

THE IMPACT OF MEASURES TO TACKLE UNDECLARED WORK ON THE EXTENT OF INFORMAL WORK IN ROMANIA

Mariana VLAD , Sorin VLAD

Faculty of Economics, Administration and Business, "Ștefan cel Mare" University of Suceava, Romania

mariana.vlad@usm.ro, sorinv@usm.ro

Abstract:

Accounting and tax regulations may encourage firms to shift from the formal to the informal economy, mainly to bypass these rules. Too high a tax burden is felt by firms through an increase in costs, as they are tempted to opt for unrecorded, unreported (undeclared work) or partially declared, under-reported (gray work or envelope work) activities. In this paper we aimed to analyze the extent of undeclared work by firms with at least one employee, assessing the interaction between this phenomenon and the impact of measures to combat undeclared work that were implemented by labor inspectors between 2012 and 2023.

The paper integrates empirical data and theoretical models, exploring the nature of the undeclared work in Romania aiming to provide a clear picture of the evolution of this behavior and the effectiveness of policy and institutional interventions in Romania.

The analysis shows that Romanian labor inspectors have stepped up controls and fines in key sectors, but the overall effectiveness of measures to identify and combat undeclared work should be correlated with the overall decrease in the incidence of undeclared work at national level.

The main limitation of this research derives from the nature of data that we have used. The methods used in order to assess the undeclared work can be direct or indirect and the data must be carefully collected and interpreted taking into consideration the method which was used in order to obtain it.

Key words: Labor market, gray work, undeclared work, legal provisions, Romanian Labor Code, fines.

JEL classification: J46, H26, K42, C01

Received 30 March 2026; Accepted 18 June 2026

1. INTRODUCTION

According to Loayza (2018) the informal economy exists "as a result of a culture of evasion and non-compliance", as informal firms have been found to deliberately opt for the informal sector (Andrews, Caldera, Snachez & Johansson, 2011) and remain permanently informal (La Porta & Shleifer, 2012) with low productivity to avoid regulation and control (Kikilias, 2009).

Regulations under the labor code, but also fiscal regulations in the labor field influence both labor supply, especially the disadvantaged groups that are sensitive to wage taxation, and labor demand by increasing the cost of labor, which reduces the investment capacity of firms. In developing countries, informal labor markets generates growth by reducing the impact of regulation, "because their existence allows firms to operate in an environment where wage and regulatory costs are lower" (Meghir, Narita & Robin, 2012). Although every country adopts policy measures to combat undeclared work, "unfortunately they are not adequately evaluated, making it difficult to assess their effectiveness" (Mateman & Rennoy, 2001). Williams & Nadin (2010) emphasizes that "Understanding the factors that determine participation in undeclared work are essential for public policy to take measures to move from informal to formal".

Because there are not enough studies on the effectiveness of control actions to tackle undeclared work undertaken by state institutions, we set out to conduct an empirical analysis of the tools used by labor inspectors in Romania, in 2019 the EU declaring Romania as the country where undeclared work is most widespread, with 80% of undeclared work being practiced in the form of paid but unregistered work by formal enterprises. The study includes variables related to the number of controls carried out by labour inspectors, sanctions applied to both employees and employers and their amount, providing a useful quantitative framework for investigating the relationships between informality and various labour market characteristics.

The paper is structured into five parts. The first part presents literature review, the main studies the extent of informal work and the instruments used to combat it. The second part provides a brief description of the context of the informal economy in Romania and includes details on how undeclared work is regulated and mitigated. Part three presents the data used and the methodology applied. The fourth part describes the methods used to identify the relationships (if any) between informal labor and the effectiveness of measures to tackle it. The last part details the most important empirical results, presents the conclusions drawn from the study and details the recommendations.

2. LITERATURE REVIEW

Informality may arise from a lack of legal reference or failure to comply with legal requirements. Informal work may be caused either by the lack of legal regulations to be applied to the activities performed or by the failure to comply with them in employment relationships.

While there is no universally accepted definition for the informal economy and no legal approach, informal work has been defined in legal terms. Since 1998, the concept of undeclared work has been defined in the EU “as any paid legal activity that is not declared to public authorities, taking into account differences between member states' regulatory systems” (Robertto, 2020). This means that in some EU countries, some activities that are recognized in other countries as informal work are tolerated even if this is not explicitly declared. As of 2017, only 11 EU member states had legal definitions of undeclared work (European Commission [EC], 2023). In 2007, the European Commission estimated undeclared work across the EU and, on average, almost a quarter of the EU27 population admitted to having purchased goods or services that involved undeclared work and it has been found that there is no uniform type of informal work (Pfau-Effinger, 2008), as it can encompass several transactions in addition to those involving employment relationships that are either fully undeclared or partially undeclared in a formal enterprise, such as: undeclared trade and services in the form of undeclared own-account workers and the provision of goods and services to neighbours, family, friends or acquaintances in the form of paid but unregistered/undeclared family work. (European Labour Authority [ELA], 2023) The scale of informal work in 2010 was estimated to account for 7% to 16% of EU GDP (International Labor Organization [ILO], 2010).

