cross-border aspects

- In a EU perspective, internal and external risks are more and more mixed.  
Biggest threads
  - Terrorism
  - Organised crime
  - Corruption
  - Environmental crime
- Huge movement of capitals, as the ones of a doubled EU budget, create opportunities for criminal behaviours
- The more and more organised crime operate cross-border and are networked.
- Most important police operations are cross-border, judicial cooperation is key

# WHY CRIMINALITY IS INCREASING

- The rapidly progressing **digitalisation** of society and the economy constantly creates new opportunities for criminals involved in cyber-dependent crime
- **Covid-19** : Criminals were quick to adapt illegal products, modi operandi and narratives in order to exploit the fear and anxieties of Europeans and to capitalise on the scarcity of some vital goods during the pandemic.
- Economic swings and **recession** are a good environment for criminals to develop their activities
- Non independence of judges, limitations to freedom of speech and media, in general **weakening the rule of law** is a huge present to criminal organisation
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# FORMS OF CRIMINALITY MORE HARMFUL TO SOCIAL SUSTAINABILITY



- Criminal finance, Money laundering
- E-crime illegal trade online, crypto currencies
- Infiltrated legal business infrastructures
- Undeclared work, trafficking of HB and exploitation of work, greatest part of violation of hr are labour-related
- Corruption is a feature of most, if not all, criminal activities in the EU. Corruption takes place at all levels of society. Corruption erodes the rule of law, weakens institutions of states and hinders economic development. Corruption is a key threat to be addressed in the fight against serious and organised crime.
- Almost 60 % of the criminal groups reported for the SOCTA 2021 engage in corruption.



# FIGHT FOR LEGALITY IN NRRPs

Poland: independence of the Polish judiciary - Cybersecurity

Sweden: Money laundering in the financial system

Romania: effectiveness of the judicial system and fighting corruption

Estonia: anti-corruption measures - cyber security

Italy: justice system

Internal control of PNNRs only formal and likely ineffective. Workers will bear the costs of such inefficiency

# TU ACTION



- Mainstreaming legality and rule of law in the TU action. It is part of fight against poverty, inequality and promoting quality jobs. Denounce impact of illegality in society and protection of workers.
- Keep attention always high in ensuring that EU Semester and national plans address all forms of criminal activities, corruption, terrorism and weakening of rule of law
- Denouncing effects of criminality, non respect of rule of law, corruption and terrorist activities in the EU Semester
- Spreading culture of legality also with a cross-border project and tu cooperation with courts and agents promoting legality, also establishing close cooperation with Europol and ELA