In 2019, 62.9% of undeclared work in the EU, was paid but undeclared work, 36.3% of self-employed workers are undeclared and 0.8% of family work also undeclared (EC, 2023). Areas where informal forms of work are commonly found are construction, renovation or repair work, gardening, cleaning, childcare or HORECA (ELA, 2021). Although undeclared work is a complex phenomenon found all over the world, not all countries have the same configuration of the structure of the informal labor market. There are countries where the majority of undeclared work may be mostly influenced (according to ELA surveys, in 2013 and 2019, over 80%) by undeclared self-employment, such as in Cyprus, and countries where undeclared work is mostly influenced by informal employees (over 90% in 2013 and 2019) with undeclared or partially declared jobs (Poland, Bulgaria and Italy). This different structure means that each country has a different approach to tackling undeclared work. Although each EU country has adopted measures to detect and combat undeclared work, there is insufficient evidence to support their effectiveness in tackling undeclared work in the long term, with only 19 of the 26 EU member states recording a decline in the labor market between 2013 and 2019 (ELA, 2023).

However, some empirical studies (Williams &, Nadin, 2012) recognize that the deterrents used, through harsh measures and sanctions applied to combat undeclared work, are the most effective methods used over time (Horodnic & Williams, 2019), although other studies have found that out participation in undeclared work is no longer sensitive to deterrents (Horodnic & Williams, 2018). There is a direct relation between the magnitude of taxes and the informal work: the higher the perceived tax component, the greater the incentive for both employers and employees to engage in informal relationships, and this may have the effect of including firms' exclusion from the market and increasing the risk of poverty among informal workers (La Porta & Shleifer, 2011; Schneider & Enste, 2000). Therefore, a balance between the efforts made by employees by bearing social

contributions and the entitlements received through social security could be an incentive to become formal. In addition, investigations on informality in poor low and middle-income countries also confirm that tax incentives and inspections by labor inspectors are the most effective tools to increase informality, while outreach interventions have a significantly higher impact on workers than on firms (Jeesen, Kluve, 2021). Also, another effective measure to combat undeclared work would be to strengthen the trust in the responsible national authorities and the understanding of the meaning of taxpayer (Pfau-Effinger, 2008), but this depends on the level of economic development of the country which directly affects the quality of the institutions. Any attempt by labor inspectorates to combat this phenomenon requires a balanced approach between prevention and enforcement (ILO, 2010).

The proposed solutions to combat undeclared work recognize tax morality as a significant factor in increasing employment, (Williams & Franic, 2015) by improving the culture of commitment to compliance among both employers and employees, with an inversely proportional relationship between tax morality and the likelihood of participation in informality (Windebank & Horodnic, 2017). All these studies highlight the complexity of measures to reduce employment and that they need to be tailored to the specific context of undeclared work.

3. UNDECLARED WORK IN ROMANIA AND ITS REGULATION AGAINST IT

In this article we set out to estimate the extent of undeclared work in formal enterprises in Romania that have at least one employee and to identify whether there has been progress in the actions taken by national authorities to identify and combat this practice.

Currently, the Romanian labor market is not a fully sustainable market, as some important structural imbalances persist. In 2022, the employment rate in Romania was 63.1%, below the EU27 average of 69.8%, but increasing in the last ten years by more than 50 thousand people on average per year, signalling differences between urban and rural areas, between sectors of the economy (11.3% agriculture, 32.8% industry and construction, 55.9% services) and a low employment rate among young people aged 15-24 (19.7% among young men and 42.4% among women).

The labor shortage specific to the Romanian labor market is more a direct cause of the decrease in human resources than of the increase in demand, with the inactive population accounting for 56.3% of the total population, 72.1% of the inactive being young people aged 15 years or older (INSE, 2022). Out of Romania's economically active population, the majority live in urban areas, with the economically active male population consistently outnumbering the female population. In 2022, 2.4% of the economically active population was represented by inactive people looking for a job but not available to start working, with people in the 25-44 age group having the highest share (40%). 17.5% of 15-24 year old population in Romania were not in education and not in employment, education or training (NEET), well above the EU27 average of 9.6%.

The shortage of human resources and the continuing high inactivity rate of the population aged 25-44 indicate that in Romania there are major problems with regard to the inclusion in the labor market of NEETs and those not interested in working, increasing the risk of social exclusion and poverty of those not in work, thus holding back the country's economic development. According to National Institute of Statistics of Romania, 21.2% of the population residing in private households in Romania have a disposable income of less than 16,278 lei annually (NIS, 2022). However, the study conducted by Kearney in 2022 for Visa concludes that Romania's informal economy accounts for 30.1% of GDP in 2022, indicating a high level of labor market segmentation with this high share of the informal economy (Ministry of Labor [ML], 2020). In 2017, in Romania, undeclared work and types of undeclared work were explicitly defined in the Labor Code and, starting from 2021, underdeclared work, including the consequences of non-compliance with labor rules through the reimbursement of contributions and taxes lost through non-declaration and under-declaration and additional fines.

In order to approach undeclared work and to improve control actions, all companies with at least one employee according to the Labor Code, starting January 1, 2011, have to declare all individual employment contracts in a general register of employees (REVISAL which will be

replaced by a new one, named REGES-ONLINE by the end of September, 2025) using a computer application distributed free of charge by the Labor Inspectorate through its own software applications. The purpose of this register is to centralize and ensure the transparency of information related to employment contracts, wages and other aspects related to employment relations. Thus, employees register becomes, for labor inspectors, a control tool to combat undeclared work.

Once the types of undeclared and under-declared work were defined in the Labor Code, the Romanian authorities tightened the sanctions regime by eliminating the limit of 5 persons established until 2017 for the classification of the act as a contravention, by increasing the fines for each type of declared work, including the introduction of the serious penalty of suspending the activity of the workplace subject to control in cases where labor inspectors find cases of undeclared work that lead to the application of this penalty. However, in order to encourage employers to comply with penalties and fines, the possibility of paying half of the fine within 48 hours of the date of notification has been introduced. All these legislative measures were aimed at reducing tax evasion in Romania and protecting the rights of undeclared workers.

4. METHODS

We explore the nature of undeclared work in Romania by analysing the trends in the evolution of the number of undocumented workers detected by labor inspectors following the controls carried out, and in order to understand trends in paid but undeclared work we identified and analysed the number of cases of undeclared work frequently used by existing firms in Romania, over the period 2012-2023. Because preventing this type of informal labor can only be done by the national authorities through the labor inspectorates, we aimed to assess the effectiveness of measures to combat undeclared work, both quantitatively and qualitatively, by identifying the types of control actions carried out by Romanian labor inspectors, the sanctioning measures and instruments applied to firms found to use undeclared work. In order to identify possible causes or effects of undeclared work we have analysed the correlation between these indicators by calculating the Spearman's rank correlation coefficient, in order to examine the relationships between the rate of informal labor and the cases identified as undeclared work, and to assess whether there are certain relationships between informal labor detected by labor inspectors and the effectiveness of measures to tackle it. For this analysis, we used the statistical data structured by the Ministry of Labor on measures to combat undeclared work, for the period 2012-2023, data publicly available on the Ministry of Labor of Romania website. The statistical datasets on the actions to combat undeclared work provide information on the total number of controls carried out, total employers sanctioned, total number of persons detected without legal forms of employment, total number of fines imposed, total number of measures ordered to remedy the non-compliances applied.

5. RESULTS AND DISCUSSIONS

In Romania, the Territorial Labour Inspectorates are responsible for preventing, detecting and sanctioning undeclared work, aiming to detect, combat and to reduce undeclared work through planned control actions at all categories of employers and through other control actions, such as national campaigns, organized individually or in partnership with other institutions, in order to increase the employment rate and reduce the economic and social risks for the informal workers detected.

Although for all cases of undeclared work identified, Romanian labor inspectors are taking measures to make employers comply with the legal provisions, including by remedying the non-compliance found (by requiring employers to conclude individual written employment contracts for undeclared workers and to record them in the accounts), there is no published data showing that the measures ordered following the controls have been consistently implemented and their long-term effect in increasing employment. We believe that, in order to increase the effectiveness and impact of control actions to combat undeclared work, methodologies should be developed to measure and evaluate results (score boards) that confirm that the actions taken are producing the planned results

(ILO, 2010).

Figure 1 below illustrates the dynamics of cases of undeclared work recognized by the Romanian Labor Code and the rate of informal employment as a percentage of the average number of employees detected by labor inspectors following annual control actions carried out at enterprises with at least one employee.

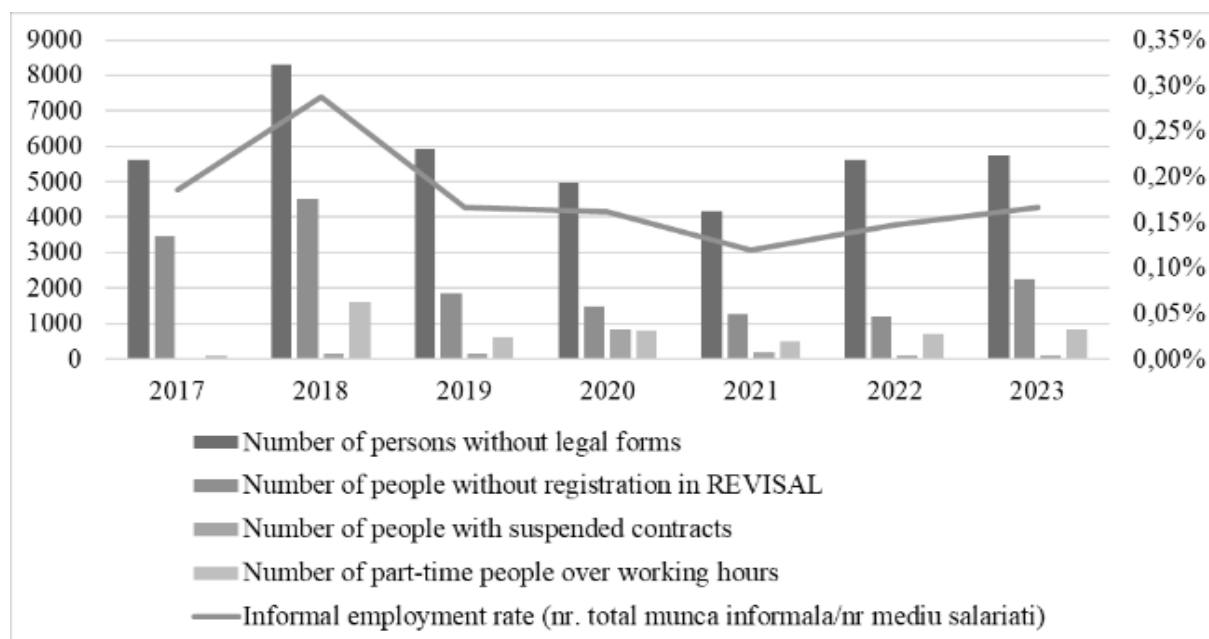


Figure 1. Types of undeclared work found in Romania, 2017-2023

Source: Author's own elaboration

Figure 1 also shows that, following compliance checks carried out by labor inspectors in formal enterprises in Romania, paid but undeclared work is mainly manifested by people working without legal forms (lack of written employment contract, lack of registration of the employment contract in REVISAL), the other types of informal work (people who work but have a suspended employment contract and people who work over the working hours provided for part-time contracts) occupying a share of less than 1%. The dynamics of the evolution of cases of undeclared work identified by labor inspectors showed an oscillating trend over the period analyzed, starting with a slight decrease and then resuming the upward trend in 2020, until 2023, with a sharp increase in suspended contracts, confirming, also in the case of Romania, the impact of the COVID-19 crisis on the reliance on informal work (Misra, Kumari & Sajid, 2024).

We examined next, using the Spearman's rank correlation coefficient, the relationship between the undeclared work and the rate of informal work (see Table 1).

Table no 1. Bivariate correlation between persons without legal forms and the rate of informal work.

Informal work cases	Informal employment rate	
	Rs	Sig. (2-tailed)
Number of persons without legal form	0,679	0,094
Number of individuals without registration in REVISAL	0,964	0,000**
Number of people with suspended contracts	-0,378	0,403
Number of part-time people over working hours	0,357	0,432

Source: data obtained using SPSS software

We have found out that, based on the data presented in Table 1, for the period 2017-2023, the cases of informal labor identified by labor inspectors have moderate and weak correlation with informal labor. The strong positive relationship in the number of persons whose individual employment contract was not recorded in the accounts ($p=0.964$) suggests that a large share of informal labor is influenced by the lack of formal reporting, with employers deliberately avoiding tax regulations by not recording individual employment contracts in the accounts. Also, the moderate correlation of the number of undocumented individuals with the rate of informal labor shows that this informal labor case may have a major impact on informal labor but because the sample we analysed is limited (informal labor cases being defined and reported since 2017) we obtained that this relationship is statistically insignificant ($p=0.94$). The moderate positive correlation of people who have part-time contract but work over the normal working hours indicates that this case could directly influence the overall rate of informal work, showing that the abuse of part-time is also a factor in the maintenance of informal work for employers in Romania, while the weak negative relationship of people who have suspended employment contract ($p=-.378$) has a low impact on informal work, as suspended contracts are used temporarily, occasionally as a type of undeclared work.

The analysis of the data presented in Figure 2 shows that, although the number of checks decreased slightly from 2012 to 2017, with the regulation of undeclared work, the level remained relatively constant until 2022, showing a balance between the control actions carried out by labor inspectors and the areas susceptible to frequent use of undeclared work, through a more effective selection of the subjects controlled.

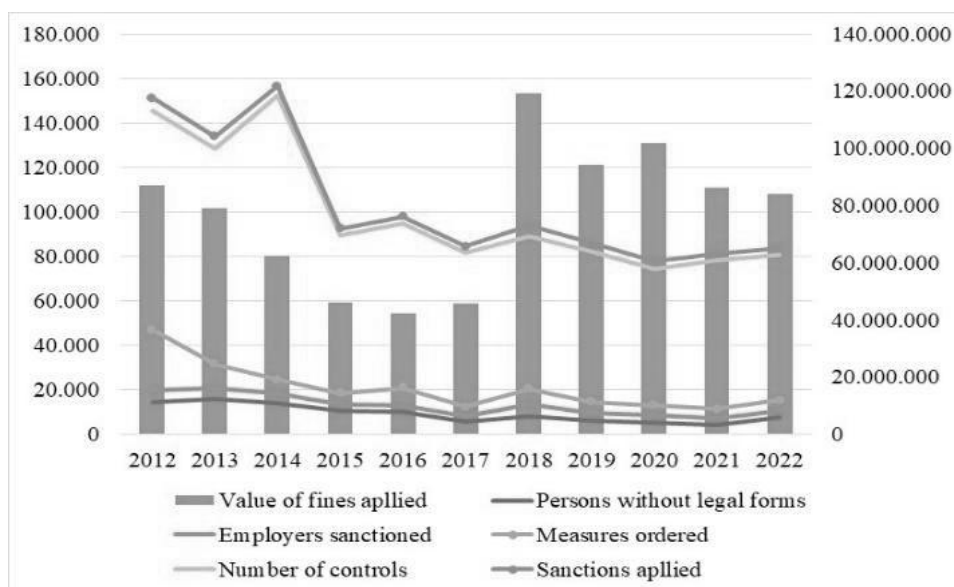


Figure 2. Dynamics of control actions to detect undeclared work in Romania, 2012-2023

Source: Author's own elaboration

One can observe that there is not a perfectly linear correlation between the number of controls and fines imposed on sanctioned employers, with the highest fines being imposed in 2018. In order to assess whether there is some relationship between informal work detected by labor inspectors and the effectiveness of measures to combat it, we analysed the correlation between these indicators by calculating Spearman's rank correlation coefficient, the significant relationship being classified into two intensity classes (correlation is significant at 0,001 level, see Table 2).

The correlation analysis between the indicators shows that the number of undeclared persons is moderately positively correlated with the number of employers sanctioned and the number of sanctions applied, but the weak correlation with the number of checks indicates that the detection of the number of undeclared persons depends more on the quality of the control actions than on the volume of checks carried out (see Table 2). However, the strong correlation between the number of controls and the number of measures ordered and sanctions applied suggests that the control actions carried out by labor inspectors to combat undeclared work in employment relationships have been

effective and that their impact has been achieved in that most of the non-compliances identified are declared and sanctioned by the recovery of contributions and tax, at least during the period when there were frequent and extensive control actions at the firms controlled. The fact that the amount of the fines is poorly correlated with the number of controls shows that it depends more on the seriousness of the misconduct than on the number of controls. The number of sanctioned employers is correlated with the amount of fines imposed, which indicates that the increase in sanctions for employers leads directly to an increase in the total amount of fines, but the moderate correlation with the number of sanctions imposed and the measures ordered shows that sanctioned employers are frequently accompanied by additional measures.

Table no 2. Bivariate correlation between persons without legal forms and restraintment instruments.

Correlations Spearman's rho		Persons without legal forms	Employers sanctioned	Measures ordered	Number of controls	Sanctions applied	Value of fines applied
Persons without legal forms	Correlation Coefficient	1,000	,555	,909**	,845**	,491	-,264
	Sig.	.	,077	,000	,001	,125	,433
Employers sanctioned	Correlation Coefficient	,555	1,000	,609*	,436	,982**	,545
	Sig.	,077	.	,047	,180	,000	,083
Measures ordered	Correlation Coefficient	,909**	,609*	1,000	,718*	,555	-,073
	Sig.	,000	,047	.	,013	,077	,832
Number of controls	Correlation Coefficient	,845**	,436	,718*	1,000	,345	-,473
	Sig.	,001	,180	,013	.	,298	,142
Sanctions applied	Correlation Coefficient	,491	,982**	,555	,345	1,000	,645*
	Sig.	,125	,000	,077	,298	.	,032
Value of fines applied	Correlation Coefficient	-,264	,545	-,073	-,473	,645*	1,000
	Sig.	,433	,083	,832	,142	,032	.
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

Source: SPSS data processing by the authors

Figure 3 illustrates the rate of employer dynamics calculated as the ratio between the number of sanctioned employers and the total number of checks carried out and the ratio between the number of persons without legal forms and sanctioned employers, respectively.

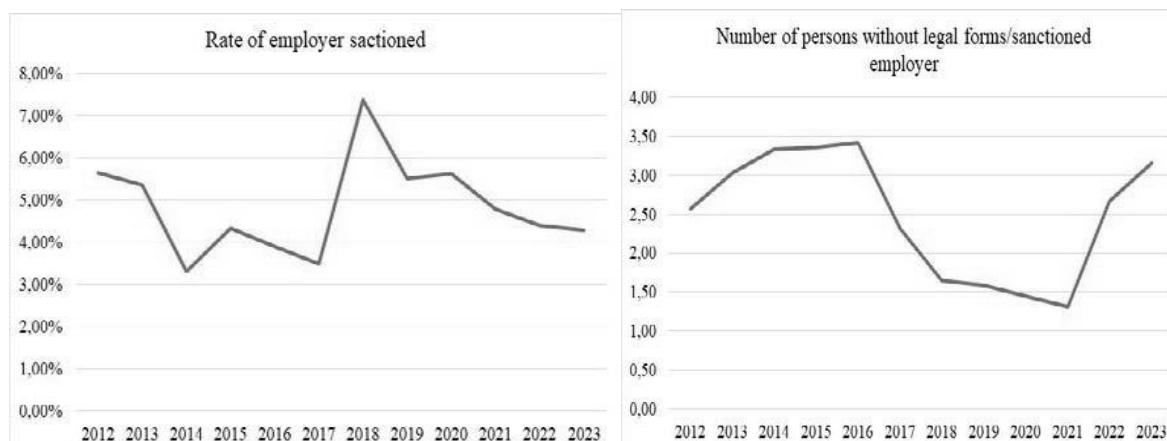


Figure 3. Employer dynamics (number of sanctioned employers/total number of checks) and number of persons without legal forms/total number of employers)

Source: Author's own elaboration

One can note, analysing the figures above, that the rate of employees sanctioning decreased significantly as the number of controls decreased, which may indicate more a persistence of problems in certain sectors of activity than an increase in the degree of compliance of employees, since the ratio of persons/employer remained relatively constant over the period analysed, showing that sanctioned employers in Romania continue to break the law and to use undeclared work on a large scale, even though severe financial measures are applied to discourage cases of illegal employment.

Even if the sanctioning measures applied by labor inspectors have been tightened by increasing the fines imposed and the controls have achieved their objective in identifying cases of informal work, the effect of reducing undeclared work is insignificant, which means, on the one hand, that the results obtained by Gunther and Launov confirm that the number of people detected by the controls carried out more indicates that the person belongs to the formal or informal sector (Gunther & Launov A., 2012) and, on the other hand, that by increasing the amount of fines, the fiscal goal of recovering financial damage (social contributions and taxes) was aimed more (ELA, 2023) than correcting the causes that led to the practice of informal labor (Kanbur, 2014), because the number of detected persons who are not in a legal form remained constant. (ILO, 2010). Although Romania has a well-defined legal framework regarding under and undeclared work, its implementation and enforcement is deficient among both employers and informal workers. We believe that in Romania sanctioned employers continue to use undeclared work on a large scale, even if severe sanctions are applied is a cause of the low level of culture (Mateman & Rennoy, 2001), financial literacy (Loayza, 2018), both at the level of employers (La Porta & Shleifer, 2014) and at the level of people working partially or totally without legal coverage. We believe that in order to streamline the strategy to combat undeclared work, models for assessing the riskiest cases should be developed, combining information and education - prevention and enforcement activities by increasing the success rates of inspections. Sending targeted letters to firms that have been identified for potential regulatory violations to bring them into compliance is another direction that can be emphasized. In this regard, the example of Spain's Nudge campaign which targeted companies that were not complying with regulations on part-time employment and temporary contracts. The use of predictive modeling improved the success rate of all inspection checks from 35% to 75-80%. (EU, 2013).

Although Romania acts mainly to prevent, detect and sanction undeclared work, aiming to increase employment in order to reduce the risks generated by undeclared work in all economic and social areas, the 2013 and 2019 estimates by ELA show that undeclared work estimated as a percentage of GVA has increased significantly, with Romania occupying a leading position with a significant 80.9% of undeclared work, which shows that the measures to combat undeclared work are ineffective or insufficient in relation to the size of this phenomenon. While measures to combat undeclared work have had an impact, this has only been temporary and has failed to bring about lasting systemic change. Rather than being a gradual process, the fight against undeclared work seems to follow a cyclical pattern, dependent on the intensity of controls and the economic context. The sustainability of the measures put in place is questionable.

6. CONCLUSIONS

In this paper we analysed the effectiveness of the instruments of sanctioning undeclared work applied by labor inspectors in Romania in order to detect and combat cases of undeclared work practiced in companies with at least one employee.

Targeted inspections can provide a clearer picture of identified undeclared work and improve enforcement outcomes by formulating public policies that take into account risk factors specific to the nature of informal work, such as the frequency of undeclared work found in formal enterprises, so that responsibilities for the parties involved, employers and employees in informal employment relationships, are identified. Through the thematic inspections frequently initiated by labor inspectors in the period 2012-2023, a significant number of employers were detected to be constantly employing undeclared workers, and the phenomenon persists, despite the harsh sanctions applied, in the high-risk sectors: construction, tourism and catering, textile manufacturing and garment manufacturing. This shows that the policy measures taken by Romania's labor inspectors have had a temporary impact

but, unfortunately, not a sustainable one, because, in certain vulnerable areas of activity, undeclared work returns when the pressure from the authorities eases. This is why we believe that an integrated approach to the measures taken by labor inspectors is needed in order to achieve the objective of combating undeclared work, with greater emphasis on the frequency of checks for areas at risk of informal work, prevention and education to discourage the practices of employers who facilitate this phenomenon. In terms of the types of undeclared work, there are only statistical data on the volume of undeclared work as defined by the Labor Code, but no data or estimates on the volume of undeclared work, gray or envelope labor. In this situation, an intensification of thematic controls strictly targeting gray work and the application of sanctions would correct the non-compliant behavior of both employers and informal employees.

The analysis shows that Romanian labor inspectors have stepped up controls and fines in key sectors, but the overall effectiveness of measures to identify and combat undeclared work should be correlated with the overall decrease in the incidence of undeclared work at national level. In order to reduce informal work, it would be useful to intensify and increase the frequency of controls in areas with persistent informal work practices (especially during critical periods) when these are seasonal. Qualitative analysis of post-intervention compliance and the socio-economic impact of the fines imposed should also be carried out.

Our analysis shows that compliance policies and controls aimed at recording these in the accounts can have a major impact on reducing informal work thus demonstrating that legislative interventions and inspections focused on the formal recording of employment contracts in the accounts are key to reducing informal work.

Based on data from checks carried out by labor inspectors, it is possible to identify factors contributing to informal work, such as: sector of activity, size of economic units checked or type of violations. A limitation of this quantitative study is the small sample size available to identify cases of undeclared work, which are reported since 2017 with the regulation of undeclared work, and that the number of people detected as informal is the number determined from the controls only on companies with at least one employee and therefore does not capture all representative information for the employed but unreported population.

REFERENCES

1. Andrews, Dan & Caldera, Aida & Johansson, Åsa. (2011). Towards a Better Understanding of the Informal Economy, *OECD Economics Working Papers No. 873*, <https://doi.org/10.1787/5kgblmf88x28-en>.
2. European Commission, (2023) Directorate-General for Employment, Social Affairs and Inclusion, Quaresma, H., Euler, C., Koronthalyova, I., Thornton-Lee, R. et al., *Study on the effectiveness of policies to tackle undeclared work – Final report*, Publications Office of the European Union, <https://data.europa.eu/doi/10.2767/065213>
3. European Commission, (2021), European-semester_thematic-factsheet_undeclared-work, Retrieved 6 March, 2025, from https://commission.europa.eu/system/files/2021-01/european-semester_thematic-factsheet_undeclared-work_ro.pdf
4. ELA, (2023), Extend undeclared work in the European Union, Retrieved 9, March, 2025, from <https://www.ela.europa.eu/sites/default/files/2023-03/Study-on-the-extent-of-undeclared-work-in-the-EU.pdf>
5. Gunther, I., Launov, A., 2012, Informal employment in developing countries: opportunity or last resort?, *Journal of Development Economics*, vol.97, issue 1, 2012, pages 88-98, <https://doi.org/10.1016/j.jdeveco.2011.01.001>
6. Horodnic, I., Williams, C., C., (2018), Do deterrents prevent undeclared work? A policy brief an evaluation of the rational economic actor approach, <https://www.ela.europa.eu/sites/default/files/2021-09/Policy%20Brief%201%20-%20do%20deterrents%20prevent%20undeclared%20work.pdf>
7. Horodnic, I. and Williams, C.C. (2019) Tackling undeclared work in the European Union: beyond the rational economic actor approach. *Policy Studies*, 43 (1). pp. 21-55.

- ISSN 0144-2872 <https://doi.org/10.1080/01442872.2019.1649384>
8. ILO, 2010 Labour inspection in Europe: undeclared work, migration, trafficking, Geneva, Retrieved 15, April, 2025, <https://www.ilo.org/media/339271/download>
 9. Kanbur, R., 2014, Informality: Cause, consequences and policy response, Working paper WP 2014-18, Charles H. Dyson School of Applied Economics and Management Cornell University, Ithaca, new York, <https://ecommons.cornell.edu/server/api/core/bitstreams/4758882f-c8bb-45cf-b804-c73cfb6b5974/content>
 10. Kikilias E., 2009, An Inquiry into the Correlates of Informal Economy and Undeclared Work, Social Cohesion Bulletin, No. 1, Greece, https://www.ekke.gr/uploads/announcements/Social_2009_1.pdf
 11. La Porta R., Shleifer A., 2014, Informality and Development, Journal of Economic Perspectives, vol. 28, no.3, pages 109-26, <https://doi.org/10.1257/jep.28.3.109>
 12. Loayza, Norman V.. Informality : Why Is It So Widespread and How Can It Be Reduced? (English). Research & Policy Briefs no. 20 Washington, D.C. : World Bank Group Retrieved from <http://documents.worldbank.org/curated/en/130391545228882358>
 13. Mateman S., Renooy P.H., 2001, Undeclared labour in Europe. Towards an integrated approach of combatting undeclared labour, Amsterdam, https://www.regioplan.nl/wp-content/uploads/data/file/internationaal/undeclared_labour-2001.pdf
 14. Meghir, C., Narita, R., Robin, J.M., 2012, Wages and informality in developing countries, Working paper 18347, National Bureau of Economic Research, Cambridge, <https://www.nber.org/papers/w18347>
 15. ML, 2020, Socio-economic analysis of the employment 2014-2020. Retrieved 2 April, 2025, https://mmuncii.ro/j33/images/Documente/MMPS/Rapoarte_si_studii_MMPS/DPOCM/2019_ANALIZA_SOCIO_ECONOMIC_A_DOMENIULUI_OCUPARE_2014-2020_Faza_II.pdf
 16. Misra, A.K., Kumari , M., Sajid, M., 2024, Role of informal sector to combat unemployment in developing economy: A modeling study, Heliyon 10, <https://doi.org/10.1016/j.heliyon.2024.e33378>
 17. NIS, Tendințe sociale, Retrieved 10 April, 2025, https://insse.ro/cms/files/Publicatii_2023/05.Tendinte_sociale/Tendinte_sociale.pdf
 18. Pfau-Effinger, B., 2008, Varieties of undeclared work in European societies, Centre for Comparative Welfare Studies, Institut for Økonomi, Politik og Forvaltning, Aalborg Universitet, <https://vbn.aau.dk/ws/portalfiles/portal/16384944/2008-62-Pfau-effinger.pdf>
 19. Robertto Dell Anno, 2022, Theories and definitions of the informal economy: A survey, *Journal of Economic Surveys* Volume 36, Issue 5, p. 1610-1643, <https://doi.org/10.1111/joes.12487>
 20. Schneider F., Enste D., 2000, Shadow economies around the world: size, causes, and consequences, IMF working papaper, WP/00/26, <https://www.imf.org/external/pubs/ft/wp/2000/wp0026.pdf>
 21. Williams C., Franić J., 2015, Tackling the Propensity towards Undeclared Work: Some Policy Lessons from Croatia, *South East European Journal of Economics and Business*, 2015, vol. 10, issue 1, 18-31
 22. Williams C.C., Nadin S., 2010, Entrepreneurship and the informal economy: an overview”, *Journal of Developmental Entrepreneurship* vol. 15(04), p.361-378. <https://doi.org/10.1142/S1084946710001683>
 23. Williams, C. C., Nadin, S. (2012). Tackling the hidden enterprise culture: Government policies to support the formalization of informal entrepreneurship. *Entrepreneurship & Regional Development*, 24(9–10), 895–915. <https://doi.org/10.1080/08985626.2012.742325>